HSBC HOLDINGS PLC
Form 6-K
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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a - 16 or 15d - 16 of

the Securities Exchange Act of 1934

For the month of August

HSBC Holdings plc

42nd Floor, 8 Canada Square, London E14 5HQ, England

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F).

Form 20-F X Form 40-F ......

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934).

Yes....... No X

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-..............).

1 August 2011

HSBC HOLDINGS PLC

2011 INTERIM RESULTS - HIGHLIGHTS

Financial highlights:

- Reported pre-tax profit US$11.5bn: up 3% on 1H10, and 45% on 2H10*
- Profit attributable to ordinary shareholders US$8.9bn: up 35% on 1H10, 46% on 2H10
- Return on average ordinary shareholders' equity 12.3%: up from 10.4% in 1H10, 8.9% in 2H10
- Earnings per share US$0.51: up 34% on 1H10, and 46% on 2H10
- Net assets per share of US$8.59: up 17% on 1H10, and 8% on 2H10
- Dividends declared in respect of 2011 totalling US$0.18 per ordinary share, up 12.5%
- Loan impairment and other credit risk provisions US$5.3bn: down 30% on 1H10, 19% on 2H10
- Advances-to-deposits ratio 78.7%: up from 77.9% in 1H10, and 78.1% in 2H10
- Core tier 1 capital ratio increased to 10.8% from 10.5% during the period

Business highlights:

- Commercial Banking profits up 31%: supported by revenues up 14% and customer lending up 12% compared to year end
- Retail Banking and Wealth Management profits up 131% as loan impairment charges fell
- Global Banking and Markets profits down 12%, but held up well against strong 1H10
- Profitable in all regions: profits up in Asia, Latin America, the Middle East and North America
- Revenues stable at US$35.7bn: double digit growth in Asia and Latin America
- Customer lending up 8% on year end: led by demand in trade, emerging markets and Europe
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In the US, made progress on strategic review of credit card business and announced disposal of 195 non-strategic branches, principally in upstate New York

- Announced: closure of retail banking in Russia and Poland; disposal of three insurance businesses

  - Cost efficiency ratio of 57.5%: compared with 50.9% in 1H10, and 59.9% in 2H10

Stuart Gulliver, Group Chief Executive said:

"I am pleased with these results, which mark a first step in the right direction on what will be a long journey."

Key performance indicators*:	1H11	1H10	2H10	Target/ benchmark
Return on average ordinary shareholders' equity	12.3%	10.4%	8.9%	12-15%
Cost efficiency ratio	57.5%	50.9%	59.9%	48-52%
Earnings per share (US$)	0.51	0.38	0.35	-
Core tier 1 ratio	10.8%	9.9%	10.5%	9.5-10.5%**

*All figures are given on a reported basis, unless otherwise stated
**Assumed common equity tier 1 ratio under Basel III

HSBC HOLDINGS REPORTS PRE-TAX PROFIT OF US$11,474M

HSBC made a profit before tax of US$11,474m, an increase of US$370m, or 3.3%, compared with the first half of 2010.

Profit attributable to ordinary shareholders was US$8,929m, an increase of US$2,300m or 35% compared with the first half of 2010.

Net interest income of US$20,235m was US$478m, or 2.4%, higher than the first half of 2010.

Net operating income before loan impairment charges and other credit risk provisions of US$35,694m was US$143m, or 0.4%, higher than the first half of 2010.

Total operating expenses of US$20,510m increased by US$2,399m, or 13.2%, compared with the first half of 2010. On an underlying basis, and expressed in terms of constant currency, operating expenses increased by 10%.

HSBC's cost efficiency ratio was 57.5% compared with 50.9% in the first half of 2010.

Loan impairment charges and other credit risk provisions were US$5,266m in the first half of 2011, US$2,257m lower than the first half of 2010.

The Directors have declared a second interim dividend for 2011 of US$0.09 per ordinary share, a distribution of approximately US$1,604m.

The core tier 1 ratio and tier 1 ratio for the Group remained strong at 10.8% and 12.2%, respectively, at 30 June 2011.

The Group's total assets at 30 June 2011 were US$2,691bn, an increase of US$236bn, or 9.6%, since 31 December 2010.

Geographical distribution of results

Profit/(loss) before tax

	Half-year to					
	30 June 2011		30 June 2010		31 December 2010	
	US$m	%	US$m	%	US$m	%
Europe	2,147	18.7	3,521	31.7	781	9.8
Hong Kong	3,081	26.9	2,877	25.9	2,815	35.5
Rest of Asia-Pacific	3,742	32.6	2,985	26.9	2,917	36.8
Middle East and North Africa	747	6.5	346	3.1	546	6.9
North America	606	5.3	492	4.4	(38)	(0.5)
Latin America	1,151	10.0	883	8.0	912	11.5
	11,474	100.0	11,104	100.0	7,933	100.0
Tax expense	(1,712)		(3,856)		(990)	
Profit for the period	9,762		7,248		6,943	
Profit attributable to shareholders of the parent company	9,215		6,763		6,396	
Profit attributable to non-controlling interests	547		485		547	

Distribution of results by customer group and global business

Profit/(loss) before tax

	Half-year to					
	30 June 2011		30 June 2010		31 December 2010	
	US$m	%	US$m	%	US$m	%
Retail Banking and Wealth Management	3,126	27.3	1,352	12.1	2,487	31.4
Commercial Banking	4,189	36.5	3,204	28.9	2,886	36.4
Global Banking and Markets	4,811	41.9	5,452	49.1	3,763	47.4
Global Private Banking	552	4.8	556	5.0	498	6.3
Other	(1,204)	(10.5)	540	4.9	(1,701)	(21.5)

11,474	100.0	11,104	100.0	7,933	100.0

Statement by Douglas Flint, Group Chairman

Good progress has been made during the first half of 2011 in setting the necessary course to build further sustainable value from HSBC's many advantaged positions in attractive markets and customer-facing businesses. The priorities, set out in the Strategy Day which Stuart Gulliver, Group Chief Executive, presented with his team in early May this year, are now being actioned, as Stuart sets out clearly in his review. Against the backdrop of the significant regulatory change which is under way, our clear focus is to concentrate HSBC's capital allocation and resources on the market segments which we are best able to serve competitively and efficiently.

Our ability to make progress on these strategic issues has been enhanced by a period of relative stability in operating performance as revenue strength in the faster growing economies continued to offset the constraining impact of the wind-down of our exit portfolios. With credit experience also continuing to improve, earnings per share for the first half of 2011 of US$0.51 were 34% higher than those delivered in the first half of last year. The Group Chief Executive's review describes in more detail the drivers of this encouraging performance.

