## The Hongkong and Shanghai Banking Corporation Limited

Incorporated in the Hong Kong SAR with limited liability

## Sri Lanka Branch

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

For the period ended 30 September	2018	201
For the period ended 30 September	Rs. 'Mn	Rs. 'M
Interest income	21.834	20.90
Interest expenses	(8,026)	(7,588
Net interest income	13,808	13,31
Fee and commission income	2,816	2,78
Fee and commission expenses	(655)	(652
Net fee and commission income	2,161	2,13
Net gains/(losses) from trading	1,317	1,60
Net fair value gains/(losses) on:		
financial assets at fair value through profit or loss	(92)	3)
financial liabilities at fair value through profit or loss	_	
Net gains/(losses) on derecognition of financial assets:		
at fair value through profit or loss	_	
at amortised cost	_	
at fair value through other comprehensive income	312	30
Net other operating income	23	4
Total operating income	17.529	17,39
Impairment charges	(149)	(13
Net operating income	17,380	17,26
Personal expenses	(2,831)	(2,604
Depreciation and amortisation expenses	(219)	(232
Other expenses	(4,946)	(4,690
Operating profit/(loss) before value added tax (VAT)	9,384	9,73
Value added tax (VAT) on financial services	(1,438)	(1,40
Operating profit/(loss) after value added tax (VAT)	7,946	8,33
Share of profits of associates and joint ventures	-	
Profit/(loss) before tax	7,946	8,33
Tax expenses	(3,399)	(3,058
Profit/(loss) for the period	4,547	5,27
Profit attributable to:		
equity holders of the parent	4,547	5,27
non-controlling interests	1,017	0,2,

		Audited 2017
	As at 30 September 2018 Rs. 'Mn	As at 31 December Rs. 'Mn
Cash flows from operating activities	Tis. Will	113. 1811
Interest receipts	23,472	27,604
Interest payments	(7,396)	(12,982)
Net commission receipts	2,161	2,797
Trading income	1,226	1,889
Payments to employees	(2,821)	(3,492)
VAT & NBT on financial services	(1,632)	(2,150)
Receipts from other operating activities	604	725
Payments to other operating activities	(4,545)	(6,055)
Operating profit before change in operating assets and liabilities	11,069	8,336
(Increase)/decrease in operating assets		
Balances with Central Bank of Sri Lanka	(1,299)	1,325
Financial assets at amortised cost - loans and advances	(48,626)	9,050
Treasury bills & bonds	29,204	(29,938)
Other assets	(1,371)	(1,929)
	(22,092)	(21,492)
Increase/(decrease) in operating liabilities		
Financial liabilities at amortised cost - due to depositors	16,068	(2,618)
Financial liabilities at amortised cost - due to other borrowers	8,247	23,816
Other liabilities	467	2,613
	24,782	23,811
Net cash generated from operating activities before income tax	13,759	10,655
Income tax paid	(3,065)	(4,483)
Net cash (used in)/from operating activities	10,694	6,172
Cash flows from investing activities		
Purchase of property, plant & equipment	(171)	(53)
Proceeds from sale of property, plant & equipment	0	26
Purchase of financial investments	-	-
Proceeds from sale and maturity of financial investments	-	-
Net purchase of intangible assets	-	_
Net cash flow from acquisition of investments in		
subsidiaries, joint ventures and associates	-	-
Net cash flow from disposal of subsidiaries, associates		
and joint ventures	-	-
Dividends received from investments in subsidiaries		
and associates Others	-	_
		_
Net cash (used in)/from investing activities	(171)	(27)
Cash flows from financing activities		
Net proceeds from the issue of ordinary share capital		
Net proceeds from the issue of other equity instruments  Net proceeds from the issue of subordinated debt		
Repayment of subordinated debt		
Interest paid on subordinated debt		
Dividends paid to non-controlling interest		
Dividends paid to shareholders of the parent company		
Dividends paid to shareholders of the parent company  Dividends paid to holders of other equity instruments		
Profit transferred to head office	(5,035)	(6,425)
Net cash (used in)/from financing activities	(5,035)	(6,425)
Net increase/(decrease) in cash and cash equivalents	5,488	(280)
Cash and cash equivalents at the beginning of the period	7,721	7,388
Exchange difference in respect of cash and cash equivalents	1,580	613
Cash and cash equivalents at the end of the period	14,789	7,721

