

### The HSBC Group

<b>Who we are</b>	The HSBC Group is one of the largest banking and financial services organisations in the world, with well-established businesses in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa.
<b>Head office</b>	HSBC Holdings plc is incorporated in England, with its head office in London.
<b>International brand</b>	The establishment in 1999 of HSBC as a uniform, international brand name ensured that the Group's corporate symbol has become an increasingly familiar sight across the world. HSBC differentiates its brand from those of its competitors by describing the unique characteristics which distinguish HSBC, summarised by the words 'The world's local bank'.
<b>Assets</b>	US\$1,277 billion (£660 billion, HK\$9,924 billion) at 31 December 2004.
<b>Profit (pre-tax)</b>	US\$19,426 million (£10,607 million, HK\$151,309 million) for 2004 (excluding goodwill amortisation).
<b>Capital strength</b>	Tier 1 capital ratio: 8.9% } Total capital ratio: 12.0% } at 31 December 2004.
<b>International reach</b>	Over 9,800 offices worldwide.
<b>Staff</b>	253,000 employees in 77 countries and territories.
<b>Customers</b>	Over 110 million worldwide, with a total e-customer base of almost 20 million.
<b>Share listings</b>	HSBC Holdings is listed on the London, Hong Kong, New York, Paris and Bermuda stock exchanges. The company's US\$0.50 ordinary shares are traded on the London, Hong Kong, Paris and Bermuda stock exchanges and are traded in New York in the form of American Depositary Shares, each of which represents five ordinary shares. Shares in HSBC Holdings are held by around 200,000 shareholders in some 100 countries and territories.
<b>Technology</b>	HSBC is a major user of advanced information technology, with an annual spending of US\$3.8 billion. Its e-business channels include the internet, PC banking, interactive TV, and telephone banking via both fixed and mobile phones. HSBC maintains its own private telecommunications network — one of the world's largest — to deliver IT services to customers and to staff around the world. HSBC web sites attracted 900 million visits in 2004.
<b>Customer groups</b>	
<i>Personal Financial Services</i>	HSBC has over 100 million personal customers worldwide (including Consumer Finance customers). It provides a full range of personal financial services, including current and savings accounts, mortgages, insurance, credit cards, loans, pensions and investments. In 2004, the business reported a pre-tax profit before goodwill amortisation of US\$5.4 billion, an increase of 34% over 2003. The number of customers using HSBC <i>Premier</i> continued to grow; by the end of the year, the total stood at 1.14 million, an increase of 250,000 in 12 months. HSBC is now one of the world's top 10 credit card issuers. Insurance operations performed well, with total policies in force increasing by over a million. Customers worldwide now hold some 2.8 million HSBC personal pension plans. In HSBC Amanah, the Group's Islamic financial services division, retail customer numbers grew by 43%.
<i>Consumer Finance</i>	HSBC Finance Corporation's Consumer Finance business facilitates point-of-sale credit to consumers, and lends money and provides related services to meet the financial needs of everyday people. In 2004, the first full year of ownership, HSBC Finance Corporation earned a pre-tax profit before goodwill amortisation of US\$3.7 billion. The integration of the former Household businesses into HSBC was completed in 2004. Non-funding-related benefits of the integration reached more than US\$200 million.
<i>Commercial Banking</i>	HSBC is a leading provider of financial services to small, medium-sized and middle-market enterprises. The Group has over two million such customers, including sole proprietors, partnerships, clubs and associations, incorporated businesses and publicly quoted companies. In 2004, Commercial Banking earned a pre-tax profit before goodwill amortisation of US\$4.2 billion, an increase of 32%. In the UK, 209 Commercial Centres were launched to provide improved relationship management for higher value SME customers while, in Hong Kong, Business Banking Centres were expanded to provide one-stop service.
<i>Corporate, Investment Banking and Markets</i>	This customer group provides tailored financial services to corporate and institutional clients, and contributed a pre-tax profit before goodwill amortisation of US\$5.2 billion, an increase of 17% over 2003. Business lines comprise Global Markets, Corporate and Institutional Banking, Global Transaction Banking and Global Investment Banking. Global Markets includes foreign exchange, fixed income, derivatives, equities and metals sales and trading businesses. Corporate and Institutional Banking covers relationship management and lending activities. Global Transaction Banking includes payments and cash management, trade services, supply chain, securities services and wholesale banknotes businesses. Global Investment Banking is involved in investment banking advisory and investment banking financing activities.
