

# 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 01.

Income Statement		
For the period ended 30 <sup>th</sup> June	2025 Rs. 'Mn	2024 Rs. 'Mn
Interest income	19,154	20,320
Interest expenses	(4,646)	(4,370)
Net interest income	14,508	15,950
Fee and commission income	3,805	3,759
Fee and commission expenses	(968)	(766)
Net fee and commission income	2,837	2,993
Net gains/(losses) from trading	2,657	2,834
Net fair value gains/(losses) on:		
Financial assets at fair value through profit or loss	-	1
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	-	(693)
Net other operating income	246	60
Total operating income	20,248	21,145
Impairment reversals	267	1,162
Net operating income	20,515	22,307
Personnel expenses	(2,917)	(2,901)
Depreciation and amortisation expenses	(263)	(263)
Other expenses	(6,676)	(6,795)
Operating profit/(loss) before VAT and other taxes on financial services	10,659	12,348
Value added tax (VAT) on financial services	(2,419)	(2,305)
Other taxes on financial service	-	(322)
Operating profit/(loss) after VAT and other taxes on financial services	8,240	9,721
Profit/(loss) before tax	8,240	9,721
Income tax expenses	(3,964)	(3,365)
Profit/(loss) for the period	4,276	6,356
Profit attributable to:		
Equity holders of the parent	4,276	6,356
Non-controlling interests	-	-

Statement of Cash Flows		
For the period ended 30 <sup>th</sup> June	2025 Rs. 'Mn	2024 Rs. 'Mn
Cash flows from operating activities		
Interest receipts	19,718	20,255
Interest payments	(1,823)	(4,649)
Net commission receipts	2,837	2,993
Trading income	2,048	2,773
Payments to employees	(3,046)	(2,867)
VAT/SSCL on financial services	(6,678)	(2,654)
Receipts from other operating activities	246	66
Payments to other operating activities	(6,676)	(8,195)
Operating profit before change in operating assets and liabilities	6,626	7,722
(Increase)/decrease in operating assets		
Balances with Central Bank of Sri Lanka	929	(1,007)
Financial assets at amortised cost - loans & advances	(2,352)	27,768
Treasury Bills & Bonds	(59,728)	(54,434)
Other assets	50,785	(4,887)
	(10,366)	(32,560)
Increase/(decrease) in operating liabilities		
Financial liabilities at amortised cost - due to depositors	35,801	(8,828)
Financial liabilities at amortised cost - due to other borrowers	4,260	(28,409)
Other liabilities	6,141	(4,032)
	46,202	(41,269)
Net cash generated/(used in) from operating activities before income tax	42,462	(66,107)
Income tax paid	(2,334)	(3,253)
Net cash (used in)/from operating activities	40,128	(69,360)
Cash flows from investing activities		
Purchase of property, plant & equipment	(109)	(125)
Net cash (used in)/from investing activities	(109)	(125)
Cash flows from financing activities		
Lease payments in lieu of leases with more than 1 year contract period	(60)	(63)
Profit transferred to head office	-	(3,020)
Net cash (used in)/from financing activities	(60)	(3,083)
Net increase/(decrease) in cash and cash equivalents	39,959	(72,568)
Cash and cash equivalents at the beginning of the period	172,077	303,376
Exchange difference in respect of cash & cash equivalents	1,381	(4,715)
Foreign exchange gain from transactions with customer	71	61
Cash and cash equivalents at the end of the period	213,488	226,154

Statement of Comprehensive Income		
For the period ended 30 <sup>th</sup> June	2025 Rs. 'Mn	2024 Rs. 'Mn Audited
Profit/(loss) for the year	4,276	6,356
Items that will be reclassified to income statement		
Exchange differences on translation of foreign operations	1,381	(4,715)
Net gains/(losses) on cash flow hedges	-	-
Gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	(366)	249
Share of profits of associates and joint ventures	-	-
Debt instruments at fair value through other comprehensive income	-	-
Others	-	-
	1,015	(4,466)
Items that will not be reclassified to income statement		
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	25	(3)
Changes in revaluation (deficit)/surplus (Net of Tax)	-	-
Share of profits of associates and joint ventures	-	-
Others	-	-
	25	(3)
Other comprehensive income/(loss) for the period, net of taxes	1,040	(4,469)
Total comprehensive income/(loss) for the period	5,316	1,887
Attributable to:		
Equity holders of the parent	5,316	1,887
Non-controlling interests	-	-

