

The Hongkong and Shanghai Banking Corporation Limited

Incorporated in the Hongkong SAR with limited liability

HSBC Holdings plc

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December	2020	2020	2019	2019
	USD Mn	MVR Mn	USD Mn	MVR Mn
Net interest income	27,578	424,977	30,462	468,505
– interest income	41,756	643,460	54,695	841,209
– interest expense	(14,178)	(218,483)	(24,233)	(372,704)
Net fee income	11,874	182,978	12,023	184,914
– fee income	15,051	231,936	15,439	237,452
– fee expense	(3,177)	(48,958)	(3,416)	(52,538)
Net income from financial instruments held for trading or managed on a fair value basis	9,582	147,659	10,231	157,353
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	2,081	32,068	3,478	53,492
– Changes in fair value of long-term debt and related derivatives	231	3,560	90	1,384
– Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	455	7,012	812	12,489
Gains less losses from financial investments	653	10,063	335	5,152
Net insurance premium income	10,093	155,533	10,636	163,582
Other operating income/(expense)	527	8,121	2,957	45,479
Total operating income	63,074	971,970	71,024	1,092,350
Net insurance claims and benefits paid and movement in liabilities to policyholders	(12,645)	(194,859)	(14,926)	(229,562)
Net operating income before change in expected credit losses and other credit impairment charges	50,429	777,111	56,098	862,788
Change in expected credit losses and other credit impairment charges	(8,817)	(135,870)	(2,756)	(42,387)
Net operating income	41,612	641,241	53,342	820,401
Employee compensation and benefits	(18,076)	(278,551)	(18,002)	(276,871)
General and administrative expenses	(11,115)	(171,282)	(13,828)	(212,675)
Depreciation and impairment of property, plant and equipment and right-of-use assets	(2,681)	(41,314)	(2,100)	(32,298)
Amortization and impairment of intangible assets	(2,519)	(38,818)	(1,070)	(16,457)
Goodwill impairment of Global Private Banking - Europe	(41)	(632)	(7,349)	(113,028)
Total operating expenses	(34,432)	(530,597)	(42,349)	(651,329)
Operating profit	7,180	110,644	10,993	169,072
Share of profit in associates and joint ventures	1,597	24,610	2,354	36,205
Profit before tax	8,777	135,254	13,347	205,277
Tax expense	(2,678)	(41,268)	(4,639)	(71,348)
Profit for the year	6,099	93,986	8,708	133,929
Attributable to:				
– ordinary shareholders of the parent company	3,898	60,068	5,969	91,803
– preference shareholders of the parent company	90	1,387	90	1,384
– other equity holders	1,241	19,124	1,324	20,363
– non-controlling interest	870	13,407	1,325	20,379
Profit for the year	6,099	93,986	8,708	133,929
	\$	MVR	\$	MVR
Basic earnings per ordinary share	0.19	2.93	0.30	5.00
Diluted earnings per ordinary share	0.19	2.93	0.30	5.00

