

The Hongkong and Shanghai Banking Corporation Limited

Incorporated in the Hongkong SAR with limited liability

Sri Lanka Branch

Main Office - 24, Sir Baron Jayatilaka Mawatha, Colombo 1.

Summarised Income Statement		
For the period ended 31 March	2015 Rs. '000	2014 Rs. '000
Interest income	5,964,048	6,074,052
Less: interest expenses	(1,747,340)	(1,828,639)
Net interest income	4,216,708	4,245,413
Fee and commission income	958,963	972,086
Less: fee and commission expenses	(154,932)	(165,890)
Net fee and commission income	804,031	806,196
Net gain/(loss) from trading	304,184	844,502
Net gain/(loss) from financial instruments designated at fair value through profit or loss	-	-
Net gain/(loss) from financial investments	-	-
Other operating income (net)	21,937	18,482
Total operating income	5,346,860	5,914,593
Impairment for loans and other losses		
Individual impairment	240,485	304,877
Collective impairment	(123,500)	(133,716)
Others	-	-
Net operating income	5,463,845	6,085,754
Personnel expenses	(787,044)	(774,517)
Depreciation and amortisation	(50,190)	(37,268)
Other expenses	(1,294,386)	(1,326,278)
Operating profit/(loss) before value added tax (VAT)	3,332,225	3,947,691
Value Added Tax (VAT) on financial services	(435,302)	(492,784)
Operating profit/(loss) after value added tax (VAT)	2,896,923	3,454,907
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	2,896,923	3,454,907
Tax expenses	(972,594)	(1,158,009)
Profit/(loss) for the period	1,924,329	2,296,898
Profit attributable to:		
Owners of the parent	-	-
Non-controlling interest	-	-
Earnings per share on profit		
Basic earnings per ordinary share	-	-
Diluted earnings per ordinary share	-	-

Statement of Comprehensive Income		
For the period ended 31 March	2015 Rs. '000	2014 Rs. '000
Profit/(loss) for the period	1,924,329	2,296,898
Other comprehensive income, net of tax		
Changes in revaluation surpluses	-	-
Actuarial gains/(losses) on defined benefit plans	(5,676)	(5,651)
Gains and losses (arising from translating the financial statements of a foreign operation)	178,589	(167,303)
Gains and losses on re-measuring available-for-sale financial assets	(2,191,656)	115,913
Gains and losses on cash flow hedges	-	-
Other	-	-
Share of profits of associates and joint ventures	-	-
Less: income tax (charge)/credit related to components of other comprehensive income	615,379	(102,382)
Other comprehensive income for the period net of taxes	(1,403,364)	(159,423)
Total comprehensive income for the period	520,965	2,137,475
Attributable to:		
Owners of the parent	-	-
Non-controlling interest	-	-

Selected Performance Indicators		
	2015 As at 31 March	Audited 2014 As at 31 December
Regulatory capital adequacy		
Core Capital (Tier 1 Capital) Rs. '000	46,360,198	46,546,213
Total Capital Base. Rs. '000	47,540,206	46,903,130
Core Capital Adequacy Ratio, as % of risk weighted assets (Minimum requirement 5%)	24.48%	22.94%
Total Capital Adequacy Ratio as % of risk weighted assets (Minimum requirement 10%)	25.10%	23.12%
Assets quality (quality of loan portfolio)		
Gross Non-Performing Advances Ratio % (net of interest in suspense)	1.30%	1.53%
Net Non-Performing Advances Ratio % (net of interest in suspense and provisions)	0.18%	0.21%
Profitability		
Interest Margin, %	4.24%	5.03%
Return on Assets (before Tax), %	3.44%	3.76%
Return on Equity, %	17.02%	16.46%
Regulatory liquidity		
Statutory Liquid Assets, Rs. '000		
Domestic banking unit	150,425,004	167,326,452
Offshore banking unit	51,521,031	40,544,461
Statutory Liquid Assets ratio, % (minimum requirement, 20%)		
Domestic banking unit	71.26%	75.89%
Offshore banking unit	38.42%	37.10%

Analysis of Financial Instruments by Measurement Basis							
For the period ended 31 March 2015	Held-for-trading Rs. '000	Designated at fair value through profit/loss Rs. '000	Held-to-maturity Rs. '000	Amortised cost Rs. '000	Available-for-sale Rs. '000	Hedging Rs. '000	Total Rs. '000
Assets							
Cash and cash equivalents	-	-	-	15,482,203	-	-	15,482,203
Balances with central banks	-	-	-	6,547,603	-	-	6,547,603
Placements with banks	-	-	-	32,363,762	-	-	32,363,762
Derivative financial instruments	1,312,323	-	-	-	-	-	1,312,323
Other financial assets held-for-trading	1,984,164	-	-	-	-	-	1,984,164
Loans and receivables to banks	-	-	-	17,293,580	-	-	17,293,580
Loans and receivables to other customers	-	-	-	162,756,208	-	-	162,756,208
Financial investments	-	-	-	-	145,527,590	-	145,527,590
Acceptances & Endorsements	-	-	-	12,034,234	-	-	12,034,234
Total financial assets	3,296,487	-	-	246,477,590	145,527,590	-	395,301,667
Liabilities							
Due to banks	-	-	-	155,051,047	-	-	155,051,047
Derivative financial instruments	952,348	-	-	-	-	-	952,348
Other financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-
Due to other customers	-	-	-	172,449,266	-	-	172,449,266
Other borrowings	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-
Acceptances & Endorsements	-	-	-	12,034,234	-	-	12,034,234
Total financial liabilities	952,348	-	-	339,534,547	-	-	340,486,895

Statement of Changes in Equity										
For the period ended 31 March 2015	Stated Capital/Assigned capital			Reserves				Total Rs. '000	Non-controlling interest Rs. '000	Total equity Rs. '000
	Ordinary voting shares Rs. '000	Ordinary non-voting shares Rs. '000	Assigned capital Rs. '000	Reserve fund Rs. '000	Revaluation reserve Rs. '000	Retained earnings Rs. '000	Other reserves Rs. '000			
Balance as at 01/01/2015 (opening balance)	-	-	3,152,358	1,940,002	1,781,682	33,732,703	7,568,045	48,174,790	-	48,174,790
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the period	-	-	-	-	-	1,924,329	-	1,924,329	-	1,924,329
Other comprehensive income (net of tax)	-	-	-	-	-	(1,581,953)	178,589	(1,403,364)	-	(1,403,364)
Total comprehensive income for the period	-	-	-	-	-	342,376	178,589	520,965	-	520,965
Transactions with equity holders recognised directly in equity										
Share issue/increase of assigned capital	-	-	-	-	-	-	-	-	-	-
Share option exercised	-	-	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-	-	-
Rights issue	-	-	-	-	-	-	-	-	-	-
Transfer to reserves during the period	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Profit transferred to head office	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on revaluation of property, plant and equipment (if cost method is adopted)	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	2,413	2,413	-	2,413
Total transactions with equity holders	-	-	-	-	-	-	2,413	2,413	-	2,413
Balance as at 31/03/2015 (closing balance)	-	-	3,152,358	1,940,002	1,781,682	34,075,079	7,749,047	48,698,168	-	48,698,168

