

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of profit or loss and other comprehensive income for the period ended 30 June 2019

	Three months ended 30 June 2019 MUR'000	Three months ended 30 June 2018 MUR'000	Six months ended 30 June 2019 MUR'000	Six months ended 30 June 2018 MUR'000	Year ended 31 December 2018 MUR'000
Interest income	255,997	212,457	505,096	407,989	878,362
Interest expense	(100,450)	(60,400)	(193,052)	(110,475)	(261,206)
Net interest income	155,547	152,057	312,044	297,514	617,156
Fee and commission income	46,721	47,316	92,679	91,367	192,053
Fee and commission expense	(11,232)	(10,961)	(20,656)	(20,424)	(29,147)
Net fee and commission income	35,489	36,355	72,023	70,943	162,906
Net trading income	26,922	34,661	55,407	80,770	143,587
	217,958	223,073	439,474	449,227	923,649
Other operating income	36,844	90,069	133,252	173,947	367,977
Total operating income	254,802	313,142	572,726	623,174	1,291,626
Net reversal of impairment/(impairment loss) on financial assets	3,630	2,799	118	1,882	(4,312)
Personnel expenses	(104,325)	(101,395)	(203,901)	(199,182)	(413,549)
Operating lease expenses	(3,630)	(9,700)	(7,404)	(19,510)	(38,625)
Depreciation	(8,252)	(2,847)	(19,038)	(5,492)	(13,229)
Other expenses	(75,789)	(150,655)	(209,474)	(262,082)	(506,570)
Total expenses	(191,996)	(264,597)	(439,817)	(486,266)	(971,973)
Profit before income tax	66,436	51,344	133,027	138,790	315,341
Income tax expense	2,333	(11,124)	(17,066)	(29,098)	(75,186)
Profit for the period/year	68,769	40,220	115,961	109,692	240,155
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit liabilities	(20,997)	(28,147)	(44,235)	(56,293)	(83,394)
Related tax	(1,494)	4,786	(2,986)	8,953	(50,163)
Gain on revaluation of land and buildings	-	-	-	-	16,150
Related tax on gain on revaluation of land and buildings	24	-	47	-	(1,555)
	(22,467)	(23,361)	(47,174)	(47,340)	(118,962)
Items that may be reclassified to profit or loss					
Net change in fair value of financial assets at FVOCI	(790)	(104)	25,648	(71,122)	(36,221)
	(790)	(104)	25,648	(71,122)	(36,221)
Other comprehensive income for the period/year	(23,257)	(23,465)	(21,526)	(118,462)	(155,183)
Total comprehensive income for the period/year	45,512	16,755	94,435	(8,770)	84,972

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of financial position

at 30 June 2019

	30 June 2019	30 June 2018	31 December 2018
	MUR'000	MUR'000	MUR'000
Assets			
Cash and cash equivalents	3,499,945	3,289,563	4,485,191
Trading assets	3,389	6,339	570
Loans and advances to banks	1,668,349	511,904	383,993
Loans and advances to customers	15,442,527	13,445,647	14,986,995
Investment securities	7,389,926	6,231,935	6,572,059
Other assets	2,139,010	1,783,356	1,904,357
Property, plant and equipment	367,015	245,616	312,332
Deferred tax assets	44,779	102,818	45,168
Total assets	30,554,940	25,617,178	28,690,665

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of financial position (continued)

at 30 June 2019

	30 June 2019 MUR'000	30 June 2018 MUR'000	31 December 2018 MUR'000
Liabilities			
Deposits from banks	833,463	303,350	578,740
Deposits from customers	19,089,976	18,287,700	18,855,589
Trading liabilities	3,134	3,231	2,130
Other borrowed funds	6,674,705	3,475,250	5,519,060
Current tax liabilities	16,290	23,753	48,184
Other liabilities	1,405,438	1,179,235	1,249,101
Total liabilities	28,023,006	23,272,519	26,252,804
Shareholder's funds			
Assigned capital	400,000	300,000	300,000
Retained earnings	1,477,090	1,487,690	1,511,499
Other reserves	654,844	556,969	626,362
Total shareholder's funds	2,531,934	2,344,659	2,437,861
Total liabilities and shareholder's funds	30,554,940	25,617,178	28,690,665
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations.	4,807,247	6,274,056	5,377,218
Commitments	7,732,789	8,881,090	7,579,614