As foreshadowed when we reported our 2010 results, the Board has declared two interim dividends of US$0.09 per ordinary share in respect of 2011, with the second interim dividend payable on 6 October 2011 to holders of record on 18 August 2011 on the Hong Kong Overseas Branch Register and 19 August 2011 on the Principal Register in the United Kingdom or on the Bermuda Overseas Branch Register. These dividends are 12.5% higher than those declared at the comparable stages last year.

Given the intense current focus amongst the regulatory and political communities on bank capital strength, it is very positive to note both that our capital position strengthened during the period and that we comfortably passed the European Banking Authority's industry wide stress test, the results of which were made public on 15 July 2011. The Group's core tier 1 ratio, which is the ratio most critically monitored by regulators, increased to 10.8% at 30 June 2011 from 10.5% at 31 December 2010 and 9.9% at 30 June 2010.

There has been significant further activity on the regulatory reform front in the period. The Independent Commission on Banking in the UK published its Interim Report on 11 April 2011 and we submitted our comments on its preliminary conclusions on 4 July 2011 in line with the timetable laid down. HSBC has been very actively involved in the debate around one of the principal reform ideas raised in this report, namely the concept of structurally 'ring-fencing' certain of the core activities contained within UK-incorporated universal banks; in our case this would affect our UK subsidiary, HSBC Bank plc. The objective of 'ring-fencing' certain activities from other activities is to facilitate the resolution and continuation of the core activities contained within the 'ring-fence', at little or no cost to the taxpayer in the event of a future crisis.

Much of the ongoing debate is around assessing the likely impact of various alternative 'ring-fencing' definitions on credit supply to the real economy in the UK and on the competitiveness of UK-incorporated banks. We believe the critical judgements ultimately to be made must consider two principal factors. The first of these is how any restructuring will likely affect the quantum and cost of credit supply to the real economy. The second is whether the benefit of this incremental restructuring - on top of the aggregate of all the reform measures already in hand under Basel III and EU directives - outweighs the considerable cost and time commitment involved.

In another major new development, the Basel Committee and the Financial Stability Board have now issued consultation documents concerning additional capital requirements for banks identified as global systemically important financial institutions. Incremental common equity of between 1% and 2.5% of risk-weighted assets on top of Basel III requirements is being proposed. We expect HSBC will fall at the higher end of incremental capital requirements. This level of capital is consistent with the expectation of Basel III common equity tier 1 ratio levels of between 9.5% and 10.5% referred to in our Annual Report and Accounts 2010.

The pace and quantum of regulatory reform continues to increase at the same time as the global economy appears to be losing momentum in its recovery. We are concerned about the possible pro-cyclical impacts of further deleveraging of the global economy arising from the regulatory reform agenda, at the same time as sovereign credit concerns and fiscal consolidation challenges become more critical.

Financial markets globally will likely be volatile over the rest of this year and into 2012 as participants assess and react to the possibility of political constraints preventing timely or optimal economic decisions. The global economy is currently facing many such situations, ranging from reaching a sustainable solution to eurozone sovereign indebtedness through dealing with the impact of inflationary pressures and commodity price increases on developing economies, supporting social reform and cohesion in the Middle East, balancing the growth imperative in the faster-growing economies with the consequences of asset price bubbles and, most importantly, negotiating a long-term framework for budget discipline and related financing in the United States.

Finally, I am delighted to report how effectively the new management team under the leadership of Stuart Gulliver is working together and making progress, under the governance and supervision of the Board, in delivering the strategic agenda which has been agreed. There is much to do and, as noted above, the current economic backdrop contains many challenges. However, the mood in the organisation is upbeat and there is real commitment and enthusiasm to tackle the tasks ahead of us.

Review by Stuart Gulliver, Group Chief Executive

HSBC's financial performance improved.

- Reported profit before tax was US$11.5bn, up 3% from 1H10 and 45% from 2H10.
- Profit attributable to ordinary shareholders was US$8.9bn, up 35% from 1H10 and 46% from 2H10.
- Return on average ordinary shareholders' equity was 12.3%, up from 10.4% in 1H10 and 8.9% in 2H10.
- The cost efficiency ratio was 57.5%, up from 50.9% in 1H10 but down from 59.9% in 2H10.
- The advances-to-deposits ratio was 78.7%, up from 77.9% in 1H10 and 78.1% in 2H10.
- We declared two interim dividends in respect of 2011 totalling US$0.18 per ordinary share, up 12.5% year on year.
- The core tier 1 capital ratio was 10.8% at 30 June 2011, compared with 10.5% at 31 December 2010.

Progress on strategy

HSBC's global network covers the majority of world trade and capital flows, and provides access to faster-growing economies as well as the mature economies where wealth is stored. In May, we articulated our strategy to become the world's leading international bank by building on this distinctive position to leverage global economic and demographic trends. We also outlined our plans to deploy capital more efficiently, to improve cost efficiency and to target growth in selected markets. We are making progress in all three areas:

- First, as a result of our portfolio review and application of a five-filter framework, we announced a number of closures and disposals. These included the closure of our retail businesses in Russia and Poland and the disposal of three insurance businesses. More materially in the US, we have made progress on the strategic review of our credit card business and announced the disposal of 195 non-strategic branches, principally in upstate New York.

- Second, we are targeting US$2.5-3.5bn of sustainable cost savings by 2013. Since the start of 2011, we have begun operational restructurings in Latin America, the US, the UK, France and the Middle East which will reduce headcount by around 5,000. We launched a programme to reduce the costs of our head office and global support functions. We also initiated more efficient business operating models for Commercial Banking and Retail Banking and Wealth Management.

- Third, we continued to position the business for growth. We increased revenues in target markets and we made progress in wealth management, where we saw higher investment income, especially in Asia, and funds under management in Global Asset Management reached a record high at the end of the period.

Revenues

- At US$35.7bn, total Group revenues were stable compared with 1H10 and up 9% compared with 2H10.

- We recorded double-digit revenue growth in Hong Kong, Rest of Asia-Pacific and Latin America compared with 1H10.

- As we had forecast, revenue declined in the US as we continued to manage down balances in the run-off portfolios, and in Balance Sheet Management as positions matured. Along with many peers, we saw weaker Credit and Rates revenues in Europe in Global Banking and Markets.

Loan impairment charges

Loan impairment charges were US$5.3bn compared with US$7.5bn in 1H10 and US$6.5bn in 2H10.
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- Most of the improvement was in the US. The Consumer Finance run-off and Cards portfolios recorded lower balances as well as improved delinquency rates, although we saw a slowing of delinquency trend improvements in the second quarter.

