

# **HSBC HOLDINGS PLC**

## **RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES**

**30 September 2014**

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## Reconciliation of reported, underlying and significant items

### HSBC Holdings plc

	Nine months ended 30 September			Quarter ended 30 September		
	2014 US\$m	2013 US\$m	Change %	2014 US\$m	2013 US\$m	Change %
<b>Revenue</b>						
Reported	46,942	49,450	(5)	15,775	15,078	5
Currency translation adjustment		(146)			127	
Own credit spread	15	594		(200)	575	
Acquisitions, disposals and dilutions	(23)	(1,603)		–	(197)	
Underlying	46,934	48,295	(3)	15,575	15,583	–
Significant items:						
Debit valuation adjustment on derivative contracts	278	(300)		123	151	
Fair value movement on non-qualifying hedges	341	(461)		19	(168)	
Foreign exchange gains relating to the sterling debt issued by HSBC Holdings	–	(442)		–	–	
Gain on sale of several tranches of real estate secured accounts in the US	(76)	(2)		(91)	(3)	
Gain on sale of shareholding in Bank of Shanghai	(428)	–		–	–	
Impairment on our investment in Industrial Bank	271	–		271	–	
Loss on sale of an HFC Bank UK secured loan portfolio	–	138		–	–	
Loss on sale of the non-real estate portfolio in the US	–	271		–	–	
Loss on termination of cash flow hedges in the US run-off portfolio	–	199		–	–	
Net gain on completion of Ping An disposal	–	(553)		–	–	
Provisions arising from the ongoing review of compliance with the Consumer Credit Act in the UK	580	–		213	–	
Write-off of allocated goodwill relating to GPB Monaco business	–	279		–	–	
Revenue, excluding underlying adjustments and significant items	47,900	47,424		16,110	15,563	
<b>Loan impairment charges and other credit risk provisions</b>						
Reported	(2,601)	(4,709)	45	(760)	(1,593)	52
Currency translation adjustment		91			(21)	
Acquisitions, disposals and dilutions	2	56		–	12	
Underlying	(2,599)	(4,562)	43	(760)	(1,602)	53
Significant items	–	–		–	–	
Loan impairment charges and other credit risk provisions, excluding underlying adjustments and significant items	(2,599)	(4,562)		(760)	(1,602)	

	Nine months ended 30 September			Quarter ended 30 September		
	2014 US\$m	2013 US\$m	Change %	2014 US\$m	2013 US\$m	Change %
<b>Total operating expenses</b>						
Reported	(29,357)	(27,983)	(5)	(11,091)	(9,584)	(16)
Currency translation adjustment		4			(124)	
Acquisitions, disposals and dilutions	26	415		–	100	
Underlying	(29,331)	(27,564)	(6)	(11,091)	(9,608)	(15)
Significant items:						
Accounting gain arising from change in basis of delivering ill-health benefits in the UK	–	(430)		–	–	
Charge in relation to settlement agreement with Federal Housing Finance Authority	550	–		550	–	
Madoff-related litigation costs	–	298		–	–	
Provision for FCA investigation into foreign exchange	378	–		378	–	
Regulatory investigation provisions in GBP	–	317		–	198	
Restructuring and other related costs	150	396		68	158	
UK bank levy	(45)	9		–	–	
UK customer redress programmes	935	840		701	428	
US customer remediation provision relating to CRS	–	100		–	–	
Total operating expenses, excluding underlying adjustments and significant items	(27,363)	(26,034)		(9,394)	(8,824)	
<b>Share of profit in associates and joint ventures</b>						
Reported	1,965	1,843	7	685	629	9
Currency translation adjustment		15			–	
Acquisitions, disposals and dilutions	–	(13)		–	2	
Underlying	1,965	1,845	7	685	631	9
Significant items	–	–		–	–	
Share of profit in associates and joint ventures, excluding underlying adjustments and significant items	1,965	1,845		685	631	

