The Hongkong and Shanghai Banking Corporation Limited

As at 31 December

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 31 December	2021	2020
	Rs. 'Mn	Rs. 'Mr
Interest income	19,920	25,673
Interest expenses	(6,775)	(9,001
Net interest income	13,145	16,672
Fee and commission income	4,609	3,169
Fee and commission expenses	(1,269)	(1,004
Net fee and commission income	3,340	2,16
Net gains/(losses) from trading	2,676	69:
Net fair value gains/(losses) on:	-	
Financial assets at fair value through profit or loss	(16)	39
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		74
Net other operating income	61	4
Total operating income	19,206	20,72
Impairment (charges) / reversals	749	(3,581
Net operating income	19,955	17,14
Personal expenses	(3,682)	(3,904
Depreciation and amortisation expenses	(602)	(1,044
Other expenses	(7,805)	(7,525
Operating profit/(loss) before VAT and other taxes		
on financial services	7,866	4,67
Value added tax (VAT) on financial services	(2,058)	(793
Other taxes on financial services	(164)	(54
Operating profit/(loss) after VAT and other taxes		
on financial services	5,644	3,82
Share of profits of associates and joint ventures	-	
Profit/(loss) before tax	5,644	3,82
Income tax expenses	(2,361)	(1,437
Profit/(loss) for the period	3,283	2,38
Profit attributable to:		
Equity holders of the parent	3,283	2,38
Non-controlling interests	_	

