**The Hongkong and Shanghai Banking Corporation Limited**

**Incorporated in the Hong Kong SAR with limited liability**

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### Consolidated Statement of Cash Flows

<table>
<thead>
<tr>
<th>For the year ended 31 December</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD m</td>
<td>USD m</td>
<td>USD m</td>
</tr>
</tbody>
</table>

**Cash flows from operating activities**

- Prior to tax
- Adjustment for:
  - gains or losses from investing activities
  - share of profits in associates and joint ventures
  - other non-cash items included in prior to tax
- Change in operating assets
- Change in operating liabilities
- Provisions for doubtful accounts
- Change in tax payable

**Net cash generated from operating activities**

**Cash flows from investing activities**

- Purchase of financial investments
- Proceeds from the sale or maturity of financial investments
- Purchase of property, plant and equipment
- Proceeds from the sale of property, plant and equipment
- Other
d
- Net cash inflow/(outflow) from disposal of customer and loan portfolios
- Net cash inflow from acquisition of or increase in stake of associates

**Net cash generated from investing activities**

**Cash flows from financing activities**

- Issuance of ordinary share capital
- Issuance of preference shares
- Redevelopment of lease capital
- Subordinated loan capital issued
- Repayment of loans and advances
- Dividends paid to shareholders

**Net cash generated from financing activities**

**Exchange and other movements**

**Recoveries of loans and advances previously written off**

**Charge to income statement**

**Profit before tax**

**For the year ended 31 December**

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD m</td>
<td>USD m</td>
</tr>
</tbody>
</table>

**Movements in Individual and Collective Impairment during the period for Loans and Receivables to Other Customers**

**For the year ended 31 December**

**Individual impairment**

- Operational losses
- Write-off during the year
- Recoveries of loans and advances previously written off
- Exchange and other movements

**Collective impairment**

- Operational losses
- Write-off during the year
- Recoveries of loans and advances previously written off
- Exchange and other movements

**Total impairment**

**Analysis of Financial Instruments and Liabilities by Measurement Basis**

**At 31 December 2014**

**Financial liabilities**

- Loans and advances to banks
- Loans and advances to customers
- Repurchase agreements - non-trading
- Subordinated debt

**Total liabilities at 31 December**

**For the year ended 31 December**

**Equity**

- Share capital
- Other equity instruments
- Non-controlling interests

**Total liabilities and equity at 31 December**

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### Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>As at 31 December</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD m</td>
<td>USD m</td>
<td>USD m</td>
</tr>
</tbody>
</table>

**Assets**

- Cash and balances at central banks
- Cash and balances at banks
- Loans and advances to banks
- Loans and advances to customers

**Financial assets designated at fair value**

**Derivatives**

**Loans and advances to banks**

**Liabilities**

**Interest in associates and joint ventures**

**Goodwill and intangible assets**

**Deferred tax assets**

**Total assets at 31 December**

**Liabilities and equity**

**Equity**

**Due to Other Customers**

**For the year ended 31 December**

**Total**

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### HSBC Holdings plc

The Hongkong and Shanghai Banking Corporation Limited (the Bank) is a subsidiary company incorporated in the Hong Kong SAR. The Bank is regulated by the Hongkong and Shanghai Banking Corporation Limited of Hong Kong, incorporated under the laws of the Hong Kong SAR. **At 31 December 2014**