**HSBC Holdings plc (continued)**

	Nine months ended 30 September			Quarter ended						
	2014 US\$m	2013 US\$m	Change %	30 September 2014 US\$m	30 June 2014 US\$m	31 March 2014 US\$m	31 December 2013 US\$m	30 September 2013 US\$m	30 June 2013 US\$m	31 March 2013 US\$m
<b>Profit before tax</b>										
Reported	16,949	18,601	(9)	4,609	5,555	6,785	3,964	4,530	5,637	8,434
Currency translation adjustment		(36)			(24)	12	(34)	(18)	6	(46)
Own credit spread	15	594		(200)	363	(148)	652	575	(224)	243
Acquisitions, disposals and dilutions	5	(1,145)		–	29	(24)	(983)	(83)	(34)	(1,028)
Underlying	16,969	18,014	(6)	4,409	5,923	6,625	3,599	5,004	5,385	7,603
Significant items:										
(Gain)/loss on sale of several tranches of real estate secured accounts in the US	(76)	(2)		(91)	(15)	30	125	(3)	1	–
Accounting gain arising from change in basis of delivering ill-health benefits in the UK	–	(430)		–	–	–	–	–	(430)	–
Charge in relation to settlement agreement with Federal Housing Finance Authority	550	–		550	–	–	–	–	–	–
Debit valuation adjustment on derivative contracts	278	(300)		123	185	(30)	195	151	21	(472)
Fair value movement on non-qualifying hedges	341	(461)		19	180	142	(50)	(168)	(209)	(84)
Foreign exchange gains relating to the sterling debt issued by HSBC Holdings	–	(442)		–	–	–	–	–	–	(442)
Gain on sale of shareholding in Bank of Shanghai	(428)	–		–	(428)	–	–	–	–	–
Impairment on our investment in Industrial Bank	271	–		271	–	–	–	–	–	–
Loss on sale of an HFC Bank UK secured loan portfolio	–	138		–	–	–	8	–	–	138
Loss on sale of the non-real estate portfolio in the US	–	271		–	–	–	–	–	271	–
Loss on termination of cash flow hedges in the US run-off portfolio	–	199		–	–	–	–	–	–	199
Madoff-related litigation costs	–	298		–	–	–	–	–	298	–
Net gain on completion of Ping An disposal	–	(553)		–	–	–	–	–	–	(553)
Provisions arising from the ongoing review of compliance with the Consumer Credit Act in the UK	580	–		213	367	–	–	–	–	–
Provision for FCA investigation into foreign exchange	378	–		378	–	–	–	–	–	–
Regulatory investigation provisions in GPB	–	317		–	–	–	35	198	–	119
Restructuring and other related costs	150	396		68	42	40	87	158	163	75
UK bank levy	(45)	9		–	(45)	–	907	–	9	–
UK customer redress programmes	935	840		701	151	83	395	428	248	164
US customer remediation provision relating to CRS	–	100		–	–	–	–	–	–	100
Write-off of allocated goodwill relating to GPB Monaco business	–	279		–	–	–	–	–	–	279
Profit before tax, excluding underlying adjustments and significant items	19,903	18,673		6,641	6,360	6,890	5,301	5,768	5,757	7,126

## Retail Banking and Wealth Management

	Nine months ended			Quarter ended		
	2014	2013	Change	2014	2013	Change
	US\$m	US\$m	%	US\$m	US\$m	%
<b>Revenue</b>						
Reported	18,700	19,930	(6)	6,377	6,641	(4)
Currency translation adjustment		(138)			55	
Acquisitions, disposals and dilutions	(24)	(222)		–	(64)	
Underlying	18,676	19,570	(5)	6,377	6,632	(4)
Significant items:						
Fair value movement on non-qualifying hedges	302	(218)		67	(2)	
Gain on sale of several tranches of real estate secured accounts in the US	(76)	(2)		(91)	(3)	
Loss on sale of an HFC Bank UK secured loan portfolio	–	138		–	–	
Loss on sale of the non-real estate portfolio in the US	–	271		–	–	
Loss on termination of cash flow hedges in the US run-off portfolio	–	199		–	–	
Provisions arising from the ongoing review of compliance with the Consumer Credit Act in the UK	544	–		191	–	
Revenue, excluding underlying adjustments and significant items	19,446	19,958		6,544	6,627	
<b>Loan impairment charges and other credit risk provisions</b>						
Reported	(1,472)	(2,541)	42	(247)	(773)	68
Currency translation adjustment		109			5	
Acquisitions, disposals and dilutions	3	58		–	13	
Underlying	(1,469)	(2,374)	38	(247)	(755)	67
Significant items	–	–		–	–	
Loan impairment charges and other credit risk provisions, excluding underlying adjustments and significant items	(1,469)	(2,374)		(247)	(755)	
<b>Total operating expenses</b>						
Reported	(13,198)	(12,827)	(3)	(4,929)	(4,376)	(13)
Currency translation adjustment		79			(52)	
Acquisitions, disposals and dilutions	15	237		–	47	
Underlying	(13,183)	(12,511)	(5)	(4,929)	(4,381)	(13)
Significant items:						
Accounting gain arising from change in basis of delivering ill-health benefits in the UK	–	(189)		–	–	
Charge in relation to settlement agreement with Federal Housing Finance Authority	17	–		17	–	
Restructuring and other related costs	29	159		7	74	
UK customer redress programmes	810	706		616	294	
US customer remediation provision relating to CRS	–	100		–	–	
Total operating expenses, excluding underlying adjustments and significant items	(12,327)	(11,735)		(4,289)	(4,013)	