Statement of Comprehensive Income		
For the period ended 30 September	2018 Rs. 'Mn	2017 Rs. 'Mn
Profit/(loss) for the year	4,547	5,275
Items that will be reclassified to profit or loss		
Exchange differences on translation of foreign operations	1,542	541
Net gains/(losses) on cash flow hedges	-	-
Net gains/(losses) on investments in debt instruments measured at		
fair value through other comprehensive income	(1,306)	2,164
Share of profits of associates and joint ventures	-	-
Less: tax expense relating to items that will be reclassified to profit or loss	366	(604)
	602	2,101
Items that will not be reclassified to profit or loss		
Change in fair value on investments in equity instruments designated at		
fair value through other comprehensive income	-	=
Change in fair value attributable to change in the Bank's own credit risk on		
financial liabilities designated at fair value through profit or loss	-	-
Remeasurement of post-employment benefit obligations	(22)	37
Changes in revaluation surplus	-	-
Share of profits of associates and joint ventures	-	-
Less: tax expense relating to items that will not be reclassified to profit or loss	_	-
	(22)	37
Other comprehensive income for the period, net of taxes	580	2,138
Total comprehensive income for the period	5,127	7,413
Attributable to:		
equity holders of the parent	5,127	7,413
non-controlling interests	_	_

Selected Performance Indicators

		Audited
	2018	2017
	As at 30 September	As at 31 December
legulatory Capital Adequacy (LKR Millions)		
Common Equity Tier 1	44,642	45,862
Core (Tier 1) Capital	44,642	45,862
Total Capital Base	45,692	46,219
Regulatory Capital Ratio		
Common Equity Tier 1 Capital Ratio (Minimum Requirement, 6.375%)	14.32%	17.30%
Tier 1 Capital Ratio (Minimum Requirement, 7.875%)	14.32%	17.30%
Total Capital Ratio (Minimum Requirement, 11.875%)	14.65%	17.43%
	2018	2017
	As at 30 September	As at 31 December
Regulatory Liquidity		
Statutory Liquid Assets (LKR Millions)		
Domestic banking unit	114,898	103,016
Off-shore banking unit	60,549	82,536
Statutory Liquid Assets Ratio (Minimum Requirement, 20%)		
Domestic banking unit	52.86%	55.67%
Off-shore banking unit	35.92%	47.49%
Total Stock of High-Quality Liquid Assets (LKR Millions)		
Rupee	59,082	89,241
All currency	59,167	89,369
Liquidity Coverage Ratio		
(Minimum Requirement, 2018 - 90%; 2017 - 80%)		
Rupee	146.86%	216.40%
All currency	295.93%	379.95%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio		
(net of interest in suspense)	0.68%	0.86%
Net Non-Performing Advances		
(net of interest in suspense and provisions)	0.51%	0.56%
Profitability		
Interest Margin	4.39%	4.36%
Return on Assets (before tax)	2.53%	3.09%
Return on Equity	11.41%	15.20%

neturn on Equity	11.41/0	13.2076
ote: Profitability ratios for 3Q18 are based on SLFRS da	ata whereas comparatives are based	d on regulatory data.
Analysis of Deposits		
		Audited
	As at 30 September 2018	As at 31 December 2017
	Rs. 'Mn	Rs. 'Mn
By product - Domestic Currency		
Demand deposits (current accounts)	16,155	19,412
Savings deposits	20,320	22,735
Fixed deposits	68,563	67,159
Other deposits	2,144	2,005
Sub total	107,182	111,311
By product - Foreign Currency		
Demand deposits (current accounts)	45,733	22,305
Savings deposits	16,225	18,796
Fixed deposits	24,524	25,491
Other deposits	3,129	2,822
Sub total	89,611	69,414
Total	196,793	180,725

