

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 3 months ended 31 st March	2026 Rs. Mn	2025 Rs. Mn
Interest income	8,888	9,518
Interest expenses	(2,274)	(2,315)
Net interest income	6,614	7,203
Fee and commission income	2,154	1,785
Fee and commission expenses	(445)	(489)
Net fee and commission income	1,709	1,296
Net gains/(losses) from trading	1,599	1,269
Financial liabilities at fair value through profit or loss	19	-
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	-	-
Net other operating income	-	-
Total operating income	9,941	9,768
Impairment (charges)/reversals	(217)	111
Net operating income	9,722	9,879
Personnel expenses	(1,749)	(1,368)
Depreciation and amortisation expenses	(109)	(134)
Other expenses	(4,265)	(3,162)
Operating profit/(loss) before VAT and other taxes on financial services	3,599	5,214
Value added tax (VAT) on financial services	(1,000)	(1,142)
Other taxes on financial services	-	-
Operating profit/(loss) after VAT and other taxes on financial services	2,599	4,072
Profit/(loss) before tax	2,599	4,072
Income tax expenses	(570)	(1,418)
Profit/(loss) for the period	2,029	2,654
Profit attributable to:		
Equity holders of the parent	2,029	2,654
Non-controlling interests	-	-

Statement of Cash Flows		
	As at 31 st March 2026 Rs. Mn	As at 31 st December 2025 Rs. Mn
Cash flows from operating activities		
Interest receipts	9,152	9,966
Interest payments	(2,086)	(2,262)
Net commission receipts	1,709	1,295
Trading income	1,568	943
Payments to employees	(1,781)	(1,497)
VAT/SSCL on financial services	(1,000)	(1,515)
Receipts from other operating activities	0	0
Payments to other operating activities	(4,265)	(3,162)
Operating profit before change in operating assets and liabilities	3,297	3,768
(Increase)/decrease in operating assets		
Balances with the Central Bank of Sri Lanka	388	(64)
Financial assets at amortised cost - loans & advances	23,020	2,833
Treasury Bills & Bonds	258	(37,316)
Other assets	(6,653)	50,784
	17,013	16,236
Increase/(decrease) in operating liabilities		
Financial liabilities at amortised cost - due to depositors	13,899	29,237
Financial liabilities at amortised cost - due to other borrowers	7,725	(3,424)
Other liabilities	6,833	15,388
	28,457	41,201
Net cash (used in)/generated from operating activities before income tax	48,767	61,206
Income tax paid	(1,223)	(1,111)
Net cash (used in)/from operating activities	(47,543)	(60,094)
Cash flows from investing activities		
Purchase of property, plant & equipment	(139)	(44)
Net cash (used in)/from investing activities	(139)	(44)
Cash flows from financing activities		
Lease payments in lieu of leases with more than 1 year contract period	(36)	(31)
Profit transferred to head office	0	0
Net cash (used in)/from financing activities	(36)	(31)
Net increase/(decrease) in cash and cash equivalents	(47,368)	(60,019)
Cash and cash equivalents at the beginning of the period	200,245	172,077
Exchange difference in respect of cash & cash equivalents	2,290	1,093
Foreign exchange gain from transactions with customer	56	39
Cash and cash equivalents at the end of the period	249,960	233,228

Statement of Comprehensive Income		
For the 3 months ended 31 st March	2026 Rs. Mn	2025 Rs. Mn
Profit/(loss) for the year	2,029	2,654
Items that will be reclassified to income statement		
Exchange differences on translation of foreign operations	677	1,093
Net gains/(losses) on cash flow hedges	-	-
Gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	(396)	(358)
	281	735
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	0	-
Changes in revaluation (deficit)/surplus (Net of Tax)	-	-
Other comprehensive income for the period, net of taxes	281	735
Total comprehensive income for the period	2,310	3,389
Attributable to:		
Equity holders of the parent	2,310	3,389
Non-controlling interests	-	-