**Retail Banking and Wealth Management** (continued)

	Nine months ended 30 September			Quarter ended 30 September		
	2014 US\$m	2013 US\$m	Change %	2014 US\$m	2013 US\$m	Change %
<b>Profit before tax</b>						
Reported	<b>4,352</b>	4,852	(10)	<b>1,307</b>	1,585	(18)
Currency translation adjustment		52			8	
Acquisitions, disposals and dilutions	<b>(6)</b>	67		<b>–</b>	(5)	
Underlying	<b>4,346</b>	4,971	(13)	<b>1,307</b>	1,588	(18)
Significant items:						
Accounting gain arising from change in basis of delivering ill-health benefits in the UK	–	(189)		–	–	
Charge in relation to settlement agreement with Federal Housing Finance Authority	<b>17</b>	–		<b>17</b>	–	
Fair value movement on non-qualifying hedges	<b>302</b>	(218)		<b>67</b>	(2)	
Gain on sale of several tranches of real estate secured accounts in the US	<b>(76)</b>	(2)		<b>(91)</b>	(3)	
Loss on sale of an HFC Bank UK secured loan portfolio	–	138		–	–	
Loss on sale of the non-real estate portfolio in CML	–	271		–	–	
Loss on termination of cash flow hedges in the US run-off portfolio	–	199		–	–	
Provisions arising from the ongoing review of compliance with the Consumer Credit Act in the UK	<b>544</b>	–		<b>191</b>	–	
Restructuring and other related costs	<b>29</b>	159		<b>7</b>	74	
UK customer redress programmes	<b>810</b>	706		<b>616</b>	294	
US customer remediation provision relating to CRS	–	100		–	–	
Profit before tax, excluding underlying adjustments and significant items	<b>5,972</b>	6,135		<b>2,114</b>	1,951	

## US run-off

	Nine months ended 30 September			Quarter ended 30 September		
	2014 US\$m	2013 US\$m	Change %	2014 US\$m	2013 US\$m	Change %
<b>Revenue</b>						
Reported	1,047	1,287	(19)	447	494	(10)
Currency translation adjustment	–	–		–	–	
Acquisitions, disposals and dilutions	–	105		–	–	
Underlying	1,047	1,392	(25)	447	494	(10)
Significant items:						
Fair value movement on non-qualifying hedges	199	(259)		12	4	
Gain on sale of several tranches of real estate secured accounts in the US	(76)	(2)		(91)	(3)	
Loss on sale of the non-real estate portfolio in CML	–	271		–	–	
Loss on termination of cash flow hedges in the US run-off portfolio	–	199		–	–	
Revenue, excluding underlying adjustments and significant items	1,170	1,601		368	495	
<b>Loan impairment charges and other credit risk provisions</b>						
Reported	(57)	(546)	90	123	(150)	
Currency translation adjustment	–	–		–	–	
Acquisitions, disposals and dilutions	–	1		–	–	
Underlying	(57)	(545)	90	123	(150)	
Significant items	–	–		–	–	
Loan impairment charges and other credit risk provisions, excluding underlying adjustments and significant items	(57)	(545)		123	(150)	
<b>Total operating expenses</b>						
Reported	(563)	(873)	36	(202)	(242)	17
Currency translation adjustment	–	–		–	–	
Acquisitions, disposals and dilutions	–	14		–	–	
Underlying	(563)	(859)	34	(202)	(242)	17
Significant items:						
Charge in relation to settlement agreement with Federal Housing Finance Authority	17	–		17	–	
Restructuring and other related costs	3	11		–	–	
US customer remediation provision relating to CRS	–	100		–	–	
Total operating expenses, excluding underlying adjustments and significant items	(543)	(748)		(185)	(242)	
<b>Profit before tax</b>						
Reported	427	(132)		368	102	261
Currency translation adjustment	–	–		–	–	
Acquisitions, disposals and dilutions	–	120		–	–	
Underlying	427	(12)		368	102	261
Significant items:						
Charge in relation to settlement agreement with Federal Housing Finance Authority	17	–		17	–	
Fair value movement on non-qualifying hedges	199	(259)		12	4	
Loss on sale of several tranches of real estate secured accounts in the US	(76)	(2)		(91)	(3)	
Loss on sale of the non-real estate portfolio in CML	–	271		–	–	
Loss on termination of cash flow hedges in the US run-off portfolio	–	199		–	–	
Restructuring and other related costs	3	11		–	–	
US customer remediation provision relating to CRS	–	100		–	–	
Profit before tax, excluding underlying adjustments and significant items	570	308		306	103	



