

## Financial Statements

### Consolidated income statement for the year ended 31 December 2013<sup>1</sup>

	2013		2012	
	Total £m	Continuing operations £m	Discontinued operations £m	Total £m
Interest income .....	10,008	10,214	460	10,674
Interest expense .....	(3,047)	(3,695)	(75)	(3,770)
Net interest income .....	6,961	6,519	385	6,904
Fee income .....	4,723	4,522	533	5,055
Fee expense .....	(1,387)	(1,213)	(61)	(1,274)
Net fee income .....	3,336	3,309	472	3,781
Trading income excluding net interest income .....	1,694	645	247	892
Net interest income on trading activities .....	679	942	–	942
Net trading income .....	2,373	1,587	247	1,834
Net income from financial instruments designated at fair value .....	900	118	–	118
Gains less losses from financial investments .....	100	335	1	336
Dividend income .....	18	15	1	16
Net earned insurance premiums .....	2,022	2,286	–	2,286
Other operating income .....	158	129	3	132
<b>Total operating income</b> .....	<b>15,868</b>	<b>14,298</b>	<b>1,109</b>	<b>15,407</b>
Net insurance claims incurred and movement in liabilities to policyholders .....	(3,028)	(2,919)	–	(2,919)
<b>Net operating income before loan impairment charges and other credit risk provisions</b> .....	<b>12,840</b>	<b>11,379</b>	<b>1,109</b>	<b>12,488</b>
Loan impairment charges and other credit risk provisions .....	(971)	(1,246)	1	(1,245)
<b>Net operating income</b> .....	<b>11,869</b>	<b>10,133</b>	<b>1,110</b>	<b>11,243</b>
Employee compensation and benefits .....	(3,838)	(4,353)	(436)	(4,789)
General and administrative expenses .....	(4,195)	(4,626)	(280)	(4,906)
Depreciation and impairment of property, plant and equipment .....	(331)	(353)	(13)	(366)
Amortisation and impairment of intangible assets .....	(211)	(174)	(1)	(175)
<b>Total operating expenses</b> .....	<b>(8,575)</b>	<b>(9,506)</b>	<b>(730)</b>	<b>(10,236)</b>
<b>Operating profit</b> .....	<b>3,294</b>	<b>627</b>	<b>380</b>	<b>1,007</b>
Share of (loss)/profit in associates and joint ventures .....	–	(3)	–	(3)
<b>Profit before tax</b> .....	<b>3,294</b>	<b>624</b>	<b>380</b>	<b>1,004</b>
Tax credit/(expense) .....	(754)	220	(64)	156
<b>Profit for the year before gain on disposal of discontinued operations</b> .....	<b>2,540</b>	<b>844</b>	<b>316</b>	<b>1,160</b>
Gain on sale of discontinued operations .....	–	–	1,265	1,265
<b>Profit for the year</b> .....	<b>2,540</b>	<b>844</b>	<b>1,581</b>	<b>2,425</b>
Profit attributable to shareholders of the parent company .....	2,495	803	1,581	2,384
Profit attributable to non-controlling interests .....	45	41	–	41

<sup>1</sup> In November 2012, the group sold HSBC Private Banking Holdings (Suisse) SA to HSBC Holdings plc. The ownership of HSBC Private Bank (UK) Limited remains within the group. The comparative numbers in the income statement and the statement of comprehensive income has been presented to show the discontinued operation separately from continuing operations.

The accompanying notes on pages 103 to 215 and the audited sections of the 'Report of the Directors: Risk' on pages 25 to 76 and the 'Report of the Directors: Capital Management' on pages 77 to 82 form an integral part of these financial statements.