<i>Private Banking</i>	HSBC has one of the world's top private banking businesses, providing financial services to high net worth individuals and their families in 70 locations. Record pre-tax profit before goodwill amortisation of US\$693 million in 2004 represents an increase of 23% over 2003. HSBC Private Bank strengthened its onshore operations significantly in Asia, Europe, the Middle East and North America.
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<b>Key events in the growth of the HSBC Group</b>	The HSBC Group evolved from The Hongkong and Shanghai Banking Corporation Limited, which was founded in 1865 in Hong Kong with offices in Shanghai and London and an agency in San Francisco. The Group expanded primarily through offices established in the bank's name until the mid-1950s when it began to create or acquire subsidiaries. The following are some key developments in the Group's growth since 1959.
<b>1959</b>	The Hongkong and Shanghai Banking Corporation acquires The British Bank of the Middle East (formerly the Imperial Bank of Persia, now called HSBC Bank Middle East Limited).
<b>1965</b>	The Hongkong and Shanghai Banking Corporation acquires a majority shareholding in Hang Seng Bank Limited, now the second-largest bank incorporated in Hong Kong.
<b>1971</b>	The British Bank of the Middle East acquires a minority stake of 20% in The Cyprus Popular Bank Limited (now trading as Laiki Group).
<b>1972</b>	Midland Bank acquires a shareholding in UBAF Bank Limited (now known as British Arab Commercial Bank Limited).
<b>1978</b>	The Saudi British Bank is established under local control to take over The British Bank of the Middle East's branches in Saudi Arabia.
<b>1980</b>	The Hongkong and Shanghai Banking Corporation acquires 51% of New York State's Marine Midland Bank, N.A. (now called HSBC Bank USA). Midland acquires a controlling interest in leading German private bank Trinkaus & Burkhardt KGaA (now HSBC Trinkaus & Burkhardt KGaA).
<b>1981</b>	Hongkong Bank of Canada (now HSBC Bank Canada) is established in Vancouver. The Group acquires a controlling interest in Equator Holdings Limited, a merchant bank engaged in trade finance in sub-Saharan Africa.
<b>1982</b>	Egyptian British Bank S.A.E. is formed, with the Group holding a 40% interest.
<b>1983</b>	Marine Midland Bank acquires Carroll McEntee & McGinley (now HSBC Securities (USA) Inc.), a New York-based primary dealer in US government securities.
<b>1986</b>	The Hongkong and Shanghai Banking Corporation establishes HongkongBank of Australia Limited (now HSBC Bank Australia Limited).
<b>1987</b>	The Hongkong and Shanghai Banking Corporation acquires the remaining shares of Marine Midland and a 14.9% equity interest in Midland Bank plc (now HSBC Bank plc).
<b>1991</b>	HSBC Holdings is established; its shares are traded on the London and Hong Kong stock exchanges.
<b>1992</b>	HSBC Holdings purchases the remaining equity in Midland Bank.
<b>1993</b>	The HSBC Group's Head Office moves to London.
<b>1994</b>	Hongkong Bank Malaysia Berhad (now HSBC Bank Malaysia Berhad) is formed.
<b>1997</b>	The Group establishes a new subsidiary in Brazil, Banco HSBC Bamerindus S.A. (now HSBC Bank Brasil S.A.-Banco Múltiplo), and acquires Roberts S.A. de Inversiones in Argentina (now HSBC Argentina Holdings S.A.).
<b>1999</b>	Shares in HSBC Holdings begin trading on a third stock exchange, New York. HSBC acquires Republic New York Corporation (now integrated with HSBC USA Inc.) and its sister company Safra Republic Holdings S.A. (now HSBC Republic Holdings (Luxembourg) S.A.). Midland Bank acquires a 70.03% interest in Mid-Med Bank p.l.c. (now HSBC Bank Malta p.l.c.), Malta's largest commercial bank.
<b>2000</b>	HSBC acquires CCF, one of France's largest banks. Shares in HSBC Holdings are listed on a fourth stock exchange, in Paris. The Group increases its shareholding in Egyptian British Bank to over 90% and later renames it HSBC Bank Egypt S.A.E.
<b>2001</b>	HSBC acquires Demirbank TAS, now HSBC Bank A.S., Turkey's fifth largest private bank; and signs an agreement to purchase an 8% stake in Bank of Shanghai.
<b>2002</b>	Acquisitions include Grupo Financiero Bital, S.A. de C.V., one of Mexico's largest financial services groups; and a 10% interest in Ping An Insurance Company of China Limited, the second largest life insurance operation in China.
<b>2003</b>	HSBC acquires Household International, Inc. (now HSBC Finance Corporation), a leading US consumer finance company; and Lloyds TSB's Brazilian assets including Losango Promotora de Vendas Ltda, a major consumer credit institution. Four French private banking subsidiaries combine to form HSBC Private Bank France. HSBC Insurance Brokers Limited forms a joint venture, Beijing HSBC Insurance Brokers Limited, in which it has a 24.9% stake. Hang Seng Bank acquires 15.98% of Industrial Bank Co Ltd, a mainland China commercial bank, and HSBC agrees to purchase 50% of Fujian Asia Bank Limited (now Ping An Bank Limited).
<b>2004</b>	HSBC acquires The Bank of Bermuda Limited, a leading provider of fund administration, trust, custody, asset management and private banking services; and shares in HSBC Holdings are listed on a fifth stock exchange, in Bermuda. The Hongkong and Shanghai Banking Corporation acquires 19.9% of Bank of Communications Limited, China's fifth largest bank.

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