Selected Performance Indicators		
	As at 30 <sup>th</sup> June 2025	As at 31 <sup>st</sup> December 2024
Regulatory Capital Adequacy (LKR Millions)		
Common Equity Tier 1	94,210	94,220
Tier 1 Capital	94,210	94,220
Total Regulatory Capital	96,644	96,739
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (%) (Minimum Requirement, 70%)	21.96%	23.19%
Tier 1 Capital Ratio (%) (Minimum Requirement, 8.5%)	21.96%	23.19%
Total Capital Ratio (%) (Minimum Requirement, 12.5%)	22.53%	23.81%
BASEL111 Leverage Ratio (%) (Minimum Requirement, 3%)	13.21%	14.24%
Regulatory Liquidity Requirement		
Liquidity Coverage Ratio (%) (Minimum Requirement - 100%)		
Rupee (%)	190.00%	211.74%
All currency (%)	448.23%	335.50%
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	138.00%	134.71%
Assets Quality		
Impaired Loans (Stage 3) to Total Loans Ratio (%)	0.13%	0.17%
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	56.13%	74.84%
Income & Profitability		
Interest Margin (%)	7.22%	8.25%
Return on Assets (Before Tax) (%)	3.34%	2.97%
Return on Equity (%)	6.87%	10.75%
Cost to Income Ratio (%)	48.68%	49.84%

Stagewise impairment on loans & advances		
	As at 30 <sup>th</sup> June 2025 Rs. 'Mn	As at 31 <sup>st</sup> December 2024 Rs. 'Mn Audited
Gross loans and advances	205,914	203,593
Less: Accumulated impairment under stage 1	(671)	(813)
Accumulated impairment under stage 2	(733)	(559)
Accumulated impairment under stage 3	(338)	(1,019)
Net value of loans and advances	204,172	201,202

Due to Other Customers - By product		
	As at 30 <sup>th</sup> June 2025 Rs. 'Mn	As at 31 <sup>st</sup> December 2024 Rs. 'Mn Audited
By product - Domestic currency		
Demand deposits (current accounts)	46,523	40,727
Savings deposits	57,055	55,695
Fixed deposits	85,188	86,923
Other deposits	1,067	1,100
Sub total	189,833	184,445
By product - Foreign currency		
Demand deposits (current accounts)	62,143	56,888
Savings deposits	108,611	96,410
Fixed deposits	68,134	55,292
Other deposits	1,048	933
Sub total	239,936	209,523
Total	429,769	393,968

Statement of Financial Position		
	As at 30 <sup>th</sup> June 2025 Rs. 'Mn	As at 31 <sup>st</sup> December 2024 Rs. 'Mn
ASSETS		
Cash and cash equivalents	175,430	140,672
Balances with central bank	42,572	35,002
Placements with banks	14,995	74,803
Derivative financial instruments	539	239
Financial assets measured at fair value through profit or loss	120	14
Financial assets at amortised cost - loans and advances	204,172	201,202
Financial assets at amortised cost - debt instruments	103	98
Financial assets measured at fair value through other comprehensive income	144,907	85,136
Property, plant and equipment	5,564	5,627
Investment properties	-	-
Other assets	76,995	67,214
Total assets	665,397	610,007
LIABILITIES		
Due to banks	18,407	14,147
Derivative financial instruments	233	471
Financial liabilities at amortised cost - due to depositors	429,769	393,968
Current tax liabilities	5,306	1,467
Retirement benefit obligations	215	235
Deferred tax liabilities	301	267
Other liabilities	83,973	77,575
Total liabilities	538,204	488,130
Equity		
Stated capital/Assigned capital	3,152	3,152
Statutory reserve fund	3,152	3,152
Retained earnings	83,451	79,150
Other reserves	37,438	36,423
Total Shareholders' equity	127,193	121,877
Non-controlling interests	-	-
Total equity	127,193	121,877
Total equity and liabilities	665,397	610,007
Contingent liabilities and commitments	605,490	478,429
Memorandum Information		
Number of Employees	708	731
Number of Branches	10	11

Analysis of loans and advances, commitments, contingencies and impairment		
	As at 30 <sup>th</sup> June 2025 Rs. 'Mn	As at 31 <sup>st</sup> December 2024 Rs. 'Mn Audited
Product-wise gross loans & advances		
By product – Domestic currency		
Overdrafts	21,271	18,829
Term loans	59,382	59,587
Credit cards	22,069	22,092
Trade loans	814	1,295
Sub total	103,536	101,803
By product – Foreign currency		
Overdrafts	10,616	11,844
Term loans	44,570	47,093
Trade loans	47,193	42,853
Sub total	102,378	101,790
Total	205,915	203,593

Movement of impairment during the period		
	As at 30 <sup>th</sup> June 2025 Rs. 'Mn	As at 31 <sup>st</sup> December 2024 Rs. 'Mn Audited
Under stage 1		
Opening balance	813	745
Charge/(write back) to income statement	(147)	57
Other movements	5	11
Closing balance	671	813
Under stage 2		
Opening balance	560	2,984
Charge/(write back) to income statement	169	(2,378)
Other movements	4	(47)
Closing balance	733	559
Under stage 3		
Opening balance	1,019	1,112
Charge/(write back) to income statement	(694)	87
Other movements	13	180
Closing balance	338	1,019
Total impairment	1,742	2,391