Interest receipts Interest payments Net commission receipts Trading income Payments to employees VAT on financial services Receipts from other operating activities Payments to other operating activities Operating profit before change in operating assets and liabilities (Increase)/decrease in operating assets Balances with Central Bank of Sri Lanka Financial assets at amortised cost - loans and advances Treasury bills & bonds Other assets Increase/(decrease) in operating liabilities Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office Net cash (used in)/from financing activities	18,530 (6,209) 3,340 2,660 (3,652) (905) 535 (8,084) 6,214	26,345 (8,653 2,165 1,092 (3,862 (748 1,144
Interest payments Net commission receipts Trading income Payments to employees VAT on financial services Receipts from other operating activities Payments to other operating activities Operating profit before change in operating assets and liabilities (Increase)/decrease in operating assets Balances with Central Bank of Sri Lanka Financial assets at amortised cost - loans and advances Treasury bills & bonds Other assets Increase/(decrease) in operating liabilities Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from sale of property, plant & equipment Proceeds from sale of property, plant & equipment Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	(6,209) 3,340 2,660 (3,652) (905) 535 (8,084) 6,214	(8,653 2,165 1,092 (3,862 (748 1,140
Net commission receipts Trading income Payments to employees VAT on financial services Receipts from other operating activities Payments to other operating activities Operating profit before change in operating assets and liabilities (Increase)/decrease in operating assets Balances with Central Bank of Sri Lanka Financial assets at amortised cost - loans and advances Treasury bills & bonds Other assets Increase/(decrease) in operating liabilities Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	3,340 2,660 (3,652) (905) 535 (8,084) 6,214	2,165 1,092 (3,862 (748 1,140
Trading income Payments to employees VAT on financial services Receipts from other operating activities Payments to other operating activities Operating profit before change in operating assets and liabilities (Increase)/decrease in operating assets Balances with Central Bank of Sri Lanka Financial assets at amortised cost - loans and advances Treasury bills & bonds Other assets Increase/(decrease) in operating liabilities Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	2,660 (3,652) (905) 535 (8,084) 6,214	1,092 (3,862 (748 1,140
Payments to employees VAT on financial services Receipts from other operating activities Payments to other operating activities Operating profit before change in operating assets and liabilities (Increase)/decrease in operating assets Balances with Central Bank of Sri Lanka Financial assets at amortised cost - loans and advances Treasury bills & bonds Other assets Increase/(decrease) in operating liabilities Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	(3,652) (905) 535 (8,084) 6,214	(3,862 (748 1,140
VAT on financial services Receipts from other operating activities Payments to other operating activities Operating profit before change in operating assets and liabilities (Increase)/decrease in operating assets Balances with Central Bank of Sri Lanka Financial assets at amortised cost - loans and advances Treasury bills & bonds Other assets Increase/(decrease) in operating liabilities Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	(905) 535 (8,084) 6,214	(748 1,140
Receipts from other operating activities Payments to other operating activities Operating profit before change in operating assets and liabilities (Increase)/decrease in operating assets Balances with Central Bank of Sri Lanka Financial assets at amortised cost - loans and advances Treasury bills & bonds Other assets Increase/(decrease) in operating liabilities Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	535 (8,084) 6,214 (12,606)	1,140
Payments to other operating activities Operating profit before change in operating assets and liabilities (Increase)/decrease in operating assets Balances with Central Bank of Sri Lanka Financial assets at amortised cost - loans and advances Treasury bills & bonds Other assets Increase/(decrease) in operating liabilities Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	(8,084) 6,214 (12,606)	
Operating profit before change in operating assets and liabilities (Increase)/decrease in operating assets Balances with Central Bank of Sri Lanka Financial assets at amortised cost - loans and advances Treasury bills & bonds Other assets Increase/(decrease) in operating liabilities Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	6,214	(7,415
(Increase)/decrease in operating assets Balances with Central Bank of Sri Lanka Financial assets at amortised cost - loans and advances Treasury bills & bonds Other assets Increase/(decrease) in operating liabilities Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	(12,606)	,.,
Balances with Central Bank of Sri Lanka Financial assets at amortised cost - loans and advances Treasury bills & bonds Other assets Increase/(decrease) in operating liabilities Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office		10,062
Financial assets at amortised cost - loans and advances Treasury bills & bonds Other assets Increase/(decrease) in operating liabilities Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office		
Treasury bills & bonds Other assets Increase/(decrease) in operating liabilities Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	(5.365)	(8,713
Other assets Increase/(decrease) in operating liabilities Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	(0,000,	54,433
Increase/(decrease) in operating liabilities Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	797	(25,040
Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to other borrowers Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	(421)	3,28
Financial liabilities at amortised cost - due to depositors Financial liabilities Other liabilities Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	(17,595)	23,964
Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	50.750	07.45
Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	52,753	27,452
Net cash generated from operating activities before income tax Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	(27,518)	(82,298
Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	4,357 29,592	8,159
Income tax paid Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	25,552	(40,007)
Net cash (used in)/from operating activities Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	18,211	(12,661)
Cash flows from investing activities Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	(2,436)	(2,212
Purchase of property, plant & equipment Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	15,775	(14,873
Proceeds from sale of property, plant & equipment Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office		
Purchase of financial investments Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	(93)	(234
Proceeds from sale and maturity of financial investments Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	-	25
Others Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	-	-
Net cash (used in)/from investing activities Cash flows from financing activities Profit transferred to head office	-	-
Cash flows from financing activities Profit transferred to head office	-	-
Profit transferred to head office	(93)	(209
Not each (used in)/from financing activities	(3,627)	-
ivet cash (used in)/Hom iniancing activities	(3,627)	
Net increase/(decrease) in cash and cash equivalents	12,055	(15,082)
Cash and cash equivalents at the beginning of the period	20.412	33.986
Exchange difference in respect of cash and cash equivalents	2,993	1,508
Cash and cash equivalents at the end of the period	35,460	20,412

Proceeds from sale of property, plant & equipment		-	25	By product - Domestic Curren	icy
Purchase of financial investments		-	_	Demand deposits (current acc	counts)
Proceeds from sale and maturity of financial investmen	ts	-	_	Savings deposits	
Others		-	_	Fixed deposits	
Net cash (used in)/from investing activities	-	(93)	(209)	Other deposits	
Cash flows from financing activities	-	(33)	(209)	Sub total	
Cash nows from infancing activities					
Profit transferred to head office		(3,627)	-	By product - Foreign Currency	v
Net cash (used in)/from financing activities		(3,627)	-	Demand deposits (current acc	•
				Savings deposits	,04,110,
Net increase/(decrease) in cash and cash equivalents		12,055	(15,082)	Fixed deposits	
Cash and cash equivalents at the beginning of the per	hoi	20,412	33,986	Other deposits	
		•		Sub total	
Exchange difference in respect of cash and cash equiva	alents	2,993	1,508	Total	
Cash and cash equivalents at the end of the period		35,460	20,412	iotai	
Anoli	voic of E	inonoial Instrum	nents by Measuremen	t Pasia	
Allali	ysis oi r	manciai mstrum	•		
For the period ended 31 December 2021		mortised cost	Fair value through profit and loss	Fair value through other comprehensive income	
For the period ended 31 December 2021	_ A	Rs. 'Mn	Rs. 'Mn	Rs. 'Mn	Rs
Assets		1107 11111		1	
Cash and cash equivalents		35,460	-	-	3
Balances with Central Banks		31,059	-	-	3
Placements with banks Derivative financial instruments		-	-	-	
Loans and advances		223,668	39	-	22
Debt instruments		593	152	137,684	13
Equity instruments		-	102	107,004	10
Acceptance and endorsements		18,196	-	-	1
Total financial assets		308,976	191	137,684	44
Liabilities					
1					
Due to banks		60,785	-	- 1	6
Due to banks Derivative financial instruments		60,785	286		6
		60,785 - 290,010	286		29

