The Hongkong and Shanghai Banking Corporation Limited Incorporated in the Hongkong SAR with limited liability

HSBC Holdings plc

For the year ended 31 December	2018	201
	US\$ m	US\$ r
Net interest income	30,489	28,17
- interest income	49,609	40,99
- interest expense	(19,120)	(12,81
Net fee income	12,620	12,81
- fee income	16,044	15,85
- fee expense	(3,424)	(3,04
Net income from financial instruments held for trading or managed	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(=/=
on a fair value basis	9,531	8,42
Net income/(expense) from assets and liabilities of insurance	-,	-,
businesses, including related dervatives, measured at fair value		
through profit or loss	(1,488)	2,83
Changes in fair value of long-term debt and related derivatives	(97)	15
Changes in fair value of other financial instruments mandatorily	(0.7)	
measured at fair value through profit or loss	695	N/
Gains less losses from financial investments	218	1,15
Dividend income	75	10
Net insurance premium income	10,659	9,77
Other operating income/(expense)	885	33
Total operating income	63,587	63,77
Net insurance claims and benefits paid and movement in	03,307	03,77
liabilities to policyholders	(9,807)	(12,33
Net operating income before change in expected credit losses and	(3,007)	(12,55
other credit impairment charges/Loan impairment charges and		
other credit miparment charges, Loan imparment charges and other credit risk provisions	53,780	51,44
Change in expected credit losses and other credit impairment charges	(1,767)	51,44 N/
Loan impairment charges and other credit risk provisions	N/A	(1,76
Net operating income	52,013	49,67
Employee compensation and benefits	(17,373)	(17,31
General and administrative expenses	(17,373)	(17,31)
Depreciation and impairment of property, plant and equipment	(1,119)	(1,16
Amortization and impairment of property, plant and equipment	(814)	(69
Goodwill impairment of Global Private Banking - Europe	(014)	(09)
Total operating expenses	(34,659)	(34,88
Operating profit	17,354	14,79
Share of profit in associates and joint ventures	2,536	2,37
Profit before tax	19,890	
		17,16
Tax expense	(4,865)	(5,28
Profit for the year	15,025	11,87
Attributable to:	40.000	0.00
- ordinary shareholders of the parent company	12,608	9,68
- preference shareholders of the parent company	90	1.00
- other equity holders	1,029	1,02
- non-controlling interest	1,298	1,08
Profit for the year	15,025	11,87
	\$	
Basic earnings per ordinary share	0.63	0.4
Diluted earnings per ordinary share	0.63	0.4

For the year ended 31 December	2018	2017
	US\$ m	US\$ m
Profit before tax	19,890	17,167
Adjustments for non-cash items:	19,690	17,167
Depreciation and amortisation	1,933	1,862
Net (gain)/loss from investing activities	(126)	(1,152)
Share of profits in associates and joint ventures	(2,536)	(2,375)
(Gain)/loss on disposal of subsidiaries, businesses, associates and joint ventures	(2,536)	(79)
Change in expected credit losses gross of recoveries and other credit impairment charges	2,280	(73) N/A
Loan impairment losses gross of recoveries and other credit risk provisions	N/A	2,603
Provisions including pensions	1,944	917
Share-based payment expense	450	500
Other non-cash items included in profit before tax	(1,303)	(381)
Elimination of exchange differences	7.299	
	7,299	(21,289)
Changes in operating assets and liabilities	10.716	(10.001)
Change in net trading securities and derivatives	10,716	(10,901)
Change in loans and advances to banks and customers	(44,071)	(108,984)
Change in reverse repurchase agreements - non-trading	(40,499)	(37,281)
Change in financial assets designated and otherwise mandatorily measured at fair value	(1,515)	(5,303)
Change in other assets	4,047	(6,570)
Change in deposits by banks and customer accounts	(5,745)	102,211
Change in repurchase agreements - non-trading	35,882	41,044
Change in debt securities in issue	18,806	(1,369)
Change in financial liabilities designated at fair value	4,500	8,508
Change in other liabilities	(2,644)	13,514
Dividends received from associates	910	740
Contributions paid to defined benefit plans	(332)	(685)
Tax paid	(3,417)	(3,175)
Net cash from operating activities	6,469	(10,478)
Purchase of financial investments	(383,454)	(357,264)
Proceeds from the sale and maturity of financial investments	370,357	418,352
Net cash flows from the purchase and sale of property, plant and equiptment	(1,196)	(1,167)
Net cash inflow from disposal of customer and loan portfolios	(204)	6,756
Net investment in intangible assets	(1,848)	(1,285)
Net cash flow on disposal of subsidiaries, businesses, associates and joint ventures	4	165
Net cash from investing activities	(16,341)	65,557
Issue of ordinary share capital and other equity instruments	6,001	5,196
Cancellation of shares	(1,998)	(3,000)
Net sales/(purchases) of own shares for market-making and investment purposes	133	(67)
Purchase of treasury shares	-	-
Redemption of preference shares and other equity instruments	(6,078)	-
Subordinated loan capital issued	-	-
Subordinated loan capital repaid	(4,077)	(3,574)
Dividends paid to shareholders of the parent company and non-controlling interests	(10,762)	(9,005)
Net cash from financing activities	(16,781)	(10,450)
Net increase/(decrease) in cash and cash equivalents	(26,653)	44,629
Cash and cash equivalents at 1 Jan	337,412	274,550
Exchange differences in respect of cash and cash equivalents	(9,677)	18,233
Cash and cash equivalents at 31 Dec	301,082	337,412
Cash and cash equivalents comprise:		
- Cash and balances at central banks	162,843	180,624
- items in the course of collection from other banks	5,787	6,628
- loans and advances to banks of one month or less	47,878	82,771
- reverse repurchase agreements with banks of one month or less	59,602	58,850
Annual to the second of the se	20.612	15.000