In Global Banking and Markets, loan impairment charges and other credit risk provisions were lower.
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Cost efficiency

- The cost efficiency ratio rose from 50.9% to 57.5% compared with 1H10. Reflecting strategic investment in the business, key drivers behind the increase were higher staff numbers, wage inflation, and other costs related to business growth. We also reported a number of notable cost items during the period.

- The cost efficiency ratio fell compared with 59.9% in 2H10 as we controlled discretionary spend and took action to make sustainable savings.

- Significantly, on a quarterly basis, the cost efficiency ratio was 54.4% in 2Q11, lower than in each of the previous three quarters.

Balance sheet

- Compared with year-end 2010, customer account balances increased by 7% or US$91.3bn to US$1.3 trillion, with most of the increase in Europe and Asia.

- Compared with year-end 2010, total customer loan balances increased by 8% or US$79.5bn to US$1.0 trillion, rising in all regions except North America, where we managed down balances in the Consumer Finance portfolios.

- The core tier 1 ratio increased during the period from 10.5% at the end of 2010 to 10.8%, driven primarily by profit generation.

Economic outlook

We remain positive on the outlook for emerging markets. We expect a soft landing in China and we believe Hong Kong is well-equipped to mitigate overheating pressures. We expect continued growth in the rest of Asia-Pacific and Latin America and take comfort from the focus of the authorities on managing inflationary pressures. In the Middle East, the outlook for the Gulf Cooperation Council economies is also positive.

In the developed world, growth in the US and Europe is likely to remain sluggish as long as the impact of high debt levels and government budget cuts weigh on economic activity. In the UK, we remain concerned that regulatory actions being contemplated and the ongoing regulatory uncertainty will constrain the supply of credit to the real economy and contribute to sub-par economic growth.

In closing, I would add that I am pleased with these results, which mark a first step in the right direction on what will be a long journey.

Financial Overview

Half-year to 30 June 2011 £m	HK$m		30 June 2011 US$m	Half-year to 30 June 2010 US$m	31 December 2010 US$m
		For the period			
7,102	89,302	Profit before tax	11,474	11,104	7,933
5,527	69,494	Profit attributable to ordinary shareholders of the parent company	8,929	6,629	6,117
2,480	31,179	Dividends	4,006	3,261	3,089
		At the period end			
100,156	1,247,066	Total shareholders' equity	160,250	135,943	147,667
108,615	1,352,387	Total regulatory capital	173,784	154,886	167,555
902,791	11,240,834	Customer accounts and deposits by banks	1,444,466	1,274,637	1,338,309
1,681,867	20,941,261	Total assets	2,690,987	2,418,454	2,454,689
730,331	9,093,493	Risk-weighted assets	1,168,529	1,075,264	1,103,113

£	HK$		US$	US$	US$
		Per ordinary share			
0.32	3.97	Basic earnings	0.51	0.38	0.35
0.31	3.89	Diluted earnings	0.50	0.38	0.34
0.13	1.63	Dividends*	0.21	0.18	0.16
5.37	66.85	Net asset value at period end	8.59	7.35	7.94
		Share information			
		US$0.50 ordinary shares in issue	17,818m	17,510m	17,686m
		Market capitalisation	US$177bn	US$161bn	US$180bn
		Closing market price per ordinary share	£6.18	£6.15	£6.51
			Over 1 year	Over 3 years	Over 5 years
		Total shareholder return to			
		30 June 2011**	104.6	104.9	95.6
		Benchmarks: FTSE 100	124.9	118.4	122.6
		MSCI World	122.3	127.9	132.6
		MSCI Banks	111.0	103.2	77.5

* The dividend per ordinary share of US$0.21 shown in the accounts is the total of the dividends declared during the first half of 2011. This represents the fourth interim dividend for 2010 and the first interim dividend for 2011.

** Total shareholder return ('TSR') is as defined on page 227 of the Annual Report and Accounts 2010.

	Half-year to		
	30 June 2011 %	30 June 2010 %	31 December 2010 %
Performance ratios			
Return on average invested capital*	11.4	9.4	8.2
Return on average ordinary shareholders' equity	12.3	10.4	8.9
Post-tax return on average total assets	0.7	0.6	0.6
Pre-tax return on average risk-weighted assets	2.0	2.0	1.4
Efficiency and revenue mix ratios			
Cost efficiency ratio	57.5	50.9	59.9

As a percentage of total operating income:			
- net interest income	47.8	48.6	50.0
- net fee income	20.8	20.9	22.5
- net trading income	11.4	8.7	9.3
Capital ratios			
- Core tier 1 ratio	10.8	9.9	10.5
- Tier 1 ratio	12.2	11.5	12.1
- Total capital ratio	14.9	14.4	15.2

* Average invested capital is measured as average total shareholders' equity after:

- adding back the average balance of goodwill amortised before the transition to IFRSs or subsequently written off directly to reserves (less goodwill previously amortised in respect of the French regional banks sold in 2008);

- deducting the average balance of HSBC's revaluation surplus relating to property held for own use. This reserve was generated when determining the deemed cost of such properties on transition to IFRSs and will run down as the properties are sold;

- deducting average preference shares and other equity instruments issued by HSBC Holdings; and

- deducting average reserves for unrealised gains/(losses) on effective cash flow hedges and available-for-sale securities.

Consolidated Income Statement

Half-year to 30 June 2011 £m	Half-year to 30 June 2011 HK$m		Half-year to 30 June 2011 US$m	Half-year to 30 June 2010 US$m	Half-year to 31 December 2010 US$m
19,217	241,631	Interest income	31,046	28,686	29,659
(6,692)	(84,142)	Interest expense	(10,811)	(8,929)	(9,975)
12,525	157,489	Net interest income	20,235	19,757	19,684
6,775	85,177	Fee income	10,944	10,405	10,712
(1,323)	(16,632)	Fee expense	(2,137)	(1,887)	(1,875)
5,452	68,545	Net fee income	8,807	8,518	8,837
2,001	25,147	Trading income excluding net interest income	3,231	2,309	2,371
979	12,305		1,581	1,243	1,287

