

MIRA INFORM REPORT

Report No. :	527311
Report Date :	31.08.2018

IDENTIFICATION DETAILS

Name :	THE HONGKONG AND SHANGHAI BANKING CORPORATION
Registered Office :	Anchor Tower, 108, Bir Uttam C R Dutta Road, Dhaka-1205
Country :	Bangladesh
Financials (as on) :	31.12.2016
Date of Incorporation :	December, 1996
Legal Form :	Foreign Private Company
Line of Business :	Banking Services
No. of Employees :	650

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A+
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

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Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Bangladesh	A2	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

BANGLADESH - ECONOMIC OVERVIEW

Bangladesh's economy has grown roughly 6% per year since 2005 despite prolonged periods of political instability, poor infrastructure, endemic corruption, insufficient power supplies, and slow implementation of economic reforms. Although more than half of GDP is generated through the services sector, almost half of Bangladeshis are employed in the agriculture sector, with rice as the single-most-important product.

Garments, the backbone of Bangladesh's industrial sector, accounted for more than 80% of total exports in FY 2016-17. The industrial sector continues to grow, despite the need for improvements in factory safety conditions. Steady export growth in the garment sector, combined with \$13 billion in remittances from overseas Bangladeshis, contributed to Bangladesh's rising foreign exchange reserves in FY 2016-17.

The recent influx of over 700,000 additional refugees from Burma will place pressure on the Bangladeshi government's budget and the country's rice supplies, which declined in 2017 in part because of record flooding. Recent improvements to energy infrastructure, including the start of liquefied natural gas imports in 2018, represent a major step forward in resolving a key growth bottleneck.

Source : CIA

COMPANY NAME

THE HONGKONG AND SHANGHAI BANKING CORPORATION

EXECUTIVE SUMMARY

IDENTIFICATION DETAILS

Correct company Name : **The Hongkong and Shanghai Banking Corporation**
Head Office : Anchor Tower, 108, Bir Uttam C R Dutta Road, Dhaka-1205,
Bangladesh.
Tel No : 88-02-9660536-43, 99884722
Fax No : 88-02-9660554, 9669457
E-mail : contact@hsbc.com.bd
Website : www.hsbc.com.bd
Date/ Year of : December, 1996
Incorporation
Incorporation No. : Registered in Hong Kong -Shanghai
Legal Form (General) : Public Listed Co Public (but not listed) Foreign Private Co State-
owned Co
 Sole Proprietorships Partnership Not Registered
 others (please specify) _____
Legal form (Specific) : Bank CORP INC CO
 others (please specify) _____
Issuing Authority : Bangladesh Bank (Central Bank of Bangladesh.) City Corporation
 Municipal Administration Union Council

FINANCIALS- SUMMARY

Year	Turnover/ Sales	Assets	Income/ (Loss)
31 st December'2015	BDT 12772222626	BDT 140855939453	BDT 5174437576
31s December'2016	BDT 9567170783	BDT 131342209579	BDT 3894203499

Note : SC's didn't submit update financials to local registry office.

FULLCHECK REPORT DETAILS

Information Parted By

Name : Mr. Muktadir Jinnah
Designation : Manager (Inward).
Contract No : N/A

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Locations Details

Operating Address : Anchor Tower, 108, Bir Uttam C R Dutta Road, Dhaka-1205, Bangladesh.
Tel No : 88-02-9660536-43
Fax No : 88-02-9660554, 9669457
E-mail : contact@hsbc.com.bd
Website : www.hsbc.com.bd

Location : Owned Rented Leased Area Sq. ft.

Type of Office :	Commercial Office Bldg.	<input type="checkbox"/>	Semi-commercial office Bldg.	<input checked="" type="checkbox"/>
	Retail shop	<input type="checkbox"/>	Industrial Park	<input type="checkbox"/>
	Business Center	<input type="checkbox"/>	Home Office	<input type="checkbox"/>
	Residential Bldg.	<input type="checkbox"/>		

Number of Branch: 21

Employee:

No. of Employees	In Office : 650	In Factory : Nil
	In Branch : Nil	Total : 650

Details:

OWNERSHIP/SHAREHOLDERS

Names of Shareholders	No. of Share
HSBC Group	100%

DIRECTORS

Name : Mr. Douglas Flint
Designation : Group Chairman
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Stuart Gulliver
Designation : Group CEO

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Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Andrew Tilke
Designation : Bangladesh CEO
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