Consolidated Statement of Cash Flows

For the year ended 31 December

Assets Cash and balances at central banks Items in the course of collection from other banks Hong Kong Government certificates of indebtedness Trading assets Financial assets designated and otherwise mandatorily measured at fair value through profit or loss Financial assets designated at fair value Derivatives Loans and advances to banks Prepayments, accrued income and other assets Interests in associates and joint ventures Goodwill and intangible assets Liabilities and equity Liabilities Hong Kong currency notes in circulation Deposits by banks Customer accounts Repurchase agreements - non-trading Items in the course of transmission to other banks Financial liabilities Current tax liabilities Liabilities under insurance contracts Provisions Liabilities Liabilities Liabilities under insurance contracts Provisions Liabilities Liabiliti	6,628 34,186 287,995 N/A 29,464 219,818 90,393
Assets Cash and balances at central banks Items in the course of collection from other banks Hong Kong Government certificates of indebtedness Trading assets Financial assets designated and otherwise mandatorily measured at fair value through profit or loss Financial assets designated at fair value Derivatives Loans and advances to banks Loans and advances to customers Reverse repurchase agreements - non-trading Financial investments Prepayments, accrued income and other assets Interests in associates and joint ventures Goodwill and intangible assets Deferred tax assets Liabilities Hong Kong currency notes in circulation Deposits by banks Customer accounts Repurchase agreements - non-trading Items in the course of transmission to other banks Trading liabilities Perivatives Derivatives Derivatives Derivatives Derivatives Derivatives Derivatives Derivatives Current tax liabilities Financial liabilities Subordinated liabilities	180,624 6,628 34,186 287,995 N/A 29,464 219,818 90,393
Cash and balances at central banks Items in the course of collection from other banks Hong Kong Government certificates of indebtedness Trading assets Financial assets designated and otherwise mandatorily measured at fair value through profit or loss Financial assets designated at fair value Derivatives Loans and advances to banks Loans and advances to customers Reverse repurchase agreements - non-trading Financial investments Prepayments, accrued income and other assets Interests in associates and joint ventures Goodwill and intangible assets Deferred tax assets Liabilities Hong Kong currency notes in circulation Deposits by banks Customer accounts Repurchase agreements - non-trading Items in the course of transmission to other banks Trading liabilities Perivatives Debt securities in issue Accruals, deferred income and other liabilities Provisions Deferred tax liabilities Provisions Deferred tax liabilities 2,243 Total liabilities	6,628 34,186 287,995 N/A 29,464 219,818 90,393
Cash and balances at central banks Items in the course of collection from other banks Hong Kong Government certificates of indebtedness Trading assets Financial assets designated and otherwise mandatorily measured at fair value through profit or loss Financial assets designated at fair value Derivatives Loans and advances to banks Loans and advances to customers Reverse repurchase agreements - non-trading Financial investments Prepayments, accrued income and other assets Interests in associates and joint ventures Goodwill and intangible assets Deferred tax assets Liabilities Hong Kong currency notes in circulation Deposits by banks Customer accounts Repurchase agreements - non-trading Items in the course of transmission to other banks Trading liabilities Perivatives Debt securities in issue Accruals, deferred income and other liabilities Provisions Deferred tax liabilities Provisions Deferred tax liabilities 2,243 Total liabilities	6,628 34,186 287,995 N/A 29,464 219,818 90,393
Hong Kong Government certificates of indebtedness Trading assets Financial assets designated and otherwise mandatorily measured at fair value through profit or loss Financial assets designated at fair value Derivatives Loans and advances to banks Loans and advances to customers Reverse repurchase agreements - non-trading Financial investments Prepayments, accrued income and other assets Interests in associates and joint ventures Goodwill and intangible assets Liabilities Hong Kong currency notes in circulation Deposits by banks Customer accounts Repurchase agreements - non-trading Items in the course of transmission to other banks Trading liabilities Financial liabilities Betty Current tax liabilities Current tax liabilities Provisions Provisions Deferred tax liabilities Prov	34,186 287,995 N/A 29,464 219,818 90,393