## Financial Statements (continued)

### Consolidated statement of comprehensive income for the year ended 31 December 2013

	2013	2012		Total £m
	Total £m	Continuing operations £m	Discontinued operations £m	
Profit for the year	2,540	844	1,581	2,425
<b>Other comprehensive income</b>				
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met</b>				
Available-for-sale investments				
– fair value gains .....	420	2,378	136	2,514
– fair value losses/(gains) transferred to the income statement on disposal .....	223	(342)	89	(253)
– amounts transferred to the income statement in respect of impairment losses .....	115	444	1	445
– income taxes .....	2	(88)	(29)	(117)
Cash flow hedges				
– fair value gains .....	46	217	6	223
– fair value (gains) transferred to the income statement .....	(423)	(181)	(12)	(193)
– income taxes .....	109	(7)	–	(7)
Exchange differences and other .....	39	(224)	(1,486)	(1,710)
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Actuarial (losses)/gains on defined benefit plans				
– before income taxes .....	(957)	89	8	97
– income taxes .....	251	1	(2)	(1)
Other comprehensive income for the year, net of tax .....	(175)	2,287	(1,289)	998
Total comprehensive income for the year .....	2,365	3,131	292	3,423
Total comprehensive income for the year attributable to:				
– shareholders of the parent company .....	2,319	3,098	292	3,390
– non-controlling interests .....	46	33	–	33
	2,365	3,131	292	3,423

The accompanying notes on pages 103 to 215 and the audited sections of the 'Report of the Directors: Risk' on pages 25 to 76 and the 'Report of the Directors: Capital Management' on pages 77 to 82 form an integral part of these financial statements.

## Financial Statements (continued)

### Consolidated statement of financial position at 31 December 2013

	Notes	2013 £m	2012 £m
<b>ASSETS</b>			
Cash and balances at central banks .....		67,584	51,613
Items in the course of collection from other banks .....		1,948	1,961
Trading assets .....	15	134,097	161,516
Financial assets designated at fair value .....	16	16,661	15,387
Derivatives .....	17	137,239	177,808
Loans and advances to banks .....	32	53,228	32,286
Loans and advances to customers .....	32	305,032	282,685
Financial investments .....	18	75,030	71,265
Other assets .....	24	6,621	6,366
Current tax assets .....		210	200
Prepayments and accrued income .....		2,584	2,584
Interests in associates and joint ventures .....	20	67	67
Goodwill and intangible assets .....	21	7,934	7,826
Property, plant and equipment .....	22	2,004	2,024
Deferred tax assets .....	10	222	274
Retirement benefit assets .....	7	1,234	1,619
		<b>811,695</b>	<b>815,481</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits by banks .....	32	50,683	39,571
Customer accounts .....	32	390,017	324,886
Items in the course of transmission to other banks .....		960	1,017
Trading liabilities .....	25	91,842	122,896
Financial liabilities designated at fair value .....	26	34,036	32,918
Derivatives .....	17	137,352	181,095
Debt securities in issue .....	32	32,895	40,358
Other liabilities .....	27	5,850	6,846
Current tax liabilities .....		89	122
Liabilities under insurance contracts issued .....	28	19,228	17,913
Accruals and deferred income .....		2,990	3,250
Provisions .....	29	1,707	1,641
Deferred tax liabilities .....	10	24	99
Retirement benefit liabilities .....	7	318	319
Subordinated liabilities .....	30	10,785	10,350
		<b>778,776</b>	<b>783,281</b>
<b>Equity</b>			
Called up share capital .....	37	797	797
Share premium account .....		20,427	20,025
Other reserves .....		921	394
Retained earnings .....		10,225	10,459
		<b>32,370</b>	<b>31,675</b>
Total equity attributable to shareholders of the parent company .....		<b>32,370</b>	<b>31,675</b>
Non-controlling interests .....		549	525
		<b>32,919</b>	<b>32,200</b>
Total equity .....		<b>32,919</b>	<b>32,200</b>
Total equity and liabilities .....		<b>811,695</b>	<b>815,481</b>

The accompanying notes on pages 103 to 215 and the audited sections of the 'Report of the Directors: Risk' on pages 25 to 76 and the 'Report of the Directors: Capital Management' on pages 77 to 82 form an integral part of these financial statements.

