

# [Swot analysis of hsbc](https://assignbuster.com/swot-analysis-of-hsbc/)

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Swot Analysis Of Hsbc SWOT Analysis of HSBC: Strengths: 1.

Size: World’s largest (based on a composite score, Forbes) and most profitable banking corporation 2. Highest international presence: 128 mn customers worldwide 3. London ; NY listing: Prestige and visibility. Access to UK and US capital markets for future capital raising. 4. Diversified approach – both geographically and on basis of customer group Weaknesses: 1.

Branding: HSBC setup banks under different names (Hong Kong Bank of Canada, British Bank of the Middle East, etc) over 100 years. In 1998, they were all branded together, but the previous lack of branding and the name changes may have hurt HSBC in brand recognition. 2. Bad debts due to housing market: HSBC’s North American results have been significantly affected by higher loan impairment charges due to the impact on its portfolio of credit Opportunities: 1. The Middle East: HSBC hs been aggressively expanding its business in this region, where other banks are hesitant to setup, and its reaping rich dividends. 2.

Emerging economies: HSBC is the largest international bank in Asia wherein the economies have risen by unprecedented levels in previous years. By investing in these and other emerging countries like Brazil, HSBC can offset problems it may have as spending in the US and UK declines. 3. Becoming world’s leading financial services company: This is HSBC’s stated aim. This requires HSBC to transform itself from a global bank to a more diversified global financial services company such as Citibank.

Threats: 1. Downturn in American spending: Because of American housing market collapse and fears of impending recession, Americans are predicted to rely less on consumer credit and more on their saving skills to get by. The drop in American spending will be bad for… deterioration related largely to housing market weakness in the US.

Hsbc Swot Analysis Here are the strengths, weaknesses, opportunities and threats of HSBC, “ The World’s Local Bank. ” Strengths– \*International Finance. Since HSBC is a multinational company itself, it is well-qualified to advise other companies on aspects of international business. With offices around the world, for the cosmopolitan client, HSBC often cannot be beaten in this area. HSBC knows how to succeed in M&A and organic and effective growth– it was mostly an Asian bank until it took over a UK bank in 1992 and now has become the world’s second-largest bank by profit. \*China.

HSBC is the “ Hong Kong Shanghai Banking Corporation” and it has 140 years of experience in China. Since China is the place to be nowadays for businesses and banks, HSBC benefits for being both an old Chinese company and trusted by the Chinese people. The best news for HSBC is that as other companies grow in China, it does, too, because it gains new clients and new global opportunities with each passing day. HSBC has the largest network of any foreign bank in China and deeply understands the Chinese market and customer. In a world that is increasingly going China’s way, this is quite a boon to HSBC. \*Listed in London.

HSBC is primarily listed on the London and Hong Kong stock exchanges, which saves the company much grief in complying with new American Sarbanes-Oxley laws. Many companies have chosen to list on foreign exchanges other than America because of the expensive new regulations. \*Record profits. Last year, HSBC experienced the most profits ever for a UK high street bank, with profits of 11. 5bn($20.

97bn) for the whole year. ——————— Weaknesses- \*Branding. While it is certainly a global company, HSBC came late to the game on deciding to perform an integrated marketing strategy and capitalize on its global brand. Because it had set up so many different banks in different countries at different times over a hundred year period, it…