For the period ended 31 December	2021 Rs. 'Mn	2020 Rs. 'Mn
Profit/(loss) for the year	3,283	2,388
Items that will be reclassified to income statement		
Exchange differences on translation of foreign operations	2,194	1,414
Net gains/(losses) on cash flow hedges	-	_
Net gains/(losses) on investments in debt instruments measured at		
fair value through other comprehensive income	(2,600)	(660)
Share of profits of associates and joint ventures	-	-
Debt instruments at fair value through other comprehensive income	-	-
Others	-	-
Less: Tax expense relating to items that will be reclassified to income statement	448	186
	42	940
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	_	_
Re-measurement of post-employment benefit obligations	406	(242)
Changes in revaluation surplus/(deficit)	413	51
Share of profits of associates and joint ventures	-	-
Less: Tax expense relating to items that will not be reclassified to income statement	(176)	99
	643	(92)
Other comprehensive income for the period, net of taxes	685	848
Total comprehensive income for the period	3,968	3,236
Attributable to:		
Equity holders of the parent	3,968	3,236
Non-controlling interests	-	-

2020

Regulatory Capital Adequacy (LKR Millions)		
Common Equity Tier 1	62,121	62,38
Core (Tier 1) Capital	62,121	62,38
Total Capital Base	65,052	65,116
Regulatory Capital Ratios		
Common Equity Tier 1 Capital Ratio (Minimum Requirement, 6.5%)	19.68%	20.55%
Tier 1 Capital Ratio (Minimum Requirement, 8.0%)	19.68%	20.55%
Total Capital Ratio (Minimum Requirement, 12.0%)	20.61%	21.45%
As at 31 December	Unaudited 2021	Unaudited 2020
Regulatory Liquidity		
Statutory Liquid Assets (LKR Millions)		
Domestic banking unit	160,087	148,23
Off-shore banking unit	35,053	29,94
Statutory Liquid Assets Ratio (Minimum Requirement, 20%)		
Domestic banking unit	58.02%	66.30%
Off-shore banking unit	29.80%	23.19%
Total Stock of High-Quality Liquid Assets (LKR Millions)		
Rupee	135,246	125,72
All currency	135,277	125,76
Liquidity Coverage Ratio		
Rupee (Minimum Requirement - 100%)	321.00%	424.02%
All currency (Minimum Requirement - 100%)	356.74%	316.12%
Net Stable Funding Ratio - (Minimum Requirement - 100%)	149.00%	129.66%
Leverage ratio - (Minimum Requirement - 3%)	10.66%	12.26%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio		
(net of interest in suspense)	0.59%	0.94%
Net Non-Performing Advances Ratio		
(net of interest in suspense and provisions)	0.49%	0.83%
Impaired Loans (Stage 3) Ratio	0.33%	0.02%
Impairment (Stage 3) to Stage 3 Loans Ratio	44.83%	93.19%
Profitability		
Interest Margin	2.96%	3.73%
Return on Assets (before tax)	1.27%	0.85%
Return on Equity	4.58%	3.48%

