

HSBC HOLDINGS PLC  
Form 6-K  
March 26, 2014

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a - 16 or 15d - 16 of  
the Securities Exchange Act of 1934

For the month of March  
HSBC Holdings plc

42nd Floor, 8 Canada Square, London E14 5HQ, England

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F).

Form 20-F  Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934).

Yes.....  No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-.....).

Further analysis of impairment

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Movement in impairment allowances by industry sector and by geographical region  
(Unaudited)

|  | Rest<br>of     |               |         |       |                  |                  |         |
|--|----------------|---------------|---------|-------|------------------|------------------|---------|
|  | Hong<br>Europe | Asia-<br>Kong | Pacific | MENA  | North<br>America | Latin<br>America | Total   |
|  | US\$m          | US\$m         | US\$m   | US\$m | US\$m            | US\$m            | US\$m   |
| Impairment allowances at 1<br>January 2013 ..              | 5,361          | 473           | 746     | 1,811 | 5,616            | 2,162            | 16,169  |
| Amounts written off  |                |               |         | (195) |                  |                  |         |
| Personal   | (2,180)        | (187)         | (373)   | (107) | (1,610)          | (2,110)          | (6,655) |
| - first lien residential mortgages                         | (876)          | (152)         | (309)   | (2)   | (1,330)          | (1,593)          | (4,367) |
| - other personal1  | (83)           | -             | (7)     | (105) | (779)            | (25)             | (896)   |
| Corporate and commercial                                   | (793)          | (152)         | (302)   | (78)  | (551)            | (1,568)          | (3,471) |
| - manufacturing and international<br>trade<br>and services | (1,264)        | (32)          | (64)    | (64)  | (277)            | (514)            | (2,229) |
| - commercial real estate and other<br>property-related     | (680)          | (30)          | (43)    | (64)  | (80)             | (386)            | (1,283) |
| - other commercial10                                       | (289)          | -             | (7)     | (12)  | (141)            | (23)             | (462)   |
| Financial2   | (295)          | (2)           | (14)    | (10)  | (56)             | (105)            | (484)   |
| Recoveries of amounts written off<br>in previous<br>years  | (40)           | (3)           | -       |       | (3)              | (3)              | (59)    |
| Personal   | 637            | 35            | 132     | 87    | 123              | 282              | 1,296   |
| - first lien residential mortgages                         | 584            | 31            | 122     | 41    | 82               | 237              | 1,097   |
| - other personal1  | 25             | 3             | 1       | -     | 67               | 23               | 119     |
|  | 559            | 28            | 121     | 41    | 15               | 214              | 978     |
|  | 52             | 4             | 10      | 46    | 41               | 45               | 198     |

|  |       |      |      |       |         |       |         |
|--|-------|------|------|-------|---------|-------|---------|
| Corporate and commercial                             |       |      |      |       |         |       |         |
| .....  |       |      |      |       |         |       |         |
| - manufacturing and international trade and services | 19    | 4    | 3    | 2     | 6       | 27    | 61      |
| .....  |       |      |      |       |         |       |         |
| - commercial real estate and other property-related  | 6     | -    | 4    | -     | 18      | 1     | 29      |
| .....  |       |      |      |       |         |       |         |
| - other commercial <sup>10</sup>                     | 27    | -    | 3    | 44    | 17      | 17    | 108     |
| .....  |       |      |      |       |         |       |         |
| Financial <sup>2</sup>                               |       |      |      | -     |         |       |         |
| .....  | 1     | -    | -    |       | -       | -     | 1       |
| Charge to income statement                           |       |      |      | (44)  |         |       |         |
| .....  | 1,732 | 135  | 348  |       | 1,235   | 2,642 | 6,048   |
| Personal   |       |      |      | 46    |         |       |         |
| .....  | 320   | 140  | 205  |       | 963     | 1,522 | 3,196   |
| - first lien residential mortgages                   |       |      |      | (13)  |         |       |         |
| .....  | (11)  | (8)  | 1    |       | 647     | 11    | 627     |
| - other personal <sup>1</sup>                        |       |      |      | 59    |         |       |         |
| .....  | 331   | 148  | 204  |       | 316     | 1,511 | 2,569   |
| Corporate and commercial                             |       |      |      | (13)  |         |       |         |
| .....  | 1,467 | 8    | 144  |       | 253     | 1,115 | 2,974   |
| - manufacturing and international trade and services |       |      |      |       |         |       |         |
| .....  | 800   | 33   | 101  | 37    | 125     | 594   | 1,690   |
| - commercial real estate and other property-related  |       |      |      |       |         |       |         |
| .....  | 432   | (4)  | 2    | (5)   | 79      | 322   | 826     |
| - other commercial <sup>10</sup>                     |       |      |      | (45)  |         |       |         |
| .....  | 235   | (21) | 41   |       | 49      | 199   | 458     |
| Financial <sup>2</sup>                               |       |      |      | (77)  |         |       |         |
| .....  | (55)  | (13) | (1)  |       | 19      | 5     | (122)   |
| Exchange and other movements <sup>19</sup>           |       |      |      | (76)  |         |       |         |
| .....  | 48    | (7)  | (88) |       | (1,122) | (412) | (1,657) |
| At 31 December 2013                                  |       |      |      | 1,583 |         |       |         |
| .....  | 5,598 | 449  | 765  |       | 4,242   | 2,564 | 15,201  |
| Impairment allowances against banks:                 |       |      |      |       |         |       |         |
| - individually assessed                              |       |      |      | 18    |         |       |         |
| .....  | 35    | -    | -    |       | 5       | -     | 58      |
| Impairment allowances against customers:             |       |      |      |       |         |       |         |

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|                                       |       |     |     |       |       |       |        |
|---------------------------------------|-------|-----|-----|-------|-------|-------|--------|
| - individually assessed               |       |     |     | 1,131 |       |       |        |
| .....                                 | 4,019 | 174 | 460 |       | 410   | 878   | 7,072  |
| - collectively assessed <sup>18</sup> |       |     |     | 434   |       |       |        |
| .....                                 | 1,544 | 275 | 305 |       | 3,827 | 1,686 | 8,071  |
| At 31 December 2013                   |       |     |     | 1,583 |       |       |        |
| .....                                 | 5,598 | 449 | 765 |       | 4,242 | 2,564 | 15,201 |

Movement in impairment allowances by industry sector and by geographical region (continued)  
(Unaudited)

|  |         |       | Rest<br>of |       |         |         |         |
|--|---------|-------|------------|-------|---------|---------|---------|
|  |         | Hong  | Asia-      |       | North   | Latin   | Total   |
| (U   | Europe  | Kong  | Pacific    | MENA  | America | America |         |
|  | US\$m   | US\$m | US\$m      | US\$m | US\$m   | US\$m   | US\$m   |
| Impairment allowances at 1 January 2012 ....         | 5,292   | 581   | 782        | 1,731 | 7,239   | 2,011   | 17,636  |
| Amounts written off                                  |         |       |            | (305) |         |         |         |
| .....  | (2,375) | (219) | (540)      |       | (4,181) | (2,192) | (9,812) |
| Personal   |         |       |            | (126) |         |         |         |
| .....  | (828)   | (128) | (347)      |       | (3,862) | (1,614) | (6,905) |
| - first lien residential mortgages                   |         |       |            | (2)   |         |         |         |
| .....  | (28)    | -     | (7)        |       | (1,952) | (70)    | (2,059) |
| - other personal <sup>1</sup>                        |         |       |            | (124) |         |         |         |
| .....  | (800)   | (128) | (340)      |       | (1,910) | (1,544) | (4,846) |
| Corporate and commercial                             |         |       |            | (154) |         |         |         |
| .....  | (1,428) | (91)  | (193)      |       | (234)   | (577)   | (2,677) |
| - manufacturing and international trade and services |         |       |            |       |         |         |         |
| .....  | (661)   | (91)  | (164)      | (137) | (59)    | (498)   | (1,610) |
| - commercial real estate and other property-related  |         |       |            |       |         |         |         |
| .....  | (377)   | -     | (8)        | (6)   | (97)    | (18)    | (506)   |
| - other commercial <sup>10</sup>                     |         |       |            | (11)  |         |         |         |
| .....  | (390)   | -     | (21)       |       | (78)    | (61)    | (561)   |
| Financial <sup>2</sup>                               |         |       |            | (25)  |         |         |         |
| .....  | (119)   | -     | -          |       | (85)    | (1)     | (230)   |