Selected Performance Indicators		
Item	As at 31 st March 2026	As at 31 st December 2025
Regulatory Capital Adequacy (LKR Millions)		
Common Equity Tier 1	96,332	96,323
Tier 1 Capital	96,332	96,323
Total Regulatory Capital	98,546	98,827
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (%) (Minimum Requirement - 7.0%)	25.13%	24.00%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.5%)	25.13%	24.00%
Total Capital Ratio (%) (Minimum Requirement - 12.5%)	25.71%	24.63%
BASEL111 Leverage Ratio (%) (Minimum Requirement - 3%)	13.42%	13.54%
Regulatory Liquidity Requirement		
Liquidity Coverage Ratio (%) (Minimum Requirement - 100%)	315.00%	217.00%
Rupee (%)	377.01%	337.50%
All currency (%)	153.64%	149.00%
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	153.64%	149.00%
Assets Quality		
Impaired Loans (Stage 3) to Total Loans Ratio (%)	0.24%	0.17%
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	57.20%	74.84%
Income & Profitability		
Interest Margin (%)	6.08%	8.25%
Return on Assets (Before Tax) (%)	1.22%	2.97%
Return on Equity (%)	6.19%	10.75%
Cost to Income Ratio (%)	61.59%	49.84%

Stage-wise impairment on loans & advances		
	As at 31 st March 2026 Rs. Mn	As at 31 st December 2025 Rs. Mn
Gross loans and advances	182,431	205,713
Less: Accumulated impairment under stage 1	(629)	(725)
Accumulated impairment under stage 2	(800)	(726)
Accumulated impairment under stage 3	(270)	(286)
Net value of loans and advances	180,732	203,975

Due to Other Customers - By product		
	As at 31 st March 2026 Rs. Mn	As at 31 st December 2025 Rs. Mn
By product - Domestic currency		
Demand deposits (current accounts)	46,702	48,837
Savings deposits	56,827	53,401
Fixed deposits	88,469	84,761
Other deposits	5,145	5,100
Sub total	197,143	192,100
By product - Foreign currency		
Demand deposits (current accounts)	76,477	67,318
Savings deposits	69,756	71,295
Fixed deposits	81,581	80,496
Other deposits	1,048	887
Sub total	228,862	220,006
Total	426,005	412,106

Statement of Financial Position		
	As at 31 st March 2026 Rs. Mn	As at 31 st December 2025 Rs. Mn
ASSETS		
Cash and cash equivalents	172,662	130,116
Balances with the Central Bank of Sri Lanka	51,019	29,310
Placements with banks	81,697	102,524
Derivative financial instruments	672	503
Financial assets measured at fair value through profit or loss	13,273	4,319
Financial assets at amortised cost - loans and advances	149,916	172,858
Financial assets at amortised cost - debt instruments	107	106
Financial assets measured at fair value through other comprehensive income	108,151	117,363
Property, plant and equipment	5,291	5,318
Investment properties	-	-
Deferred tax assets	-	1,050
Other assets	54,247	47,049
Assets classified under held for sale	31,807	36,624
Total assets	668,842	647,141
LIABILITIES		
Due to banks	31,188	32,480
Derivative financial instruments	536	341
Financial liabilities at amortised cost - due to depositors	291,839	279,035
Current tax liabilities	8,359	2,876
Retirement benefit obligations	160	162
Deferred tax liabilities	290	-
Other liabilities	67,344	59,499
Liabilities classified under held for sale	136,874	142,803
Total liabilities	536,590	517,198
EQUITY		
Stated capital/Assigned capital	3,152	3,152
Statutory reserve fund	3,152	3,152
Retained earnings	84,147	82,117
Other reserves	41,801	41,521
Total shareholders' equity	132,252	129,943
Non-controlling interests	-	-
Total equity	132,252	129,943
Total equity and liabilities	668,842	647,141
Contingent liabilities and commitments	688,421	503,712
Memorandum Information		
Number of Employees	681	690
Number of Branches	8	9