## Principal Retail Banking and Wealth Management

	Nine months ended			Quarter ended		
	30 September			30 September		
	2014 US\$m	2013 US\$m	Change %	2014 US\$m	2013 US\$m	Change %
<b>Revenue</b>						
Reported	17,653	18,643	(5)	5,930	6,147	(4)
Currency translation adjustment		(138)			55	
Acquisitions, disposals and dilutions	(24)	(327)		–	(64)	
Underlying revenue	17,629	18,178	(3)	5,930	6,138	(3)
Significant items:						
Fair value movement on non-qualifying hedges	103	41		55	(6)	
Loss on sale of an HFC Bank UK secured loan portfolio	–	138		–	–	
Provisions arising from the ongoing review of compliance with the Consumer Credit Act in the UK	544	–		191	–	
Revenue, excluding underlying adjustments and significant items	18,276	18,357		6,176	6,132	
<b>Loan impairment charges and other credit risk provisions</b>						
Reported	(1,415)	(1,995)	29	(370)	(623)	41
Currency translation adjustment		109			5	
Acquisitions, disposals and dilutions	3	57		–	13	
Underlying loan impairment charges and other credit risk provisions	(1,412)	(1,829)	23	(370)	(605)	39
Significant items	–	–		–	–	
Loan impairment charges and other credit risk provisions, excluding underlying adjustments and significant items	(1,412)	(1,829)		(370)	(605)	
<b>Total operating expenses</b>						
Reported	(12,635)	(11,954)	(6)	(4,727)	(4,134)	(14)
Currency translation adjustment		79			(52)	
Acquisitions, disposals and dilutions	15	223		–	47	
Underlying total operating expenses	(12,620)	(11,652)	(8)	(4,727)	(4,139)	(14)
Significant items:						
Accounting gain arising from change in basis of delivering ill-health benefits in the UK	–	(189)		–	–	
Restructuring and other related costs	25	148		7	74	
UK customer redress programmes	810	706		616	294	
Total operating expenses, excluding underlying adjustments and significant items	(11,785)	(10,987)		(4,104)	(3,771)	
<b>Profit before tax</b>						
Reported	3,925	4,984	(21)	939	1,483	(37)
Currency translation adjustment		52			8	
Acquisitions, disposals and dilutions	(6)	(53)		–	(5)	
Underlying	3,919	4,983	(21)	939	1,486	(37)
Significant items:						
Accounting gain arising from change in basis of delivering ill-health benefits in the UK	–	(189)		–	–	
Fair value movement on non-qualifying hedges	103	41		55	(6)	
Loss on sale of an HFC Bank UK secured loan portfolio	–	138		–	–	
Provisions arising from the ongoing review of compliance with the Consumer Credit Act in the UK	544	–		191	–	
Restructuring and other related costs	25	148		7	74	
UK customer redress programmes	810	706		616	294	
Profit before tax, excluding underlying adjustments and significant items	5,401	5,827		1,808	1,848	