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|  |       |      |     |     |       |       |       |
|--|-------|------|-----|-----|-------|-------|-------|
| Recoveries of amounts written off in previous years  |       |      |     |     |       |       |       |
| .....  | 409   | 31   | 150 | 75  | 129   | 352   | 1,146 |
| Personal   |       |      |     | 50  |       |       |       |
| .....  | 354   | 30   | 132 |     | 88    | 312   | 966   |
| - first lien residential mortgages                   |       |      |     | 5   |       |       |       |
| .....  | 34    | 4    | 2   |     | 46    | 49    | 140   |
| - other personal1                                    |       |      |     | 45  |       |       |       |
| .....  | 320   | 26   | 130 |     | 42    | 263   | 826   |
| Corporate and commercial                             |       |      |     | 25  |       |       |       |
| .....  | 51    | 1    | 18  |     | 38    | 39    | 172   |
| - manufacturing and international trade and services |       |      |     |     |       |       |       |
| .....  | 16    | 1    | 5   | 2   | 7     | 28    | 59    |
| - commercial real estate and other property-related  |       |      |     |     |       |       |       |
| .....  | 9     | -    | 11  | -   | 19    | 2     | 41    |
| - other commercial10                                 |       |      |     | 23  |       |       |       |
| .....  | 26    | -    | 2   |     | 12    | 9     | 72    |
| Financial2   |       |      |     | -   |       |       |       |
| .....  | 4     | -    | -   |     | 3     | 1     | 8     |
| Charge to income statement                           |       |      |     | 255 |       |       |       |
| .....  | 1,874 | 84   | 340 |     | 3,462 | 2,145 | 8,160 |
| Personal   |       |      |     | 57  |       |       |       |
| .....  | 348   | 96   | 234 |     | 3,228 | 1,399 | 5,362 |
| - first lien residential mortgages                   |       |      |     | 7   |       |       |       |
| .....  | (56)  | (11) | 14  |     | 1,986 | (30)  | 1,910 |
| - other personal1                                    |       |      |     | 50  |       |       |       |
| .....  | 404   | 107  | 220 |     | 1,242 | 1,429 | 3,452 |
| Corporate and commercial                             |       |      |     | 169 |       |       |       |
| .....  | 1,547 | (14) | 102 |     | 252   | 746   | 2,802 |
| - manufacturing and international trade and services |       |      |     |     |       |       |       |
| .....  | 670   | (12) | 32  | 80  | 62    | 625   | 1,457 |
| - commercial real estate and other property-related  |       |      |     |     |       |       |       |
| .....  | 444   | 7    | 55  | 62  | 94    | 28    | 690   |
| - other commercial10                                 |       |      |     | 27  |       |       |       |
| .....  | 433   | (9)  | 15  |     | 96    | 93    | 655   |
| Financial2   |       |      |     | 29  |       |       |       |
| .....  | (21)  | 2    | 4   |     | (18)  | -     | (4)   |

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|   |       |     |     |       |         |       |        |
|---|-------|-----|-----|-------|---------|-------|--------|
| Exchange and other movements <sup>19</sup><br>..... | 161   | (4) | 14  | 55    | (1,033) | (154) | (961)  |
| At 31 December 2012<br>.....                        | 5,361 | 473 | 746 | 1,811 | 5,616   | 2,162 | 16,169 |
| Impairment allowances against<br>banks:             |       |     |     |       |         |       |        |
| - individually assessed<br>.....                    | 40    | -   | -   | 17    | -       | -     | 57     |
| Impairment allowances against<br>customers:         |       |     |     |       |         |       |        |
| - individually assessed<br>.....                    | 3,781 | 192 | 442 | 1,323 | 428     | 406   | 6,572  |
| - collectively assessed <sup>18</sup><br>.....      | 1,540 | 281 | 304 | 471   | 5,188   | 1,756 | 9,540  |
| At 31 December 2012<br>.....                        | 5,361 | 473 | 746 | 1,811 | 5,616   | 2,162 | 16,169 |

For footnotes, see page 263.

Movement in impairment allowances over 5 years  
(Unaudited)

|  | 2013    | 2012    | 2011     | 2010     | 2009     |
|--|---------|---------|----------|----------|----------|
|  | US\$m   | US\$m   | US\$m    | US\$m    | US\$m    |
| Impairment allowances at 1 January<br>.....                  | 16,169  | 17,636  | 20,241   | 25,649   | 23,972   |
| Amounts written off<br>.....                                 | (6,655) | (9,812) | (12,480) | (19,300) | (24,840) |
| Personal .....   | (4,367) | (6,905) | (10,431) | (16,458) | (22,703) |
| - first lien residential mortgages .....                     | (896)   | (2,059) | (2,662)  | (4,163)  | (4,704)  |
| - other personal <sup>1</sup> .....                          | (3,471) | (4,846) | (7,769)  | (12,295) | (17,999) |
| Corporate and commercial .....                               | (2,229) | (2,677) | (2,009)  | (2,789)  | (1,984)  |
| - manufacturing and international trade and services .       | (1,283) | (1,610) | (1,137)  | (1,050)  | (1,093)  |
| - commercial real estate and other property-related .        | (462)   | (506)   | (392)    | (1,280)  | (327)    |
| - other commercial <sup>10</sup> .....                       | (484)   | (561)   | (480)    | (459)    | (564)    |
| Financial <sup>2</sup> .....                                 | (59)    | (230)   | (40)     | (53)     | (153)    |
| Recoveries of amounts written off in previous years<br>..... | 1,296   | 1,146   | 1,426    | 1,020    | 890      |
| Personal .....   | 1,097   | 966     | 1,175    | 846      | 712      |

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|  |         |        |         |        |        |
|--|---------|--------|---------|--------|--------|
| - first lien residential mortgages .....               | 119     | 140    | 86      | 93     | 61     |
| - other personal1 .....                                | 978     | 826    | 1,089   | 753    | 651    |
| Corporate and commercial .....                         | 198     | 172    | 242     | 156    | 170    |
| - manufacturing and international trade and services . | 61      | 59     | 135     | 92     | 123    |
| - commercial real estate and other property-related .  | 29      | 41     | 20      | 21     | 9      |
| - other commercial10 .....                             | 108     | 72     | 87      | 43     | 38     |
| Financial2 .....                                       | 1       | 8      | 9       | 18     | 8      |
| Charge to income statement                             |         |        |         |        |        |
| .....  | 6,048   | 8,160  | 11,505  | 13,548 | 24,942 |
| Personal .....   | 3,196   | 5,362  | 9,318   | 11,187 | 19,781 |
| - first lien residential mortgages .....               | 627     | 1,910  | 4,103   | 3,461  | 4,185  |
| - other personal1 .....                                | 2,569   | 3,452  | 5,215   | 7,726  | 15,596 |
| Corporate and commercial .....                         | 2,974   | 2,802  | 2,114   | 2,198  | 4,711  |
| - manufacturing and international trade and services . | 1,690   | 1,457  | 901     | 909    | 2,392  |
| - commercial real estate and other property-related .  | 826     | 690    | 764     | 660    | 1,492  |
| - other commercial10 .....                             | 458     | 655    | 449     | 629    | 827    |
| Financial2 .....                                       | (122)   | (4)    | 73      | 163    | 450    |
| Exchange and other movements19                         | (1,657) | (961)  | (3,056) | (676)  | 685    |
| .....  |         |        |         |        |        |
| At 31 December   | 15,201  | 16,169 | 17,636  | 20,241 | 25,649 |
| .....  |         |        |         |        |        |
| Impairment allowances against banks:                   |         |        |         |        |        |
| - individually assessed .....                          | 58      | 57     | 125     | 158    | 107    |
| Impairment allowances against customers:               |         |        |         |        |        |
| - individually assessed .....                          | 7,072   | 6,572  | 6,537   | 6,457  | 6,494  |
| - collectively assessed .....                          | 8,071   | 9,540  | 10,974  | 13,626 | 19,048 |
| At 31 December   | 15,201  | 16,169 | 17,636  | 20,241 | 25,649 |
| .....  |         |        |         |        |        |

For footnotes, see page 263.