MANAGEMENT

Name : Mr. Andrew Tilke
Job Description : Bangladesh CEO
Nationality : N/A
Email address : N/A
Other details : N/A

Name : Mr. Muktadir Jinnah
Job Description : Manager (Inward).
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Farhanul Gani Choudhury
Job Description : Chief Financial Officer
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Francois de Maricourt
Job Description : Chief Executive Officer
Nationality : N/A
Email address : N/A
Other details : N/A

BUSINESS OPERATIONS

Nature of Activity : Banking Trader Dealer Distributor

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Exporter Importer Services Others

Item Dealings In:

Products : Loans, Credit Cards, Savings, and Consumer Banking.
Production Capacity : Nil
Last Year Production : Nil

Trading Terms:

Purchasing Terms: L/C N/A Cash Others
 Credit : 30 days 60 days 90 days _____ days

Selling Terms : L/C Cash Others
 Credit : N/A 30 days 60 days 90 days _____ days

DETAILED DATA

Trade : Overseas Clients : Nil
 Reference & Local Clients : Nil
 Related Overseas Suppliers : Nil
 Parties Local Suppliers : Nil
 Trade : Exports : Nil
 Markets Imports : Nil

Brand Name : N/A
 Certified : N/A
 Auditors : Huda & Vasi Chowdhury & Co.
 Chartered Accountants
 Operation Status : Active

CAPITAL STRUCTURE

Authorized Capital : N/A
Paid-up Capital : N/A
No. of Shares : N/A
Share Value : N/A
Main Assets : BDT 131342209579

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FINANCIAL STATEMENT- DETAILED

Balance Sheet :

Financial Highlights	Currency Denomination Financial Year Ending 2016 Annual	BDT : 1 :31st December'2016 2015 Annual
PRPPERTY AND ASSETS		
Cash		
In hand (including foreign currencies)	1255283864	1906341169
With Bangladesh bank and its agent bank (s) (including foreign currencies)	17524114805 18779398669	13554155838 15460497007
Balance with other banks and financial institutions		
In Bangladesh	132238542	257228753
Outside Bangladesh	2008847587 2141086129	2248832305 2506061058
Money at call and short notice	1440000000	400000000
Investments		
Governments securities	37868520744	43692070650
other	6000000 37874520744	6000000 43698070650
Loans and advances		
Loans, cash credits overdrafts etc.	61181670796	72119481354
Bills purchased and discounted	349304732 61530975528	276764722 72396246076
Fixes assets including premises, fumitorie and fixtures	403678614	459847362
Other assets	9172549895	5935217300
Non-Banking Assets	-	-
Total Assets	131342209579	140855939453
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks		
Financial institutions and agents	8218427597	8060616165
Deposits and other accounts		
Current accounts and other accounts	35364666536	34642497945
Bills payable	2824966561	2671441074
Saving deposits	12590363292	13494620801
Term deposits	40112564641 90892561030	46966222366 97774782186
Other Liabilities	6428840359	7610304942
Total Liabilities	105539828986	113445703293
Capital/shareholders' equity		
Fund deposited with Bangladesh bank	2934634949	2922383472
Other reserves	(128146945)	(33351058)

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Profit and loss account	22995892589	24521203746
Total shareholder' equity	25802380593	27410236160
Total liabilities and shareholder equity	131342209579	140855939453
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	45222350663	54896758344
Letters of guarantee	23436992768	25247468893
Irrevocable letters of credit	69906561014	58607566372
Foreign exchange contracts-spot and forward	5441092856	11362771034
Total	144006997301	150114564643
Other commitments		
Documentary credits and short term trade related transaction	-	-
Forward asset purchased and forward deposits placed	-	-
Un-drawn note issuance and ravening undertaking facilities	-	-
Un-drawn formal standby facilities, credit lines and other commitments	-	-
Total	-	-
Total Off Balance Sheet Items	144006997301	150114564643

Income Statement :

