

## press release

1 August 2011

### Positive figures can't offset job cuts for HSBC

- HSBC reported all regions were profitable
- The bank announced 5,000 job cuts by the end of the year
- The Share Centre continues to recommend HSBC as a 'hold'

#### **As HSBC announces results ahead of expectations Nick Raynor, investment adviser at The Share Centre, explains what this means for investors.**

"Britain's largest bank has reported results for the first six months of the year that are almost 5% ahead of expectations and all trading regions are profitable. Investors will be pleased to hear revenues were \$1bn above forecasts at \$35.5bn and Latin America and Asia saw double digit growth.

"However despite these figures the bank has announced 5,000 jobs will be cut this year and a further 25,000 are expected to be cut by 2013. This global programme is expected to make \$3.5bn worth of cost savings. The bank has also announced the sale of 195 branches in up-state New York for \$1bn.

"The 4% rise in the share price following the better than expected figures may come as a relief to investors. Concerns may also be eased slightly by the news that the US is likely to come to an arrangement over its debt crisis. However there are still concerns that the country's debt rating could be lowered, which will again send markets into uncertain trading patterns.

"We feel the positive figures do not go far enough to offset this uncertainty and the tough times the bank faces. We therefore do not recommend any further investment at the moment and continue to list HSBC as a 'hold'.

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**About The Share Centre:**

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on [www.share.com](http://www.share.com). Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#). The Share Centre blog is also available at <http://blog.share.com>.

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