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Trading assets Financial assets designated and otherwise mandatorily measured at fair value through profit or loss Financial assets designated at fair value Derivatives Loans and advances to banks Loans and advances to customers Reverse repurchase agreements - non-trading Financial investments Prepayments, accrued income and other assets Current tax assets Interests in associates and joint ventures Goodwill and intangible assets Deferred tax assets Total assets Liabilities Hong Kong currency notes in circulation Deposits by banks Customer accounts Repurchase agreements - non-trading Items in the course of transmission to other banks Trading liabilities Financial liabilities Derivatives Deb securities in issue Accruals, deferred income and other liabilities Current tax liabilities Frowisions Provisions Deferred tax liabilities Subordinated liabilities	N/A 29,464 219,818 90,393
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss Financial assets designated at fair value Derivatives Loans and advances to banks Loans and advances to customers Reverse repurchase agreements - non-trading Financial investments Prepayments, accrued income and other assets Current tax assets Interests in associates and joint ventures Goodwill and intangible assets Deferred tax assets Liabilities Hong Kong currency notes in circulation Deposits by banks Customer accounts Repurchase agreements - non-trading Items in the course of transmission to other banks Financial liabilities Phase agreements - non-trading Items in the course of transmission to other banks Financial liabilities Phase agreement - non-trading Current tax liabilities Phase agreement - non-trading Current tax liabilities Financial liabilities Phase agreements - non-trading Current tax liabilities Phase agreement - non-trading Current tax liabilities Phase agreement - non-trading Provisions Provisions Provisions Provisions Provisions Provisions Page 2,243 Provisions Prov	29,464 219,818 90,393
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Financial assets designated at fair value Derivatives Loans and advances to banks Loans and advances to customers Reverse repurchase agreements - non-trading Financial investments Prepayments, accrued income and other assets Interests in associates and joint ventures Goodwill and intangible assets Deferred tax assets Total assets Liabilities Hong Kong currency notes in circulation Deposits by banks Customer accounts Repurchase agreements - non-trading Items in the course of transmission to other banks Trading liabilities Between transmission to other banks Trading liabilities designated at fair value Derivatives Debt securities in issue Accruals, deferred income and other liabilities Provisions Deferred tax liabilities Provisions Deferred tax liabilities Subordinated liabilities Total liabilities Total liabilities Total liabilities 2,363,87	29,464 219,818 90,393
Derivatives Loans and advances to banks Loans and advances to customers Reverse repurchase agreements - non-trading Financial investments Prepayments, accrued income and other assets Interests in associates and joint ventures Goodwill and intangible assets Deferred tax assets Liabilities Hong Kong currency notes in circulation Deposits by banks Customer accounts Repurchase agreements - non-trading Items in the course of transmission to other banks Trading liabilities Perivatives Det securities in issue Accruals, deferred income and other liabilities Current tax liabilities Provisions Deferred tax liabilities 207,32 207,82 242,80 881,69 881,69 881,69 881,69 882 24,30 883 244,35 884 24,35 24,35 24,35 24,35 24,35 24,35 24,35 24,35 25,58,12 25,58,12 26,33 26,34 27,36 28,36 28,36 28,36 29,26 20,61 20,61 20,61 20,61 20,61 20,61 20,63	219,818 90,393
Loans and advances to banks Loans and advances to customers Reverse repurchase agreements - non-trading Financial investments Prepayments, accrued income and other assets Interests in associates and joint ventures Goodwill and intangible assets Liabilities Hong Kong currency notes in circulation Deposits by banks Customer accounts Repurchase agreements - non-trading Items in the course of transmission to other banks Financial liabilities designated at fair value Derivatives Debt securities in issue Accruals, deferred income and other liabilities Current tax liabilities Provisions Provisions Deferred tax liabilities 22,363,87 Total liabilities Total liabilities 22,363,87 Total liabilities	90,393
Loans and advances to customers Reverse repurchase agreements - non-trading Financial investments Prepayments, accrued income and other assets Interests in associates and joint ventures Goodwill and intangible assets Deferred tax assets Liabilities Hong Kong currency notes in circulation Deposits by banks Customer accounts Repurchase agreements - non-trading Items in the course of transmission to other banks Financial liabilities Bet securities in issue Accruals, deferred income and other liabilities Current tax liabilities Provisions Deferred tax liabilities 2,363,87 Total liabilities Total liabilities 2,363,87 Total liabilities	