A P S Simoes, Director

24 February 2014

## Financial Statements (continued)

### Consolidated cash flow statement for the year ended 31 December 2013

	Notes	2013 £m	2012 £m
<b>Cash flows from operating activities</b>			
Profit before tax .....		3,294	1,004
Adjustments for:			
– non-cash items included in profit before tax .....	38	2,684	3,988
– change in operating assets .....	38	(53,006)	(34,029)
– change in operating liabilities .....	38	61,035	23,887
– elimination of exchange differences <sup>1</sup> .....		(623)	4,162
– net gain from investing activities .....		(130)	(344)
– share of loss in associates and joint ventures .....		–	3
– contributions paid to defined benefit plans .....		(393)	(197)
– tax paid .....		(363)	(171)
Net cash generated from/(used in) operating activities .....		<u>12,498</u>	<u>(1,697)</u>
<b>Cash flows from investing activities</b>			
Purchase of financial investments .....		(32,298)	(47,431)
Proceeds from the sale and maturity of financial investments .....		32,472	54,772
Purchase of property, plant and equipment .....		(322)	(347)
Proceeds from the sale of property, plant and equipment .....		14	30
Purchase of goodwill and intangible assets .....		(199)	(229)
Proceeds from the sale of intangible assets .....		3	3
Net cash outflow from acquisition of businesses and subsidiaries .....		(406)	–
Proceeds from disposal of subsidiaries .....		12	51
Net cash disposed of on sale of subsidiaries .....		–	(10,008)
Purchases of HSBC Holdings plc shares to satisfy share-based payment transactions .....		–	(3)
Net cash used in investing activities .....		<u>(724)</u>	<u>(3,162)</u>
<b>Cash flows from financing activities</b>			
Issue of ordinary share capital .....		402	–
Subordinated liabilities issued .....		542	473
Subordinated liabilities repaid .....		(7)	(350)
Net cash outflow from increase in stake of subsidiaries .....		–	(2)
Dividends paid to shareholders .....		(2,014)	(2,821)
Dividends paid to non-controlling interests .....		(22)	(20)
Net cash used in financing activities .....		<u>(1,099)</u>	<u>(2,720)</u>
<b>Net increase/(decrease) in cash and cash equivalents .....</b>		<b>10,675</b>	<b>(7,579)</b>
Cash and cash equivalents at 1 January .....		98,158	108,440
Effect of exchange rate changes on cash and cash equivalents .....		(64)	(2,703)
Cash and cash equivalents at 31 December .....	38	<u>108,769</u>	<u>98,158</u>

<sup>1</sup> Adjustment to bring changes between opening and closing balance sheet amounts to average rates. This is not done on a line-by-line basis, as details cannot be determined without unreasonable expense.

The accompanying notes on pages 103 to 215 and the audited sections of the 'Report of the Directors: Risk' on pages 25 to 76 and the 'Report of the Directors: Capital Management' on pages 77 to 82 form an integral part of these financial statements.

## Consolidated statement of changes in equity for the year ended 31 December 2013

	2013								
	Called up Share capital £m	Share premium £m	Retained earnings £m	Other reserves			Total share- holders' equity £m	Non- controlling interests £m	Total equity £m
Available- for-sale fair value reserve £m				Cash flow hedging reserve <sup>3</sup> £m	Foreign exchange reserve £m				
At 1 January .....	797	20,025	10,459	(131)	259	266	31,675	525	32,200
Profit for the year .....	–	–	2,495	–	–	–	2,495	45	2,540
Other comprehensive income (net of tax) .....	–	–	(707)	765	(268)	34	(176)	1	(175)
Available-for-sale investments .....	–	–	–	765	–	–	765	(5)	760
Cash flow hedges .....	–	–	–	–	(268)	–	(268)	–	(268)
Actuarial gains/(losses) on defined benefit plans .....	–	–	(707)	–	–	–	(707)	1	(706)
Exchange differences and other .....	–	–	–	–	–	34	34	5	39
<b>Total comprehensive income for the year .....</b>	<b>–</b>	<b>–</b>	<b>1,788</b>	<b>765</b>	<b>(268)</b>	<b>34</b>	<b>2,319</b>	<b>46</b>	<b>2,365</b>
Share capital issued, net of costs <sup>1</sup> .....	–	402	–	–	–	–	402	–	402
Dividends to shareholders .....	–	–	(2,014)	–	–	–	(2,014)	(22)	(2,036)
Net impact of equity-settled share-based payments <sup>2</sup> .....	–	–	4	–	–	–	4	–	4
Change in business combinations and other movements .....	–	–	(11)	–	(4)	–	(15)	–	(15)
Tax on items taken directly to equity - current .....	–	–	(1)	–	–	–	(1)	–	(1)
<b>At 31 December .....</b>	<b>797</b>	<b>20,427</b>	<b>10,225</b>	<b>634</b>	<b>(13)</b>	<b>300</b>	<b>32,370</b>	<b>549</b>	<b>32,919</b>

1 All new capital subscribed during the year was issued to HSBC Holdings plc. See Note 37 for further details.

2 Includes deferred tax of £ (8) million.

3 Movements in the cash flow hedging reserve include amounts transferred to the income statement of £423 million comprising a £232 million loss taken to 'Net interest income' and a £191 million loss taken to 'Net trading income'.

