

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of profit or loss and other comprehensive income

for the period ended 30 September 2023

	Three months ended	Three months ended	Nine months ended	Nine months ended	Year ended
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Dec-22
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Interest income	294,688	163,542	867,756	431,223	625,261
Interest expense	(119,976)	(24,818)	(324,487)	(61,825)	(112,903)
Net interest income	174,712	138,724	543,269	369,398	512,358
Fee and commission income	46,170	47,668	138,309	141,704	190,185
Fee and commission expense	(16,584)	(16,707)	(34,031)	(36,206)	(48,550)
Net fee and commission income	29,586	30,961	104,278	105,498	141,635
Net trading income	44,060	47,654	141,776	145,979	208,753
	248,358	217,339	789,323	620,875	862,746
Other operating income	45,659	49,380	139,848	144,734	188,885
Total operating income	294,017	266,719	929,171	765,609	1,051,631
Net impairment release/(charge) on financial assets	1,996	(783)	21,590	29,687	67,345
Personnel expenses	(110,944)	(106,066)	(391,853)	(324,429)	(467,528)
Operating lease expenses	(1,637)	(2,502)	(3,926)	(6,279)	(4,276)
Depreciation	(10,486)	(11,709)	(31,589)	(33,633)	(45,420)
Other expenses	(151,952)	(151,211)	(437,889)	(404,350)	(583,115)
Total expenses	(275,019)	(271,488)	(865,257)	(768,691)	(1,100,339)
Profit/(loss) before tax	20,994	(5,552)	85,504	26,605	18,637
Tax expense	(9,213)	(17,935)	(49,647)	(35,717)	(6,744)
Profit/(loss) for the period/year	11,781	(23,487)	35,857	(9,112)	11,893
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of retirement obligations	16,070	(25,756)	(1,234)	(44,307)	124,837
Deferred tax impact on remeasurements of retirement obligations	-	5,073	-	4,684	(93,894)
Gain on revaluation of land and buildings	-	1,161	-	1,161	12,998
Deferred tax impact on gain on revaluation of land and buildings	-	(119)	-	(73)	4,915
	16,070	(19,641)	(1,234)	(38,535)	48,856
Items that may be reclassified to profit or loss					
Net change in fair value of financial assets at fair value through other comprehensive income	33,798	(9,697)	63,791	(71,812)	(159,504)
Deferred tax impact on change in fair value of financial assets at fair value through other comprehensive income	-	(791)	-	3,165	4,607
	33,798	(10,488)	63,791	(68,647)	(154,897)
Total other comprehensive income/(loss) for the period/year	49,868	(30,129)	62,557	(107,182)	(106,041)
Total comprehensive income/(loss) for the period/year	61,649	(53,616)	98,414	(116,294)	(94,148)



The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of financial position

at 30 September 2023

	30-Sep-23 MUR'000	30-Sep-22 MUR'000	31-Dec-22 MUR'000
ASSETS			
Cash and cash equivalents	9,691,916	7,236,267	7,068,916
Trading assets	5,411	3,647	5,530
Loans and advances to banks	242,503	102,942	200,357
Loans and advances to customers	10,243,141	12,068,275	12,123,598
Investment securities at fair value through other comprehensive income	6,275,557	8,699,395	6,537,624
Investment securities at amortised cost	1,007,259	1,561,901	1,309,123
Other assets	2,686,959	2,722,660	2,513,370
Intangible assets	2,185	2,875	2,703
Property, plant and equipment	387,950	346,583	390,844
Deferred tax assets	-	62,994	-
Total assets	30,542,881	32,807,539	30,152,065

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of financial position (continued)

at 30 September 2023

	30-Sep-23 MUR'000	30-Sep-22 MUR'000	31-Dec-22 MUR'000
LIABILITIES			
Deposits from banks	332,557	565,064	451,231
Deposits from customers	26,835,498	28,372,252	26,335,817
Trading liabilities	4,041	2,064	6,871
Other borrowed funds	144,531	897,627	444,494
Current tax liabilities	44,099	43,919	44,099
Other liabilities	796,814	664,706	583,918
Total liabilities	28,157,540	30,545,632	27,866,430
Shareholder's funds			
Assigned capital	794,150	794,150	794,150
Retained earnings	935,865	801,630	896,274
Other reserves	655,326	666,127	595,211
Total shareholder's funds	2,385,341	2,261,907	2,285,635
Total liabilities and shareholder's funds	30,542,881	32,807,539	30,152,065
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers	2,531,208	3,383,768	2,646,497
Undrawn commitments	10,510,427	8,439,304	9,647,576