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Financial investments Prepayments, accrued income and other assets 110,57 Current tax assets 68 Interests in associates and joint ventures 22,40 Goodwill and intangible assets 24,35 Deferred tax assets 4,45 Total assets 2,558,12 Liabilities and equity Liabilities Hong Kong currency notes in circulation 35,85 Deposits by banks 56,33 Customer accounts Repurchase agreements - non-trading Items in the course of transmission to other banks Financial liabilities Betty and the course of transmission to other banks Financial liabilities designated at fair value Derivatives Debt securities in issue Accruals, deferred income and other liabilities Financial venture insurance contracts Provisions Provisions 2,92 Deferred tax liabilities 2,43 Total liabilities 2,363,87	201,553
Prepayments, accrued income and other assets Current tax assets 68 Interests in associates and joint ventures 22,40 Goodwill and intangible assets 24,35 Deferred tax assets 4,45 Total assets 2,558,12 Liabilities and equity Liabilities Hong Kong currency notes in circulation 35,85 Deposits by banks 56,33 Customer accounts Repurchase agreements - non-trading Items in the course of transmission to other banks Financial liabilities 84,43 Financial liabilities designated at fair value Derivatives Debt securities in issue Accruals, deferred income and other liabilities Current tax liabilities Provisions Provisions Deferred tax liabilities 2,61 Subordinated liabilities 2,363,87 Total liabilities 2,363,87	389,076
Current tax assets Interests in associates and joint ventures 22,40 Goodwill and intangible assets 24,35 Deferred tax assets 4,45 Total assets 2,558,12 Liabilities Hong Kong currency notes in circulation 35,85 Deposits by banks Customer accounts 1,362,64 Repurchase agreements - non-trading Items in the course of transmission to other banks Financial liabilities 84,43 Financial liabilities designated at fair value Derivatives Debt securities in issue Accruals, deferred income and other liabilities Current tax liabilities 71 Liabilities under insurance contracts Provisions Provisions Deferred tax liabilities 2,61 Subordinated liabilities 2,363,87	67,191
Interests in associates and joint ventures Goodwill and intangible assets 24,35 Deferred tax assets 4,45 Total assets 2,558,12 Liabilities Hong Kong currency notes in circulation 35,85 Deposits by banks Customer accounts 1,362,64 Repurchase agreements - non-trading Items in the course of transmission to other banks Frading liabilities 84,43 Financial liabilities designated at fair value Derivatives Debt securities in issue Accruals, deferred income and other liabilities Current tax liabilities Provisions Provisions Deferred tax liabilities 2,61 Subordinated liabilities 2,363,87	1,006
Goodwill and intangible assets Deferred tax assets 1,45 Total assets 2,558,12 Liabilities and equity Liabilities Hong Kong currency notes in circulation 35,85 Deposits by banks 56,33 Customer accounts 1,362,64 Repurchase agreements - non-trading 165,88 Items in the course of transmission to other banks 5,64 Trading liabilities 84,43 Financial liabilities designated at fair value Derivatives Debt securities in issue Accruals, deferred income and other liabilities 71 Liabilities under insurance contracts Provisions Deferred tax liabilities 2,92 Deferred tax liabilities 2,43 Total liabilities 2,363,87	22,744
Deferred tax assets 4,45 Total assets 2,558,12 Liabilities and equity Liabilities Hong Kong currency notes in circulation 35,85 Deposits by banks 56,33 Customer accounts 1,362,64 Repurchase agreements - non-trading 165,88 Items in the course of transmission to other banks 5,64 Trading liabilities 84,43 Financial liabilities designated at fair value 148,50 Derivatives 205,83 Debt securities in issue 85,34 Accruals, deferred income and other liabilities 97,38 Current tax liabilities 71 Liabilities under insurance contracts 87,33 Provisions 2,92 Deferred tax liabilities 2,61 Subordinated liabilities 22,43 Total liabilities 2,363,87	23,453
Total assets Liabilities and equity Liabilities Hong Kong currency notes in circulation Deposits by banks Customer accounts Repurchase agreements - non-trading Items in the course of transmission to other banks Financial liabilities Financial liabilities designated at fair value Derivatives Debt securities in issue Accruals, deferred income and other liabilities Provisions Provisions Deferred tax liabilities 2,363,87 Total liabilities 2,558,12	4,676
Liabilities and equity Liabilities Hong Kong currency notes in circulation 35,85 Deposits by banks 56,33 Customer accounts 1,362,64 Repurchase agreements - non-trading 165,88 Items in the course of transmission to other banks 5,64 Trading liabilities 84,43 Financial liabilities designated at fair value 148,50 Derivatives 205,83 Debt securities in issue 85,34 Accruals, deferred income and other liabilities 97,38 Current tax liabilities 71 Liabilities under insurance contracts 87,33 Provisions 2,92 Deferred tax liabilities 22,43 Total liabilities 2,363,87	
Hong Kong currency notes in circulation 35,85 Deposits by banks 56,33 Customer accounts 1,362,64 Repurchase agreements - non-trading 165,88 Items in the course of transmission to other banks 5,64 Trading liabilities 84,43 Financial liabilities designated at fair value 148,50 Derivatives 205,83 Debt securities in issue 85,34 Accruals, deferred income and other liabilities 97,38 Current tax liabilities 71 Liabilities under insurance contracts 87,33 Provisions 2,92 Deferred tax liabilities 22,43 Total liabilities 2,363,87	2,521,771
