

Consolidated Balance Sheet at 31 December 2017

Assets	at 31 December 2017							
Cash and balances at central banks 180,624 128,009 Items in the course of collection from other banks 6,628 5,003 Hong Kong Government certificates of indebtedness 34,186 31,228 Financial assets designated at fair value 29,464 24,756 Derivatives 219,818 290,872 Loans and advances to banks 90,393 88,126 Loans and advances to customers 962,964 861,504 Reverse repurchase agreements - non-trading 201,553 160,974 Reverse repurchase agreements - non-trading 10,065 1,465 Reverse repurchase agreements - non-trading 1,006 1,145 Reverse repurchase agreements - non-trading 1,006 1,145 Italian interests in associates and joint ventures 22,744 20,029 Current tax assets 1,006 1,145 Interests in associates and joint ventures 22,744 20,029 Goodwill and intangible assets 25,21,771 2,374,986 Liabilities 34,186 31,228 Liabilities and Equity 34,186 31,228 <t< th=""><th></th><th></th><th></th></t<>								
Liabilities and Equity Liabilities State State	Cash and balances at central banks Items in the course of collection from other banks Hong Kong Government certificates of indebtedness Trading assets Financial assets designated at fair value Derivatives Loans and advances to banks Loans and advances to customers Reverse repurchase agreements - non-trading Financial investments Prepayments, accrued income and other assets Current tax assets Interests in associates and joint ventures Goodwill and intangible assets	6 628 34 186 287,995 29,464 211,818 90,393 962,964 201,553 389,076 67,191 1,006 22,744 23,453	31,228 235,125 24,766 290,672 88,125 44,766 290,672 861,504 160,974 436,797 63,909 1,145 20,029 21,346					
Liabilities 34,186 31,228 Hong Kong currency notes in circulation 34,186 31,228 Deposits by banks 69,922 59,939 Customer accounts 1,364,482 1,272,386 Repurchase agreements - non-trading 130,002 88,958 Items in the course of transmission to other banks 6,850 5,977 Trading liabilities 184,361 153,691 Financial liabilities designated at fair value 94,429 86,832 Derivatives 216,821 279,819 Det securities in issue 64,546 65,915 Accruals, deferred income and other liabilities 45,907 44,291 Current tax liabilities 92,8 719 Liabilities under insurance contracts 85,667 75,273 Provisions 4,011 4,773 Deferred tax liabilities 1,982 1,623 Total liabilities 2,323,900 2,192,408 Equity 10,177 12,619 Called up share capital 10,160 10,096 Share premium account	Total assets	2,521,771	2,374,986					
Called up share capital 10,160 10,096 Share premium account 10,177 12,619 Other equity instruments 22,250 17,110 Other reserves 7,684 (1,234) Retained earnings 139,999 136,795 Total shareholders' equity 190,250 175,386 Non-controlling interests 7,621 7,192 Total equity 197,871 182,578	Liabilities Hong Kong currency notes in circulation Deposits by banks Customer accounts Repurchase agreements - non-trading Items in the course of transmission to other banks Trading liabilities Financial liabilities designated at fair value Derivatives Debt securities in issue Accruals, deferred income and other liabilities Current tax liabilities Liabilities under insurance contracts Provisions Deferred tax liabilities Subordinated liabilities	69,922 1,364,462 130,002 6,850 184,361 94,429 216,821 64,546 45,907 928 85,667 4,011 1,982	59,999 1,272,386 88,958 5,977 153,691 86,832 279,819 65,915 44,291 719 75,273 4,773 1,623 20,984					
Share premium account 10.177 12.619 Other equity instruments 22.250 17,110 Other reserves 7.664 (1,234) Retained earnings 139,999 136,795 Total shareholders' equity 190,250 175,386 Non-controlling interests 7,621 7,192 Total equity 197,871 182,578	Equity	2,323,900	2,132,400					
Non-controlling interests 7,621 7,192 Total equity 197,871 182,578	Share premium account Other equity instruments Other reserves Retained earnings	10,177 22,250 7,664 139,999	12,619 17,110 (1,234) 136,795					
	Non-controlling interests	7,621	7,192					
Iotal Habilities and equity 2,521,771 2,374,986	_ · · ·							
	lotal liabilities and equity	2,521,771	2,374,986					