Movement in impairment allowances on loans and advances to customers and banks  
(Audited)

| Banks                 |                       | Customers             |  | Total |
|-----------------------|-----------------------|-----------------------|--|-------|
| individually assessed | Individually assessed | Collectively assessed |  |       |

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|  | US\$m | US\$m   | US\$m   | US\$m   |
|--|-------|---------|---------|---------|
| At 1 January 2013  |       |         |         |         |
| .....  | 57    | 6,572   | 9,540   | 16,169  |
| Amounts written off                                      | (4)   | (1,937) | (4,714) | (6,655) |
| Recoveries of loans and advances previously written off  | -     | 209     | 1,087   | 1,296   |
| Charge to income statement                               | 5     | 2,315   | 3,728   | 6,048   |
| Exchange and other movements <sup>19</sup>               | -     | (87)    | (1,570) | (1,657) |
| .....  |       |         |         |         |
| At 31 December 2013                                      |       |         |         |         |
| .....  | 58    | 7,072   | 8,071   | 15,201  |
| Impairment allowances on loans and advances to customers |       |         |         |         |
| .....  |       | 7,072   | 8,071   | 15,143  |
| - personal   |       | 589     | 6,013   | 6,602   |
| - corporate and commercial                               |       | 6,096   | 1,963   | 8,059   |
| - financial  |       | 387     | 95      | 482     |
| .....  |       |         |         |         |
|  | %     | %       | %       | %       |
| As a percentage of loans and advances <sup>20,21</sup>   | 0.05  | 0.70    | 0.80    | 1.35    |
| .....  |       |         |         |         |
|  | US\$m | US\$m   | US\$m   | US\$m   |
| At 1 January 2012  |       |         |         |         |
| .....  | 125   | 6,537   | 10,974  | 17,636  |
| Amounts written off                                      | (70)  | (2,361) | (7,381) | (9,812) |
| Recoveries of loans and advances previously written off  | -     | 199     | 947     | 1,146   |
| Charge to income statement                               | -     | 2,139   | 6,021   | 8,160   |
| Exchange and other movements <sup>19</sup>               | 2     | 58      | (1,021) | (961)   |
| .....  |       |         |         |         |
| At 31 December 2012                                      |       |         |         |         |
| .....  | 57    | 6,572   | 9,540   | 16,169  |
|  |       | 6,572   | 9,540   | 16,112  |



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Impairment allowances on loans  
and advances to customers

|                            |   |       |       |       |
|----------------------------|---|-------|-------|-------|
| .....                      |   |       |       |       |
| - personal                 |   | 685   | 7,527 | 8,212 |
| .....                      |   |       |       |       |
| - corporate and commercial |   | 5,407 | 1,939 | 7,346 |
| .....                      |   |       |       |       |
| - financial                |   | 480   | 74    | 554   |
| .....                      |   |       |       |       |
|                            | % | %     | %     | %     |

|   |      |      |      |      |
|---|------|------|------|------|
| As a percentage of loans and<br>advances20,21 ..... | 0.05 | 0.67 | 0.98 | 1.48 |
|---|------|------|------|------|

For footnotes, see page 263.

Individually and collectively assessed impairment charge to the income statement by industry sector  
(Unaudited)

|  | 2013                     |                          |       | 2012                     |                          |       |
|--|--------------------------|--------------------------|-------|--------------------------|--------------------------|-------|
|  | Individually<br>assessed | Collectively<br>assessed | Total | Individually<br>assessed | Collectively<br>assessed | Total |
|  | US\$m                    | US\$m                    | US\$m | US\$m                    | US\$m                    | US\$m |
| Banks  |                          |                          |       |                          |                          |       |
| .....  | 5                        | -                        | 5     | -                        | -                        | -     |
| Personal   |                          |                          |       |                          |                          |       |
| .....  | 49                       | 3,147                    | 3,196 | 96                       | 5,266                    | 5,362 |
| - first lien residential mortgages                           |                          |                          |       |                          |                          |       |
| .....  | 27                       | 600                      | 627   | 40                       | 1,870                    | 1,910 |
| - other personal1  |                          |                          |       |                          |                          |       |
| .....  | 22                       | 2,547                    | 2,569 | 56                       | 3,396                    | 3,452 |
| Corporate and commercial                                     |                          |                          |       |                          |                          |       |
| .....  | 2,414                    | 560                      | 2,974 | 2,029                    | 773                      | 2,802 |
| - manufacturing and international<br>trade                   |                          |                          |       |                          |                          |       |
| and services .....   | 1,265                    | 425                      | 1,690 | 910                      | 547                      | 1,457 |
| - commercial real estate and other<br>property-related ..... | 791                      | 35                       | 826   | 604                      | 86                       | 690   |
| - other commercial10   |                          |                          |       |                          |                          |       |
| .....  | 358                      | 100                      | 458   | 515                      | 140                      | 655   |
| Financial  |                          |                          |       |                          |                          |       |
| .....  | (148)                    | 21                       | (127) | 14                       | (18)                     | (4)   |
| Total charge to income statement                             |                          |                          |       |                          |                          |       |
| .....  | 2,320                    | 3,728                    | 6,048 | 2,139                    | 6,021                    | 8,160 |

For footnotes, see page 263.

Net loan impairment charge to the income statement  
(Unaudited)

|  | 2013    | 2012   | 2011    | 2010   | 2009   |
|--|---------|--------|---------|--------|--------|
|  | US\$m   | US\$m  | US\$m   | US\$m  | US\$m  |
| Individually assessed impairment allowances    |         |        |         |        |        |
| .....  | 2,320   | 2,139  | 1,915   | 2,625  | 4,458  |
| - new allowances                               | 3,440   | 3,272  | 2,904   | 3,617  | 5,173  |
| .....  |         |        |         |        |        |
| - release of allowances no longer required     | (911)   | (934)  | (798)   | (847)  | (581)  |
| .....  |         |        |         |        |        |
| - recoveries of amounts previously written off | (209)   | (199)  | (191)   | (145)  | (134)  |
| .....  |         |        |         |        |        |
| Collectively assessed impairment allowances    | 3,728   | 6,021  | 9,590   | 10,923 | 20,484 |
| .....  |         |        |         |        |        |
| - new allowances net of allowance releases     | 4,815   | 6,968  | 10,825  | 11,798 | 21,240 |
| .....  |         |        |         |        |        |
| - recoveries of amounts previously written off | (1,087) | (947)  | (1,235) | (875)  | (756)  |
| .....  |         |        |         |        |        |
| Total charge for impairment losses             | 6,048   | 8,160  | 11,505  | 13,548 | 24,942 |
| .....  |         |        |         |        |        |
| - banks  | 5       | -      | (16)    | 12     | 70     |
| .....  |         |        |         |        |        |
| - customers                                    | 6,043   | 8,160  | 11,521  | 13,536 | 24,872 |
| .....  |         |        |         |        |        |
| At 31 December                                 |         |        |         |        |        |
| Impaired loans                                 | 36,503  | 38,776 | 41,739  | 47,064 | 30,845 |
| .....  |         |        |         |        |        |
| Impairment allowances                          | 15,201  | 16,169 | 17,636  | 20,241 | 25,649 |
| .....  |         |        |         |        |        |

Charge for impairment losses as a percentage of average gross loans and advances to customers by geographical region<sup>22</sup>  
(Unaudited)

|  | Europe | Hong | Rest<br>of | MENA | North<br>America | Latin<br>America | Total |
|--|--------|------|------------|------|------------------|------------------|-------|
|--|--------|------|------------|------|------------------|------------------|-------|