		Net interest income on trading activities			
2,980	37,452	Net trading income	4,812	3,552	3,658
(306)	(3,845)	Changes in fair value of long-term debt issued and related derivatives	(494)	1,125	(1,383)
244	3,066	Net income/(expense) from other financial instruments designated at fair value	394	(40)	1,518
(62)	(779)	Net income/(expense) from financial instruments designated at fair value	(100)	1,085	135
300	3,775	Gains less losses from financial investments	485	557	411
54	677	Dividend income	87	59	53
4,147	52,146	Net earned insurance premiums	6,700	5,666	5,480
795	10,001	Other operating income	1,285	1,478	1,084
26,191	329,306	Total operating income	42,311	40,672	39,342
(4,096)	(51,500)	Net insurance claims incurred and movement in liabilities to policyholders	(6,617)	(5,121)	(6,646)
22,095	277,806	Net operating income before loan impairment charges and other credit risk provisions	35,694	35,551	32,696
(3,260)	(40,985)	Loan impairment charges and other credit risk provisions	(5,266)	(7,523)	(6,516)
18,835	236,821	Net operating income	30,428	28,028	26,180
(6,513)	(81,885)	Employee compensation and benefits	(10,521)	(9,806)	(10,030)
(5,212)	(65,525)	General and administrative expenses	(8,419)	(7,014)	(8,142)
(498)	(6,265)	Depreciation and impairment of property, plant and equipment	(805)	(834)	(879)

(474)	(5,954)	Amortisation and impairment of intangible assets	(765)	(457)	(526)
(12,697)	(159,629)	Total operating expenses	(20,510)	(18,111)	(19,577)
6,138	77,192	Operating profit	9,918	9,917	6,603
964	12,110	Share of profit in associates and joint ventures	1,556	1,187	1,330
7,102	89,302	Profit before tax	11,474	11,104	7,933
(1,059)	(13,324)	Tax expense	(1,712)	(3,856)	(990)
6,043	75,978	Profit for the period	9,762	7,248	6,943
5,704	71,721	Profit attributable to shareholders of the parent company	9,215	6,763	6,396
339	4,257	Profit attributable to non-controlling interests	547	485	547

Consolidated Statement of Comprehensive Income

		Half-year to	
	30 June 2011 US$m	30 June 2010 US$m	31 December 2010 US$m
Profit for the period	9,762	7,248	6,943
Other comprehensive income/(expense)			
Available-for-sale investments:			
– fair value gains	1,378	4,698	1,670
– fair value (gains)/losses transferred to income statement on disposal	(529)	(574)	(600)
– amounts transferred to the income statement in respect of impairment losses	287	678	440
– income taxes	–	(596)	119
	1,136	4,206	1,629
Cash flow hedges:			
– fair value gains/(losses)	231	(1,687)	1,509
– fair value gains/(losses) transferred to income statement	(196)	1,644	(1,808)
– income taxes	5	(2)	73

	40	(45)	(226)
Actuarial gains/(losses) on defined benefit plans			
– before income taxes	(18)	(82)	22
– income taxes	(1)	22	(23)
	(19)	(60)	(1)
Share of other comprehensive income of associates and joint ventures	(146)	73	34
Exchange differences	4,404	(6,128)	5,561
Income tax attributable to exchange differences	165	–	–
Other comprehensive income/(expense) for the period, net of tax	5,580	(1,954)	6,997
Total comprehensive income for the period	15,342	5,294	13,940
Total comprehensive income for the period attributable to:			
– shareholders of the parent company	14,728	4,901	13,186
– non-controlling interests	614	393	754
	15,342	5,294	13,940

Consolidated Balance Sheet

At 30 June 2011 £m	HK$m		At 30 June 2011 US$m	At 30 June 2010 US$m	At 31 December 2010 US$m
		ASSETS			
42,636	530,872	Cash and balances at central banks	68,218	71,576	57,383
9,411	117,181	Items in the course of collection from other banks	15,058	11,195	6,072
12,341	153,656	Hong Kong Government certificates of indebtedness	19,745	18,364	19,057
296,844	3,696,061	Trading assets	474,950	403,800	385,052
24,728	307,895	Financial assets designated at fair value	39,565	32,243	37,011
162,920	2,028,550	Derivatives	260,672	288,279	260,757

141,277	1,759,067	Loans and advances to banks	226,043	196,296	208,271
648,680	8,076,844	Loans and advances to customers	1,037,888	893,337	958,366
260,536	3,243,982	Financial investments	416,857	385,471	400,755
29,689	369,666	Other assets	47,503	42,140	43,251
929	11,572	Current tax assets	1,487	1,070	1,096
7,848	97,711	Prepayments and accrued income	12,556	11,586	11,966
11,801	146,940	Interests in associates and joint ventures	18,882	15,701	17,198
20,018	249,242	Goodwill and intangible assets	32,028	27,859	29,922
7,246	90,225	Property, plant and equipment	11,594	13,291	11,521
4,963	61,797	Deferred tax assets	7,941	6,246	7,011
1,681,867	20,941,261	Total assets	2,690,987	2,418,454	2,454,689

At 30 June 2011 £m	HK$m		At 30 June 2011 US$m	At 30 June 2010 US$m	At 31 December 2010 US$m
		LIABILITIES AND EQUITY			
		Liabilities			
12,341	153,656	Hong Kong currency notes in circulation	19,745	18,364	19,057
78,424	976,478	Deposits by banks	125,479	127,316	110,584
824,367	10,264,356	Customer accounts	1,318,987	1,147,321	1,227,725
10,198	126,979	Items in the course of transmission to other banks	16,317	11,976	6,663
241,140	3,002,482	Trading liabilities	385,824	274,836	300,703
61,425	764,815	Financial liabilities designated at fair value	98,280	80,436	88,133
160,641	2,000,169	Derivatives	257,025	287,014	258,665
93,627	1,165,767	Debt securities in issue	149,803	153,600	145,401
19,739	245,779	Other liabilities	31,583	71,732	28,050
1,643	20,459	Current tax liabilities	2,629	2,558	1,804
40,282	501,558	Liabilities under insurance contracts	64,451	52,516	58,609
8,395	104,528	Accruals and deferred income	13,432	12,174	13,906
1,892	23,556	Provisions	3,027	1,828	2,138
723	9,004	Deferred tax liabilities	1,157	1,264	1,093
1,849	23,019		2,958	3,949	3,856

		Retirement benefit liabilities			
20,471	254,883	Subordinated liabilities	32,753	28,247	33,387
1,577,157	19,637,488	Total liabilities	2,523,450	2,275,131	2,299,774
		Equity			
5,568	69,330	Called up share capital	8,909	8,755	8,843
5,251	65,377	Share premium account	8,401	8,423	8,454
3,657	45,532	Other equity instruments	5,851	5,851	5,851
19,428	241,903	Other reserves	31,085	18,721	25,414
66,252	824,924	Retained earnings	106,004	94,193	99,105
100,156	1,247,066	Total shareholders' equity	160,250	135,943	147,667
4,554	56,707	Non-controlling interests	7,287	7,380	7,248
104,710	1,303,773	Total equity	167,537	143,323	154,915
1,681,867	20,941,261	Total equity and liabilities	2,690,987	2,418,454	2,454,689