	Currency Denomination Financial Year Ending	BDT : 1 :31st December'2016 2015 Annual
Financial Highlights	2016 Annual	2015 Annual
Interest Income	5031431394	6506523607
Interest Paid On Deposits And Borrowings	(1968023212)	(3188293494)
Net Interest Income	3063408182	3318230113
Income From Investments	2502077877	4799431835
Commission, Exchange And Brokerage	3998775450	4647316185
Other Operating Income	2909274	7244493
Total Operating Income	9567170783	12772222626
Salaries And Allowances	2360806135	2542524459
Rent, Taxes, Insurance, Electricity Etc.	536702895	451802276
Legal And Professional Expenses	52427382	21334051
Postage, Stamp, Telecommunication Etc.	203445960	168186633
Auditors' Free	850000	842000
Stationery, Printing And Advertisements Etc.	66182480	129136058
Chief Executive Officer's Salary And Allowances	61455103	65068628
Depreciation, Impairment And Repair Of Bank's Assets	318033359	275605338
Other Operating Expenses	384238324	1214636035
	3984141638	4869135478
Expenses Allocation To OBU	(938441164)	(925768461)
Total Operating Expenses	3045700474	3943367017
Profit Before Provision	6521470309	8828855609

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Specific Provision For Classified Loans And Advances	308148134	(35901198)
General Provision For Unclassified And Advances And Off Balance Sheet Exposures	(217537262)	(80902761)
Other Provision	-	13772101
Total Provision	90610872	(103031858)
Profit Before Tax	6430859437	8931887467
Tax		
Current Year	2582591189	3779487694
Prior Year	(26018845)	(15516878)
Deferred Tax	(19916406)	(6520925)
	2536655938	3757449891
Profit After Tax For The Year	3894203499	5174437576

Cash flow Statement:

	Currency Denomination Financial Year Ending	BDT : 1 : 31 st Dec'2016
Financial Highlights		
Interest Received	5026928581	6507362005
Interest Paid	(1682200991)	(3493211505)
Commission, Exchange And Brokerage Received	3769302778	4348514625
Other Income	737938	8143252
Cash Paid To Employees	(2294021596)	(2821981214)
Cash Paid To Suppliers	(928294289)	(904846717)
Cash Paid For Other Operating Expenses	(398212556)	(1181549367)
Operating Profit Before Changes In Operating Assets And Liabilities	3494239865	2462431079
(Increase)/Decrease Of Operating assets:		
Loans and advances to customers	10865270548	(4628127308)
Other assets		
(Increase)/Decrease Of Operating Liabilities:		
Customers Deposits	(6882221156)	929001600
Borrowing From Other Banks And Financial Institutions	157811432	(1583923926)
Other Liabilities	547510863	605571316
	2478044324	(7578343216)
Cash Receipt From Operating Activities	5972284189	(5115912137)
Advance Income Tax Paid	(4817915626)	(5234855727)
Net Cash Receipt From Operating Activities	1154368563	(10350767864)
Cash Flow From Investing Activities		
Income From Investments	2520098405	4897185653
Investments Made During The Year	(27773702651)	(37753153689)
Proceeds From Sale Of Investments	44670893647	43187641958
Purchase Of Property, Plant And Equipment	(107830859)	(177662868)
Proceeds From Sale Of Property, Plant And Equipment	11003897	612546
Net Cash Used In Investing Activities	19320462439	10154623600

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Cash Flow From Financing Activities		
Cash Remitted To Head Office	(5419514656)	-
Net Cash Used In Financing Activities	(5419514656)	-
Net Increase In Cash And Cash Equivalents (A+B+C)	15055316346	(196144264)
Gain /(Loss) On Revaluation Of Foreign Currency		
Deposited With Bangladesh Bank As Capital	12251477	9757337
Net Increase In Cash And Cash Equivalents (D+E)	15067567823	(186386927)
Opening Cash And Cash Equivalents	19992322199	20178709126
Closing Cash And Cash Equivalents (F+G)	35059890022	19992322199

ASSOCIATES/SUBSIDIARIES/ RELATED PARTIES

Name of The Group	:	Nil
Name of Mother Company	:	Nil
Subsidiary	:	Nil
Sister Concerns	:	HSBC Group (Hongkong)

BANKING

Bank Name : N/A

ADVERSE DATA MONITORING

Dishonored Checks	:	No Record Found
Debt	:	No Record Found
Litigation	:	Clear
Performance Defaults	:	No Record Found
Adverse Local Media Coverage/ Adverse Filing History	:	No Record Found

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SITE VISIT COMMENTARY

Our Representative Visited the subject company address at Anchor Tower, 108, Bir Uttam C R Dutta Road, Dhaka-1205, Bangladesh. It is Situated at Semi-Commercial Area.

GENERAL COMMENTS

The subject is commercial bank which engaged in Banking Services. It is one of the reputed Commercial bank in Bangladesh

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.73
UK Pound	1	INR 92.15
Euro	1	INR 82.72
BDT	1	INR 0.84

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	SYL

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)