Hong Kong currency notes in circulation 35,85 Deposits by banks 56,33 Customer accounts 1,362,64 Repurchase agreements - non-trading 165,88 Items in the course of transmission to other banks 5,64 Trading liabilities 84,43 Financial liabilities designated at fair value 148,50 Derivatives 205,83 Debt securities in issue 85,34 Accruals, deferred income and other liabilities 97,38 Current tax liabilities 71 Liabilities under insurance contracts 87,33 Provisions 2,92 Deferred tax liabilities 2,61 Subordinated liabilities 22,43 Total liabilities 2,363,87	
Deposits by banks 56,33 Customer accounts 1,362,64 Repurchase agreements - non-trading 165,88 Items in the course of transmission to other banks 5,64 Trading liabilities 84,43 Financial liabilities designated at fair value 148,50 Derivatives 205,83 Debt securities in issue 85,34 Accruals, deferred income and other liabilities 97,38 Current tax liabilities 71 Liabilities under insurance contracts 87,33 Provisions 2,92 Deferred tax liabilities 2,61 Subordinated liabilities 22,43 Total liabilities 2,363,87	
Customer accounts 1,362,64 Repurchase agreements - non-trading 165,88 Items in the course of transmission to other banks 5,64 Trading liabilities 84,43 Financial liabilities designated at fair value 148,50 Derivatives 205,83 Debt securities in issue 85,34 Accruals, deferred income and other liabilities 97,38 Current tax liabilities 71 Liabilities under insurance contracts 87,33 Provisions 2,92 Deferred tax liabilities 2,61 Subordinated liabilities 22,43 Total liabilities 2,363,87	34,186
Repurchase agreements - non-trading 165,88 Items in the course of transmission to other banks 5,64 Trading liabilities 84,43 Financial liabilities designated at fair value 148,50 Derivatives 205,83 Debt securities in issue 85,34 Accruals, deferred income and other liabilities 97,38 Current tax liabilities 71 Liabilities 171 Liabilities 171 Deferred tax liabilities 2,92 Deferred tax liabilities 2,92 Deferred tax liabilities 2,61 Subordinated liabilities 22,43 Total liabilities 2,363,87	69,922
Items in the course of transmission to other banks 5,64 Trading liabilities 84,43 Financial liabilities designated at fair value 148,50 Derivatives 205,83 Debt securities in issue 85,34 Accruals, deferred income and other liabilities 97,38 Current tax liabilities 71 Liabilities under insurance contracts 87,33 Provisions 2,92 Deferred tax liabilities 2,61 Subordinated liabilities 22,43 Total liabilities 2,363,87	1,364,462
Trading liabilities 84,43 Financial liabilities designated at fair value 148,50 Derivatives 205,83 Debt securities in issue 85,34 Accruals, deferred income and other liabilities 97,38 Current tax liabilities 71 Liabilities under insurance contracts 87,33 Provisions 2,92 Deferred tax liabilities 2,61 Subordinated liabilities 22,43 Total liabilities 2,363,87	130,002
Financial liabilities designated at fair value Derivatives 205,83 Debt securities in issue Accruals, deferred income and other liabilities Provisions Provisions Deferred tax liabilities 2,92 Deferred tax liabilities 2,61 Subordinated liabilities 2,363,87	6,850
Derivatives 205,83 Debt securities in issue 85,34 Accruals, deferred income and other liabilities 97,38 Current tax liabilities 71 Liabilities under insurance contracts 87,33 Provisions 2,92 Deferred tax liabilities 2,61 Subordinated liabilities 22,43 Total liabilities 2,363,87	184,361
Debt securities in issue 85,34 Accruals, deferred income and other liabilities 97,38 Current tax liabilities 71 Liabilities under insurance contracts 87,33 Provisions 2,92 Deferred tax liabilities 2,61 Subordinated liabilities 22,43 Total liabilities 2,363,87	94,429
Accruals, deferred income and other liabilities 97,38 Current tax liabilities 71 Liabilities under insurance contracts 87,33 Provisions 2,92 Deferred tax liabilities 2,61 Subordinated liabilities 22,43 Total liabilities 2,363,87	216,821
Current tax liabilities 71 Liabilities under insurance contracts 87,33 Provisions 2,92 Deferred tax liabilities 2,61 Subordinated liabilities 22,43 Total liabilities 2,363,87	64,546
Liabilities under insurance contracts 87,33 Provisions 2,92 Deferred tax liabilities 2,61 Subordinated liabilities 22,43 Total liabilities 2,363,87	45,907
Provisions 2,92 Deferred tax liabilities 2,61 Subordinated liabilities 22,43 Total liabilities 2,363,87	928
Deferred tax liabilities 2,61 Subordinated liabilities 22,43 Total liabilities 2,363,87	85,667
Subordinated liabilities 22,43 Total liabilities 2,363,87	4,011
Total liabilities 2,363,87	1,982
	19,826
Equity	2,323,900
Called up share capital 10,18	10,160
Share premium account 13,60	10,177
Other equity instruments 22,36	22,250
Other reserves 1,90	7,664
Retained earnings 138,19	139,999
Total shareholders' equity 186,25	190,250
Non-controlling interests 7,99	7,621
Total equity 194,24	197,871
Total liabilities and equity 2,558,12	2,521,771
	1