Analysis of Deposits		
s at 31 December	2021	2020
	Rs. 'Mn	Rs. 'Mn
By product - Domestic Currency		
Demand deposits (current accounts)	35,356	32,095
Savings deposits	41,899	27,454
ixed deposits	98,316	78,228
Other deposits	4,794	3,164
Sub total	180,365	140,941
By product - Foreign Currency		
Demand deposits (current accounts)	44,102	28,291
Savings deposits	30,707	28,036
ixed deposits	26,902	35,483
Other deposits	7,934	4,507
Sub total	109,645	96,317
otal	290,010	237,258

l	Statement of Financial Position		
ľ	As at 31 December	2021 Rs. 'Mn	
l	Assets		
l	Cash and cash equivalents	35,460	
ı	Balances with central bank	31,059	
l	Placements with banks	_	
l	Derivative financial instruments	39	
l	Financial assets measured at fair value through profit or loss	152	
ı	Financial assets designated at fair value through profit or loss		
l	Financial assets at amortised cost - loans and advances	223,668	
ı	Financial assets at amortised cost - debt instruments	593	
ı	Financial assets measured at fair value through other	137,684	
l	comprehensive income		
l	Investments in subsidiaries	-	
l	Investments in associates and joint ventures		
l	Property, plant and equipment	5,342	
l	Investment properties	_	
l	Goodwill and intangible assets	189	
l	Deferred tax assets Other assets		
l	Total assets	24,041 458,227	
l		458,227	
l	Liabilities		
l	Due to banks	60,785	
l	Derivative financial instruments	286	
l	Financial liabilities measured at fair value through profit or loss	_	
ı	Financial liabilities designated at fair value through profit or loss	_	
l	Financial liabilities at amortised cost - due to depositors	290,010	
ı	Financial liabilities at amortised cost - due to other borrowers	_	
l	Due to subsidiaries	_	
l	Retirement benefit obligations	_	
l	Current tax liabilities	2,617	
l	Deferred tax liabilities	_	
l	Other provisions	_	
ı	Other liabilities	33,866	
l	Total liabilities	387,564	
l	Equity		
l	Stated capital/Assigned capital	3,152	
l	Statutory reserve fund	2,783	
l	Retained earnings	49,404	
l	Other reserves	15,324	
l	Total shareholders' equity	70,663	
l	Non-controlling interests	_	
ĺ	Total equity	70,663	
I	Total equity and liabilities	458,227	
	Contingent liabilities and commitments	391,234	
ĺ	Memorandum information		
١	Number of employees	972	
I	Number of branches	13	
ı	Number of branches	"	1

20,412 18,454

4,836

237,258

Analysis of loans and advances, commitments, continge	encies and impairmen	t
As at 31 December	2021 Rs.'Mn	2020 Rs. 'Mn
Product-wise gross loans and advances		
By product - Domestic Currency		
Overdrafts	16,627	17,737
Term loans	22,554	22,660
Lease rentals receivable		
Credit cards	22,497	21,420
Pawning Other loans	-	103
Sub total	61,678	61,920
oub total	01,070	01,020
By product - Foreign Currency		
Overdrafts	12.744	14,226
Term loans	146,442	139,186
Guarantees	-	· -
Bonds	-	_
Other loans	4,986	6,724
Sub total	164,172	160,136
Total	225,850	222,056
Product-wise commitments and contingencies	2021	2020
	Rs. 'Mn	Rs. 'Mn
By product - Domestic currency		
Guarantees	19,364	19,370
Bonds	8,035	7,262
Undrawn credit lines	90,857	103,947
Foreign exchange contracts	8 107	62 825

Foreign exchange contracts	8,107	62,825
Other	21,831	182
Sub total	148,194	193,586
By product - Foreign Currency		
Guarantees	62,194	58,732
Bonds	21,744	15,906
Undrawn credit lines	99,045	82,697
Foreign exchange contracts	21,697	147,610
Other	38,360	32,303
Sub total	243,040	337,248
Total	391,234	530,834
Stage-wise impairment on loans & advances As at 31 December	2021 Rs. 'Mn	2020 Rs. 'Mn
Gross loans and advances	225,850	222,056
Less: accumulated impairment under stage 1	(423)	(589)
accumulated impairment under stage 2	(945)	(1,282)
accumulated impairment under stage 3	(814)	(1,062)
Net value of loans and advances	223,668	219,123

Movement of impairment during the period As at 31 December	2021 Rs. 'Mn	2020 Rs. 'Mn
Under stage 1		
Opening balance	589	661
Charge/(write back) to income statement	(181)	(87)
Other movements	15	15
Closing balance	423	589
Under stage 2		
Opening balance	1,282	508
Charge/(write back) to income statement	(373)	754
Other movements	36	20
Closing balance	945	1,282
Under stage 3		
Opening balance	1,062	538
Charge/(write back) to income statement	(248)	524
Other movements	-	-
Closing balance	814	1,062
Total impairment	2,182	2,933
	2004	2000
Stage-wise impairment on commitments and contingencies	2021	2020