CONSOLIDATED BALANCE SHEET

As at 31 December	2020	2020	2019	2019
	USD Mn	MVR Mn	USD Mn	MVR Mn
ASSETS				
Cash and balances at central banks	304,481	4,692,052	154,099	2,370,043
Items in the course of collection from other banks	4,094	63,089	4,956	76,223
Hong Kong Government certificates of indebtedness	40,420	622,872	38,380	590,284
Trading assets	231,990	3,574,966	254,271	3,910,688
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	45,553	701,972	43,627	670,983
Derivatives	307,726	4,742,058	242,995	3,737,263
Loans and advances to banks	81,616	1,257,703	69,203	1,064,342
Loans and advances to customers	1,037,987	15,995,380	1,036,743	15,945,107
Reverse repurchase agreements - non-trading	230,628	3,553,977	240,862	3,704,458
Financial investments	490,693	7,561,579	443,312	6,818,139
Prepayments, accrued income and other assets	156,412	2,410,309	136,680	2,102,138
Current tax assets	954	14,701	755	11,612
Interests in associates and joint ventures	26,684	411,200	24,474	376,410
Goodwill and intangible assets	20,443	315,027	20,163	310,107
Deferred tax assets	4,483	69,083	4,632	71,240
Total assets	2,984,164	45,985,967	2,715,152	41,759,037
Liabilities and equity				
LIABILITIES				
Hong Kong currency notes in circulation	40,420	622,872	38,380	590,284
Deposits by banks	82,080	1,264,853	59,022	907,758
Customer accounts	1,642,780	25,315,240	1,439,115	22,133,589
Repurchase agreements - non-trading	111,901	1,724,394	140,344	2,158,491
Items in the course of transmission to other banks	4,343	66,926	4,817	74,085
Trading liabilities	75,266	1,159,849	83,170	1,279,155
Financial liabilities designated at fair value	157,439	2,426,135	164,466	2,529,487
Derivatives	303,001	4,669,245	239,497	3,683,464
Debt securities in issue	95,492	1,471,532	104,555	1,608,056
Accruals, deferred income and other liabilities	128,624	1,982,096	118,156	1,817,239
Current tax liabilities	690	10,633	2,150	33,067
Liabilities under insurance contracts	107,191	1,651,813	97,439	1,498,612
Provisions	3,678	56,678	3,398	52,261
Deferred tax liabilities	4,313	66,463	3,375	51,908
Subordinated liabilities	21,951	338,265	24,600	378,348
Total liabilities	2,779,169	42,826,994	2,522,484	38,795,804
EQUITY				
Called up share capital	10,347	159,447	10,319	158,706
Share premium account	14,277	220,009	13,959	214,689
Other equity instruments	22,414	345,400	20,871	320,996
Other reserves	8,833	136,117	2,127	32,713
Retained earnings	140,572	2,166,215	136,679	2,102,123
Total shareholders' equity	196,443	3,027,187	183,955	2,829,227
Non-controlling interests	8,552	131,786	8,713	134,006
Total equity	204,995	3,158,973	192,668	2,963,233
Total liabilities and equity	2,984,164	45,985,967	2,715,152	41,759,037

Malé Branch
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BRANCH STATEMENT OF INCOME

For the period ended 31 December	2020	2019
	MVR '000	MVR '000
Interest and Fee Income:		
Interest and fees on loans	49,754	72,396
Interest on deposits in other banks	5,077	5,258
Interest on investment securities	18,145	18,112
Interest on excess funds sold	-	-
Total Interest Income	72,976	95,766
Interest Expense:		
Checking deposits	-	-
Saving deposits	(113)	(443)
Time deposits	(2,909)	(1,978)
Borrowed money - head office	(233)	(5,121)
Other borrowed money	-	-
Total Interest Expense	(3,255)	(7,542)
Net Interest Income	69,721	88,224
Provision for loan losses	(10,017)	1,563
Net interest income after provisions for loan losses	59,704	89,787
Other Operating Income:	40,189	63,988
Service charges and fees on deposits	32,421	53,063
Other income	7,768	10,926
Other Operating Expenses:	(38,194)	(41,770)
Salaries and employee benefits	(12,262)	(12,020)
Occupancy expenses	(1,235)	(1,721)
General, administrative and other expenses	(24,697)	(28,029)
Net income before taxation	61,699	112,006
Less: Income taxes	(18,399)	(33,411)
Net Income	43,300	78,595
Less: Transfer to Head office	-	(81,514)
Other additions(reductions) to capital accounts	1,026	(1,972)
Net change in Capital Accounts for Period	44,326	(4,891)

BRANCH STATEMENT OF CONDITION

As at 31 December	2020	2019
	MVR '000	MVR '000
Assets		
As at 31 December		
Cash and due from Banks	1,994,001	2,430,304
Interest bearing deposits in other banks	-	-
Investment securities	541,765	448,654
Loans	632,566	708,377
Less: allowance for loan losses	(1,205)	(1,018)
Net loans	631,361	707,359
Accrued interest receivable	12,203	3,735
Premises and equipment, net	21	72
Other assets	45,736	29,303
Due from Head office or Affiliated braches	20,581	23,821
Total Assets	3,245,668	3,643,248
Liabilities and Equity		
	2020	2019
	MVR '000	MVR '000
Deposits:		
Non-interest bearing	1,515,986	2,142,678
Interest bearing	716,199	516,004
Total deposits	2,232,185	2,658,682
Accrued interest payable	402	248
Borrowed money - Head Office	61,640	76,900
Borrowed money - Other	-	-
Other liabilities	101,503	101,808
Total Liabilities	2,395,730	2,837,638
Assigned Capital	153,162	153,162
Due to Head office	696,776	652,448
Total Home Office Equity	849,938	805,610
Total Liability and Equity	3,245,668	3,643,248