As at 30 September   As at 30 September   As at 31 December   As	Statement of Financial Position		
As at 30 September   As at 31 December   Rs. 'Mn   Rs.			Audited
Assets         As at 30 September         As . Mn           Cash and cash equivalents         14,789         7,721           Balances with Central Bank         9,064         7,765           Placements with banks         50,642         41,215           Derivative financial instruments         2,907         1,265           Financial assets measured at fair value through profit or loss financial assets at amortised cost - loans and advances         15,554         4,762           Financial assets at amortised cost - loans and advances         114,300         150,889           Financial assets at amortised cost - loans and advances         104,300         150,889           Financial assets at amortised cost - loans and advances         104,300         150,889           Financial assets at amortised cost - loans and advances         104,300         150,889           Financial assets at amortised cost - loans and advances         104,300         150,889           Investments in associates and joint ventures         10,300         150,889           Investments in associates and joint ventures         7         -           Investments in subsciliaries         7         -           Property, plant and equipment         3,899         3,941           Investments in subsciliaries         12,539         14,629		2018	
Rs. 14th			
Assets         14,789         7,721           Cash and cash equivalents         9,064         7,765           Placements with Central Bank         9,064         1,765           Placements with banks         50,842         41,215           Derivative financial instruments         1,2907         1,265           Financial assets measured at fair value through profit or loss         -         -           Financial assets at amortised cost - Joans and advances         5,294         -           Financial assets at amortised cost - Joans and advances         5,294         -           Financial assets at amortised cost - Joans and advances         5,294         -           Financial assets at amortised cost - Joans and advances         5,294         -           Financial assets measured at fair value through other         104,300         150,869           comprehensive income         -         -         -           Investments in subsidiaries         -         -         -           Deferred tax assets         18,399         3,941			
Balances with Central Bank   9,064   7,765   Placements with banks   50,642   41,215   50,642   41,215   50,642   50,6	Assets		
Balances with Central Bank   9,064   7,765   Placements with banks   50,642   41,215   50,642   41,215   50,642   50,6	Cash and cash equivalents	14.789	7.721
Placements with banks	·	1	·
Derivative financial instruments			
Financial assets measured at fair value through profit or loss Financial assets designated at fair value through profit or loss Financial assets at amortised cost - does nad advances         239,905         202,739           Financial assets at amortised cost - doebt instruments         5,294         -           Financial assets at amortised cost - doebt instruments         5,294         -           Financial assets are assured at fair value through other comprehensive income Investments in subsidiaries         -         -           Investments in associates and joint ventures         -         -         -           Property, plant and equipment         3,899         3,941         1,942         -			
Financial assets designated at fair value through profit or loss	Financial assets measured at fair value through profit or loss	15,554	
Financial assets at amortised cost - loans and advances         239,905         202,739           Financial assets at amortised cost - debt instruments         5,294         -           Financial assets measured at fair value through other comprehensive income         104,300         150,869           Investments in subsidiaries         -         -         -           Investments in subsidiaries         -         -         -           Property, plant and equipment         3,899         3,941         -           Investment properties         -         -         -           Goodwill and intangible assets         -         -         -           Deferred tax assets         678         -         -           Other assets         12,539         14,629         14,629           Other assets         12,539         14,629         14,629           Due to banks         183,648         175,401         175,401           Derivative financial instruments         1,949         1,033         1,633           Financial liabilities measured at fair value through profit or loss         -         -         -           Financial liabilities at amortised cost - due to depositors         196,793         180,725         180,793         180,725		_	_
Financial assets measured at fair value through other comprehensive income   Investments in subsidiaries		239,905	202,739
Investments in subsidiaries   -   -   -	Financial assets at amortised cost - debt instruments	5,294	=
Investments in associates and joint ventures	Financial assets measured at fair value through other	104,300	150,869
Investments in associates and joint ventures			
Property, plant and equipment   1,899   3,941     Investment properties   -   -   -   -   -   -       Goodwill and intangible assets   -     -   -       Deferred tax assets   678   -       Other assets   12,539   14,629     Total assets   459,571   434,906     Liabilities	Investments in subsidiaries	_	=
Investment properties	Investments in associates and joint ventures	_	_
Condimination   Continue   Cont	Property, plant and equipment	3,899	3,941
Deferred tax assets         678         -           Other assets         12,539         14,629           Total assets         459,571         434,906           Liabilities         8         459,571         434,906           Liabilities           Due to banks         183,648         175,401           Derivative financial liabilities measured at fair value through profit or loss in a financial liabilities ad signated at fair value through profit or loss in a financial liabilities at amortised cost - due to other borrowers in 196,793         180,725           Financial liabilities at amortised cost - due to other borrowers in 196,793         180,725           Financial liabilities at amortised cost - due to other borrowers in 196,793         180,725           Due to subsidiaries         -         -           Current tax liabilities         2,437         1,923           Deferred tax liabilities         2,437         1,923           Deferred tax liabilities         18,949         18,745           Total liabilities         403,871         378,058           Equity         5tated capital/Assigned capital         3,152         3,152           Stated capital/Assigned capital         3,152         3,152           Statutory reserve fund         2,351         2,351	Investment properties	_	_
