

The following news release was issued today by The Saudi British Bank (SABB), a 40 per cent indirectly held associate of HSBC Holdings plc.

12 July 2010

THE SAUDI BRITISH BANK 2010 FIRST HALF RESULTS

- Net profit of SAR1,068 million (US\$285 million) for the six months ended 30 June 2010 – a reduction of SAR368 million (US\$ 98 million), or 25.6 per cent, compared with SAR1,436 million (US\$383 million) for the same period in 2009.
- Operating income of SAR 2,565 million (US\$684 million) for the six months ended 30 June 2010 – a reduction of SAR104 million (US\$28 million), or 3.9 per cent, compared with SAR2,669 million (US\$712 million) for the same period in 2009.
- Customer deposits of SAR94.2 billion (US\$25.1 billion) at 30 June 2010 – an increase of SAR2.7 billion (US\$0.7 billion), or 3.0 per cent, compared with SAR91.5 billion (US\$24.4 billion) at 30 June 2009.
- Loans and advances to customers of SAR74.8 billion (US\$19.9 billion) at 30 June 2010 – a reduction of SAR3.9 billion (US\$1.1 billion), or 5.0 per cent, from SAR78.7 billion (US\$21 billion) at 30 June 2009.
- Investment portfolio totalled SAR26.0 billion (US\$6.9 billion) at 30 June 2010, an increase of 6.6 per cent compared with SAR24.4 billion (US\$6.5 billion) at 30 June 2009.
- Total assets of SAR120.3 billion (US\$32.1 billion) at 30 June 2010, compared with SAR122 billion (US\$32.5 billion) at 30 June 2009, a reduction of 1.4 per cent or SAR1.7 billion (US\$0.4 billion).
- Earnings per share of SAR1.42 (US\$0.38) for the six months ended 30 June 2010 – a reduction of 25.7 per cent from SAR1.91 (US\$0.51) for the same period in 2009.

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Commentary

The Saudi British Bank (SABB) recorded a net profit of SAR1,068 million (US\$285 million) for the six months ended 30 June 2010. Net special commission income decreased by SAR 62 million (US\$16.5 million), or 3.5 per cent, compared with the same period in 2009, reflecting a contraction in average loans and advances.

Sheikh Khaled Olayan, Chairman of SABB, said: “The bank's operating income continues to remain robust. This has been a result of the bank's conscious decision to diversify its income stream in view of market conditions. SABB has continued with its cost containment measures and prudent provisioning, whilst remaining focussed on improving our service propositions to our customers through ongoing investment in SABB’s infrastructure and affiliates. We are committed to supporting our customers and seeking new opportunities for business growth.

“We thank our customers for their continued support and our staff for their commitment and contribution to the bank's success.”

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