The accompanying notes on pages 103 to 215 and the audited sections of the 'Report of the Directors: Risk' on pages 25 to 76 and the 'Report of the Directors: Capital Management' on pages 77 to 82 form an integral part of these financial statements.

	2012								
	Other reserves						Total share- holders' equity £m	Non- controlling interests £m	Total equity £m
	Called up Share capital £m	Share premium £m	Retained earnings £m	Available- for-sale fair value reserve £m	Cash flow hedging reserve <sup>3</sup> £m	Foreign exchange reserve £m			
At 1 January .....	797	20,025	10,805	(2,793)	236	2,020	31,090	514	31,604
Profit for the year .....	–	–	2,384	–	–	–	2,384	41	2,425
Other comprehensive income (net of tax) .....	–	–	101	2,578	23	(1,696)	1,006	(8)	998
Available-for-sale investments .....	–	–	–	2,578	–	–	2,578	11	2,589
Cash flow hedges .....	–	–	–	–	23	–	23	–	23
Actuarial gains/(losses) on defined benefit plans .....	–	–	101	–	–	–	101	(5)	96
Exchange differences and other .....	–	–	–	–	–	(1,696)	(1,696)	(14)	(1,710)
<b>Total comprehensive income for the year .....</b>	<b>–</b>	<b>–</b>	<b>2,485</b>	<b>2,578</b>	<b>23</b>	<b>(1,696)</b>	<b>3,390</b>	<b>33</b>	<b>3,423</b>
Dividends to shareholders .....	–	–	(2,821)	–	–	–	(2,821)	(20)	(2,841)
Net impact of equity-settled share-based payments <sup>1</sup> .....	–	–	14	–	–	–	14	–	14
Disposal of subsidiaries <sup>2</sup> .....	–	–	(26)	84	–	(58)	–	(2)	(2)
Tax on items taken directly to equity - current .....	–	–	2	–	–	–	2	–	2
<b>At 31 December .....</b>	<b>797</b>	<b>20,025</b>	<b>10,459</b>	<b>(131)</b>	<b>259</b>	<b>266</b>	<b>31,675</b>	<b>525</b>	<b>32,200</b>

<sup>1</sup> Includes deferred tax of £18 million.

<sup>2</sup> Relates to the sale of HSBC Private Banking Holdings (Suisse) SA. See Note 41 for further details.

<sup>3</sup> Movements in the cash flow hedging reserve include amounts transferred to the income statement of £193 million comprising a £211 million loss taken to 'Net interest income' and a £18 million loss taken to 'Net trading income'.

The accompanying notes on pages 103 to 215 and the audited sections of the 'Report of the Directors: Risk' on pages 25 to 76 and the 'Report of the Directors: Capital Management' on pages 77 to 82 form an integral part of these financial statements.