12,539	Goodwill and intangible assets	_	_
Total assets	Deferred tax assets	678	_
Liabilities         183,648         175,401           Due to banks         1,949         1,033           Derivative financial liabilities measured at fair value through profit or loss Financial liabilities designated at fair value through profit or loss Financial liabilities at amortised cost - due to depositors         ————————————————————————————————————	Other assets	12,539	14,629
Due to banks	Total assets	459,571	434,906
Derivative financial instruments	Liabilities		
Derivative financial instruments	Due to banks	183.648	175.401
Financial liabilities measured at fair value through profit or loss   -   -   -			
Financial liabilities designated at fair value through profit or loss         –         106         Other provisions         –         1.0          318.74		_	_
Financial liabilities at amortised cost - due to depositors         196,793         180,725           Financial liabilities at amortised cost - due to other borrowers         -         -           Due to subsidiaries         -         -           Retirement benefit obligations         95         125           Current tax liabilities         2,437         1,923           Deferred tax liabilities         -         -           Other provisions         -         -           Other liabilities         18,949         18,745           Total liabilities         403,871         378,058           Equity         3,152         3,152           Statutory reserve fund         2,351         2,351           Retained earnings         35,810         37,173           Other reserves         14,387         14,172           Total shareholders' equity         55,700         56,848           Non-controlling interests         -         -           Total equity         55,700         56,848           Total equity and liabilities         459,571         434,906           Contingent liabilities and commitments         517,028         533,264           Memorandum information         1,245         1,247 <tr< td=""><td></td><td>_</td><td>_</td></tr<>		_	_
Due to subsidiaries         -         -         -           Retirement benefit obligations         95         125           Current tax liabilities         2,437         1,923           Deferred tax liabilities         -         106           Other provisions         -         -           Other liabilities         18,949         18,745           Total liabilities         403,871         378,058           Equity         51         2,351           Statud capital/Assigned capital         3,152         3,152           Statutory reserve fund         2,351         2,351           Retained earnings         35,810         37,173           Other reserves         14,387         14,172           Total shareholders' equity         55,700         56,848           Non-controlling interests         -         -           -         -         -           Total equity         55,700         56,848           Total equity and liabilities         459,571         434,906           Contingent liabilities and commitments         517,028         533,264           Memorandum information         Number of employees         1,245         1,247           Number of branches		196,793	180,725
Retirement benefit obligations         95         125           Current tax liabilities         2,437         1,923           Deferred tax liabilities         -         106           Other provisions         -         -           Other liabilities         18,949         18,745           Total liabilities         403,871         378,058           Equity         5         2,351           Statud capital/Assigned capital         3,152         3,152           Statutory reserve fund         2,351         2,351           Retained earnings         35,810         37,173           Other reserves         14,387         14,172           Total shareholders' equity         55,700         56,848           Non-controlling interests         -         -           Total equity         55,700         56,848           Total equity and liabilities         459,571         434,906           Contingent liabilities and commitments         517,028         533,264           Memorandum information         Number of employees         1,245         1,247           Number of branches         1         14         14	Financial liabilities at amortised cost - due to other borrowers	_	=
Current tax liabilities         2,437         1,923           Deferred tax liabilities         —         106           Other provisions         —         —           Other liabilities         18,949         18,745           Total liabilities         403,871         378,058           Equity         —         —           Stated capital/Assigned capital         3,152         3,152           Statutory reserve fund         2,351         2,351           Retained earnings         35,810         37,173           Other reserves         14,387         14,172           Total shareholders' equity         55,700         56,848           Non-controlling interests         —         —           —         —         —           Total equity         55,700         56,848           Total equity and liabilities         459,571         434,906           Contingent liabilities and commitments         517,028         533,264           Memorandum information         Number of employees         1,245         1,247           Number of branches         1         1         14	Due to subsidiaries	_	=
Deferred tax liabilities         -         106           Other provisions         -         -           Other liabilities         18,949         18,745           Total liabilities         403,871         378,058           Equity         -         -           Stated capital/Assigned capital         3,152         3,152           Statutory reserve fund         2,351         2,351           Retained earnings         35,810         37,173           Other reserves         14,387         14,172           Total shareholders' equity         55,700         56,848           Non-controlling interests         -         -           Total equity         55,700         56,848           Total equity and liabilities         459,571         434,906           Contingent liabilities and commitments         517,028         533,264           Memorandum information         Number of employees         1,245         1,247           Number of branches         14         14	Retirement benefit obligations	95	125
Other provisions         -	Current tax liabilities	2,437	1,923
Other liabilities         18,949         18,745           Total liabilities         403,871         378,058           Equity         Stated capital/Assigned capital         3,152         3,152         3,152           Statutory reserve fund         2,351         2,351         2,351           Retained earnings         35,810         37,173         37,173           Other reserves         14,387         14,172           Total shareholders' equity         55,700         56,848           Non-controlling interests         -         -           Total equity         55,700         56,848           Total equity and liabilities         459,571         434,906           Contingent liabilities and commitments         517,028         533,264           Memorandum information         Number of employees         1,245         1,247           Number of branches         14         14	Deferred tax liabilities	_	106