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|  | Kong   |        | Asia-Pacific |        |        |        |        |
|--|--------|--------|--------------|--------|--------|--------|--------|
|  | %      | %      | %            | %      | %      | %      | %      |
| 2013   |        |        |              |        |        |        |        |
| New allowances net of allowance releases ... | 0.59   | 0.09   | 0.34         | 0.15   | 0.91   | 5.93   | 0.78   |
| Recoveries .....                             | (0.16) | (0.02) | (0.09)       | (0.29) | (0.08) | (0.57) | (0.14) |
| Total charge for impairment losses .....     | 0.43   | 0.07   | 0.25         | (0.14) | 0.83   | 5.36   | 0.64   |
| Amount written off net of recoveries .....   | 0.39   | 0.08   | 0.17         | 0.38   | 1.00   | 3.68   | 0.56   |
| 2012   |        |        |              |        |        |        |        |
| New allowances net of allowance releases ... | 0.58   | 0.07   | 0.37         | 1.16   | 2.31   | 4.36   | 1.00   |
| Recoveries .....                             | (0.10) | (0.02) | (0.11)       | (0.26) | (0.08) | (0.62) | (0.12) |
| Total charge for impairment losses .....     | 0.48   | 0.05   | 0.26         | 0.90   | 2.23   | 3.74   | 0.88   |
| Amount written off net of recoveries .....   | 0.50   | 0.11   | 0.30         | 0.81   | 2.57   | 3.21   | 0.93   |

Charge for impairment losses as a percentage of average gross loans and advances to customers<sup>22</sup>  
(Unaudited)

|  | 2013   | 2012   | 2011   | 2010   | 2009   |
|--|--------|--------|--------|--------|--------|
|  | %      | %      | %      | %      | %      |
| New allowances net of allowance releases ..... | 0.78   | 1.00   | 1.34   | 1.65   | 2.92   |
| Recoveries .....                               | (0.14) | (0.12) | (0.15) | (0.12) | (0.10) |
| Total charge for impairment losses .....       | 0.64   | 0.88   | 1.19   | 1.53   | 2.82   |
| Amount written off net of recoveries .....     | 0.56   | 0.93   | 1.14   | 2.08   | 2.71   |

For footnote, see page 263.

Reconciliation of reported and constant currency changes by geographical region  
(Unaudited)

|                                    | 31 Dec<br>12<br>as<br>reported | Currency<br>translation<br>adjustment <sup>23</sup> | 31 Dec 12 at<br>31 Dec 13<br>exchange rates | Movement<br>-<br>constant<br>currency<br>basis | 31 Dec<br>13<br>as<br>reported | Reported<br>change <sup>24</sup> | Constant<br>currency<br>change <sup>24</sup> |
|------------------------------------|--------------------------------|---|---|--|--------------------------------|----------------------------------|--|
|                                    | US\$m                          | US\$m   | US\$m                                       | US\$m  | US\$m                          | %                                | %  |
| <b>Impaired loans</b>              |                                |   |   |  |                                |                                  |  |
| Europe                             | 11,145                         | 231   | 11,376                                      | 1,852  | 13,228                         | 19                               | 16   |
| Hong Kong                          | 477                            | -   | 477   | (32)   | 445                            | (7)                              | (7)  |
| Rest of<br>Asia-Pacific ...        | 1,147                          | (78)  | 1,069                                       | 109  | 1,178                          | 3                                | 10   |
| Middle East<br>and North<br>Africa | 2,474                          | (6)   | 2,468                                       | (183)  | 2,285                          | (8)                              | (7)  |
| North America                      | 20,345                         | (54)  | 20,291                                      | (5,168)  | 15,123                         | (26)                             | (25)   |
| Latin America                      | 3,188                          | (291)   | 2,897                                       | 1,347  | 4,244                          | 33                               | 46   |
|                                    | 38,776                         | (198)   | 38,578                                      | (2,075)  | 36,503                         | (6)                              | (5)  |
| <b>Impairment<br/>allowances</b>   |                                |   |   |  |                                |                                  |  |
| Europe                             | 5,361                          | 82  | 5,443                                       | 155  | 5,598                          | 4                                | 3  |
| Hong Kong                          | 473                            | -   | 473   | (24)   | 449                            | (5)                              | (5)  |
| Rest of<br>Asia-Pacific ...        | 746                            | (56)  | 690   | 75   | 765                            | 3                                | 11   |
| Middle East<br>and North<br>Africa | 1,811                          | (10)  | 1,801                                       | (218)  | 1,583                          | (13)                             | (12)   |
| North America                      | 5,616                          | (27)  | 5,589                                       | (1,347)  | 4,242                          | (24)                             | (24)   |
|                                    | 2,162                          | (236)   | 1,926                                       | 638  | 2,564                          | 19                               | 33   |

## Latin America

.....

|        |       |        |       |        |     |     |
|--------|-------|--------|-------|--------|-----|-----|
| 16,169 | (247) | 15,922 | (721) | 15,201 | (6) | (5) |
|--------|-------|--------|-------|--------|-----|-----|

For footnotes, see page 263.

Reconciliation of reported and constant currency impairment charge to the income statement  
(Unaudited)

|                                    | 31 Dec<br>12<br>as<br>reported | Currency<br>translation<br>adjustment <sup>23</sup> | 31 Dec 12 at<br>31 Dec 13<br>exchange<br>rates | Movement<br>-<br>constant<br>currency<br>basis | 31 Dec<br>13<br>as<br>reported | Reported<br>change <sup>24</sup> | Constant<br>currency<br>change <sup>24</sup> |
|------------------------------------|--------------------------------|---|--|--|--------------------------------|----------------------------------|--|
|                                    | US\$m                          | US\$m   | US\$m  | US\$m  | US\$m                          | %                                | %  |
| Charge for<br>impairment<br>losses |                                |   |  |  |                                |                                  |  |
| Europe                             |                                |   |  |  |                                |                                  |  |
| .....                              | 1,874                          | (8)   | 1,866  | (134)  | 1,732                          | (8)                              | (7)  |
| - new<br>allowances .....          | 3,043                          | (30)  | 3,013  | 69   | 3,082                          | 1                                | 2  |
| - releases<br>.....                | (760)                          | 11  | (749)  | 36   | (713)                          | (6)                              | (5)  |
| - recoveries<br>.....              | (409)                          | 11  | (398)  | (239)  | (637)                          | 56                               | 60   |
| Hong Kong                          |                                |   |  |  |                                |                                  |  |
| .....                              | 84                             | -   | 84   | 51   | 135                            | 61                               | 61   |
| - new<br>allowances .....          | 224                            | (1)   | 223  | 75   | 298                            | 33                               | 34   |
| - releases<br>.....                | (109)                          | 1   | (108)  | (20)   | (128)                          | 17                               | 19   |
| - recoveries<br>.....              | (31)                           | -   | (31)   | (4)  | (35)                           | 13                               | 13   |
| Rest of<br>Asia-Pacific .....      | 340                            | (14)  | 326  | 22   | 348                            | 2                                | 7  |
| - new<br>allowances .....          | 677                            | (22)  | 655  | -  | 655                            | (3)                              | -  |
| - releases<br>.....                | (187)                          | 5   | (182)  | 7  | (175)                          | (6)                              | (4)  |
| - recoveries<br>.....              | (150)                          | 3   | (147)  | 15   | (132)                          | (12)                             | (10)   |
| Middle East and<br>North Africa    | 255                            | (5)   | 250  | (294)  | (44)                           |                                  |  |

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|                        |         |       |         |         |         |      |      |
|------------------------|---------|-------|---------|---------|---------|------|------|
| .....                  |         |       |         |         |         |      |      |
| - new allowances ..... | 580     | (4)   | 576     | (168)   | 408     | (30) | (29) |
| - releases .....       | (250)   | -     | (250)   | (115)   | (365)   | 46   | 46   |
| - recoveries .....     | (75)    | (1)   | (76)    | (11)    | (87)    | 16   | 14   |
| North America .....    | 3,462   | (5)   | 3,457   | (2,222) | 1,235   | (64) | (64) |
| - new allowances ..... | 3,889   | (5)   | 3,884   | (2,244) | 1,640   | (58) | (58) |
| - releases .....       | (298)   | 1     | (297)   | 15      | (282)   | (5)  | (5)  |
| - recoveries .....     | (129)   | (1)   | (130)   | 7       | (123)   | (5)  | (5)  |
| Latin America .....    | 2,145   | (165) | 1,980   | 662     | 2,642   | 23   | 33   |
| - new allowances ..... | 2,581   | (188) | 2,393   | 869     | 3,262   | 26   | 36   |
| - releases .....       | (84)    | 5     | (79)    | (259)   | (338)   | 302  | 328  |
| - recoveries .....     | (352)   | 18    | (334)   | 52      | (282)   | (20) | (16) |
| Total .....            | 8,160   | (197) | 7,963   | (1,915) | 6,048   | (26) | (24) |
| - new allowances ..... | 10,994  | (250) | 10,744  | (1,399) | 9,345   | (15) | (13) |
| - releases .....       | (1,688) | 23    | (1,665) | (336)   | (2,001) | 19   | 20   |
| - recoveries .....     | (1,146) | 30    | (1,116) | (180)   | (1,296) | 13   | 16   |

For footnotes, see page 263.

