

# 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	2014 Rs. '000	2013 Rs. '000
Interest income	6,074,052	6,444,765
Less: interest expenses	(1,828,639)	(2,001,616)
Net interest income	4,245,413	4,443,149
Fee and commission income	972,086	1,095,734
Less: fee and commission expenses	(165,890)	(168,515)
Net fee and commission income	806,196	927,219
Net gain/(loss) from trading	844,502	1,073,058
Net gain/(loss) from financial instruments designated at fair value through profit or loss	-	-
Net gain/(loss) from financial investments	-	-
Other operating income (net)	18,482	32,365
Total operating income	5,914,593	6,475,791
Impairment for loans and other losses		
Individual impairment	304,877	(36,748)
Collective impairment	(133,716)	(70,888)
Others	-	-
Net operating income	6,085,754	6,368,155
Personnel expenses	(774,517)	(724,813)
Depreciation and amortisation	(37,268)	(38,708)
Other expenses	(1,326,278)	(1,062,825)
Operating profit/(loss) before value added tax (VAT)	3,947,691	4,541,809
Value Added Tax (VAT) on financial services	(492,784)	(478,473)
Operating profit/(loss) after value added tax (VAT)	3,454,907	4,063,336
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	3,454,907	4,063,336
Tax expenses	(1,158,009)	(1,158,911)
Profit/(loss) for the period	2,296,898	2,904,425
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	2014 Rs. '000	2013 Rs. '000
Profit/(loss) for the period	2,296,898	2,904,425
Other comprehensive income, net of tax		
Changes in revaluation surpluses	-	-
Actuarial gains/(losses) on defined benefit plans	(5,651)	8,925
Gains and losses (arising from translating the financial statements of a foreign operation)	(167,303)	(178,317)
Gains and losses on re-measuring available-for-sale financial assets	115,913	(469,857)
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	(102,382)	(206,863)
Other comprehensive income for the period net of taxes	(159,423)	(846,112)
Total comprehensive income for the period	2,137,475	2,058,313
Attributable to:		
Owners of the parent	-	-
Non-controlling interest	-	-

Selected Performance Indicators		
	As at 31 March 2014	Audited As at 31 December 2013
Regulatory capital adequacy		
Core Capital (Tier 1 Capital) Rs. 000	39,625,995	39,823,288
Total Capital Base. Rs. 000	40,605,896	40,180,205
Core Capital Adequacy Ratio, as % of risk weighed assets (Minimum requirement 5%)	22.88%	22.46%
Total Capital Adequacy Ratio as % of risk weighted assets (Minimum requirement 10%)	23.44%	22.66%
Assets quality (quality of loan portfolio)		
Gross Non-Performing Advances Ratio % (net of interest in suspense)	3.36%	3.55%
Net Non-Performing Advances Ratio % (net of interest in suspense and provisions)	2.04%	1.97%
Profitability		
Interest Margin, %	5.68%	6.11%
Return on Assets (before Tax), %	5.00%	4.52%
Return on Equity, %	23.75%	22.32%
Regulatory liquidity		
Statutory Liquid Assets, Rs. '000		
Domestic banking unit	112,818,107	120,838,668
Offshore banking unit	31,820,919	30,798,859
Statutory Liquid Assets ratio, % (minimum requirement, 20%)		
Domestic banking unit	65.87%	67.87%
Offshore banking unit	43.91%	38.63%

Analysis of Financial Instruments by Measurement Basis							
For the period ended 31 March 2014	Held-for-trading	Designated at fair value through profit/loss	Held-to-maturity	Amortised cost	Available-for-sale	Hedging	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets							
Cash and cash equivalents	-	-	-	9,586,524	-	-	9,586,524
Balances with central banks	-	-	-	9,491,452	-	-	9,491,452
Placements with banks	-	-	-	13,900,600	-	-	13,900,600
Derivative financial instruments	2,864,225	-	-	-	-	-	2,864,225
Other financial assets held-for-trading	11,650,431	-	-	-	-	-	11,650,431
Loans and receivables to banks	-	-	-	24,825,446	-	-	24,825,446
Loans and receivables to other customers	-	-	-	128,002,308	-	-	128,002,308
Financial investments	-	-	-	-	93,265,641	-	93,265,641
Acceptances & Endorsements	-	-	-	13,975,502	-	-	13,975,502
Total financial assets	14,514,656	-	-	199,781,832	93,265,641	-	307,562,129
Liabilities							
Due to banks	-	-	-	80,867,974	-	-	80,867,974
Derivative financial instruments	70,302	-	-	-	-	-	70,302
Other financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-
Due to other customers	-	-	-	157,426,647	-	-	157,426,647
Other borrowings	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-
Acceptances & Endorsements	-	-	-	13,975,502	-	-	13,975,502
Total financial liabilities	70,302	-	-	252,270,123	-	-	252,340,425

Statement of Changes in Equity										
For the period ended 31 March 2014	Stated Capital/Assigned capital			Reserves				Total	Non-controlling interest	Total equity
	Ordinary voting shares	Ordinary non-voting shares	Assigned capital	Reserve fund	Revaluation reserve	Retained earnings	Other reserves			
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 01/01/2014 (opening balance)	-	-	3,152,358	1,790,585	1,360,328	32,003,445	4,740,063	43,046,779	-	43,046,779
Total comprehensive income for the period										
Profit/(loss) for the period	-	-	-	-	-	2,296,898	-	2,296,898	-	2,296,898
Other comprehensive income (net of tax)	-	-	-	-	-	(159,423)	-	(159,423)	-	(159,423)
Total comprehensive income for the period	-	-	-	-	-	2,137,475	-	2,137,475	-	2,137,475
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	-	-	-	-	(208)	(102,868)	103,597	521	-	521
Total transactions with equity holders	-	-	-	-	(208)	(102,868)	103,597	521	-	521
Balance as at 31/03/2014 (closing balance)	-	-	3,152,358	1,790,585	1,360,120	34,038,052	4,843,660	45,184,775	-	45,184,775