Total liabilities         403,871         378,058           Equity         3,152         3,152         3,152           Statutory reserve fund         2,351         2,351         2,351           Retained earnings         35,810         37,173           Other reserves         14,387         14,172           Total shareholders' equity         55,700         56,848           Non-controlling interests         -         -           Total equity         55,700         56,848           Total equity and liabilities         459,571         434,906           Contingent liabilities and commitments         517,028         533,264           Memorandum information         Number of employees         1,245         1,247           Number of branches         14         14	Other provisions	_	=
Equity         3,152         3,152         3,152         3,152         3,152         3,152         3,152         3,152         3,152         3,152         3,152         3,152         3,152         3,152         3,251         2,351         2,351         2,351         3,7173         3,173         <	Other liabilities	18,949	18,745
Stated capital/Assigned capital         3,152         3,152           Statutory reserve fund         2,351         2,351           Retained earnings         35,810         37,173           Other reserves         14,387         14,172           Total shareholders' equity         55,700         56,848           Non-controlling interests         —         —           Total equity         55,700         56,848           Total equity and liabilities         459,571         434,906           Contingent liabilities and commitments         517,028         533,264           Memorandum information         Number of employees         1,245         1,247           Number of branches         14         14	Total liabilities	403,871	378,058
Statutory reserve fund         2,351         2,351           Retained earnings         35,810         37,173           Other reserves         14,387         14,172           Total shareholders' equity         55,700         56,848           Non-controlling interests         -         -           Total equity         55,700         56,848           Total equity and liabilities         459,571         434,906           Contingent liabilities and commitments         517,028         533,264           Memorandum information         Number of employees         1,245         1,247           Number of branches         14         14	Equity		
Retained earnings         35,810         37,173           Other reserves         14,387         14,172           Total shareholders' equity         55,700         56,848           Non-controlling interests         -         -           Total equity         55,700         56,848           Total equity and liabilities         459,571         434,906           Contingent liabilities and commitments         517,028         533,264           Memorandum information         Number of employees         1,245         1,247           Number of branches         14         14	Stated capital/Assigned capital	3,152	3,152
Other reserves         14,387         14,172           Total shareholders' equity         55,700         56,848           Non-controlling interests         —         —           Total equity         55,700         56,848           Total equity and liabilities         459,571         434,906           Contingent liabilities and commitments         517,028         533,264           Memorandum information         Number of employees         1,245         1,247           Number of branches         14         14	Statutory reserve fund	2,351	2,351
Total shareholders' equity         55,700         56,848           Non-controlling interests         —         —           Total equity         55,700         56,848           Total equity and liabilities         459,571         434,906           Contingent liabilities and commitments         517,028         533,264           Memorandum information         Number of employees         1,245         1,247           Number of branches         14         14	Retained earnings	35,810	37,173
Non-controlling interests         —         —         —         —         —         —         —         —         —         —         —         —         —         —         —         —         —         56,848         —         56,848         —         —         —         —         56,848         —         —         —         56,848         —         —         —         —         56,848         —         —         56,848         —         —         56,848         —         —         56,848         —         66,848         —         66,848         —         66,848         —         66,848         —         66,848         —         66,848         —         66,848         —         66,848         —         67,952         —         76,848         —         76,952         —         76,952         —         76,952         —         76,952         —         76,952         —         76,952         —         76,952         —         76,952         —         76,952         —         76,952         —         76,952         —         76,952         —         76,952         —         76,952         —         76,952         76,952         —         76,95	Other reserves	14,387	14,172
Total equity         55,700         56,848           Total equity and liabilities         459,571         434,906           Contingent liabilities and commitments         517,028         533,264           Memorandum information         1,245         1,247           Number of employees         1,245         1,247           Number of branches         14         14	Total shareholders' equity	55,700	56,848
Total equity and liabilities         459,571         434,906           Contingent liabilities and commitments         517,028         533,264           Memorandum information         1,245         1,247           Number of employees         1,245         1,247           Number of branches         14         14	Non-controlling interests	_	=
Contingent liabilities and commitments 517,028 533,264  Memorandum information Number of employees 1,245 1,247 Number of branches 14 14	Total equity	55,700	56,848
Memorandum information         1,245         1,247           Number of employees         14         14           Number of branches         14         14	Total equity and liabilities	459,571	434,906
Number of employees         1,245         1,247           Number of branches         14         14	Contingent liabilities and commitments	517,028	533,264
Number of branches 14 14	Memorandum information		
	Number of employees	1,245	1,247
Applying of Leave and Advances		14	14
	Analysis of Language Address	1	'