Concentration of exposure  
(Unaudited)

Concentrations of credit risk are described in the Appendix to Risk on page 273.

The geographical diversification of our lending portfolio and our broad range of global businesses and products ensured that we did not overly depend on a few markets to generate growth in 2013. This diversification also supported our strategy for growth in faster-growing markets and in those with international connectivity.

An analysis of credit quality is provided on page 169.

#### Financial investments

Our holdings of available-for-sale government and government agency debt securities, corporate debt securities, ABSs and other securities were spread across a wide range of issuers and geographical regions in 2013, with 13% invested in securities issued by banks and other financial institutions and 73% in government or government agency debt securities. We also held assets backing insurance and investment contracts.

For an analysis of financial investments, see Note 19 on the Financial Statements.

#### Trading assets

Trading assets  
(Unaudited)

|                                  | 2013   | 2012   |
|----------------------------------|--------|--------|
|                                  | US\$bn | US\$bn |
| Trading securities <sup>25</sup> |        |        |
| .....                            | 163    | 171    |
| Loans and advances to banks      |        |        |
| .....                            | 28     | 78     |
| Loans and advances to customers  |        |        |
| .....                            | 48     | 118    |
|                                  | 239    | 367    |

For footnote, see page 263.

Trading securities remained the largest concentration within trading assets at 68% compared with 47% in 2012. This increase was due to a change in the way GB&M manage reverse repo activities, which led to a significant reduction in these balances in loans and advances to banks and customers. The largest concentration within the trading securities portfolio was in government and government agency debt securities. We had significant exposures to US Treasury and government agency debt securities (US\$23bn) and UK (US\$12bn) and Hong Kong (US\$6bn) government debt securities.

For an analysis of debt and equity securities held for trading, see Note 14 on the Financial Statements.

#### Derivatives

Derivative assets were US\$282bn at 31 December 2013 (2012: US\$357bn), of which the largest concentrations were interest rate and, to a lesser extent, foreign exchange derivatives. Our exposure to derivatives decreased by 21% as

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upward movements in yield curves in major currencies led to a decline in the fair value of interest rate contracts, largely in Europe, although this was partly offset by a reduction in netting.

For an analysis of derivatives, see Note 18 on the Financial Statements.

Loans and advances

Gross loans and advances to customers (excluding the financial sector) of US\$957bn at 31 December 2013 increased by US\$25bn or 3% compared with the end of 2012 on a reported basis. On a constant currency basis they were US\$30bn higher.

The following tables analyse loans and advances by industry sector and by the location of the principal operations of the lending subsidiary or, in the case of the operations of The Hongkong and Shanghai Banking Corporation, HSBC Bank, HSBC Bank Middle East and HSBC Bank USA, by the location of the lending branch.

Gross loans and advances by industry sector  
(Unaudited)

|   | 2013<br>US\$m | Currency<br>effect<br>US\$m | Move-<br>ment<br>US\$m | 2012<br>US\$m | 2011<br>US\$m | 2010<br>US\$m | 2009<br>US\$m |
|---|---------------|-----------------------------|------------------------|---------------|---------------|---------------|---------------|
| <b>Personal</b>                                     |               |                             |                        |               |               |               |               |
| .....   | 410,728       | (2,949)                     | (1,416)                | 415,093       | 393,625       | 425,320       | 434,206       |
| - first lien residential<br>mortgages <sup>26</sup> |               |                             |                        |               |               |               |               |
| .....   | 299,875       | (735)                       | (1,252)                | 301,862       | 278,963       | 268,681       | 260,669       |
| - other personal <sup>1</sup>                       | 110,853       | (2,214)                     | (164)                  | 113,231       | 114,662       | 156,639       | 173,537       |
| <b>Corporate and commercial</b>                     |               |                             |                        |               |               |               |               |
| .....   | 543,822       | (2,758)                     | 33,087                 | 513,493       | 472,816       | 445,512       | 383,090       |
| - manufacturing                                     | 113,925       | (1,070)                     | 2,846                  | 112,149       | 96,054        | 91,121        | 80,487        |
| - international trade and services                  |               |                             |                        |               |               |               |               |
| .....   | 185,081       | (993)                       | 16,685                 | 169,389       | 152,709       | 146,573       | 115,641       |
| - commercial real estate                            | 74,846        | 189                         | (2,103)                | 76,760        | 73,941        | 71,880        | 69,389        |
| - other property-related                            | 44,832        | (222)                       | 4,522                  | 40,532        | 39,539        | 34,838        | 30,520        |
| - government  | 7,342         | (81)                        | (3,362)                | 10,785        | 11,079        | 8,594         | 6,689         |
| - other commercial <sup>10</sup>                    | 117,796       | (581)                       | 14,499                 | 103,878       | 99,494        | 92,506        | 80,364        |
| <b>Financial</b>                                    |               |                             |                        |               |               |               |               |
| .....   | 138,181       | 1,009                       | 55,914                 | 81,258        | 86,219        | 101,725       | 96,650        |
| - non-bank financial institutions                   | 136,195       | 1,076                       | 55,302                 | 79,817        | 85,275        | 100,163       | 95,237        |



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|  |           |         |         |           |           |           |           |
|--|-----------|---------|---------|-----------|-----------|-----------|-----------|
| - settlement accounts .....  | 1,986     | (67)    | 612     | 1,441     | 944       | 1,562     | 1,413     |
| Asset-backed securities<br>reclassified ..                           | 2,716     | 84      | (1,259) | 3,891     | 5,280     | 5,892     | 7,827     |
| Total gross loans and advances to<br>customers (A) .....             | 1,095,447 | (4,614) | 86,326  | 1,013,735 | 957,940   | 978,449   | 921,773   |
| Gross loans and advances to<br>banks ..                              | 211,579   | (2,421) | 61,397  | 152,603   | 181,112   | 208,429   | 179,888   |
| Total gross loans and advances<br>.....                              | 1,307,026 | (7,035) | 147,723 | 1,166,338 | 1,139,052 | 1,186,878 | 1,101,661 |
| Of which:  |           |         |         |           |           |           |           |
| - reverse repos to customers .....                                   | 88,215    | 799     | 52,765  | 34,651    | 41,419    | 60,519    | 58,913    |
| - reverse repos to banks .....                                       | 91,475    | (388)   | 56,402  | 35,461    | 41,909    | 66,402    | 63,332    |
| Impaired loans and advances to<br>customers .....                    | 36,428    | (198)   | (2,045) | 38,671    | 41,584    | 46,871    | 30,606    |
| - as a percentage of A .....   | 3.3%      |         |         | 3.8%      | 4.3%      | 4.8%      | 3.3%      |
| Impairment allowances on loans<br>and<br>advances to customers ..... | 15,143    | (246)   | (723)   | 16,112    | 17,511    | 20,083    | 25,542    |
| - as a percentage of A .....   | 1.4%      |         |         | 1.6%      | 1.8%      | 2.1%      | 2.8%      |
| Charge for impairment losses<br>.....                                | 6,048     | (197)   | (1,915) | 8,160     | 11,505    | 13,548    | 24,942    |
| - new allowances net of<br>allowance releases<br>.....               | 7,344     | (227)   | (1,735) | 9,306     | 12,931    | 14,568    | 25,832    |
| - recoveries .....   | (1,296)   | 30      | (180)   | (1,146)   | (1,426)   | (1,020)   | (890)     |

For footnotes, see page 263.