## Financial Statements (continued)

### HSBC Bank plc statement of financial position at 31 December 2013

	Notes	2013 £m	2012 £m
<b>ASSETS</b>			
Cash and balances at central banks .....		60,996	45,262
Items in the course of collection from other banks .....		1,374	1,213
Trading assets .....	15	101,287	137,999
Financial assets designated at fair value .....	16	3,983	4,373
Derivatives .....	17	112,623	140,340
Loans and advances to banks .....	32	41,566	17,207
Loans and advances to customers .....	32	240,180	225,567
Financial investments .....	18	45,048	36,603
Other assets .....	24	4,558	4,688
Current tax assets .....		424	168
Prepayments and accrued income .....		1,185	1,174
Interests in associates and joint ventures .....	20	62	62
Investments in subsidiary undertakings .....	23	11,206	11,031
Goodwill and intangible assets .....	21	891	879
Property, plant and equipment .....	22	1,224	1,241
Deferred tax assets .....	10	88	204
Retirement benefit assets .....	7	1,234	1,619
<b>Total assets .....</b>		<b>627,929</b>	<b>629,630</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits by banks .....	32	52,514	30,129
Customer accounts .....	32	312,080	256,341
Items in the course of transmission to other banks .....		422	334
Trading liabilities .....	25	62,414	104,946
Financial liabilities designated at fair value .....	26	22,006	23,513
Derivatives .....	17	114,710	143,921
Debt securities in issue .....	32	19,576	24,970
Other liabilities .....	27	3,827	5,248
Current tax liabilities .....		142	30
Accruals and deferred income .....		1,724	1,758
Provisions .....	29	1,271	1,250
Deferred tax liabilities .....	10	2	2
Retirement benefit liabilities .....	7	144	153
Subordinated liabilities .....	30	9,903	9,968
<b>Total liabilities .....</b>		<b>600,735</b>	<b>602,563</b>
<b>Equity</b>			
Called up share capital .....	37	797	797
Share premium account .....		20,427	20,025
Other reserves .....		(372)	(343)
Retained earnings .....		6,342	6,588
<b>Total equity .....</b>		<b>27,194</b>	<b>27,067</b>
<b>Total equity and liabilities .....</b>		<b>627,929</b>	<b>629,630</b>

The accompanying notes on pages 103 to 215 and the audited sections of the 'Report of the Directors: Risk' on pages 25 to 76 and the 'Report of the Directors: Capital Management' on pages 77 to 82 form an integral part of these financial statements.

A P S Simoes, Director

24 February 2014

## Financial Statements (continued)

### HSBC Bank plc cash flow statement for the year ended 31 December 2013

	<i>Notes</i>	<b>2013</b>	2012
		<b>£m</b>	£m
<b>Cash flows from operating activities</b>			
Profit before tax .....		<b>2,913</b>	2,132
Adjustments for:			
– non-cash items included in profit before tax .....	38	<b>2,008</b>	3,752
– change in operating assets .....	38	<b>(52,222)</b>	(20,023)
– change in operating liabilities .....	38	<b>67,495</b>	19,029
– elimination of exchange differences <sup>1</sup> .....		<b>1,407</b>	(464)
– net gain from investing activities .....		<b>(117)</b>	(317)
– contributions paid to defined benefit plans .....		<b>(387)</b>	(150)
– tax (paid)/received.....		<b>(169)</b>	251
Net cash generated from operating activities .....		<b>20,928</b>	4,210
<b>Cash flows from investing activities</b>			
Purchase of financial investments .....		<b>(28,472)</b>	(26,873)
Proceeds from the sale and maturity of financial investments .....		<b>19,488</b>	31,641
Purchase of property, plant and equipment .....		<b>(227)</b>	(175)
Proceeds from the sale of property, plant and equipment .....		<b>3</b>	10
Purchase of goodwill and intangible assets .....		<b>(184)</b>	(202)
Net cash outflow from acquisition of businesses and subsidiaries.....		<b>(406)</b>	(707)
Proceeds from disposal and liquidation of businesses .....		<b>447</b>	–
Net cash (used in)/generated from investing activities .....		<b>(9,351)</b>	3,694
<b>Cash flows from financing activities</b>			
Issue of ordinary share capital .....		<b>402</b>	–
Subordinated liabilities issued .....		<b>542</b>	350
Subordinated liabilities repaid .....		<b>(542)</b>	(350)
Net cash outflow from increase in stake of subsidiaries .....		<b>(207)</b>	(2)
Dividends paid to shareholders .....		<b>(2,011)</b>	(2,816)
Net cash used in financing activities .....		<b>(1,816)</b>	(2,818)
<b>Net increase in cash and cash equivalents .....</b>		<b>9,761</b>	5,086
Cash and cash equivalents at 1 January .....		<b>78,661</b>	75,356
Effect of exchange rate changes on cash and cash equivalents .....		<b>(405)</b>	(1,781)
Cash and cash equivalents at 31 December .....	38	<b>88,017</b>	78,661

1 Adjustment to bring changes between opening and closing balance sheet amounts to average rates. This is not done on a line-by-line basis, as details cannot be determined without unreasonable expense.