	2018	Audited 201
	As at 30 September	As at 31 December
	Rs.'Mn	Rs. 'M
Product wise gross loans and advances		
By product - Domestic Currency		
Overdrafts	20,515	12,62
Term loans	39,570	32,69
Lease rentals receivable	-	
Credit cards	23,105	21,26
Pawning	-	
Other loans	6	2
Sub total	83,196	66,60
By product - Foreign Currency		
Overdrafts	9,767	4,30
Term loans	144,911	131,55
Other loans	761	1,04
Sub total	155,439	136,8
Total	238,635	203,5

	As at 30 September 2018 Rs. 'Mn
Stage - wise impairment on loans and advances	
Gross loans and advances	238,635
Less: accumulated impairment under stage 1	(672)
accumulated impairment under stage 2	(828)
accumulated impairment under stage 3	(617)
Net loans and advances	236,518
Movements of impairment during the period	As at 30 September 2018
	Rs. 'Mn

Movements of impairment during the period	As at 30 September 2018 Rs. 'Mn
Under stage 1	
Charge/(write back) to income statement	(87)
SLFRS 9 - Day 1 impact	717
Other movements	42
Closing balance as at 30/09/18	672
Under stage 2	
Charge/(write back) to income statement	(53)
SLFRS 9 - Day 1 impact	850
Other movements	31
Closing balance as at 30/09/18	828
Under stage 3	
Opening balance	767
Charge/(write back) to income statement	37
SLFRS 9 - Day 1 impact	236
Other movements	(423)
Closing balance as at 30/09/18	617
Total impairment	2,117

Analysis of Financial Instruments by Measurement Basis								
For the period ended 30 September 2018	Amortised cost Rs. 'Mn	Fair value through profit and loss Rs. 'Mn	Fair value through other comprehensive income Rs. 'Mn	Total Rs. 'Mn				
Assets								
Cash and cash equivalents	14,789	-	-	14,789				
Balances with Central Banks	9,064	-	-	9,064				
Placements with banks	50,642	-	-	50,642				
Derivative financial instruments	-	2,907	=	2,907				
Loans and advances	239,905	-	-	239,905				
Debt instruments	5,294	15,554	104,300	125,148				
Equity instruments	-	-	-	_				
Acceptance and endorsements	6,376	-	-	6,376				
Total financial assets	326,070	18,461	104,300	448,831				
Liabilities								
Due to banks	183,648	=	_	183,648				
Derivative financial instruments	_	1,949	-	1,949				
Financial liabilities - due to depositors	196,793	-	-	196,793				
Financial liabilities - due to other borrowers	_	-	=	_				
Acceptance and endorsements	6,376	-	-	6,376				
Total financial liabilities	386,817	1,949	-	388,766				