The following commentary is on a constant currency basis.

Personal lending balances of US\$411bn represented 38% of gross lending to customers at 31 December 2013. This was a reduction of US\$1.4bn compared with 31 December 2012. First lien residential mortgage lending continued to represent our largest concentration in a single exposure type, the most significant balances being in the UK (44%), Hong Kong (18%) and the US (14%).

Corporate and commercial lending was 50% of gross lending to customers at 31 December 2013, representing our largest lending category. International trade and services, which comprised the largest portion of the corporate and commercial lending category, increased by 10% compared with

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31 December 2012. This was due to continued demand for financing by customers in Hong Kong and, to a lesser extent, in Rest of Asia-Pacific.

Commercial real estate lending was 7% of total gross lending to customers, broadly unchanged from 31 December 2012. The main concentrations of commercial real estate lending were in the UK and Hong Kong.

Lending to non-bank financial institutions was US\$138bn, an increase of US\$56bn compared with 31 December 2012 mainly due to a change in the way GB&M manages reverse repo activities, and increased lending to other financial services companies in Hong Kong. Our exposure was spread across a range of institutions, with the most significant exposures being in the UK, France and the US.

Loans and advances to banks were widely distributed across many countries and increased by 41% from 31 December 2012. This was driven by a change in the way GB&M manage reverse repo activities, and higher placements with financial institutions in Hong Kong.

The tables that follow provide information on loans and advances by geographical region and by country. The commentary on these loans and advances can be found under 'Personal lending' and 'Wholesale lending' on pages 160 and 165, respectively.

Gross loans and advances to customers by industry sector and by geographical region  
(Audited)

|   | Gross loans and advances to customers |              |                                |        |                  |                  |         | As a<br>% of<br>total<br>gross<br>loans |
|---|---------------------------------------|--------------|--------------------------------|--------|------------------|------------------|---------|---|
|   | Europe                                | Hong<br>Kong | Rest<br>of<br>Asia-<br>Pacific | MENA   | North<br>America | Latin<br>America | Total   |   |
|   | US\$m                                 | US\$m        | US\$m                          | US\$m  | US\$m            | US\$m            | US\$m   |   |
| At 31 December 2013                                 |                                       |              |                                |        |                  |                  |         |   |
| Personal  |                                       |              |                                | 6,484  |                  |                  |         |   |
| .....   | 192,107                               | 73,556       | 50,973                         |        | 72,690           | 14,918           | 410,728 | 37.5                                    |
| - first lien residential<br>mortgages <sup>26</sup> |                                       |              |                                | 2,451  |                  |                  |         |   |
| .....   | 140,474                               | 53,762       | 38,285                         |        | 60,955           | 3,948            | 299,875 | 27.4                                    |
| - other personal <sup>1</sup>                       |                                       |              |                                | 4,033  |                  |                  |         |   |
| .....   | 51,633                                | 19,794       | 12,688                         |        | 11,735           | 10,970           | 110,853 | 10.1                                    |
| Corporate and<br>commercial .....                   | 239,529                               | 114,832      | 89,066                         | 19,760 | 50,447           | 30,188           | 543,822 | 49.7                                    |
| - manufacturing                                     |                                       |              |                                |        |                  |                  |         |   |
| .....   | 55,920                                | 11,582       | 19,176                         | 3,180  | 11,853           | 12,214           | 113,925 | 10.4                                    |
| - international trade<br>and services               |                                       |              |                                |        |                  |                  |         |   |
| .....   | 77,113                                | 43,041       | 36,327                         | 8,629  | 11,676           | 8,295            | 185,081 | 16.9                                    |
| - commercial real<br>estate .....                   | 31,326                                | 25,358       | 9,202                          | 639    | 5,900            | 2,421            | 74,846  | 6.8                                     |
|   | 7,308                                 | 19,546       | 7,601                          | 1,333  | 8,716            | 328              | 44,832  |   |

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|   |         |         |         |        |         |        |           |       |
|---|---------|---------|---------|--------|---------|--------|-----------|-------|
| - other property-related                        |         |         |         |        |         |        |           | 4.1   |
| .....   |         |         |         |        |         |        |           |       |
| - government                                    |         |         |         | 1,443  |         |        |           |       |
| .....   | 3,340   | 739     | 282     |        | 564     | 974    | 7,342     | 0.7   |
| - other commercial <sup>10</sup>                |         |         |         | 4,536  |         |        |           |       |
| .....   | 64,522  | 14,566  | 16,478  |        | 11,738  | 5,956  | 117,796   | 10.8  |
| Financial                                       |         |         |         |        |         |        |           |       |
| .....   | 75,550  | 7,610   | 8,522   | 2,532  | 42,591  | 1,376  | 138,181   | 12.6  |
| - non-bank financial institutions               |         |         |         |        |         |        |           |       |
| .....   | 73,993  | 7,353   | 8,449   | 2,532  | 42,591  | 1,277  | 136,195   | 12.4  |
| - settlement accounts                           |         |         |         |        |         |        |           |       |
| .....   | 1,557   | 257     | 73      | -      | -       | 99     | 1,986     | 0.2   |
| Asset-backed securities reclassified            |         |         |         |        |         |        |           |       |
| .....   | 2,578   | -       | -       | -      | 138     | -      | 2,716     | 0.2   |
| Total gross loans and advances to customers (A) | 509,764 | 195,998 | 148,561 | 28,776 | 165,866 | 46,482 | 1,095,447 | 100.0 |
| Of which:                                       |         |         |         |        |         |        |           |       |
| - reverse repos                                 |         |         |         |        |         |        |           |       |
| .....   | 48,091  | 1,991   | 4,457   | -      | 33,676  | -      | 88,215    | 8.1   |
| Percentage of A by geographical region          |         |         |         |        |         |        |           |       |
| .....   | 46.5%   | 17.9%   | 13.6%   | 2.6%   | 15.2%   | 4.2%   | 100.0%    |       |
| Impaired loans                                  |         |         |         |        |         |        |           |       |
| .....   | 13,187  | 445     | 1,178   | 2,265  | 15,109  | 4,244  | 36,428    |       |
| - as a percentage of A                          |         |         |         |        |         |        |           |       |
| .....   | 2.6%    | 0.2%    | 0.8%    | 7.9%   | 9.1%    | 9.1%   | 3.3%      |       |
| Total impairment allowances ....                | 5,563   | 449     | 765     | 1,565  | 4,237   | 2,564  | 15,143    |       |
| - as a percentage of A                          |         |         |         |        |         |        |           |       |
| .....   | 1.1%    | 0.2%    | 0.5%    | 5.4%   | 2.6%    | 5.5%   | 1.4%      |       |

Gross loans and advances to customers by industry sector and by geographical region (continued)

(Audited)