Consolidated Income Statement for the year ended 31 December 2017

	2017 US\$m	2016 US\$m
Interest income Interest expense	40,995 (12,819)	42,414 (12,601)
Net interest income	28,176	29,813
Fee income Fee expense	15,853 (3,042)	15,669 (2,892)
Net fee income	12,811	12,777
Trading income excluding net interest income Net interest income on trading activities	6,098 1,621	8,066 1,386
Net trading income	7,719	9,452
Changes in fair value of long-term debt issued and related derivatives Net income from other financial instruments designated at fair value	672 3,026	(3,975) 1,309
Net income/(expense) from financial instruments designated at fair value	3,698	(2,666)
Gains less losses from financial investments Dividend income Net insurance premiums income Other operating income/(expense)	1,150 106 9,779 337	1,385 95 9,951 (971)
Total operating income	63,776	59,836
Net insurance claims and benefits paid and movement in liabilities to policyholders	(12,331)	(11,870)
Net operating income before loan impairment charges and other credit risk provisions	51,445	47,966
Loan impairment charges and other credit risk provisions	(1,769)	(3,400)
Net operating income	49,676	44,566
Employee compensation and benefits General and administrative expenses Depreciation and impairment of property, plant and equipment Amortisation and impairment of intangible assets and goodwill Goodwill impairment of flobal Private Banking – Europe	(17,315) (15,707) (1,166) (696)	(18,089) (16,473) (1,229) (777) (3,240)
Total operating expenses	(34,884)	(39,808)
Operating profit/(loss)	14,792	4,758
Share of profit in associates and joint ventures	2,375	2,354
Profit/(loss) before tax	17,167	7,112
Tax expense	(5,288)	(3,666)
Profit/(loss) for the year	11,879	3,446
Attributable to: - ordinary shareholders of the parent company - preference shareholders of the parent company - other equity holders - non-controlling interests	9,683 90 1,025 1,081	1,299 90 1,090 967
Profit/(loss) for the year	11,879	3,446
Basic earnings per ordinary share Diluted earnings per ordinary share	US\$ 0.48 0.48	US\$ 0.07 0.07

Consolidated Statement of Comprehensive Income

	2017 US\$m	2016 US\$m
Profit for the year	11,879	3,446
Other comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met:		
Available-for-sale investments	146	(299
fair value gains/(losses) fair value gains reclassified to the income statement amounts reclassified to the income statement in respect f impairment losses" income taxes	1,227 (1,033) 93 (141)	475 (895 71 50
Cash flow hedges	(192)	(68
- fair value (losses)/gains - fair value losses/(gains) reclassified to the income statement - income taxes - income taxes	(1,046) 833 21	(297 195 34
Share of other comprehensive (expense)/income of associates and joint ventures	(43)	54
- share for the year	(43)	54
Exchange differences	9,077	(8,092
 foreign exchange gains reclassified to income statement on disposal of foreign operation other exchange differences income tax attributable to exchange differences 	8,939 138	1,894 (9,791 (195
tems that will not be reclassified subsequently to profit or loss: Remeasurement of defined benefit asset/liability	2,419	
- before income taxes - income taxes	3,440 (1,021)	(84 91
Changes in fair value of financial liabilities designated at fair value due to movement in own credit risk	(2,024)	
- before income taxes - ncome taxes	(2,409) 385	
Other comprehensive income/(expense) for the year, net of tax	9,383	(8,398
Total comprehensive income/(expense) for the year	21,262	(4,952
Attributable to: Ordinary shareholders of the parent company preference shareholders of the parent company other equity holders non-controlling interests	18,914 90 1,025 1,233	(6,968 90 1,090 836
Total comprehensive income/(expense) for the year	21,262	(4,95)