Consolidated Balance Sheet

2017

Consolidated Statement of Comprehensive Income		
For the year ended 31 December	2018 US\$ m	2017 US\$ m
Profit for the year	15,025	11,879
Other comprehensive income/(expense)		
tems that will be reclassified subsequently to profit or loss when specific conditions are met:		
Available-for-sale investments	N/A	146
- fair value gains	N/A	1,227
- fair value gains reclassified to the income statement - amounts reclassified to the income statement in respect of impairment losses	N/A N/A	(1,033)
- income taxes	N/A	(141)
Debt instruments at fair value through other comprehensive income	(243)	N/A
- fair value losses - fair value gain transferred to the income statement on disposal	(168) (95)	N/A N/A
- expected credit losses recognised in the income statement	(94)	N/A
- income taxes	114	N/A
Cash flow hedges	19	(192)
– fair value losses – fair value losses reclassified to the income statement	(267) 317	(1,046) 833
- fair value losses reclassified to the income statement - income taxes and other movements	(31)	21
Share of other comprehensive income/(expense) of associates and joint ventures	(64)	(43)
- share for the year	(64)	(43)
Exchange differences – foreign exchange gains reclassified to income statement on disposal of a	(7,156)	(9,077)
foreign operation – other exchange differences	(7,156)	(8,939)
- Income tax attributable to exchange differences	(7,150)	138
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit asset/liability	(329)	2,419
– before income taxes – income taxes	(388) 59	3,440 (1,021)
	55	(1,021)
Changes in fair value of financial liabilities designated at fair value upon initial recognition arising from changes in own credit risk	2,847	(2,024)
- before income taxes	3,606	(2,409)
- income taxes	(759)	385
Equity instruments designated at fair value through other comprehensive income	(27)	N/A
- fair value losses	(71)	N/A
- income taxes	44	N/A
Effects of hyperinflation	283	N/A
Other comprehensive income/(expense) for the year, net of tax	(4,670)	9,383
Total comprehensive income/(expense) for the year	10,355	21,262
Attributable to: – ordinary shareholders of the parent company	8,083	18,914
– preference shareholders of the parent company	90	90
– other equity holders	1,029	1,025
- non-controlling interests	1,153	1,233
Total comprehensive income/(expenses) for the year	10,355	21,262