Consolidated Statement of Cash Flows

		Half-year to	
	30 June 2011 US$m	30 June 2010 US$m	31 December 2010 US$m
Cash flows from operating activities			
Profit before tax	11,474	11,104	7,933
Adjustments for:			
- net gain from investing activities	(544)	(1,111)	(587)
- share of profit in associates and joint ventures	(1,556)	(1,187)	(1,330)
- other non-cash items included in profit before tax	8,825	9,553	9,334
- change in operating assets	(92,560)	14,130	(27,397)
- change in operating liabilities	130,301	(1,389)	43,661
- elimination of exchange differences	(16,046)	17,993	(19,792)
- dividends received from associates	246	198	243
- contributions paid to defined benefit plans	(588)	(2,899)	(422)
- tax paid	(1,709)	(247)	(2,046)
Net cash generated from operating activities	37,843	46,145	9,597
Cash flows from investing activities			
Purchase of financial investments	(156,596)	(199,567)	(141,635)
	153,407	178,272	143,574

Proceeds from the sale and maturity of financial investments			
Purchase of property, plant and equipment	(665)	(739)	(1,794)
Proceeds from the sale of property, plant and equipment	194	3,338	1,035
Proceeds from the sale of loan portfolios	-	929	3,314
Net purchase of intangible assets	(893)	(521)	(658)
Net cash outflow from acquisition of subsidiaries	-	(34)	(52)
Net cash inflow from disposal of subsidiaries	5	191	275
Net cash outflow from acquisition of or increase in stake of associates	(39)	(563)	(1,026)
Net cash outflow from the deconsolidation of funds	-	-	(19,566)
Proceeds from disposal of associates and joint ventures	11	171	83
Net cash used in investing activities	(4,576)	(18,523)	(16,450)
Cash flows from financing activities			
Issue of ordinary share capital	13	-	180
Issue of other equity instruments	-	3,718	-
Net sales of own shares for market-making and investment purposes	27	61	102
(Purchases)/sales of own shares to meet share awards and share option awards	(27)	19	(8)
On exercise of share options	-	61	(59)
Subordinated loan capital issued	-	1,329	3,152
Subordinated loan capital repaid	(2,574)	(2,408)	(67)
Net cash outflow from the changes in stake in subsidiaries	-	-	(229)
Dividends paid to ordinary shareholders of the parent company	(2,192)	(2,126)	(1,315)
Dividends paid to non-controlling interests	(321)	(329)	(266)
Dividends paid to holders of other equity instruments	(286)	(134)	(279)
Net cash generated from/(used in) financing activities	(5,360)	191	1,211
Net increase/(decrease) in cash and cash equivalents	27,907	27,813	(5,642)
Cash and cash equivalents at beginning of period	274,076	250,766	265,910
Exchange differences in respect of cash and cash equivalents	10,368	(12,669)	13,808
Cash and cash equivalents at end of period	312,351	265,910	274,076

Consolidated Statement of Changes in Equity

		Half-year to	
	30 June 2011 US$m	30 June 2010 US$m	31 December 2010 US$m
Called up share capital			
At beginning of period	8,843	8,705	8,755
Shares issued under employee share plans	1	3	9
Shares issued in lieu of dividends and amounts arising thereon	65	47	79
At end of period	8,909	8,755	8,843
Share premium			
At beginning of period	8,454	8,413	8,423
Shares issued under employee share plans	12	58	110
Shares issued in lieu of dividends and amounts arising thereon	(65)	(48)	(79)
At end of period	8,401	8,423	8,454
Other equity instruments			
At beginning of period	5,851	2,133	5,851
Capital securities issued during the period	–	3,718	–
At end of period	5,851	5,851	5,851
Retained earnings			
At beginning of period	99,105	88,737	94,193
Shares issued in lieu of dividends and amounts arising thereon	1,334	1,584	940
Dividends to shareholders	(4,006)	(3,261)	(3,089)
Tax credits on dividends	64	54	68
Own shares adjustment	(225)	80	94
Exercise and lapse of share options and vesting of share awards	–	(119)	119
Cost of share-based payment arrangements	588	371	441
Income taxes on share-based payments	36	(14)	–
Other movements	37	(30)	(28)
Change in ownership interest in subsidiaries that did not result in loss of control	–	–	(50)
Total comprehensive income for the period	9,071	6,791	6,417
At end of period	106,004	94,193	99,105

Other reserves			
Available-for-sale fair value reserve			
At beginning of period	(4,077)	(9,965)	(5,520)
Other movements	14	294	(77)
Total comprehensive income for the period	1,146	4,151	1,520
At end of period	(2,917)	(5,520)	(4,077)
Cash flow hedging reserve			
At beginning of period	(285)	(26)	(57)
Other movements	–	8	(1)
Total comprehensive income for the period	40	(39)	(227)
At end of period	(245)	(57)	(285)
Foreign exchange reserve			
At beginning of period	2,468	2,994	(3,010)
Other movements	–	(2)	2
Total comprehensive income for the period	4,471	(6,002)	5,476
At end of period	6,939	(3,010)	2,468

	Half-year to		
	30 June 2011 US$m	30 June 2010 US$m	31 December 2010 US$m
Merger reserve			
At beginning of period	27,308	27,308	27,308
At end of period	27,308	27,308	27,308
Total shareholders' equity			
At beginning of period	147,667	128,299	135,943
Shares issued under employee share plans	13	61	119
Shares issued in lieu of dividends and amounts arising thereon	1,334	1,583	940
Capital securities issued during the period	–	3,718	–
Dividends to shareholders	(4,006)	(3,261)	(3,089)
Tax credits on dividends	64	54	68
Own shares adjustment	(225)	80	94
Exercise and lapse of share options and vesting of share awards	–	(119)	119
Cost of share-based payment arrangements	588	371	441
Income taxes on share-based payments	36	(14)	–
Other movements	51	270	(104)
	–	–	(50)

Changes in ownership interests in subsidiaries that did not result in loss of control			
Total comprehensive income for the period	14,728	4,901	13,186
At end of period	160,250	135,943	147,667
Non-controlling interests			
At beginning of period	7,248	7,362	7,380
Dividends to shareholders	(413)	(409)	(316)
Other movements	1	(1)	4
Acquisition and disposals of subsidiaries	(261)	–	(436)
Changes in ownership interests in subsidiaries that did not result in loss of control	98	35	(138)
Total comprehensive income for the period	614	393	754
At end of period	7,287	7,380	7,248
Total equity			
At beginning of period	154,915	135,661	143,323
Shares issued under employee share plans	13	61	119
Shares issued in lieu of dividends and amounts			940
arising thereon	1,334	1,583	
Capital securities issued during the period	–	3,718	–
Dividends to shareholders	(4,419)	(3,670)	(3,405)
Tax credits on dividends	64	54	68
Own shares adjustment	(225)	80	94
Exercise and lapse of share options and vesting			119
of share awards	–	(119)	
Cost of share-based payment arrangements	588	371	441
Income taxes on share-based payments	36	(14)	–
Other movements	52	269	(100)
Acquisition and disposal of subsidiaries	(261)	–	(436)
Changes in ownership interests in subsidiaries that did not result in loss of control	98	35	(188)
Total comprehensive income for the period	15,342	5,294	13,940
At end of period	167,537	143,323	154,915

Additional Information

1. Basis of preparation

The basis of preparation applicable to the interim consolidated financial statements of HSBC can be found in Note 1 of the Interim Report 2011.