Stage-wise impairment on commitments and contingencies As at 31 December	Rs. 'Mn	2020 Rs. 'Mr
Commitments and contingencies	391,234	530,834
Less: accumulated impairment under stage 1	(31)	(40)
accumulated impairment under stage 2	(13)	(54)
accumulated impairment under stage 3	-	-
Net commitments and contingencies	391,190	530,740

Alialysis of Finalicial Historients by Weasurement Dasis								
For the period ended 31 December 2021	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	35,460	-	-	35,460				
Balances with Central Banks	31,059	-	-	31,059				
Placements with banks	-	-	-	-				
Derivative financial instruments	-	39	-	39				
Loans and advances	223,668	-	-	223,668				
Debt instruments	593	152	137,684	138,429				
Equity instruments	-	-	-	-				
Acceptance and endorsements	18,196	-	-	18,196				
Total financial assets	308,976	191	137,684	446,851				
Liabilities								
Due to banks	60,785	-	-	60,785				
Derivative financial instruments	-	286	-	286				
Financial liabilities - due to depositors	290,010	-	-	290,010				
Financial liabilities - due to other borrowers	-	-	-					
Acceptance and endorsements	18,196	-	-	18,196				
Total financial liabilities	368,991	286	-	369,277				

For the period ended 31 December 2020	Amortised cost Rs. 'Mn	Fair value through profit and loss Rs. 'Mn	Fair value through other comprehensive income Rs. 'Mn	Tota Rs. 'Mr	
Assets					
Cash and cash equivalents	20,412	-	-	20,41	
Balances with Central Banks	18,454	-	-	18,45	
Placements with banks	-	-	-		
Derivative financial instruments	-	656	-	65	
Loans and advances	219,123	-	-	219,12	
Debt instruments	3,118	335	136,632	140,08	
Equity instruments	-	-	-		
Acceptance and endorsements	14,592	-	-	14,59	
Total financial assets	275,699	991	136,632	413,32	
Liabilities					
Due to banks	88,302	-	-	88,30	
Derivative financial instruments	-	508	-	50	
Financial liabilities - due to depositors	237,258	-	-	237,25	
Financial liabilities - due to other borrowers	-	-	-		
Acceptance and endorsements	14,592	-	-	14,59	
Total financial liabilities	340,152	508	-	340,66	

				Statement of Chang	jes in Equity					
For the Period Ended 31 December 2021	Stated Capital/Assigned Capital			Reserves						
	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 01/01/2021 (Opening balance)	-	-	3,152	2,650	2,603	47,213	14,687	70,305	-	70,305
Total comprehensive income for the year										
Profit/(loss) for the year (net of tax)	-	-	-	-	-	3,283	-	3,283	-	3,283
Other comprehensive income (net of tax)	-	-	-	-	343	300	42	685	-	685
Total comprehensive income for the year	-	-	-	-	343	3,583	42	3,968	-	3,968
Transactions with equity holders recognised directly in equity										
Share issue/increase of assigned capital	_	-	-	-	_	_	_	-	_	-
Transfer to reserves during the period	-	-	-	133	-	(133)	17	17	-	17
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Profit transferred to head office	-	-	-	-	-	(3,627)	-	(3,627)	-	(3,627)
Gain/(loss) on revaluation of property, plant and equipment										
(if cost method is adopted)	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	(1)	2,368	(2,367)	-	-	-
Total transactions with equity holders	-	-	-	133	(1)	(1,392)	(2,350)	(3,610)	-	(3,610
Balance as at 31/12/2021 (Closing balance)	_	-	3,152	2,783	2,945	49,404	12,379	70,663		70,663

The financial information summarised above for the twelve months ended 31 December 2021 is drawn up from the audited accounts of the Bank, prepared according to the Sri Lankan Accounting Standards. (SLFRS/LKAS).

These accounts were audited by PricewaterhouseCooper (PwC). In their report of 29 March 2022 they have expressed an unqualified opinion of these

accounts. In addition, we have included a summary of the HSBC Group Corporate Governance Report. We, the undersigned, being the Chief Executive Officer and the 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 audited financial statements of the Bank unless indicated as un-audited (c) the information contained in these statements are true and correct to the best of our knowledge and belief.