Analysis of Financial Instruments by Measurement Basis								
For the period ended 31 December 2017	Held-for-trading	Amortised cost	Available-for-sale	Total				
	Rs. 'Mn	Rs. 'Mn	Rs. 'Mn	Rs. 'Mn				
Assets								
Cash and cash equivalents	=	7,721	=	7,721				
Balances with Central Banks	=	7,765	=	7,765				
Placements with banks	-	41,215	-	41,215				
Derivative financial instruments	1,265	-	-	1,265				
Other financial assets held-for-trading	4,762	=	=	4,762				
Loans and receivables to banks	=	=	=	-				
Loans and receivables to other customers	=	202,739	=	202,739				
Financial investments	-	-	150,869	150,869				
Acceptance and endorsements	=-	6,240	-	6,240				
Total financial assets	6,027	265,680	150,869	422,576				
Liabilities								
Due to banks	_	175,401	_	175,401				
Derivative financial instruments	1,033		_	1,033				
Other financial liabilities at fair value through profit or loss	-,	_	_	_				
Due to other customers	_	180.725	_	180,725				
Other borrowings	_	· _	_	· -				
Debt securities issued	-	-	_	_				
Acceptance and endorsements	=	6,240	=	6,240				
Total financial liabilities	1,033	362,366	-	363,399				

								-		
				Statement of Chan	ges in Equity					
		Stated Capital/Assi	igned Capital	·	Rese	erves				
For the period ended 30 September 2018	Ordinary voting shares Rs. 'Mn	Ordinary non-voting shares Rs. ′Mn	Assigned capital Rs. 'Mn	Reserve fund Rs. 'Mn	Revaluation reserve Rs. 'Mn	Retained earnings Rs. 'Mn	Other reserves Rs. 'Mn	Total Rs. 'Mn	Non-controlling interest Rs. ′Mn	Total equity Rs. 'Mn
Balance as at 01/01/2018 (Opening balance)	_	-	3,152	2,351	2,522	37,173	11,650	56,848	_	56,848
Total comprehensive income for the period										
Profit/(loss) for the period (net of tax)	-	-	-	=	_	4,547	_	4,547	_	4,547
Other comprehensive income (net of tax)	=	=	=	=	=	(22)	602	580	=	580
Total comprehensive income for the period	-	-	-	-	-	4,525	602	5,127	-	5,127
Transactions with equity holders recognised directly in equity										
Share issue/increase of assigned capital	=	-	=	=	=	_	_	=	=	-
Share options exercised	=	-	=	=	=	=	=	=	=	=
Bonus issue	=	-	=	=	=	=	=	=	=	=
Rights issue	=	-	=	=	=	=	=	=	=	=
Transfer to reserves during the period	-	-	-	_	_	_	_	_	-	=
Dividends to equity holders	-	-	-	_	_	_	_	_	-	=
SLFRS 9 provisions - Day 1 impact	=	-	=	=	=	(1,246)	=	(1,246)	=	(1,246)
Profit transferred to head office	-	-	-	_	_	(5,035)	_	(5,035)	-	(5,035)
Gain/(loss) on revaluation of property, plant and equipment										
(if cost method is adopted)	-	-	-	_	_	_	_	_	-	-
Others	-	-	-	_	(3)	393	(384)	6	-	6
Total transactions with equity holders	-	-	-	-	(3)	(5,888)	(384)	(6,275)	-	(6,275)
Balance as at 30/09/2018 (closing balance)	-	-	3,152	2,351	2,519	35,810	11,868	55,700	-	55,700

The financial information summarised above for the nine months ended 30 September 2018 is drawn up from the un-audited accounts of the Bank, prepared according to the Sri Lankan Accounting Standards. (SLFRS/LKAS).

Financial information for 2018 is based on SLFRS 9 requirements, whereas comparatives are based on LKAS 39.

We, the undersigned, being the Chief Executive Officer and the Acting Chief Financial Officer of HSBC Bank certify jointly that:

(a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka (b) the information contained in these statements have been extracted from the un-audited financial statements of the Bank unless indicated as audited

(c) the information contained in these statements are true and correct to the best of our knowledge and belief.



Mark G Prothero (Signed) Chief Executive Officer Angelo Pillai (Signed) Acting Chief Financial Officer