The interim consolidated financial statements of HSBC have been prepared in accordance with the Disclosure Rules and Transparency Rules of the Financial Services Authority and IAS 34 'Interim Financial Reporting' ('IAS 34') as issued by the International Accounting Standards Board ('IASB') and as endorsed by the European Union ('EU').

The consolidated financial statements of HSBC at 31 December 2010 were prepared in accordance with International Financial Reporting Standards ('IFRSs') as issued by the IASB and as endorsed by the EU. EU-endorsed IFRSs may differ from IFRSs as issued by the IASB if, at any point in time, new or amended IFRSs have not been endorsed by the EU. At 31 December 2010, there were no unendorsed standards effective for the year ended 31 December 2010 affecting the consolidated financial statements at that date, and there was no difference between IFRSs endorsed by the EU and IFRSs issued by the IASB in terms of their application to HSBC. Accordingly, HSBC's financial statements for the year ended 31 December 2010 were prepared in accordance with IFRSs as issued by the IASB.

At 30 June 2011, there were no unendorsed standards effective for the period ended 30 June 2011 affecting these interim consolidated financial statements, and there was no difference between IFRSs endorsed by the EU and IFRSs issued by the IASB in terms of their application to HSBC.

IFRSs comprise accounting standards issued by the IASB and its predecessor body as well as interpretations issued by the IFRS Interpretations Committee ('IFRIC') and its predecessor body.

During the period ended 30 June 2011, HSBC adopted a number of interpretations and amendments to standards which had an insignificant effect on the interim consolidated financial statements.

2. Dividends

The Directors have declared a second interim dividend in respect of the financial year ending 31 December 2011 of US$0.09 per ordinary share, a distribution of approximately US$1,604m which will be payable on 6 October 2011 to holders of record on 18 August 2011 on the Hong Kong Overseas Branch Register and 19 August 2011 on the Principal Register in the United Kingdom or the Bermuda Overseas Branch Register.

The dividend will be payable in cash, in US dollars, sterling or Hong Kong dollars, or a combination of these currencies, at the forward exchange rates quoted by HSBC Bank plc in London at or about 11.00 am on 26 September 2011, and with a scrip dividend alternative. Particulars of these arrangements will be sent to shareholders on or about 31 August 2011 and elections must be received by 21 September 2011. As this dividend was declared after the balance sheet date, it has not been included in 'Other liabilities' at 30 June 2011.

The dividend will be payable on ordinary shares held through Euroclear France, the settlement and central depositary system for Euronext Paris, on 6 October 2011 to the holders of record on 19 August 2011. The dividend will be payable by Euroclear France in cash, in euros at the forward exchange rate quoted by HSBC France on 26 September 2011, or as a scrip dividend alternative. Particulars of these arrangements will be announced through Euronext Paris on 16 August 2011 and 24 August 2011.

The dividend will be payable on American Depositary Shares ('ADSs'), each of which represents five ordinary shares, on 6 October 2011 to holders of record on 19 August 2011. The dividend of US$0.45 per ADS will be payable by the depositary in cash, in US dollars, and with a scrip dividend alternative of new ADSs. Particulars of these arrangements will be mailed to ADS holders on or about 31 August 2011. Elections must be received by the depositary on or before 21 September 2011. Alternatively, the cash dividend may be invested in additional ADSs for participants in the dividend reinvestment plan operated by the depositary.

Ordinary shares will be quoted ex-dividend in London, Hong Kong, Paris and Bermuda on 17 August 2011. The ADSs will be quoted ex-dividend in New York on 17 August 2011.

Any person who has acquired ordinary shares registered on the Hong Kong Overseas Branch Register but who has not lodged the share transfer with the Hong Kong Overseas Branch Registrar should do so before 4.00pm on 18 August 2011 in order to receive the dividend.

Any person who has acquired ordinary shares registered on the Principal Register in the United Kingdom or on the Bermuda Overseas Branch Register of shareholders but who has not lodged the share transfer with the Principal Registrar or the Bermuda Overseas Branch Registrar respectively, should do so before 4.00pm on 19 August 2011 in order to receive the dividend.

Removals of ordinary shares may not be made to or from the Hong Kong Overseas Branch Register on 19 August 2011. Accordingly any person who wishes to remove ordinary shares to the Hong Kong Overseas Branch Register must lodge the removal request with the Principal Registrar in the United Kingdom or the Bermuda Branch Registrar by 4.00pm on 17 August 2011; any person who wishes to remove ordinary shares from the Hong Kong Overseas Branch Register must lodge the removal request with the Hong Kong Branch Registrar by 4.00pm on 18 August 2011. Transfers of ADSs should be lodged with the depositary by 12 noon on 19 August 2011 in order to receive the dividend.

Dividends paid to shareholders of HSBC Holdings plc during the period were as follows:

				Half-year to					
	30 June 2011			30 June 2010			31 December 2010		
	Per share US$	Total US$m	Settled in scrip US$m	Per share US$	Total US$m	Settled in scrip US$m	Per share US$	Total US$m	Settled in scrip US$m
Dividends declared on ordinary shares									
In respect of previous year:									
- fourth interim dividend	0.12	2,119	1,130	0.10	1,733	838	-	-	-
In respect of current year:									
- first interim dividend	0.09	1,601	204	0.08	1,394	746	-	-	-
- second interim dividend	-	-	-	-	-	-	0.08	1,402	735
- third interim dividend	-	-	-	-	-	-	0.08	1,408	205
	0.21	3,720	1,334	0.18	3,127	1,584	0.16	2,810	940
Quarterly dividends on preference shares classified									

as equity						
March dividend	15.50	22	15.50	22	-	-
June dividend	15.50	23	15.50	23	-	-
September dividend	-	-	-	-	15.50	22
December dividend	-	-	-	-	15.50	23
	31.00	45	31.00	45	31.00	45
Quarterly coupons on capital securities classified as equity						
January coupon	0.508	44	0.508	44	-	-
March coupon	0.500	76	-	-	-	-
April coupon	0.508	45	0.508	45	-	-
June coupon	0.500	76	-	-	-	-
July coupon	-	-	-	-	0.508	45
September coupon	-	-	-	-	0.450	68
October coupon	-	-	-	-	0.508	45
December coupon	-	-	-	-	0.500	76
	2.016	241	1.016	89	1.966	234

On 15 July 2011, HSBC paid a further coupon on the capital securities of US$0.508 per security, a distribution of US$45m. No liability is recorded in the financial statements in respect of this coupon payment.