Gross loans and advances to customers

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|  | Europe  | Hong Kong | Rest of Asia-Pacific | MENA   | North America | Latin America | Total     | As a % of total gross loans |
|--|---------|-----------|----------------------|--------|---------------|---------------|-----------|-----------------------------|
|  | US\$m   | US\$m     | US\$m                | US\$m  | US\$m         | US\$m         | US\$m     |                             |
| At 31 December 2012                              |         |           |                      |        |               |               |           |                             |
| Personal   |         |           |                      | 6,232  |               |               |           |                             |
| .....  | 186,274 | 70,341    | 49,305               |        | 84,354        | 18,587        | 415,093   | 41.0                        |
| - first lien residential mortgages <sup>26</sup> |         |           |                      | 2,144  |               |               |           |                             |
| .....  | 135,172 | 52,296    | 36,906               |        | 70,133        | 5,211         | 301,862   | 29.8                        |
| - other personal <sup>1</sup>                    |         |           |                      | 4,088  |               |               |           |                             |
| .....  | 51,102  | 18,045    | 12,399               |        | 14,221        | 13,376        | 113,231   | 11.2                        |
| Corporate and commercial                         |         |           |                      | 22,452 |               |               |           |                             |
| .....  | 223,061 | 99,199    | 85,305               |        | 47,886        | 35,590        | 513,493   | 50.6                        |
| - manufacturing                                  |         |           |                      | 3,373  | 9,731         | 12,788        | 112,149   | 11.1                        |
| .....  | 56,690  | 10,354    | 19,213               |        |               |               |           |                             |
| - international trade and services               |         |           |                      | 9,115  | 13,419        | 9,752         | 169,389   | 16.6                        |
| .....  | 70,954  | 33,832    | 32,317               | 865    |               |               |           |                             |
| - commercial real estate                         |         |           |                      |        | 6,572         | 3,374         | 76,760    | 7.6                         |
| .....  | 33,279  | 23,384    | 9,286                |        |               |               |           |                             |
| - other property-related                         |         |           |                      | 2,103  |               |               |           |                             |
| .....  | 7,402   | 16,399    | 6,641                |        | 7,607         | 380           | 40,532    | 4.0                         |
| - government                                     |         |           |                      | 1,662  |               |               |           |                             |
| .....  | 2,393   | 2,838     | 1,136                |        | 774           | 1,982         | 10,785    | 1.1                         |
| - other commercial <sup>10</sup>                 |         |           |                      | 5,334  |               |               |           |                             |
| .....  | 52,343  | 12,392    | 16,712               |        | 9,783         | 7,314         | 103,878   | 10.2                        |
| Financial  |         |           |                      |        |               |               |           |                             |
| .....  | 55,732  | 4,546     | 4,255                | 1,196  | 13,935        | 1,594         | 81,258    | 8.0                         |
| - non-bank financial institutions                |         |           |                      |        |               |               |           |                             |
| .....  | 55,262  | 4,070     | 3,843                | 1,194  | 13,935        | 1,513         | 79,817    | 7.9                         |
| - settlement accounts                            |         |           |                      | 2      | -             | 81            | 1,441     | 0.1                         |
| .....  | 470     | 476       | 412                  |        |               |               |           |                             |
| Asset-backed securities reclassified             |         |           |                      |        |               |               |           |                             |
| .....  | 3,694   | -         | -                    | -      | 197           | -             | 3,891     | 0.4                         |
| Total gross loans and advances to customers (B)  | 468,761 | 174,086   | 138,865              | 29,880 | 146,372       | 55,771        | 1,013,735 | 100.0                       |
| Of which:  |         |           |                      |        |               |               |           |                             |
| - reverse repos                                  |         |           |                      |        |               |               |           |                             |
| .....  | 27,299  | 760       | 307                  | -      | 6,281         | 4             | 34,651    | 3.4                         |

## Percentage of B by geographical region

|       |       |       |       |      |       |      |        |
|-------|-------|-------|-------|------|-------|------|--------|
| ..... | 46.3% | 17.2% | 13.7% | 2.9% | 14.4% | 5.5% | 100.0% |
|-------|-------|-------|-------|------|-------|------|--------|

## Impaired loans

|       |        |     |       |       |        |       |        |
|-------|--------|-----|-------|-------|--------|-------|--------|
| ..... | 11,080 | 477 | 1,147 | 2,448 | 20,331 | 3,188 | 38,671 |
|-------|--------|-----|-------|-------|--------|-------|--------|

## - as a percentage of B

|       |      |      |      |      |       |      |      |
|-------|------|------|------|------|-------|------|------|
| ..... | 2.4% | 0.3% | 0.8% | 8.2% | 13.9% | 5.7% | 3.8% |
|-------|------|------|------|------|-------|------|------|

## Total impairment allowances .....

|       |       |     |     |       |       |       |        |
|-------|-------|-----|-----|-------|-------|-------|--------|
| ..... | 5,321 | 473 | 746 | 1,794 | 5,616 | 2,162 | 16,112 |
|-------|-------|-----|-----|-------|-------|-------|--------|

## - as a percentage of B

|       |      |      |      |      |      |      |      |
|-------|------|------|------|------|------|------|------|
| ..... | 1.1% | 0.3% | 0.5% | 6.0% | 3.8% | 3.9% | 1.6% |
|-------|------|------|------|------|------|------|------|

For footnotes, see page 263.

## Loans and advances to banks by geographical region

(Unaudited)

|                     | Europe | Hong Kong | Asia-Pacific | Rest of<br>MENA | North America | Latin America | Loans and advances to banks | Impairment allowances <sup>27</sup> |
|---------------------|--------|-----------|--------------|-----------------|---------------|---------------|-----------------------------|-------------------------------------|
|                     | US\$m  | US\$m     | US\$m        | US\$m           | US\$m         | US\$m         | US\$m                       | US\$m                               |
| At 31 December 2013 | 73,904 | 35,150    | 50,637       | 6,443           | 30,164        | 15,281        | 211,579                     | (58)                                |
| At 31 December 2012 | 45,320 | 23,500    | 44,592       | 9,198           | 13,465        | 16,528        | 152,603                     | (57)                                |
| At 31 December 2011 | 54,406 | 35,159    | 47,309       | 8,571           | 14,831        | 20,836        | 181,112                     | (125)                               |
| At 31 December 2010 | 78,239 | 33,585    | 40,437       | 9,335           | 19,479        | 27,354        | 208,429                     | (158)                               |
| At 31 December 2009 | 65,614 | 36,197    | 35,648       | 8,435           | 15,386        | 18,608        | 179,888                     | (107)                               |

For footnote, see page 263.

## Gross loans and advances to customers by country

(Unaudited)

|            |                           |
|------------|---------------------------|
| First lien | Commercial, international |
|------------|---------------------------|

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|  | residential<br>mortgages<br>US\$m | Other<br>personal<br>US\$m | Property-<br>related<br>US\$m | trade<br>and other<br>US\$m | Total<br>US\$m |
|--|-----------------------------------|----------------------------|-------------------------------|-----------------------------|----------------|
| At 31 December 2013                                      |                                   |                            |                               |                             |                |
| Europe   | 140,474                           | 51,633                     | 38,634                        | 279,023                     | 509,764        |
| .....  |                                   |                            |                               |                             |                |
| UK28   | 132,174                           | 22,913                     | 28,127                        | 219,248                     | 402,462        |
| .....  |                                   |                            |                               |                             |                |
| France   | 2,661                             | 13,840                     | 8,442                         | 38,333                      | 63,276         |
| .....  |                                   |                            |                               |                             |                |
| Germany  | 7                                 | 218                        | 127                           | 6,361                       | 6,713          |
| .....  |                                   |                            |                               |                             |                |
| Malta  | 2,007                             | 526                        | 434                           | 1,627                       | 4,594          |
| .....  |                                   |                            |                               |                             |                |
| Switzerland  | 364                               | 8,616                      | 269                           | 320                         | 9,569          |
| .....  |                                   |                            |                               |                             |                |
| Turkey   | 833                               | 4,002                      | 305                           | 4,059                       | 9,199          |
| .....  |                                   |                            |                               |                             |                |
| Other  | 2,428                             | 1,518                      | 930                           | 9,075                       | 13,951         |
| .....  |                                   |                            |                               |                             |                |
| Hong Kong  | 53,762                            | 19,794                     | 44,904                        | 77,538                      | 195,998        |
| .....  |                                   |                            |                               |                             |                |
| Rest of Asia-Pacific                                     | 38,285                            | 12,688                     | 16,803                        | 80,785                      | 148,561        |
| .....  |                                   |                            |                               |                             |                |
| Australia  | 9,468                             | 1,236                      | 2,511                         | 7,138                       | 20,353         |
| .....  |                                   |                            |                               |                             |                |
| India  | 1,080                             | 297                        | 425                           | 4,732                       | 6,534          |
| .....  |                                   |                            |                               |                             |                |
| Indonesia  | 69                                | 447                        | 78                            | 5,361                       | 5,955          |
| .....  |                                   |                            |                               |                             |                |
| Mainland China   | 4,880                             | 300                        | 5,808                         | 22,178                      | 33,166         |
| .....  |                                   |                            |                               |                             |                |
| Malaysia   | 5,140                             | 1,994                      | 1,997                         | 5,420                       | 14,551         |
| .....  |                                   |                            |                               |                             |                |
| Singapore  | 10,283                            | 5,754                      | 3,953                         | 12,188                      | 32,178         |
| .....  |                                   |                            |                               |                             |                |
| Taiwan   | 3,797                             | 660                        | 158                           | 5,198                       | 9,813          |
| .....  |                                   |                            |                               |                             |                |
| Vietnam  | 55                                | 264                        | 53                            | 1,464                       | 1,836          |
| .....  |                                   |                            |                               |                             |                |
| Other  | 3,513                             | 1,736                      | 1,820                         | 17,106                      | 24,175         |
| .....  |                                   |                            |                               |                             |                |
| Middle East and North Africa<br>(excluding Saudi Arabia) | 2,451                             | 4,033                      | 1,972                         | 20,320                      | 28,776         |