Product-wise commitments and contingencies		
	As at 30 <sup>th</sup> June 2025 Rs. 'Mn	As at 31 <sup>st</sup> December 2024 Rs. 'Mn Audited
By product – Domestic currency		
Guarantees	4,756	6,554
Bonds	7,725	7,725
Letters of Credit	358	28
Undrawn Loan Commitments	142,223	154,743
Foreign Exchange Contracts	61,053	15,885
Other Contra Accounts	742	543
Sub total	217,471	185,478
By product – Foreign currency		
Guarantees	10,475	11,892
Bonds	41,081	46,018
Letters of Credit	43,982	40,086
Undrawn Loan Commitments	109,233	106,836
Foreign Exchange Contracts	126,185	34,570
Other Contra Accounts	57,063	53,549
Sub total	388,019	292,951
Total	605,490	478,429

Stage-wise impairment on commitments and contingencies		
	As at 30 <sup>th</sup> June 2025 Rs. 'Mn	As at 31 <sup>st</sup> December 2024 Rs. 'Mn Audited
Gross commitments and contingencies	605,490	478,429
Less: Accumulated impairment under stage 1	(50)	(346)
Accumulated impairment under stage 2	45	(301)
Accumulated impairment under stage 3	-	-
Net commitments and contingencies	605,485	477,783

Analysis of Financial Instruments by Measurement Basis				
For the period ended 30 <sup>th</sup> June 2025	Amortised cost Rs. 'Mn	Fair value through profit or loss Rs. 'Mn	Fair value through other comprehensive income Rs. 'Mn	Total Rs. 'Mn
ASSETS				
Cash and cash equivalents	175,430	-	-	175,430
Balances with central banks	42,572	-	-	42,572
Placements with banks	14,995	-	-	14,995
Derivative financial instruments	-	539	-	539
Loans and advances	204,172	-	-	204,172
Debt instruments	103	120	144,907	145,130
Equity instruments	-	-	-	-
Acceptances & Endorsements	67,632	-	-	67,632
Total financial assets	504,904	660	144,907	650,470
LIABILITIES				
Due to banks	18,407	-	-	18,407
Derivative financial instruments	-	233	-	233
Financial liabilities - due to depositors	429,769	-	-	429,769
Financial liabilities - due to other borrowers	-	-	-	-
Acceptances & Endorsements	78,630	-	-	78,630
Total financial liabilities	526,806	233	-	527,039

Analysis of Financial Instruments by Measurement Basis				
For the period ended 31 <sup>st</sup> December 2024	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	140,672	-	-	140,672
Balances with central banks	35,002	-	-	35,002
Placements with banks	74,803	-	-	74,803
Derivative financial instruments	-	239	-	239
Loans and advances	201,202	-	-	201,202
Debt instruments	98	14	85,136	85,248
Acceptances & Endorsements	58,081	-	-	58,081
Total financial assets	509,858	253	85,136	595,247
LIABILITIES				
Due to banks	14,147	-	-	14,147
Derivative financial instruments	-	471	-	471
Financial liabilities - due to depositors	393,968	-	-	393,968
Financial liabilities - due to other borrowers	-	-	-	-
Acceptances & Endorsements	67,650	-	-	67,650
Total financial liabilities	475,765	471	-	476,236

Statement of Changes in Equity									
For the Period Ended 30 <sup>th</sup> June 2025	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	
Balance as at 01 January 2025	-	-	3,152	3,152	3,076	79,150	33,347	121,877	
Total comprehensive income for the year									
Profit/(loss) for the year (net of tax)	-	-	-	-	-	4,276	-	4,276	
Other comprehensive income (net of tax)	-	-	-	-	-	25	1,015	1,040	
Total comprehensive income for the year	-	-	-	-	-	4,301	1,015	5,316	
Transactions with equity holders, recognised directly in equity									
Share issue/increase of assigned capital	-	-	-	-	-	-	-	-	
Transfers to reserves during the period	-	-	-	-	-	-	-	-	
Profit transferred to head office	-	-	-	-	-	-	-	-	
Gain/(loss) on revaluation of Property, Plant and Equipment (if cost method is adopted)	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-	
Total transactions with equity holders	-	-	-	-	-	-	-	-	
Balance as at 30 <sup>th</sup> June 2025 (Closing balance)	-	-	3,152	3,152	3,076	83,451	34,362	127,193	

FITCH		MOODY'S		STANDARD & POOR'S	
RATING	OUTLOOK	RATING	OUTLOOK	RATING	OUTLOOK
The Hongkong and Shanghai Banking Corporation Ltd	Long Term/Senior	AA-	Stable	Aa3	Negative
Short Term	FI+	-	-	P-1	-
(Parent company)				A-1+	-



(Signed)  
Mark Surgeonor  
Chief Executive Officer  
27<sup>th</sup> August 2025

(Signed)  
Angelo Pillai  
Chief Financial Officer