3. Earnings and dividends per ordinary share

	Half-year to		
	30 June 2011 US$	30 June 2010 US$	31 December 2010 US$
Basic earnings per ordinary share	0.51	0.38	0.35
Diluted earnings per ordinary share	0.50	0.38	0.34
Dividends per ordinary share	0.21	0.18	0.16
Net asset value at period end	8.59	7.35	7.94
Dividend pay out ratio*	41.2%	47.4%	45.7%

* Dividends per ordinary share expressed as a percentage of basic earnings per ordinary share.

Basic earnings per ordinary share was calculated by dividing the profit attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding, excluding own shares held. Diluted earnings per ordinary share was calculated by dividing the basic earnings, which require no adjustment for the effects of dilutive potential ordinary shares, by the weighted average number of ordinary shares outstanding, excluding own shares held, plus the weighted average number of ordinary shares that would be issued on conversion of dilutive potential ordinary shares.

	Half-year to		
	30 June 2011 US$m	30 June 2010 US$m	31 December 2010 US$m
Profit attributable to shareholders of the parent company	9,215	6,763	6,396
Dividend payable on preference shares classified as equity	(45)	(45)	(45)
Coupon payable on capital securities classified as equity	(241)	(89)	(234)
Profit attributable to ordinary shareholders of the parent company	8,929	6,629	6,117

4. Tax expense

	Half-year to		
	30 June 2011 US$m	30 June 2010 US$m	31 December 2010 US$m
UK corporation tax charge	230	609	(226)
Overseas tax	1,694	2,439	889
Current tax	1,924	3,048	663
Deferred tax	(212)	808	327
Tax expense	1,712	3,856	990
Effective tax rate	14.9%	34.7%	12.5%

The UK corporation tax rate applying to HSBC was 26.5% (2010: 28%). Overseas tax included Hong Kong profits tax of US$453m (first half of 2010: US$426m; second half of 2010: US$536m). Subsidiaries in Hong Kong provided for Hong Kong profits tax at the rate of 16.5% (2010: 16.5%) on the profits for the period assessable in Hong Kong. Other overseas subsidiaries and overseas branches provided for taxation at the appropriate rates in the countries in which they operate. The following table reconciles the overall tax expense which would apply if all profits had been taxed at the UK corporation tax rate:

Analysis of overall tax expense:

	Half-year to	
	30 June	30 June

	2011 US$m	2010 US$m	31 December 2010 US$m
Taxation at UK corporation tax rate of 26.5% (2010: 28%)	3,041	3,109	2,221
Effect of taxing overseas profits in principal locations at different rates	(275)	(326)	(418)
Adjustments in respect of prior period liabilities	522	(20)	20
Deferred tax temporary differences not provided/ (previously not recognised)	(1,008)	8	(14)
Low income housing tax credits	(42)	(44)	(42)
Effect of profit in associates and joint ventures	(412)	(332)	(373)
Tax effect of intra-group transfer of subsidiary	–	1,590	(374)
Effect of gains arising from dilution of interests in associates	(48)	–	(53)
Non taxable income	(179)	(164)	(210)
Gains not subject to tax	(5)	(180)	(95)
Permanent disallowables	95	99	177
Effect of bank payroll tax	–	91	(12)
Change in tax rates	2	–	31
Local taxes and overseas withholding tax	117	38	23
Other items	(96)	(13)	109
Overall tax expense	1,712	3,856	990

5. Analysis of net fee income

	Half-year to		
	30 June 2011 US$m	30 June 2010 US$m	31 December 2010 US$m
Cards	1,977	1,900	1,901
Account services	1,846	1,821	1,811
Funds under management	1,414	1,181	1,330
Broking income	933	766	1,023
Credit facilities	849	827	808
Imports/Exports	552	466	525
Insurance	545	578	569
Global custody	391	439	261
Unit trusts	374	267	293
Remittances	371	329	351
Underwriting	332	264	359
Corporate finance	235	248	192
Trust income	148	141	150

Mortgage servicing	56	60	58
Taxpayer financial services	1	91	(18)
Maintenance income on operating leases	-	53	46
Other	920	974	1,053
Total fee income	10,944	10,405	10,712
Less: fee expense	(2,137)	(1,887)	(1,875)
Net fee income	8,807	8,518	8,837

6. Loan impairment charge

	Half-year to		
	30 June 2011 US$m	30 June 2010 US$m	31 December 2010 US$m
Individually assessed impairment allowances:			
- Net new allowances	1,209	1,129	1,641
- Recoveries	(571)	(60)	(85)
	638	1,069	1,556
Collectively assessed impairment allowances:			
- Net new allowances	4,960	6,558	5,240
- Recoveries	(625)	(393)	(482)
	4,335	6,165	4,758
Total charge for impairment losses	4,973	7,234	6,314
Banks	-	12	-
Customers	4,973	7,222	6,314

7. Capital resources

	At 30 June 2011 US$m	At 30 June 2010 US$m	At 31 December 2010 US$m
Composition of regulatory capital			
Tier 1 capital			
Shareholders' equity	154,652	136,719	142,746
Shareholders' equity per balance sheet	160,250	135,943	147,667
Preference share premium	(1,405)	(1,405)	(1,405)