Summary of financial instruments to which the impairment re	equirments in IFRS 9 a	re applied
	2018 As a 31 Decembe	t As at
	Allowance fo ECI US\$ n	
Loans and advances to customers at amortised cost	(8,625	5) (9,343)
- personal	(2,947	7) (3,047)
– coporate and commercial	(5,552	2) (6,053)
 non-bank financial institutions 	(126	6) (243)
Loans and advances to banks at amortised cost	(13	3) (23)
Other financial assets measured at amortised cost	(55	5) (114)
– cash and balances at central banks	(2	2) (3)
– items in the course of collection from other banks		
 Hong Kong Government certificates of indebtedness 		
 reverse repurchase agreements – non-trading 		
- financial investments	(18	3) (16)
- prepayments, accrued income and other assets	(35	5) (95)
Total gross carrying amount on-balance sheet	(8,693	3) (9,480)
Loans and other credit-related commitments	(325	5) (376)
– personal	(13	3) (14)
- corporate and commercial	(305	5) (355)
– non-bank financial institutions	(7	7) (7)
Financial guarantees	(93	3) (97)
– personal	(1) (4)
- corporate and commercial	(89	5) (89)
– non-bank financial institutions	(7	7) (4)
Total nominal amount off-balance sheet	(418	3) (473)
	(9,11	1) (9,953)

30,613

301,082

15,389

(6,850)

337,412

- treasury bills, other bills and certificates of deposit less than three months

less: items in the course of transmission to other banks

Cash and cash equivalents at 31 Dec

Customers Accounts - by Business		
For the year ended 31 December	2018	201
	US\$ m	US\$ r
Retail banking and wealth management	640,924	639,59
Commercial Banking	357,596	362,90
Global Banking and Markets	290,914	283,94
Global Private Banking	64,658	66,51
Other	8,551	11,50
Total	1,362,643	1,364,46

Loans and advances to customers (net) - By business						
For the year ended 31 December	2018	2017				
	US\$ m	US\$ m				
Retail banking and wealth management	361,872	332,261				
Commercial Banking	333,162	305,213				
Global Banking and Markets	244,978	244,476				
Global Private Banking	39,217	39,597				
Corporate Centre	2,467	7,294				
Total	981,696	928,841				

Group Perfomance Ratios (%)		
	2019	2018
	As at	As at
	31 March	31 December
Common equity tier 1 ratio	14.3	14
Tier 1 ratio	17.3	16.6
Total capital ratio	20.2	19.4
Return on average ordinary shareholder's equity*	10.2	7.7
Return on average tangible equity*	10.6	8.6
Leverage ratio	5.4	5.5

