

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 30 June	2015 Rs. '000	2014 Rs. '000
Interest income	11,902,145	11,740,900
Less: interest expenses	(3,588,895)	(3,601,196)
Net interest income	8,313,250	8,139,704
Fee and commission income	1,887,607	2,077,050
Less: fee and commission expenses	(323,545)	(342,780)
Net fee and commission income	1,564,062	1,734,270
Net gain/(loss) from trading	478,108	1,677,028
Net gain/(loss) from financial instruments designated at fair value through profit or loss	-	-
Net gain/(loss) from financial investments	-	-
Other operating income (net)	35,838	31,506
Total operating income	10,391,258	11,582,508
Impairment for loans and other losses		
Individual impairment	239,564	355,587
Collective impairment	63,556	(363,744)
Others	-	-
Net operating income	10,694,378	11,574,352
Personnel expenses	(1,720,100)	(1,711,615)
Depreciation and amortisation	(112,751)	(77,126)
Other expenses	(2,829,916)	(2,777,932)
Operating profit/(loss) before value added tax (VAT)	6,031,611	7,007,679
Value Added Tax (VAT) on financial services	(829,860)	(892,252)
Operating profit/(loss) after value added tax (VAT)	5,201,751	6,115,427
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	5,201,751	6,115,427
Tax expenses	(1,863,870)	(2,116,634)
Profit/(loss) for the period	3,337,881	3,998,793
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 30 June	2015 Rs. '000	2014 Rs. '000
Profit/(loss) for the period	3,337,881	3,998,793
Other comprehensive income, net of tax		
Changes in revaluation surpluses	-	-
Actuarial gains/(losses) on defined benefit plans	(8,731)	(12,606)
Gains and losses (arising from translating the financial statements of a foreign operation)	210,752	(470,810)
Gains and losses on re-measuring available-for-sale financial assets	(1,679,319)	1,024,219
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	472,796	(284,106)
Other comprehensive income for the period net of taxes	(1,004,502)	256,697
Total comprehensive income for the period	2,333,379	4,255,490
Attributable to:		
Owners of the parent	-	-
Non-controlling interest	-	-

Selected Performance Indicators		
	2015 As at 30 June	Audited 2014 As at 31 December
Regulatory capital adequacy		
Core Capital (Tier 1 Capital) Rs. '000	44,909,462	46,546,213
Total Capital Base. Rs. '000	46,056,159	46,903,130
Core Capital Adequacy Ratio, as % of risk weighted assets (Minimum requirement 5%)	22.83%	22.94%
Total Capital Adequacy Ratio as % of risk weighted assets (Minimum requirement 10%)	23.41%	23.12%
Assets quality (quality of loan portfolio)		
Gross Non-Performing Advances Ratio % (net of interest in suspense)	1.41%	1.53%
Net Non-Performing Advances Ratio % (net of interest in suspense and provisions)	0.45%	0.21%
Profitability		
Interest Margin, %	4.14%	5.03%
Return on Assets (before Tax), %	3.13%	3.76%
Return on Equity, %	14.98%	16.46%
Regulatory liquidity		
Statutory Liquid Assets, Rs. '000		
Domestic banking unit	152,166,504	167,326,452
Offshore banking unit	55,038,110	40,544,461
Statutory Liquid Assets ratio, % (minimum requirement, 20%)		
Domestic banking unit	68.73%	75.89%
Offshore banking unit	42.03%	37.10%

Analysis of Financial Instruments by Measurement Basis							
For the period ended 30 June 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	-	-	-	10,585,251	-	-	10,585,251
Balances with central banks	-	-	-	7,553,333	-	-	7,553,333
Placements with banks	-	-	-	22,342,930	-	-	22,342,930
Derivative financial instruments	924,869	-	-	-	-	-	924,869
Other financial assets held-for-trading	471,755	-	-	-	-	-	471,755
Loans and receivables to banks	-	-	-	24,559,820	-	-	24,559,820
Loans and receivables to other customers	-	-	-	164,607,993	-	-	164,607,993
Financial investments	-	-	-	-	151,561,158	-	151,561,158
Acceptances & Endorsements	-	-	-	10,867,883	-	-	10,867,883
Total financial assets	1,396,624	-	-	240,517,210	151,561,158	-	393,474,992
Liabilities							
Due to banks	-	-	-	142,692,215	-	-	142,692,215
Derivative financial instruments	645,204	-	-	-	-	-	645,204
Other financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-
Due to other customers	-	-	-	187,162,200	-	-	187,162,200
Other borrowings	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-
Acceptances & Endorsements	-	-	-	10,867,883	-	-	10,867,883
Total financial liabilities	645,204	-	-	340,722,298	-	-	341,367,502

Statement of Changes in Equity										
For the period ended 30 June 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	-	-	-	-	-	3,337,881	-	3,337,881	-	3,337,881
Other comprehensive income (net of tax)	-	-	-	-	-	(1,215,254)	210,752	(1,004,502)	-	(1,004,502)
Total comprehensive income for the period	-	-	-	-	-	2,122,627	210,752	2,333,379	-	2,333,379
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	-	-	-	-	-	(1,543,300)	-	(1,543,300)	-	(1,543,300)
Gain/(loss) on revaluation of property, plant and equipment (if cost method is adopted)	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	1,863	1,863	-	1,863
Total transactions with equity holders	-	-	-	-	-	(1,543,300)	1,863	(1,541,437)	-	(1,541,437)
Balance as at 30/06/2015 (closing balance)	-	-	3,152,358	1,940,002	1,781,682	34,312,030	7,780,660	48,966,732	-	48,966,732