## Commercial Banking

	Nine months ended 30 September			Quarter ended 30 September		
	2014 US\$m	2013 US\$m	Change %	2014 US\$m	2013 US\$m	Change %
<b>Revenue</b>						
Reported	12,318	11,848	4	4,202	3,985	5
Currency translation adjustment		(76)			24	
Acquisitions, disposals and dilutions	(20)	(135)		–	(37)	
Underlying	12,298	11,637	6	4,202	3,972	6
Significant items:						
Fair value movement on non-qualifying hedges	(1)	–		(1)	–	
Provisions arising from the ongoing review of compliance with the Consumer Credit Act in the UK	16	–		2	–	
Revenue, excluding underlying adjustments and significant items	12,313	11,637		4,203	3,972	
<b>Loan impairment charges and other credit risk provisions</b>						
Reported	(970)	(1,841)	47	(408)	(681)	40
Currency translation adjustment		4			(15)	
Acquisitions, disposals and dilutions	(1)	(2)		–	(1)	
Underlying	(971)	(1,839)	47	(408)	(697)	41
Significant items	–	–		–	–	
Loan impairment charges and other credit risk provisions, excluding underlying adjustments and significant items	(971)	(1,839)		(408)	(697)	
<b>Total operating expenses</b>						
Reported	(5,531)	(5,170)	(7)	(1,943)	(1,834)	(6)
Currency translation adjustment		76			(9)	
Acquisitions, disposals and dilutions	8	75		–	21	
Underlying	(5,523)	(5,019)	(10)	(1,943)	(1,822)	(7)
Significant items:						
Accounting gain arising from change in basis of delivering ill-health benefits in the UK	–	(160)		–	–	
Restructuring and other related costs	10	50		4	28	
UK customer redress programmes	59	68		39	68	
Total operating expenses, excluding underlying adjustments and significant items	(5,454)	(5,061)		(1,900)	(1,726)	
<b>Profit before tax</b>						
Reported	7,062	6,016	17	2,291	1,882	22
Currency translation adjustment		14			–	
Acquisitions, disposals and dilutions	(13)	(70)		–	(19)	
Underlying	7,049	5,960	18	2,291	1,863	23
Significant items:						
Accounting gain arising from change in basis of delivering ill-health benefits in the UK	–	(160)		–	–	
Fair value movement on non-qualifying hedges	(1)	–		(1)	–	
Provisions arising from the ongoing review of compliance with the Consumer Credit Act in the UK	16	–		2	–	
Restructuring and other related costs	10	50		4	28	
UK customer redress programmes	59	68		39	68	
Profit before tax, excluding underlying adjustments and significant items	7,133	5,918		2,335	1,959	

## Global Banking and Markets

	Nine months ended 30 September			Quarter ended 30 September		
	2014 US\$m	2013 US\$m	Change %	2014 US\$m	2013 US\$m	Change %
<b>Revenue</b>						
Reported	14,470	14,881	(3)	4,679	4,220	11
Currency translation adjustment		76			33	
Acquisitions, disposals and dilutions	(12)	(157)		–	(100)	
Underlying	14,458	14,800	(2)	4,679	4,153	13
Significant items:						
Debit valuation adjustment on derivative contracts	278	(300)		123	151	
Fair value movement on non-qualifying hedges	11	16		61	(2)	
Revenue, excluding underlying adjustments and significant items	14,747	14,516		4,863	4,302	
<b>Loan impairment charges and other credit risk provisions</b>						
Reported	(185)	(292)	37	(136)	(118)	(15)
Currency translation adjustment		(23)			(7)	
Acquisitions, disposals and dilutions	–	–		–	–	
Underlying	(185)	(315)	41	(136)	(125)	(9)
Significant items	–	–		–	–	
Loan impairment charges and other credit risk provisions, excluding underlying adjustments and significant items	(185)	(315)		(136)	(125)	
<b>Total operating expenses</b>						
Reported	(8,687)	(7,374)	(18)	(3,729)	(2,368)	(57)
Currency translation adjustment		(127)			(50)	
Acquisitions, disposals and dilutions	3	69		–	24	
Underlying	(8,684)	(7,432)	(17)	(3,729)	(2,394)	(56)
Significant items:						
Accounting gain arising from change in basis of delivering ill-health benefits in the UK	–	(81)		–	–	
Charge in relation to settlement agreement with Federal Housing Finance Authority	533	–		533	–	
Madoff-related litigation costs	–	298		–	–	
Provision for FCA investigation into foreign exchange	378	–		378	–	
Restructuring and other related costs	20	13		12	5	
UK customer redress programmes	66	66		46	66	
Total operating expenses, excluding underlying adjustments and significant items	(7,687)	(7,136)		(2,760)	(2,323)	
<b>Profit before tax</b>						
Reported	5,974	7,575	(21)	941	1,852	(49)
Currency translation adjustment		(71)			(24)	
Acquisitions, disposals and dilutions	(9)	(88)		–	(72)	
Underlying	5,965	7,416	(20)	941	1,756	(46)
Significant items:						
Accounting gain arising from change in basis of delivering ill-health benefits in the UK	–	(81)		–	–	
Charge in relation to settlement agreement with Federal Housing Finance Authority	533	–		533	–	
Debit valuation adjustment on derivative contracts	278	(300)		123	151	
Fair value movement on non-qualifying hedges	11	16		61	(2)	
Madoff-related litigation costs	–	298		–	–	
Provision for FCA investigation into foreign exchange	378	–		378	–	
Restructuring and other related costs	20	13		12	5	
UK customer redress programmes	66	66		46	66	
Profit before tax, excluding underlying adjustments and significant items	7,251	7,428		2,094	1,976	