Consolidated Statement of Changes in Equity for the year ended 31 December 2017

					201	1				
	Called up				Other re	serves				
	capital and share premium US\$m	Other equity instruments US\$m	Retained earnings US\$m	Available- for-sale fair value reserve US\$m	Cash flow hedging reserve US\$m	Foreign exchange reserve US\$m	Merger reserve US\$m	Total shareholders' equity US\$m	Non- controlling interests US\$m	Total equity US\$m
At 1 January 2017	22,715	17,110	136,795	(477)	(27)	(28,038)	27,308	175,386	7,192	182,578
Profit for the year	-	-	10,798	-	-	-	-	10,798	1,081	11,879
Other comprehensive income (net of tax)			328	131	(194)	8,966		9,231	152	9,383
- Available-for-sale investments	-	-	-	131		-	-	131	15	146
 Cash flow hedges Changes in fair value of financial liabilities designated at fair value arising 	-	-	-	-	(194)	-	-	(194)	2	(192)
from changes in own credit risk	_	-	(2,024)		_	_		(2,024)	_	(2,024)
- Remeasurement of defined benefit asset/liability	-	-	2,395	-	-	-	-	2,395	24	2,419
- Share of other comprehensive income of associates										
and joint ventures - Exchange differences	-	-	(43)	-	-	8.966	-	(43) 8,966	111	(43) 9,077
- Exchange differences	-					0,900		0,900		9,077
Total comprehensive income for the year	-	-	11,126	131	(194)	8,966	-	20,029	1,233	21,262
Shares issued under employee remuneration and share plans	622	_	(566)	_	_	-	-	56	-	56
Shares issued in lieu of dividends and amounts arising thereon	-	-	3,206	-	-	-	-	3,206	-	3,206
Capital securities issued	-	5,140	-	-	-	-	-	5,140	-	5,140
Dividends to shareholders	-	-	(11,551)	-	-	-	-	(11,001)	(660)	(12,211)
Cost of share-based payment arrangements Cancellation of shares	(3,000)	-	500	-	-	-	-	500 (3,000)	-	500 (3,000)
Other movements	(3,000)	-	489	(4)	(1)	-	-	484	(144)	340
At 31 Dec 2017	20,337	22,250	139,999	(350)	(222)	(19,072)	27,308	190,250	7,621	197,871

					201	16				
	Called up			Other reserves						
	caned up share capital and share premium US\$m	Other equity instruments US\$m	Retained earnings US\$m	Available- for-sale fair value reserve US\$m	Cash flow hedging reserve US\$m	Foreign exchange reserve US\$m	Merger reserve US\$m	Total shareholders' equity US\$m	Non- controlling interests US\$m	Total equity US\$m
At 1 January 2016 Profit for the year	22,263	15,112	143,976 2,479	(189)	34	(20,044)	27,308	188,460 2,479	9,058 967	197,518 3,446
Other comprehensive income (net of tax) - Available-for-sale investments - Cash flow hedges - Remeasurement of defined benefit asset/liability - Share of other comprehensive income of associates and joint ventures - Foreign exchange reclassified to ncome statement on disposal of a foreign operation* - Exchange differences	- - - - -	-	59 - - 5 54 - -	(271) (271) - - - - - -	(61) (61) - - - -	(7,994) - - - - - 1,894 (9,888)	- - - - -	(8,267) (271) (61) 5 54 1,894 (9,888)	(131) (28) (7) 2 - - (98)	(8,398) (299) (68) 7 54 1,894 (9,986)
Total comprehensive income for the year	-	-	2,538	(271)	(61)	(7,994)	-	(5,788	836	(4,952)
Shares issued under employee remuneration and share plans Shares issued in lieu of dividends and amounts arising thereon Net increase in treasury shares Capital securities issued Dividends to shareholders Cost of share-based payment arrangements Other movements	452 - - - - -	1,998 - - -	(425) 3,040 (2,510) (11,279) 534 921	- - - - - (17)_	- - - - -	- - - - - -	- - - - - -	27 3,040 (2,510) 1,998 (11,279) 534 904	(919) - (1.783)	27 3,040 (2,510) 1,998 (12,198) 534 (879)
At 31 Dec 2016	22.715	17.110	136.795	(477)	(27)	(28,038)	27,308	175,386	7,192	182,578