Other equity instruments	(5,851)	(5,851)	(5,851)
Deconsolidation of special purpose entities	1,658	8,032	2,335
Non-controlling interests	3,871	3,949	3,917
Non-controlling interests per balance sheet	7,287	7,380	7,248
Preference share non-controlling interests	(2,445)	(2,391)	(2,426)
Non-controlling interest transferred to tier 2 capital	(507)	(676)	(501)
Non-controlling interest in deconsolidated subsidiaries	(464)	(364)	(404)
Regulatory adjustments to the accounting basis	888	(3,079)	1,794
Unrealised (gains)/losses on available-for-sale debt securities	3,290	(797)	3,843
Own credit spread	(773)	(1,779)	(889)
Defined benefit pension fund adjustment	1,211	1,940	1,676
Reserves arising from revaluation of property and unrealised gains on available-for-sale equities	(3,085)	(2,500)	(3,121)
Cash flow hedging reserve	245	57	285
Deductions	(33,649)	(30,753)	(32,341)
Goodwill capitalised and intangible assets	(29,375)	(26,398)	(28,001)
50% of securitisation positions	(1,274)	(1,754)	(1,467)
50% of tax credit adjustment for expected losses	126	269	241
50% of excess of expected losses over impairment allowances	(3,126)	(2,870)	(3,114)
Core tier 1 capital	125,762	106,836	116,116
Other tier 1 capital before deductions	18,339	17,577	17,926
Preference share premium	1,405	1,405	1,405
Preference share non-controlling interests	2,445	2,391	2,426
Hybrid capital securities	14,489	13,781	14,095
Deductions	(988)	(345)	(863)
Unconsolidated investments	(1,114)	(614)	(1,104)
50% of tax credit adjustment for expected losses	126	269	241
Tier 1 capital	143,113	124,068	133,179
Tier 2 capital			
Total qualifying tier 2 capital before deductions	50,544	48,170	52,713
Reserves arising from revaluation of property and unrealised gains on available-for-sale equities	3,085	2,500	3,121
Collective impairment allowances	2,772	3,526	3,109
Perpetual subordinated debt	2,782	2,982	2,781
Term subordinated debt	41,605	38,862	43,402

Non-controlling interest in tier 2 capital	300	300	300
Total deductions other than from tier 1 capital	(19,873)	(17,352)	(18,337)
Unconsolidated investments	(15,471)	(12,727)	(13,744)
50% of securitisation positions	(1,274)	(1,754)	(1,467)
50% of excess of expected losses over impairment allowances	(3,126)	(2,870)	(3,114)
Other deductions	(2)	(1)	(12)
Total regulatory capital	173,784	154,886	167,555

	At 30 June 2011 US$m	At 30 June 2010 US$m	At 31 December 2010 US$m
Risk-weighted assets			
Credit risk	947,525	839,079	890,696
Counterparty credit risk	52,985	57,323	50,175
Market risk	44,456	52,964	38,679
Operational risk	123,563	125,898	123,563
Total	1,168,529	1,075,264	1,103,113
	%	%	%
Capital ratios			
Core tier 1 ratio	10.8	9.9	10.5
Tier 1 ratio	12.2	11.5	12.1
Total capital ratio	14.9	14.4	15.2

8. Notes on the statement of cash flows

	Half-year to		
	30 June 2011 US$m	30 June 2010 US$m	31 December 2010 US$m
Other non-cash items included in profit before tax			
Depreciation, amortisation and impairment	1,631	1,442	1,359
Gains arising from dilution of interests in associates	(181)	(188)	-
Revaluations on investment property	(38)	8	(101)
Share-based payment expense	588	371	441

Loan impairment losses gross of recoveries and other credit risk provisions	6,011	7,976	7,083
Provisions	937	158	522
Impairment of financial investments	339	40	65
Charge/(credit) for defined benefit plans	(321)	246	280
Accretion of discounts and amortisation of premiums	(141)	(500)	(315)
	8,825	9,553	9,334
Change in operating assets			
Change in prepayments and accrued income	(590)	839	(382)
Change in net trading securities and net derivatives	7,079	20,176	40,161
Change in loans and advances to banks	(6,738)	(8,515)	13,728
Change in loans and advances to customers	(85,132)	(3,812)	(75,471)
Change in financial assets designated at fair value	(2,480)	5,460	(5,306)
Change in other assets	(4,699)	(18)	(127)
	(92,560)	14,130	(27,397)
Change in operating liabilities			
Change in accruals and deferred income	(474)	(1,016)	1,732
Change in deposits by banks	14,895	2,444	(16,732)
Change in customer accounts	91,262	(11,714)	80,405
Change in debt securities in issue	4,402	6,583	(8,078)
Change in financial liabilities designated at fair value	11,285	342	5,317
Change in other liabilities	8,931	1,972	(18,983)
	130,301	(1,389)	43,661

	At 30 June 2011 US$m	At 30 June 2010 US$m	At 31 December 2010 US$m
Cash and cash equivalents			
Cash and balances at central banks	68,218	71,576	57,383
Items in the course of collection from other banks	15,058	11,195	6,072
Loans and advances to banks of one month or less	215,381	171,022	189,197
Treasury bills, other bills and certificates of deposit less than three months	30,011	24,093	28,087

Less: items in the course of transmission to other banks	(16,317)	(11,976)	(6,663)
	312,351	265,910	274,076

	Half-year to		
	30 June 2011 US$m	30 June 2010 US$m	31 December 2010 US$m
Interest and dividends			
Interest paid	(12,644)	(9,932)	(11,473)
Interest received	33,578	31,397	32,299
Dividends received	376	380	183

9. Segmental analysis

Net operating income

	Europe US$m	Hong Kong US$m	Rest of Asia-Pacific US$m	Middle East and North Africa US$m	North America US$m	Latin America US$m	Intra-HSBC items US$m	Total US$m
Half-year to:								
30 June 2011	10,167	5,389	5,248	1,137	5,191	4,863	(1,567)	30,428
30 June 2010	11,220	4,833	4,351	750	4,446	3,895	(1,467)	28,028
31 December 2010	8,510	5,255	4,442	1,033	4,306	4,292	(1,658)	26,180
Profit/(loss) before tax								
Half-year to:								
30 June 2011	2,147	3,081	3,742	747	606	1,151	-	11,474
30 June 2010	3,521	2,877	2,985	346	492	883	-	11,104
31 December 2010	781	2,815	2,917	546	(38)	912	-	7,933
Balance sheet information								
Total assets								
At 30 June 2011	1,379,308	474,044	298,590	58,038	529,386	163,611	(211,990)	2,690,987
At 30 June 2010	1,280,698	410,991	244,624	49,637	495,408	121,885	(184,789)	2,418,454
At 31 December 2010	1,249,527	429,565	278,062	52,757	492,487	139,938	(187,647)	2,454,689

10. Reconciliation of reported and underlying profit before tax

	Half-year to 30 June 2011 ('1H11') compared with half-year to 30 June 2010 ('1H10')						
HSBC	1H10 as reported US$m	1H10 adjustments US$m	Currency translation US$m	1H10 at 1H11 exchange rates US$m	1H11 as reported US$m	1H11 adjustments US$m	1H11 underlying US$m
Net interest income							