## Global Banking and Markets – Legacy Credit

	Nine months ended 30 September			Quarter ended 30 September		
	2014 US\$m	2013 US\$m	Change %	2014 US\$m	2013 US\$m	Change %
<b>Revenue</b>						
Reported	189	108	75	13	(4)	
Currency translation adjustment		(4)			(4)	
Acquisitions, disposals and dilutions	–	–		–	–	
Underlying	189	104	82	13	(8)	
Significant items	–	–		–	–	
Revenue, excluding underlying adjustments and significant items	189	104		13	(8)	
<b>Loan impairment charges and other credit risk provisions</b>						
Reported	292	129	(126)	74	32	(131)
Currency translation adjustment		9			3	
Acquisitions, disposals and dilutions	–	–		–	–	
Underlying	292	138	(112)	74	35	(111)
Significant items	–	–		–	–	
Loan impairment charges and other credit risk provisions, excluding underlying adjustments and significant items	292	138		74	35	
<b>Total operating expenses</b>						
Reported	(676)	(98)	(590)	(590)	(41)	(1,339)
Currency translation adjustment		(3)			(1)	
Acquisitions, disposals and dilutions	–	–		–	–	
Underlying	(676)	(101)	(569)	(590)	(42)	(1,305)
Significant items:						
Charge in relation to settlement agreement with Federal Housing Finance Authority	533	–		533	–	
Total operating expenses, excluding underlying adjustments and significant items	(143)	(101)		(57)	(42)	
<b>Profit before tax</b>						
Reported	(195)	139		(503)	(13)	(3,769)
Currency translation adjustment		2			(2)	
Acquisitions, disposals and dilutions	–	–		–	–	
Underlying	(195)	141		(503)	(15)	(3,253)
Significant items:						
Charge in relation to settlement agreement with Federal Housing Finance Authority	533	–		533	–	
Profit before tax, excluding underlying adjustments and significant items	338	141		30	(15)	