Consolidated Statement of Cash Flows for the year ended 31 December 2017

	2017 US\$m	2016 US\$m
Profit before tax	17,167	7,112
Adjustments for non-cash items: Depreciation, amortisation and impairment	1,862	5,212
Net gain from investing activities Share of profits in associates and joint ventures	(1,152) (2,375)	(1,215) (2,354)
(Gain)/Loss on disposal of associates, joint ventures, subsidiaries and		, ,
businesses Loan impairment losses gross of recoveries and other	(79)	1,743
credit risk provisions	2,603 917	4,090
Provisions including pensions Share-based payment expense	500	2,482 534
Other non-cash items included in profit before tax Elimination of exchange differences	(381) (21,289)	(207) 15.364
Changes in operating assets and liabilities	(21,200)	10,004
Change in net trading securities and derivatives	(10,901)	4,395
Change in loans and advances to banks and customers Change in reverse repurchase agreements – non-trading	(108,984) (37,281)	52,868 (13,138)
Change in financial assets designated at fair value	(5,303) (6,570)	(1,235) (6,591)
Change in other assets Change in deposits by banks and customer accounts	102,211	(8,918)
Change in repurchase agreements – non-trading Change in debt securities in issue	41,044 (1,369)	8,558 (23,034)
Change in financial liabilities designated at fair value	8,508	17,802
Change in other liabilities Dividends received from associates	13,514 740	8,792 689
Contributions paid to defined benefit plans Tax paid	(685) (3,175)	(726) (3,264)
Net cash from operating activities	(10,478)	68,959
Purchase of financial investments	(357,264)	(457,084)
Proceeds from the sale and maturity of financial investments Net cash flows from the purchase and sale of property, plant	418,352	430,085
and equipment	(1,167)	(1,151)
Net cash flows from disposal of customer and loan portfolios Net investment in intangible assets	6,756 (1,285)	9,194 (906)
Net cash flow on disposal of subsidiaries, businesses, associates and joint ventures	165	4,802
Net cash from investing activities	65,557	(15,060)
Issue of ordinary share capital and other equity instruments	5,196	2.024
Cancellation of shares	(3,000)	-,
Net sales/(purchases) of own shares for market-making and investment purposes	(67)	523
Purchase of treasury shares Redemption of preference shares and other equity instruments	-	(2,510) (1.825)
Subordinated loan capital issued		2,622
Subordinated loan capital repaid Dividends paid to shareholders of the parent company and	(3,574)	(595)
non-controlling interests	(9,005)	(9,157)
Net cash from financing activities	(10,450)	(8,918)
Net increase/(decrease) in cash and cash equivalents	44,629	44,981
Cash and cash equivalents at 1 Jan Exchange differences in respect of cash and cash equivalents	274,550 18,233	243,863 (14,294)
Cash and cash equivalents at 31 December	337,412	274,550
Cash and cash equivalents comprise:	400.00	400.000
 cash and balances at central banks items in the course of collection from other banks 	180,624 6,628	128,009 5,003
- loans and advances to banks of one month or less	82,771	77,318 55.551
 reverse repurchase agreements with banks of one month or less treasury bills 	58,850 15,389	14,646
- less: items in the course of transmission to other banks	(6,850)	(5,977)
	337,412	274,550

Contingent Liabilities, Contractual Commitments and Guarantees at 31 December 2017

	2017 US\$m	2016 US\$m
Guarantees and other contingent liabilities:		
Guarantees	89,762	81,466
Other contingent liabilities	616	553
At 31 Dec	90,378	82,019
Commitments		
Documentary credits and short-term trade-related		
transactions	8,776	9,190
Forward asset purchases and forward deposits placed Standby facilities, credit lines and other commitments	4,295	5,386
to lend	672,518	641,267
At 31 Dec	685,589	655,843

Untuk memenuhi ketentuan mengenai publikasi laporan keuangan perusahaan induk sebagaimana diatur dalam Peraturan Otoritas Jasa Keuangan No. 32/POJK.03/2016 tanggal 8 Agustus 2016 tentang "Perubahan Atas Peraturan Otoritas Jasa Keuangan No. 6/POJK.03/2015 tentang Transparansi Dan Publikasi Laporan Bank" dan Surat Edaran Otoritas Jasa Keuangan No. 43/SEOJK.03/2016 tanggal 28 September 2016 tentang "Transparansi Dan Publikasi Laporan Bank Umum Konvensional", publikasi ini merupakan publikasi laporan keuangan konsolidasian HSBC Holdings plc yang merupakan pemilik 98,94% saham PT Bank HSBC Indonesia.

Informasi keuangan per 31 Desember 2017 ini diambil dari Annual Report and Accounts 2017 HSBC Holdings plc yang telah disetujui oleh Direksi HSBC Holdings plc pada tanggal 20 Februari 2018.

Informasi keuangan konsolidasian di atas ini merupakan bagian dari publikasi Laporan Keuangan PT Bank HSBC Indonesia per 31 Desember 2017 yang dipublikasikan melalui surat kabar harian Bisnis Indonesia pada tanggal 28 Maret 2018.

Jakarta, 28 Maret 2018 PT Bank HSBC Indonesia

London, 20 Februari 2018 Directors **HSBC** Holdings plc