Analysis of loans and advances, commitments, contingencies and impairment		
	As at 31 st March 2026 Rs. Mn	As at 31 st December 2025 Rs. Mn
Product-wise gross loans & advances		
By product - Domestic currency		
Overdrafts	17,736	19,078
Term loans	51,402	60,646
Credit card	21,636	22,209
Trade loans	2,328	1,183
Sub total	93,101	103,095
By product - Foreign currency		
Overdrafts	8,747	12,929
Term loans	32,294	36,517
Trade loans	48,288	53,172
Sub total	89,330	102,618
Total	182,431	205,713

Movement of impairment during the period		
	As at 31 st March 2026 Rs. Mn	As at 31 st December 2025 Rs. Mn
Under stage 1		
Opening balance	725	813
Charge/(write back) to income statement	96	(89)
Other movements	-	1
Closing balance	629	725
Under stage 2		
Opening balance	726	559
Charge/(write back) to income statement	(74)	163
Other movements	-	4
Closing balance	800	726
Under stage 3		
Opening balance	286	1,019
Charge/(write back) to income statement	16	(733)
Other movements	-	1
Closing balance	270	286
Total impairment	1,699	1,738

Product-wise commitments and contingencies		
	As at 31 st March 2026 Rs. Mn	As at 31 st December 2025 Rs. Mn
By product - Domestic currency		
Guarantees	4,784	6,554
Bonds	7,063	7,725
Letters of Credit	111	28
Undrawn Loan Commitments	127,760	154,743
Foreign Exchange Contracts	36,765	15,885
Other Contra Accounts	1	543
Sub total	176,472	185,478
By product - Foreign currency		
Guarantees	9,619	11,892
Bonds	47,164	46,018
Letters of Credit	45,886	40,086
Undrawn Loan Commitments	113,666	108,836
Foreign Exchange Contracts	165,076	34,570
Other Contra Accounts	130,540	53,549
Sub total	511,951	292,951
Total	688,421	478,429

Stage-wise impairment on commitments and contingencies		
	As at 31 st March 2026 Rs. Mn	As at 31 st December 2025 Rs. Mn
Gross commitments and contingencies	688,421	478,429
Less: Accumulated impairment under stage 1	(83)	(147)
Accumulated impairment under stage 2	(290)	65
Accumulated impairment under stage 3	-	-
Net commitments and contingencies	688,048	478,347

Analysis of Financial Instruments by Measurement Basis				
For the period ended 31 st March 2026	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	172,662	-	-	172,662
Balances with central banks	51,019	-	-	51,019
Placements with banks	81,697	-	-	81,697
Derivative financial instruments	-	672	-	672
Loans and advances	180,732	-	-	180,732
Debt instruments	107	13,273	108,151	121,531
Equity instruments	-	-	-	-
Acceptances & Endorsements	54,016	-	-	54,016
Total financial assets	540,233	13,945	108,151	662,329
LIABILITIES				
Due to banks	31,188	-	-	31,188
Derivative financial instruments	-	536	-	536
Financial liabilities - due to depositors	426,004	-	-	426,004
Financial liabilities - due to other borrowers	-	-	-	-
Acceptances & Endorsements	54,016	-	-	54,016
Total financial liabilities	511,208	536	-	511,744

Analysis of Financial Instruments by Measurement Basis				
For the period ended 31 st December 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	134,189	-	-	134,189
Balances with central banks	29,310	-	-	29,310
Placements with banks	102,524	-	-	102,524
Derivative financial instruments	-	503	-	503
Loans and advances	203,975	-	-	203,975
Debt instruments	106	4,319	117,363	121,789
Acceptances & Endorsements	36,936	-	-	36,936
Total financial assets	507,041	4,823	117,363	629,227
LIABILITIES				
Due to banks	32,480	-	-	32,480
Derivative financial instruments	-	341	-	341
Financial liabilities - due to depositors	412,105	-	-	412,105
Financial liabilities - due to other borrowers	-	-	-	-
Acceptances & Endorsements	36,936	-	-	36,936
Total financial liabilities	481,522	341	-	