## Global Banking and Markets (excluding Legacy Credit)

	Nine months ended 30 September			Quarter ended 30 September		
	2014 US\$m	2013 US\$m	Change %	2014 US\$m	2013 US\$m	Change %
<b>Revenue</b>						
Reported	14,281	14,773	(3)	4,666	4,224	10
Currency translation adjustment		80			37	
Acquisitions, disposals and dilutions	(12)	(157)		–	(100)	
Underlying	14,269	14,696	(3)	4,666	4,161	12
Significant items:						
Debit valuation adjustment on derivative contracts	278	(300)		123	151	
Fair value movement on non-qualifying hedges	11	16		61	(2)	
Revenue, excluding underlying adjustments and significant items	14,558	14,412		4,850	4,310	
<b>Loan impairment charges and other credit risk provisions</b>						
Reported	(477)	(421)	(13)	(210)	(150)	(40)
Currency translation adjustment		(32)			(10)	
Acquisitions, disposals and dilutions	–	–		–	–	
Underlying	(477)	(453)	(5)	(210)	(160)	(31)
Significant items	–	–		–	–	
Loan impairment charges and other credit risk provisions, excluding underlying adjustments and significant items	(477)	(453)		(210)	(160)	
<b>Total operating expenses</b>						
Reported	(8,011)	(7,276)	(10)	(3,139)	(2,327)	(35)
Currency translation adjustment		(124)			(49)	
Acquisitions, disposals and dilutions	3	69		–	24	
Underlying	(8,008)	(7,331)	(9)	(3,139)	(2,352)	(33)
Significant items:						
Accounting gain arising from change in basis of delivering ill-health benefits in the UK	–	(81)		–	–	
Madoff-related litigation costs	–	298		–	–	
Provision for FCA investigation into foreign exchange	378	–		378	–	
Restructuring and other related costs	20	13		12	5	
UK customer redress programmes	66	66		46	66	
Total operating expenses, excluding underlying adjustments and significant items	(7,544)	(7,035)		(2,703)	(2,281)	
<b>Profit before tax</b>						
Reported	6,169	7,436	(17)	1,444	1,865	(23)
Currency translation adjustment		(73)			(22)	
Acquisitions, disposals and dilutions	(9)	(88)		–	(72)	
Underlying	6,160	7,275	(15)	1,444	1,771	(18)
Significant items:						
Accounting gain arising from change in basis of delivering ill-health benefits in the UK	–	(81)		–	–	
Debit valuation adjustment on derivative contracts	278	(300)		123	151	
Fair value movement on non-qualifying hedges	11	16		61	(2)	
Madoff-related litigation costs	–	298		–	–	
Provision for FCA investigation into foreign exchange	378	–		378	–	
Restructuring and other related costs	20	13		12	5	
UK customer redress programmes	66	66		46	66	
Profit before tax, excluding underlying adjustments and significant items	6,913	7,287		2,064	1,991	

## Global Private Banking

	Nine months ended 30 September			Quarter ended 30 September		
	2014 US\$m	2013 US\$m	Change %	2014 US\$m	2013 US\$m	Change %
<b>Revenue</b>						
Reported	1,820	1,809	1	590	658	(10)
Currency translation adjustment		18			(4)	
Acquisitions, disposals and dilutions	–	(4)		–	(1)	
Underlying	1,820	1,823	–	590	653	(10)
Significant items:						
Fair value movement on non-qualifying hedges	–	2		–	1	
Provisions arising from the ongoing review of compliance with the Consumer Credit Act in the UK	20	–		20	–	
Write-off of allocated goodwill relating to GPB Monaco business	–	279		–	–	
Revenue, excluding underlying adjustments and significant items	1,840	2,104		610	654	
<b>Loan impairment charges and other credit risk provisions</b>						
Reported	25	(35)		31	(21)	
Currency translation adjustment		(2)			(1)	
Acquisitions, disposals and dilutions	–	–		–	–	
Underlying	25	(37)		31	(22)	
Significant items	–	–		–	–	
Loan impairment charges and other credit risk provisions, excluding underlying adjustments and significant items	25	(37)		31	(22)	
<b>Total operating expenses</b>						
Reported	(1,304)	(1,692)	23	(436)	(657)	34
Currency translation adjustment		(8)			(2)	
Acquisitions, disposals and dilutions	–	4		–	1	
Underlying	(1,304)	(1,696)	23	(436)	(658)	34
Significant items:						
Restructuring and other related costs	8	6		6	–	
Regulatory investigation provisions in GPB	–	317		–	198	
Total operating expenses, excluding underlying adjustments and significant items	(1,296)	(1,373)		(430)	(460)	
<b>Profit before tax</b>						
Reported	554	92	502	190	(16)	
Currency translation adjustment		8			(7)	
Acquisitions, disposals and dilutions	–	–		–	–	
Underlying	554	100	454	190	(23)	
Significant items:						
Fair value movement on non-qualifying hedges	–	2		–	1	
Provisions arising from the ongoing review of compliance with the Consumer Credit Act in the UK	20	–		20	–	
Regulatory investigation provisions in GPB	–	317		–	198	
Restructuring and other related costs	8	6		6	–	
Write-off of allocated goodwill relating to GPB Monaco business	–	279		–	–	
Profit before tax, excluding underlying adjustments and significant items	582	704		216	176	