					Other Reserves					
	Called up share capital and share premium US\$ m	Other equity instruments US\$ m	Retained earnings US\$ m	Financial assets at FVOCI reserve US\$ m	Cash flow hedging reserve US\$ m	Foreign exchange reserve US\$ m	Merger and other reserve US\$ m	Total share- holders' equity US\$ m	Non- controlling interests US\$ m	Tota equity US\$ m
As at 31 December 2017	20,337	22,250	139,999	(350)	(222)	(19,072)	27,308	190,250	7,621	197,87
mpact on transition to IFRS 9			(585)	(1,021)		-		(1,606)	(41)	(1,647
At 1 Jan 2018	20,337	22,250	139,414	(1,371)	(222)	(19,072)	27,308	188,644	7,580	196,224
Profit for the year Other comprehensive income (net of tax)	_	_	13,727 2,765	(245)	16	(7,061)	_	13,727 (4,525)	1,298 (145)	15,025 (4,670
			2,705	(245)	10	(7,001)	_	(4,323)	(145)	(4,670
debt instruments at fair value through other comprehensive income equity instruments designated at fair value through	_	-	-	(245)	-	-	-	(245)	2	(243
other comprehensive income	_	-	_	_	-	-	-	-	(27)	(27
cash flow hedges changes in fair value of financial liabilities designated at fair value upon initial recognition arising from	-	-	-	-	16	-	-	16	3	19
changes in own credit risk	-	-	2,847	-	-	-	-	2,847	-	2,847
remeasurement of defined benefit asset/liability share of other comprehensive income of associates and	-	-	(301)	-	-	-	-	(301)	(28)	(329
joint ventures	-	-	(64)	-	-	-	-	(64)	-	(64
effects of hyperinflation exchange differences	-	-	283	_	_ [(7,061)	_	283 (7,061)	(95)	283 (7,156
•						. , ,	_		(1.17	
otal comprehensive income for the year	-	-	16,492	(245)	16	(7,061)	-	9,202	1,153	10,355
Shares issued under employee remuneration and share plans Share plans Shares issued in lieu of dividends and amounts arising thereon	721	-	(610) 1,494	-	-	_	-	111 1,494	-	11 ²
Capital securities issued	_	5.968	1,434	_	_	_	_	5,968		5.96
Dividends to shareholders	_	-	(11,547)	_	_	_	_	(11,547)	(710)	(12,257
edemption of securities	-	(5,851)	(237)	_	_	-	-	(6,088)		(6,088
ransfers	-	-	(2,200)	-	-	-	2,200	-	-	
Cost of share-based payment arrangements		-	450	-	-	-	-	450	-	450
Cancellation of shares	2,731	_	(4,998)	- 04	-	-	269	(1,998)	- (07)	(1,998
Other movements	_	_	(67)	84	-		-	17	(27)	(10
At 31 December 2018	23,789	22,367	138,191	(1,532)	(206)	(26,133)	29,777	186,253	7,996	194,24

Analysis of Financial	Assets and Liabilities As at 31 December 2		t Basis	
	Amortised cost US\$ m	Fair value through profit or loss US\$ m	Fair value through other comphrehensive income US\$ m	Total US\$ m
Financial assets				
Cash and balances at central banks	162,843			162,843
Items in the course of collection from other banks	5,787			5,787
Hong Kong Government certificates of indebtedness	35,859			35,859
Trading assets	238,130			238,130
Financial assets designated and otherwise				
mandatorily measured at fair value through profit or loss		41,111		41,111
Derivatives		207,825		207,825
Loans and advances to banks	72,167			72,167
Loans and advances to customers	981,696			981,696
Reverse repurchase agreements - non-trading	242,804			242,804
Financial investments	407,433			407,433
Prepayments, accrued income and other assets	110,571			110,571
Current tax assets	684			684
Interests in associates and joint ventures	22,407			22,407
Goodwill and intangible assets	24,357			24,357
Deferred tax assets	4,450			4,450
	2,309,188	248,936		2,558,124
Financial liabilities				
Hong Kong currency notes in circulation	35,859			35,859
Deposits by banks	56,331			56,331
Customer accounts	1,362,643			1,362,643
Repurchase agreements-non-trading	165,884			165,884
Items in the course of transmission to other banks	5,641			5,641
Trading liabilities		84,431		84,431
Financial liabilities designated at fair value			148,505	148,505
Derivatives	205,835			205,835
Debt securities in issue	85,342			85,342
Accruals, deferred income and other liabilities	97,380			97,380
Current tax liabilities	718			718
Liabilities under insurance contracts	87,330			87,330
Provisions	2,920			2,920
Deferred tax liabilities	2,619			2,619
Subordinated liabilities	22,437			22,437
	2,130,939	84,431	148,505	2,363,875

The financial information summarised above has been extracted from HSBC Holdings plc annual report for the year ended 31 December 2018.



		FITCH		MOODY	″S	STANDARD & POOR'S		
		RATING	OUTLOOK	RATING	OUTLOOK	RATING	OUTLOOK	
The Hongkong and Shanghai	Long Term/Senior	AA-	Rating watch Negative	Aa3	Stable	AA-	Stable	
Banking Corporation Limited	Shorter Term	F1+	Rating watch Negative	P-1	-	A-1+	-	