

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.

Summarised Income Statement		
For the nine months ended 30 th September	2025 Rs. Mn	2024 Rs. Mn
Interest income	28,778	30,597
Interest expenses	(6,642)	(6,704)
Net interest income	22,136	23,893
Fee and commission income	5,870	5,635
Fee and commission expenses	(1,477)	(1,191)
Net fee and commission income	4,393	4,444
Net gains/(losses) from trading	4,001	4,109
Net fair value gains/(losses) on:		
Financial assets at fair value through profit or loss	-	-
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	-	(689)
Net other operating income	254	110
Total operating income	30,784	31,867
Impairment reversals	471	2,307
Net operating income	31,255	34,174
Personnel expenses	(4,219)	(4,036)
Depreciation and amortisation expenses	(377)	(396)
Other expenses	(9,817)	(10,105)
Operating profit/(loss) before VAT and other taxes on financial services	16,841	19,637
Value added tax (VAT) on financial services	(3,421)	(3,642)
Other taxes on financial service	-	(322)
Operating profit/(loss) after VAT and other taxes on financial services	13,420	15,673
Profit/(loss) before tax	13,420	15,673
Income tax expenses	(7,510)	(4,618)
Profit/(loss) for the period	5,910	11,055
Profit attributable to:		
Equity holders of the parent	5,910	11,055
Non-controlling interests	-	-

Statement of Cash Flows		
	As at 30 th September 2025 Rs. Mn	As at 30 th September 2024 Rs. Mn
Cash flows from operating activities		
Interest receipts	28,982	30,635
Interest payments	(7,003)	(6,983)
Net commission receipts	4,393	4,444
Trading income	3,623	4,109
Payments to employees	(4,245)	(4,037)
VAT/SSCL on financial services	(3,421)	(5,104)
Receipts from other operating activities	254	120
Payments to other operating activities	(9,818)	(12,187)
Operating profit before change in operating assets and liabilities	12,765	10,997
(Increase)/decrease in operating assets		
Balances with the Central Bank of Sri Lanka	(2,885)	(1,037)
Financial assets at amortised cost - loans & advances	9,808	21,404
Treasury Bills & Bonds	(72,055)	(51,124)
Other assets	2,841	(12,531)
	(62,291)	(43,288)
Increase/(decrease) in operating liabilities		
Financial liabilities at amortised cost - due to depositors	8,502	24,958
Financial liabilities at amortised cost - due to other borrowers	(5,250)	(26,940)
Other liabilities	(6,422)	19,895
	(3,170)	17,913
Net cash (used in)/generated from operating activities before income tax	(52,696)	(14,378)
Income tax paid	(3,557)	(5,980)
Net cash (used in)/from operating activities	(56,253)	(20,358)
Cash flows from investing activities		
Purchase of property, plant & equipment	(128)	(251)
Net cash (used in)/from investing activities	(128)	(251)
Cash flows from financing activities		
Lease payments in lieu of leases with more than 1 year contract period	(89)	-
Profit transferred to head office	-	(5,997)
Net cash (used in)/from financing activities	(89)	(5,997)
Net increase/(decrease) in cash and cash equivalents	(56,470)	(26,606)
Cash and cash equivalents at the beginning of the period	172,077	303,376
Exchange difference in respect of cash & cash equivalents	2,664	(7,684)
Foreign exchange gain from transactions with customer	111	61
Cash and cash equivalents at the end of the period	118,382	269,147

Statement of Comprehensive Income		
For the nine months ended 30 th September	2025 Rs. Mn	2024 Rs. Mn Audited
Profit/(loss) for the year	5,910	11,055
Items that will be reclassified to income statement		
Exchange differences on translation of foreign operations	2,664	(7,684)
Net gains/(losses) on cash flow hedges	-	-
Gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	(25)	372
Share of profits of associates and joint ventures	-	-
Debt instruments at fair value through other comprehensive income	-	-
Others	-	-
	2,639	(7,312)
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	42	(13)
Changes in revaluation (deficit)/surplus (Net of Tax)	-	-
Share of profits of associates and joint ventures	-	-
Others	42	(13)
Other comprehensive income for the period, net of taxes	2,681	(7,325)
Total comprehensive income for the period	8,591	3,730
Attributable to:		
Equity holders of the parent	8,591	3,730
Non-controlling interests	-	-