## Other

	Nine months ended			Quarter ended		
	2014	2013	Change	2014	2013	Change
	US\$m	US\$m	%	US\$m	US\$m	%
<b>Revenue</b>						
Reported	4,170	5,159	(19)	1,513	1,009	50
Currency translation adjustment		(64)			16	
Own credit spread	15	594		(200)	575	
Acquisitions, disposals and dilutions	33	(1,085)		–	5	
Underlying	4,218	4,604	(8)	1,313	1,605	(18)
Significant items:						
Fair value movement on non-qualifying hedges	29	(261)		(109)	(165)	
Foreign exchange gains relating to the sterling debt issued by HSBC Holdings	–	(442)		–	–	
Gain on sale of shareholding in Bank of Shanghai	(428)	–		–	–	
Impairment on our investment in Industrial Bank	271	–		271	–	
Net gain on completion of Ping An disposal	–	(553)		–	–	
Revenue, excluding underlying adjustments and significant items	4,090	3,348		1,475	1,440	
<b>Loan impairment charges and other credit risk provisions</b>						
Reported	1	–		–	–	–
Currency translation adjustment		3			(3)	
Acquisitions, disposals and dilutions	–	–		–	–	
Underlying	1	3	67	–	(3)	100
Significant items	–	–		–	–	
Loan impairment charges and other credit risk provisions, excluding underlying adjustments and significant items	1	3		–	(3)	
<b>Total operating expenses</b>						
Reported	(5,173)	(5,097)	(1)	(1,640)	(1,784)	8
Currency translation adjustment		22			(8)	
Acquisitions, disposals and dilutions	–	30		–	7	
Underlying	(5,173)	(5,045)	(3)	(1,640)	(1,785)	8
Significant items:						
Restructuring and other related costs	84	167		39	51	
UK bank levy	(45)	9		–	–	
Total operating expenses, excluding underlying adjustments and significant items	(5,134)	(4,869)		(1,601)	(1,734)	
<b>Profit before tax</b>						
Reported	(993)	66		(120)	(773)	84
Currency translation adjustment		(39)			5	
Own credit spread	15	594		(200)	575	
Acquisitions, disposals and dilutions	33	(1,054)		–	13	
Underlying	(945)	(433)	(118)	(320)	(180)	(77)
Significant items:						
Fair value movement on non-qualifying hedges	29	(261)		(109)	(165)	
Foreign exchange gains relating to the sterling debt issued by HSBC Holdings	–	(442)		–	–	
Gain on sale of shareholding in Bank of Shanghai	(428)	–		–	–	
Impairment on our investment in Industrial Bank	271	–		271	–	
Net gain on completion of Ping An disposal	–	(553)		–	–	
Restructuring and other related costs	84	167		39	51	
UK bank levy	(45)	9		–	–	
Profit before tax, excluding underlying adjustments and significant items	(1,034)	(1,513)		(119)	(294)	

## Geographical regions

### Europe

	Nine months ended 30 September		
	2014 US\$m	2013 US\$m	Change %
<b>Loan impairment charges and other credit risk provisions</b>			
Reported	(404)	(1,364)	70
Currency translation adjustment		(66)	
Acquisitions, disposals and dilutions	–	–	
Underlying	<b>(404)</b>	<b>(1,430)</b>	72

### Asia

	Nine months ended 30 September		
	2014 US\$m	2013 US\$m	Change %
<b>Loan impairment charges and other credit risk provisions</b>			
Reported	(387)	(341)	(13)
Currency translation adjustment		13	
Acquisitions, disposals and dilutions	–	–	
Underlying	<b>(387)</b>	<b>(328)</b>	(18)

### Middle East and North Africa

	Nine months ended 30 September		
	2014 US\$m	2013 US\$m	Change %
<b>Loan impairment charges and other credit risk provisions</b>			
Reported	30	(6)	
Currency translation adjustment		1	
Acquisitions, disposals and dilutions	–	1	
Underlying	<b>30</b>	<b>(4)</b>	

### North America

	Nine months ended 30 September		
	2014 US\$m	2013 US\$m	Change %
<b>Loan impairment charges and other credit risk provisions</b>			
Reported	(356)	(959)	63
Currency translation adjustment		10	
Acquisitions, disposals and dilutions	–	–	
Underlying	<b>(356)</b>	<b>(949)</b>	62

### Latin America

	Nine months ended 30 September		
	2014 US\$m	2013 US\$m	Change %
<b>Loan impairment charges and other credit risk provisions</b>			
Reported	(1,484)	(2,039)	27
Currency translation adjustment		133	
Acquisitions, disposals and dilutions	2	55	
Underlying	<b>(1,482)</b>	<b>(1,851)</b>	20