The Hongkong and Shanghai Banking Corporation Limited

Incorporated in the Hongkong SAR with limited liability

HSBC Holdings plc

Consolidated Income Statement		
For the year ended 31 December	2014 US\$ m	2013 US\$ n
Interest income	50,955	51,192
Interest expense	(16,250)	(15,653)
Net interest income	34,705	35,539
Fee income	19,545	19,973
Fee expense	(3,588)	(3,539)
Net fee income	15,957	16,434
Trading income excluding net interest income	4,853	6,643
Net interest income on trading activities	1,907	2,047
Net trading income	6,760	8,690
Changes in fair value of long-term debt issued and related derivatives	508	(1,228
Net income from other financial instruments designated at fair value	1,965	1,996
Net income/(expense) from financial instruments designated at fair value	2,473	768
Gains less losses from financial investments	1,335	2,012
Dividend income	311	322
Net insurance premium income	11,921	11,940
Gains on disposal of US branch network, US cards business and Ping An insurance (Group) Company of China, Ltd	_	-
Other operating income	1,131	2,632
Total operating income	74,593	78,337
Net insurance claims and benefits paid and movement in liabilities to policyholders	(13,345)	(13,692
Net operating income before loan impairment charges and other credit risk provisions	61,248	64,645
Loan impairment charges and other credit risk provisions	(3,851)	(5,849
Net operating income	57,397	58,796
Employee compensation and benefits	(20,366)	(19,196
General and administrative expenses	(18,565)	(17,065
Depreciation and impairment of property, plant and equipment	(1,382)	(1,364
Amortization and impairment of intangible assets	(936)	(931
Total operating expenses	(41,249)	(38,556)
Operating profit	16,148	20,240
Share of profit in associates and joint ventures	2,532	2,325
Profit before tax	18,680	22,565
Tax expense	(3,975)	(4,765
Profit for the year	14,705	17,800
Profit attributable to shareholders of the parent company	13,688	16,204
Profit attributable to non-controlling interests	1,017	1,596
	US\$	USS
Basic earnings per ordinary share	0.69	0.84
Diluted earnings per ordinary share	0.69	0.84

For the year ended 31 December	2014	2013
	US\$ m	US\$ m
Gross loans receivables	986,997	1,007,232
(Less): Individual impairment	(6,195)	(7,072
Collective impairment	(6,142)	(8,071
Net loans and receivables including those designated at fair value through profit or loss	974,660	992,089
(Less): Loans and receivables designated at fair value through profit or loss	_	
Net loans and receivables	974,660	992,08

Profit for the year Other comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific onditions are met: Available-for-sale investments - fair value gains/(losses) - fair value gains reclassified to the income statement losses - income taxes - income taxes - fair value gains - fair value gains reclassified to the income statement - fair value gains - fair value gains - fair value gains - fair value gains - fair value gains reclassified to the income statement income taxes (524) 1,0 (524) 1,1 (1,244) (88) (10 (80) (10 (10 (10 (10 (10 (10 (10 (year ended 31 December		2014	2013
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Other comprehensive income for the year, net of tax (3,678) (3,74	income taxes			(601)
	e taxes		(434)	143
Total comprehensive income for the year 11.027	omprehensive income for the year, ne	of tax	(3,678)	(3,747)
	omprehensive income for the year		11,027	14,053
Attributable to:	able to:			
			9,245	12,644
	1 1 1		′	1,409

Group Performance Ratios (%)	2015	2014
	As at	As at
	30 June	31 December
Tier 1 ratio	13.4	12.5
Total Capital ratio	16.3	15.6
Pre-tax return on average risk-weighted assets	2.3	1.0*
Return on average ordinary shareholder's equity (Annualized)	10.6	4.0

*On 1 January 2014, CRD IV came into force and the calculation of capital resources and risk-weighted assets at 30 June 2015 are calculated and presented on this basis.

 *2014 Pre-tax return on average risk-weighted assets ratio is calculated for the 6 months from July 2014 to December 2014

Loans and Receivables to Other Customers - by Product		
For the year ended 31 December	2014 US\$ m	2013 US\$ m
Personal	393,554	410,728
– first lien residential mortgages	286,524	299,875
– other personal	107,030	110,853
Corporate and commercial	540,556	543,265
- manufacturing	106,986	113,850
- international trade and services	180,791	184,668
– commercial real estate	73,293	74,846
- other property-related	52,387	44,832
– government	6,143	7,277
- other commercial	120,956	117,792
Financial	50,818	50,523
- non-bank financial institutions	48,799	48,537
- settlement accounts	2,019	1,986
Asset-backed securities reclassified	2,069	2,716
Total gross loans and receivables to customers	986,997	1,007,232

Consolidated Statement of Changes in Equity for the year ended 31 December 2014											
						Other Reserves					
	Called-up share capital US\$m	Share premium US\$m	Other equity instruments US\$m	Retained earnings US\$m	Available- for-sale fair value reserve US\$m	Cash flow hedging reserve US\$m	Foreign exchange reserve US\$m	Merger reserve US\$m	Total share- holders equity US\$m	Non- controlling interests US\$m	Total equity US\$m
At 1 January 2014	9,415	11,135	5,851	128,728	97	(121)	(542)	27,308	181,871	8,588	190,459
Profit for the year	_	_	_	13,688	_	-	-	-	13,688	1,017	14,705
Other comprehensive income (net of tax)	_	_	_	2,066	2,025	189	(8,723)	_	(4,443)	765	(3,678)
- available-for-sale investments	_	_	_	_	2,025	_	_	_	2,025	947	2,972
cash flow hedges	_	_	_	_	_	189	-	-	189	(1)	188
- remeasurement of defined benefit asset/liability	_	_	_	1,986	_	-	-	-	1,986	(1)	1,985
- share of other comprehensive income of associates and											
joint ventures	_	_	_	80	_	-	-	-	80	-	80
exchange differences		_	_	_	_	_	(8,723)	_	(8,723)	(180)	(8,903)
Total comprehensive income for the year Shares issued under employee remuneration and	_	_	_	15,754	2,025	189	(8,723)	-	9,245	1,782	11,027
share plans	60	917	_	(710)	_	_	_	_	267	_	267
Shares issued in lieu of dividends and amounts arising											
thereon	134	(134)	_	2,709	_	_	_	_	2,709	_	2,709
Capital securities issued	_	_	5,681	_	_	_	_	_	5,681	_	5,681
Dividends to shareholders	_	_	_	(9,893)	_	-	-	_	(9,893)	(712)	(10,605)
Cost of share-based payment arrangements	_	_	_	732	_	-	-	_	732	_	732
Other movements	_	_	_	(176)	21	(10)	-	-	(165)	(127)	(292)
At 31 December 2014	9,609	11,918	11,532	137,144	2,143	58	(9,265)	27,308	190,447	9,531	199,978

The financial information summarised above has been extracted from HSBC Holdings plc annual report for the year ended 31 December 2014.