Approved on 3 November 2023

Gregory Lowden
Chief Executive Officer

Rajiv Gopaul
Head of Finance

The Hongkong and Shanghai Banking Corporation Limited - Mauritius Branch

Unaudited Statement of changes in equity
for the period ended 30 September 2023

	Assigned capital	Retained earnings	Other Reserves				Fair value reserve	Total shareholder's funds
			Share based payment	Revaluation reserve	Statutory reserve	General banking reserve		
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Balance at 1 January 2021	794,150	707,398	13,009	208,493	306,835	91,861	164,226	2,285,972
Total comprehensive income								
Profit for the year	-	280,682	-	-	-	-	-	280,682
<i>Other comprehensive income</i>								
Net change in fair value	-	-	-	-	-	-	(100,307)	(100,307)
Realisation of revaluation reserve to retained earnings	-	1,968	-	(1,968)	-	-	-	-
Remeasurements of retirement obligations	-	207,168	-	-	-	-	-	207,168
Revaluation of land and buildings	-	-	-	15,268	-	-	-	15,268
Tax on other comprehensive income	-	(26,591)	-	(461)	-	-	(4,607)	(31,659)
Total other comprehensive income	-	182,545	-	12,839	-	-	(104,914)	90,470
Total comprehensive income	-	463,227	-	12,839	-	-	(104,914)	371,152
Transactions with owner of the Bank								
Other movements during the year	-	72	1,439	-	-	-	-	1,511
Net change in fair value of share-based payment liability	-	1,955	(1,955)	-	-	-	-	-
Transactions with owner of the Bank	-	2,027	(516)	-	-	-	-	1,511
Transfer to general banking reserve	-	(20)	-	-	-	20	-	-
Balance at 31 December 2021	794,150	1,172,632	12,493	221,332	306,835	91,881	59,312	2,658,635
Total comprehensive income								
Profit for the year	-	11,893	-	-	-	-	-	11,893
<i>Other comprehensive income</i>								
Net change in fair value	-	-	-	-	-	-	(159,504)	(159,504)
Realisation of revaluation reserve to retained earnings	-	2,098	-	(2,098)	-	-	-	-
Remeasurements of retirement obligations	-	124,837	-	-	-	-	-	124,837
Revaluation of land and buildings	-	-	-	12,998	-	-	-	12,998
Write off of deferred tax	-	(93,894)	-	4,915	-	-	4,607	(84,372)
Total other comprehensive income	-	33,041	-	15,815	-	-	(154,897)	(106,041)
Total comprehensive income	-	44,934	-	15,815	-	-	(154,897)	(94,148)
Transactions with owner of the Bank								
Other movements during the year	-	-	1,830	-	-	-	-	1,830
Net change in fair value of share-based payment liability	-	342	(342)	-	-	-	-	-
Profit remittance to Head office	-	(280,682)	-	-	-	-	-	(280,682)
Transactions with owner of the Bank	-	(280,340)	1,488	-	-	-	-	(278,852)
Transfer to general banking reserve	-	(40,952)	-	-	-	40,952	-	-
Balance at 31 December 2022	794,150	896,274	13,981	237,147	306,835	132,833	(95,585)	2,285,635
Total comprehensive income								
Profit for the year	-	35,857	-	-	-	-	-	35,857
<i>Other comprehensive income</i>								
Net change in fair value	-	-	-	-	-	-	63,791	63,791
Realisation of revaluation reserve to retained earnings	-	1,073	-	(1,073)	-	-	-	-
Remeasurements of retirement obligations	-	(1,234)	-	-	-	-	-	(1,234)
Total other comprehensive income	-	(161)	-	(1,073)	-	-	63,791	62,557
Total comprehensive income	-	35,696	-	(1,073)	-	-	63,791	98,414
Transactions with owner of the Bank								
Other movements during the year	-	-	1,292	-	-	-	-	1,292
Transactions with owner of the Bank	-	-	1,292	-	-	-	-	1,292
Transfer from general banking reserve	-	16,187	-	-	-	(16,187)	-	-
Balance at 30 September 2023	794,150	948,157	15,273	236,074	306,835	116,646	(31,794)	2,385,341

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of cash flows for the period ended 30 September 2023

	30-Sep-23 MUR'000	30-Sep-22 MUR'000	31-Dec-22 MUR'000
Cash flows from operating activities			
Profit before tax	85,504	26,605	18,637
Adjustments for:			
Depreciation and amortisation	31,589	33,633	45,420
Profit on sale of fixed assets	-	(16)	
Profit on modification of lease	(5,366)	-	(2,820)
Net impairment reversal on financial assets	(21,590)	(29,687)	(67,345)
Net interest income	(543,269)	(369,398)	(512,358)
Write off of plant, property and equipment	-	-	10,392
Exchange differences in respect of cash and cash equivalents	16,878	(240,981)	(139,114)
	(436,254)	(579,844)	(647,188)
Change in:			
Other assets	(179,034)	395,070	645,827
Other liabilities	109,052	(723,485)	(691,302)
Trading assets	119	8,345	6,462
Trading liabilities	(2,830)	975	5,782
Loans and advances to customers	1,902,404	(1,224,312)	(1,241,417)
Loans and advances to banks	(47,013)	275,687	177,719
Deposits from customers	499,681	2,557,334	520,899
Deposits from banks	(118,674)	(612,221)	(726,054)
Interest received	933,722	470,227	681,144
Interest paid	(208,568)	(45,618)	(93,900)
Other borrowed funds	(299,963)	(185,876)	(639,009)
	2,152,642	336,282	(2,001,037)
Tax paid	(49,647)	(42,779)	(42,778)
Net cash from/(used in) operating activities	2,102,995	293,503	(2,043,815)
Cash flows from investing activities			
Acquisition of property, plant and equipment	(22,810)	(1,659)	(52,483)
Proceeds from disposal of property, plant and equipment	-	7,871	-
Purchase of investment securities	(114,664,751)	(9,121,425)	(11,686,730)
Proceed from sale and maturity of investment securities	117,114,258	9,502,300	14,521,600
Net cash from investing activities	2,426,697	387,087	2,782,387
Cash flows from financing activities			
Principal element of lease payments	(12,101)	(46,836)	(22,207)
Repatriation of profit	-	(281,822)	(280,682)
Net cash used in financing activities	(12,101)	(328,658)	(302,889)
Net change in cash and cash equivalents	4,517,591	351,932	435,683
Cash and cash equivalents at 1 January	7,218,151	6,643,354	6,643,354
Exchange differences in respect of cash and cash equivalents	(16,878)	240,981	139,114
Cash and cash equivalents at end of period/year	11,718,864	7,236,267	7,218,151