The accompanying notes on pages 103 to 215 and the audited sections of the 'Report of the Directors: Risk' on pages 25 to 76 and the 'Report of the Directors: Capital Management' on pages 77 to 82 form an integral part of these financial statements.

## HSBC Bank plc statement of changes in equity for the year ended 31 December 2013

	2013							Total equity £m
	Called up share capital £m	Share premium £m	Other equity instruments £m	Retained earnings £m	Available- for-sale fair value reserve £m	Cash flow hedging reserve <sup>3</sup> £m	Foreign exchange reserve £m	
At 1 January .....	797	20,025	–	6,588	(377)	167	(133)	27,067
Profit for the year .....	–	–	–	2,485	–	–	–	2,485
Other comprehensive income (net of tax) .....	–	–	–	(709)	62	(175)	86	(736)
Available-for-sale investments .....	–	–	–	–	62	–	–	62
Cash flow hedges .....	–	–	–	–	–	(175)	–	(175)
Actuarial gains on defined benefit plans .....	–	–	–	(709)	–	–	–	(709)
Exchange differences and other .....	–	–	–	–	–	–	86	86
Total comprehensive income for the year .....	–	–	–	1,776	62	(175)	86	1,749
Share capital issued, net of costs <sup>1</sup> .....	–	402	–	–	–	–	–	402
Dividends to shareholders .....	–	–	–	(2,011)	–	–	–	(2,011)
Net impact of equity-settled share-based payments <sup>2</sup> .....	–	–	–	(3)	–	–	–	(3)
Change in business combinations and other movements .....	–	–	–	(8)	(2)	–	–	(10)
Tax on items taken directly to equity - current .....	–	–	–	–	–	–	–	–
<b>At 31 December .....</b>	<b>797</b>	<b>20,427</b>	<b>–</b>	<b>6,342</b>	<b>(317)</b>	<b>(8)</b>	<b>(47)</b>	<b>27,194</b>

<sup>1</sup> All new capital subscribed during the year was issued to HSBC Holdings plc. See Note 37 for further details.

<sup>2</sup> Includes deferred tax of £(9)million.

<sup>3</sup> Movements in the cash flow hedging reserve includes amounts transferred to the income statement of £317 million comprising a £181million loss taken to 'Net interest income' and a £131million loss taken to 'Net trading income'.

The accompanying notes on pages 103 to 215 and the audited sections of the 'Report of the Directors: Risk' on pages 25 to 76 and the 'Report of the Directors: Capital Management' on pages 77 to 82 form an integral part of these financial statements.

	2012							Total equity £m
	Called up share capital £m	Share premium £m	Other equity instruments £m	Retained earnings £m	Other reserves			
					Available- for-sale fair value reserve £m	Cash flow hedging reserve <sup>2</sup> £m	Foreign exchange reserve £m	
At 1 January .....	797	20,025	–	5,454	(457)	138	(21)	25,936
Profit for the year .....	–	–	–	3,751	–	–	–	3,751
Other comprehensive income (net of tax) .....	–	–	–	136	80	29	(112)	133
Available-for-sale investments .....	–	–	–	–	80	–	–	80
Cash flow hedges .....	–	–	–	–	–	29	–	29
Actuarial gains on defined benefit plans .....	–	–	–	136	–	–	–	136
Exchange differences and other .....	–	–	–	–	–	–	(112)	(112)
Total comprehensive income for the year .....	–	–	–	3,887	80	29	(112)	3,884
Dividends to shareholders .....	–	–	–	(2,816)	–	–	–	(2,816)
Net impact of equity-settled share-based payments <sup>1</sup> .....	–	–	–	60	–	–	–	60
Other .....	–	–	–	3	–	–	–	3
Tax on items taken directly to equity - current .....	–	–	–	–	–	–	–	–
At 31 December .....	797	20,025	–	6,588	(377)	167	(133)	27,067

<sup>1</sup> Includes deferred tax of £18 million.

<sup>2</sup> Movements in the cash flow hedging reserve include an amount transferred to the income statement of £189 million loss taken to 'Net interest income'

The accompanying notes on pages 103 to 215 and the audited sections of the 'Report of the Directors: Risk' on pages 25 to 76 and the 'Report of the Directors: Capital Management' on pages 77 to 82 form an integral part of these financial statements.