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|               |         |         |         |         |           |
|---------------|---------|---------|---------|---------|-----------|
| Egypt         | 1       | 477     | 146     | 2,232   | 2,856     |
| .....         |         |         |         |         |           |
| Qatar         | 13      | 377     | 261     | 1,245   | 1,896     |
| .....         |         |         |         |         |           |
| UAE           | 2,082   | 1,842   | 1,331   | 12,344  | 17,599    |
| .....         |         |         |         |         |           |
| Other         | 355     | 1,337   | 234     | 4,499   | 6,425     |
| .....         |         |         |         |         |           |
| North America | 60,955  | 11,735  | 14,616  | 78,560  | 165,866   |
| .....         |         |         |         |         |           |
| US28          | 42,317  | 6,257   | 10,174  | 59,150  | 117,898   |
| .....         |         |         |         |         |           |
| Canada        | 17,036  | 5,116   | 3,912   | 18,557  | 44,621    |
| .....         |         |         |         |         |           |
| Bermuda       | 1,602   | 362     | 530     | 853     | 3,347     |
| .....         |         |         |         |         |           |
| Latin America | 3,948   | 10,970  | 2,749   | 28,815  | 46,482    |
| .....         |         |         |         |         |           |
| Argentina     | 20      | 1,425   | 62      | 2,103   | 3,610     |
| .....         |         |         |         |         |           |
| Brazil        | 1,811   | 6,466   | 1,268   | 17,132  | 26,677    |
| .....         |         |         |         |         |           |
| Mexico        | 2,117   | 3,079   | 1,398   | 8,994   | 15,588    |
| .....         |         |         |         |         |           |
| Other         | -       | -       | 21      | 586     | 607       |
| .....         |         |         |         |         |           |
|               | 299,875 | 110,853 | 119,678 | 565,041 | 1,095,447 |

Gross loans and advances to customers by country (continued)  
(Unaudited)

|                     | First<br>lien | Other<br>personal<br>mortgages | Property-<br>related | Commercial,<br>international<br>trade and<br>other | Total<br>US\$m |
|---------------------|---------------|--------------------------------|----------------------|--|----------------|
|                     | US\$m         | US\$m                          | US\$m                | US\$m  |                |
| At 31 December 2012 |               |                                |                      |  |                |
| Europe              | 135,172       | 51,102                         | 40,681               | 241,806  | 468,761        |
| .....               |               |                                |                      |  |                |
|                     | 127,024       | 23,446                         | 30,342               | 179,799  | 360,611        |

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|  |        |        |        |        |         |
|--|--------|--------|--------|--------|---------|
| UK   |        |        |        |        |         |
| .....  |        |        |        |        |         |
| France   | 2,643  | 10,960 | 8,465  | 42,891 | 64,959  |
| .....  |        |        |        |        |         |
| Germany  | 9      | 284    | 126    | 5,212  | 5,631   |
| .....  |        |        |        |        |         |
| Malta  | 1,821  | 563    | 454    | 1,631  | 4,469   |
| .....  |        |        |        |        |         |
| Switzerland  | 298    | 9,403  | 66     | 191    | 9,958   |
| .....  |        |        |        |        |         |
| Turkey   | 1,062  | 4,084  | 317    | 3,356  | 8,819   |
| .....  |        |        |        |        |         |
| Other  | 2,315  | 2,362  | 911    | 8,726  | 14,314  |
| .....  |        |        |        |        |         |
| Hong Kong  | 52,296 | 18,045 | 39,783 | 63,962 | 174,086 |
| .....  |        |        |        |        |         |
| Rest of Asia-Pacific                                     | 36,906 | 12,399 | 15,927 | 73,633 | 138,865 |
| .....  |        |        |        |        |         |
| Australia  | 10,037 | 1,490  | 2,311  | 7,208  | 21,046  |
| .....  |        |        |        |        |         |
| India  | 1,000  | 394    | 521    | 5,389  | 7,304   |
| .....  |        |        |        |        |         |
| Indonesia  | 83     | 508    | 95     | 5,349  | 6,035   |
| .....  |        |        |        |        |         |
| Mainland China   | 3,539  | 302    | 5,078  | 19,083 | 28,002  |
| .....  |        |        |        |        |         |
| Malaysia   | 5,025  | 2,175  | 1,813  | 5,880  | 14,893  |
| .....  |        |        |        |        |         |
| Singapore  | 10,123 | 4,812  | 3,938  | 9,854  | 28,727  |
| .....  |        |        |        |        |         |
| Taiwan   | 3,323  | 597    | 120    | 5,180  | 9,220   |
| .....  |        |        |        |        |         |
| Vietnam  | 50     | 252    | 60     | 1,710  | 2,072   |
| .....  |        |        |        |        |         |
| Other  | 3,726  | 1,869  | 1,991  | 13,980 | 21,566  |
| .....  |        |        |        |        |         |
| Middle East and North Africa<br>(excluding Saudi Arabia) |        |        |        |        |         |
| .....  |        |        |        |        |         |
| Egypt  | 2,144  | 4,088  | 2,968  | 20,680 | 29,880  |
| .....  |        |        |        |        |         |
| Qatar  | 2      | 479    | 124    | 2,600  | 3,205   |
| .....  |        |        |        |        |         |
| UAE  | 11     | 385    | 484    | 1,082  | 1,962   |
| .....  |        |        |        |        |         |
| UAE  | 1,743  | 1,822  | 1,533  | 12,264 | 17,362  |
| .....  |        |        |        |        |         |
| Other  | 388    | 1,402  | 827    | 4,734  | 7,351   |
| .....  |        |        |        |        |         |



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|               |         |         |         |         |           |
|---------------|---------|---------|---------|---------|-----------|
| North America | 70,133  | 14,221  | 14,179  | 47,839  | 146,372   |
| .....         |         |         |         |         |           |
| US            | 49,417  | 7,382   | 9,449   | 29,315  | 95,563    |
| .....         |         |         |         |         |           |
| Canada        | 19,040  | 6,444   | 4,136   | 17,369  | 46,989    |
| .....         |         |         |         |         |           |
| Bermuda       | 1,676   | 395     | 594     | 1,155   | 3,820     |
| .....         |         |         |         |         |           |
| Latin America | 5,211   | 13,376  | 3,754   | 33,430  | 55,771    |
| .....         |         |         |         |         |           |
| Argentina     | 28      | 1,532   | 85      | 2,465   | 4,110     |
| .....         |         |         |         |         |           |
| Brazil        | 1,745   | 8,042   | 1,287   | 18,022  | 29,096    |
| .....         |         |         |         |         |           |
| Mexico        | 1,989   | 2,756   | 1,280   | 9,447   | 15,472    |
| .....         |         |         |         |         |           |
| Panama        | 1,402   | 1,023   | 1,049   | 2,405   | 5,879     |
| .....         |         |         |         |         |           |
| Other         | 47      | 23      | 53      | 1,091   | 1,214     |
| .....         |         |         |         |         |           |
|               | 301,862 | 113,231 | 117,292 | 481,350 | 1,013,735 |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HSBC Holdings plc

By:

Name: Ben J S Mathews

Title: Group Company Secretary

Date: 25 March 2014