Selected Performance Indicators		
Item	As at 30 th September 2025	As at 31 st December 2024
Regulatory Capital Adequacy (LKR Millions)		
Common Equity Tier 1	94,272	94,220
Tier 1 Capital	94,272	94,220
Total Regulatory Capital	96,587	96,739
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (%) (Minimum Requirement - 7.0%)	24.06%	23.19%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.5%)	24.06%	23.19%
Total Capital Ratio (%) (Minimum Requirement - 12.5%)	24.65%	23.81%
BASEL111 Leverage Ratio (%) (Minimum Requirement - 3%)	14.06%	14.24%
Regulatory Liquidity Requirement		
Liquidity Coverage Ratio (%) (Minimum Requirement - 100%)		
Rupee (%)	236.00%	211.74%
All currency (%)	554.64%	335.50%
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	150.00%	134.71%
Assets Quality		
Impaired Loans (Stage 3) to Total Loans Ratio (%)	0.13%	0.17%
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	53.86%	74.84%
Income & Profitability		
Interest Margin (%)	6.75%	8.25%
Return on Assets (BeforeTax) (%)	3.65%	2.97%
Return on Equity (%)	6.25%	10.75%
Cost to Income Ratio (%)	46.82%	49.84%

Stage-wise impairment on loans & advances	As at 30 th September 2025 Rs. Mn	As at 31 st December 2024 Rs. Mn Audited
Gross loans and advances	193,581	203,593
Less: Accumulated impairment under stage 1	(636)	(813)
Accumulated impairment under stage 2	(633)	(559)
Accumulated impairment under stage 3	(298)	(1,019)
Net value of loans and advances	192,014	201,202

Due to Other Customers - By product		
	As at 30 th September 2025 Rs. Mn	Audited As at 31 st December 2024 Rs. Mn
By product - Domestic currency		
Demand deposits (current accounts)	45,735	40,727
Savings deposits	50,497	55,695
Fixed deposits	86,006	86,923
Other deposits	1,160	1,100
Sub total	183,398	184,445
By product - Foreign currency		
Demand deposits (current accounts)	58,002	56,888
Savings deposits	87,789	96,410
Fixed deposits	72,221	55,292
Other deposits	1,060	933
Sub total	219,072	209,523
Total	402,470	393,968

Statement of Financial Position		
	As at 30 th September 2025 Rs. Mn	As at 31 st December 2024 Rs. Mn Audited
ASSETS		
Cash and cash equivalents	74,878	140,672
Balances with the Central Bank of Sri Lanka	47,267	35,002
Placements with banks	81,697	74,803
Derivative financial instruments	187	239
Financial assets measured at fair value through profit or loss	1,113	14
Financial assets at amortised cost - loans and advances	192,014	201,202
Financial assets at amortised cost - debt instruments	104	98
Financial assets measured at fair value through other comprehensive income	157,233	85,136
Property, plant and equipment	5,518	5,627
Investment properties	-	-
Other assets	61,382	67,214
Total assets	621,403	610,007
LIABILITIES		
Due to banks	8,897	14,147
Derivative financial instruments	151	471
Financial liabilities at amortised cost - due to depositors	402,470	393,968
Current tax liabilities	7,011	1,467
Retirement benefit obligations	215	235
Deferred tax liabilities	282	267
Other liabilities	71,909	77,575
Total liabilities	490,935	488,130
EQUITY		
Stated capital/Assigned capital	3,152	3,152
Statutory reserve fund	3,152	3,152
Retained earnings	85,102	79,150
Other reserves	39,062	36,424
Total Shareholders' equity	130,468	121,878
Non-controlling interests	-	-
Total equity	130,468	121,878
Total equity and liabilities	621,403	610,007
Contingent liabilities and commitments	593,914	478,429
Memorandum Information		
Number of Employees	699	731
Number of Branches	10	11

Analysis of loans and advances, commitments, contingencies and impairment		
	As at 30 th September 2025 Rs. Mn	As at 31 st December 2024 Rs. Mn Audited
Product-wise gross loans & advances		
By product – Domestic currency		
Overdrafts	18,501	18,829
Term loans	50,982	59,587
Credit cards	21,898	22,092
Trade loans	797	1,295
Sub total	92,178	101,803
By product – Foreign currency		
Overdrafts	12,974	11,844
Term loans	37,819	47,093
Trade loans	50,610	42,853
Sub total	101,403	101,790
Total	193,581	203,593

