The Hongkong and Shanghai Banking Corporation Limited
Incorporated in the Hongkong SAR with limited liability

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

Statement of Comprehensive Income

For the period ended 30 June 2014 2013
(Rs. '000) (Rs. '000)

Income:
Interest income 11,740,960 12,808,562
Less: interest expenses (1,891,166) (3,595,940)
Net interest income 9,849,794 9,212,622
Net fee and commission income 2,977,028 2,714,941
Less: net fee and commission expenses (382,781) (333,806)
Net fee and commission income 2,594,247 2,381,135
Net gains/losses on trading 1,071,872 767,659
Net gains/losses from financial instruments designated at fair value through profit or loss - -
Net gains/losses from financial investments - -
Other operating income (net) 31,066 63,477
Total operating income 12,107,969 12,657,477

Operating expenses:
Impairment for loans and other due 355,887 (186,686)
Collective amount (343,744) (223,280)
Other - -
Net operating income 11,754,082 12,434,201

Provisions:
Personal expenses (1,736,668) (1,687,430)
Depreciation and amortization (77,126) (76,822)
Other expenses (2,777,932) (2,683,255)
Operating profit/deduction before provisions 7,007,597 7,423,483
Value Added Tax (VAT) on financial services (892,572) (1,043,074)
Operating profit/deduction after provisions 6,115,025 6,380,409

Profit attributable to:
Owners of the parent - -
Non-controlling interest - -
Profit for the period 6,115,025 6,380,409

Analysis of Financial Instruments by Measurement Basis

For the period ended 30 June 2014
(Rs. '000)

<table>
<thead>
<tr>
<th>Held-to-maturity</th>
<th>Designated at fair value through profit/loss</th>
<th>Available-for-sale</th>
<th>Hedging</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs. '000</td>
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Assets

- Cash and cash equivalents - - - -
- Loans to central banks - - - -
- Securities with banks - - - -
- Derivative financial instruments - - - -
- Fixed Cash and cash equivalents 9,091,819 - - -
Joints and receivables to banks - - - -
Loans and receivables to other customers - - - -
Financial investments - - - -
Occupations & Endowments - - - -
Total financial assets 6,835,013 - - 236,366,439 106,384,439 318,827,872

Liabilities

- In loans to banks 76,170,284 - - - -
- Derivative financial instruments 10,517 - - - -
Net financial liabilities at fair value through profit or loss - - - - -
Loans to other customers - - - - -
Other borrowings - - - - -
Net securities issued - - - - -
Occupations & Endowments - - - - -
Total financial liabilities 75,679,794 - - 106,384,439 106,384,439 211,064,233

Statement of Changes in Equity

For the period ended 30 June 2014
(Rs. '000)

<table>
<thead>
<tr>
<th>Ordinary share capital</th>
<th>Ordinary share reserve shares</th>
<th>Capital reserve</th>
<th>Share option scheme</th>
<th>Share issue</th>
<th>Rights issue</th>
<th>Reinvested surplus</th>
<th>Total</th>
<th>Non-controlling interest</th>
<th>Total</th>
</tr>
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Balance as of 01/07/2013 (opening balance) - - - - - - - - -

Total comprehensive income for the year - - - - - - - - -

Profit or loss for the period - - - - - - - - -

Other comprehensive income (net of tax) - - - - - - - - -

Total comprehensive income for the year - - - - - - - - -

Transactions with equity holders recognized directly in equity - - - - - - - - -

Awards for employees of anchor capital - - - - - - - - -

Share option exercised - - - - - - - - -

Bonus issue - - - - - - - - -

Rights issue - - - - - - - - -

Transfer to reserves during the period - - - - - - - - -

Dividends to equity holders - - - - - - - - -

Profit transferred to legal office - - - - - - - - -

Gains/(losses) on revaluation of property, plant and equipment - - - - - - - - -

Other - - - - - - - - -

Total transactions with equity holders - - - - - - - - -

Balance as of 30/06/2014 (closing balance) - - - - - - - - -