Movement of impairment during the period	As at 30 th September 2025 Rs. Mn	As at 31 st December 2024 Rs. Mn Audited
Under stage 1		
Opening balance	813	745
Charge/(write back) to income statement	(183)	57
Other movements	6	11
Closing balance	636	813
Under stage 2		
Opening balance	560	2,984
Charge/(write back) to income statement	68	(2,378)
Other movements	5	(46)
Closing balance	633	560
Under stage 3		
Opening balance	1,019	1,112
Charge/(write back) to income statement	(734)	87
Other movements	13	180
Closing balance	298	1,019
Total impairment	1,567	4,841

Product-wise commitments and contingencies	As at 30 th September 2025 Rs. Mn	As at 31 st December 2024 Rs. Mn Audited
By product – Domestic currency		
Guarantees	4,325	6,594
Bonds	8,691	7,725
Letters of Credit	431	28
Undrawn Loan Commitments	142,223	154,743
Foreign Exchange Contracts	52,802	15,885
Other Contra Accounts	840	543
Sub total	209,312	185,478
By product – Foreign currency		
Guarantees	9,760	11,892
Bonds	44,698	46,018
Letters of Credit	48,924	40,086
Undrawn Loan Commitments	111,512	106,836
Foreign Exchange Contracts	108,485	34,570
Other Contra Accounts	61,223	53,549
Sub total	384,602	292,951
Total	593,914	478,429

Stage-wise impairment on commitments and contingencies	As at 30 th September 2025 Rs. Mn	As at 31 st December 2024 Rs. Mn Audited
Gross commitments and contingencies	593,914	478,429
Less: Accumulated impairment under stage 1	(183)	(346)
Accumulated impairment under stage 2	(95)	(301)
Accumulated impairment under stage 3	-	-
Net commitments and contingencies	593,636	477,783

Analysis of Financial Instruments by Measurement Basis				
For the period ended 30th September 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	74,878	-	-	74,878
Balances with central banks	47,267	-	-	47,267
Placements with banks	81,697	-	-	81,697
Derivative financial instruments	-	187	-	187
Loans and advances	192,014	-	-	192,014
Debt instruments	104	1,113	157,233	158,450
Equity instruments	-	-	-	-
Acceptances & Endorsements	67,632	-	-	67,632
Total financial assets	463,592	1,300	157,233	622,125
LIABILITIES				
Due to banks	8,897	-	-	8,897
Derivative financial instruments	-	151	-	151
Financial liabilities - due to depositors	402,470	-	-	402,470
Financial liabilities - due to other borrowers	-	-	-	-
Acceptances & Endorsements	78,630	-	-	78,630
Total financial liabilities	489,997	151	-	490,148

Analysis of Financial Instruments by Measurement Basis				
For the period ended 31 st December 2024	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	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	55,347	-	-	55,347
Total financial assets	507,124	253	85,136	592,513
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	55,420	-	-	55,420
Total financial liabilities	463,535	471	-	464,006

Statement of Changes in Equity									
For the period ended 30th September 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 01/01/2025 (Opening balance)	-	-	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)	-	-	-	-	-	5,910	-	5,910	
Other comprehensive income (Net of Tax)	-	-	-	-	-	42	2,639	2,681	
Total comprehensive income for the year	-	-	-	-	-	5,952	2,639	8,591	
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 30/09/2025 (Closing balance)	-	-	3,152	3,152	3,076	85,102	35,986	130,468	

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	Stable
	Short Term	F1+	-	P-1	-
(Parent company)				A-1+	-

HSBC Sri Lanka has entered into a sales and purchase agreement with Nations Trust Bank PLC to dispose its International Wealth and Premier Banking Unit in Sri Lanka and awaiting regulatory approvals.



(Signed)
Mark Surgenor
Chief Executive Officer
28th November 2025

(Signed)
Angelo Pillai
Chief Financial Officer

The financial information summarised above for the nine months ended 30th September 2025 is drawn up from the un-audited financial statements of the Bank, prepared according to the Sri Lankan Accounting Standards. (SLFRS/LKAS)

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

- (a) the above statements have been prepared