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of changes in equity for the period ended 30 June 2019

	Assigned capital	Retained earnings	Other Reserves				Fair value reserve	Total
			Reserves for own shares	Revaluation reserves	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 2017	239,265	1,368,257	22,722	181,955	243,185	152,282	14,444	2,222,110
Total comprehensive income								
Profit for the year	-	220,167	-	-	-	-	-	220,167
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	953	953
Realisation of revaluation reserve to retained earnings	-	929	-	(929)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(112,584)	-	-	-	-	-	(112,584)
Revaluation of properties	-	-	-	15,442	-	-	-	15,442
Tax on other comprehensive income	-	48,978	-	(1,274)	-	-	-	47,704
Total other comprehensive income	-	(62,677)	-	13,239	-	-	953	(48,485)
Total comprehensive income	-	157,490	-	13,239	-	-	953	171,682
Transactions with owners of the Bank								
Other movements during the period	-	(4,713)	1,241	139	-	-	-	(3,333)
Net change in fair value of share-based payment liability	-	-	(1,973)	-	-	-	-	(1,973)
Transactions with owners of the Bank	-	(4,713)	(732)	139	-	-	-	(5,306)
Transfer (from)/to general banking reserve	-	(4,331)	-	-	-	4,331	-	-
Balance at 31 December 2017	239,265	1,516,703	21,990	195,333	243,185	156,613	15,397	2,388,486
Changes in initial application of IFRS 9	-	(35,665)	-	-	-	-	-	(35,665)
Restated balance at 1 January 2018	239,265	1,481,038	21,990	195,333	243,185	156,613	15,397	2,352,821
Total comprehensive income								
Profit for the year	-	240,155	-	-	-	-	-	240,155
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	(36,221)	(36,221)
Realisation of revaluation reserve to retained earnings	-	6,671	-	(6,671)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(83,394)	-	-	-	-	-	(83,394)
Revaluation of properties	-	-	-	16,150	-	-	-	16,150
Tax on other comprehensive income	-	(50,163)	-	(1,555)	-	-	-	(51,718)
Total other comprehensive income	-	(126,886)	-	7,924	-	-	(36,221)	(155,183)
Total comprehensive income	-	113,269	-	7,924	-	-	(36,221)	84,972
Transactions with owners of the Bank								
Other movements during the period	60,735	(97,122)	489	150	36,195	-	-	447
Net change in fair value of share-based payment liability	-	-	(379)	-	-	-	-	(379)
Transactions with owners of the Bank	60,735	(97,122)	110	150	36,195	-	-	68
Transfer (from)/to general banking reserve	-	14,314	-	-	-	(14,314)	-	-
Balance at 31 December 2018	300,000	1,511,499	22,100	203,407	279,380	142,299	(20,824)	2,437,861
Total comprehensive income								
Profit for the period	-	115,961	-	-	-	-	-	115,961
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	25,648	25,648
Realisation of revaluation reserve to retained earnings	-	438	-	(438)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(44,235)	-	-	-	-	-	(44,235)
Revaluation of properties	-	-	-	-	-	-	-	-
Tax on other comprehensive income	-	(2,986)	-	47	-	-	-	(2,939)
Total other comprehensive income	-	(46,783)	-	(391)	-	-	25,638	(21,526)
Total comprehensive income	-	69,178	-	(391)	-	-	25,638	94,435
Transactions with owners of the Bank								
Other movements during the period	100,000	(100,193)	-	(169)	-	-	-	(362)
Net change in fair value of share-based payment liability	-	-	-	-	-	-	-	-
Transactions with owners of the Bank	100,000	(100,193)	-	(169)	-	-	-	(362)
Transfer (from)/to general banking reserve	-	(3,394)	-	-	-	3,394	-	-
Balance at 30 June 2019	400,000	1,477,090	22,100	202,847	279,380	145,693	4,824	2,531,934

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of cash flows

for the period ended 30 June 2019

	30 June 2019 MUR'000	30 June 2018 MUR'000	31 December 2018 MUR'000
Cash flows from operating activities			
Profit before income tax	133,027	138,790	315,341
Adjustments for:			
Depreciation	19,038	5,492	13,229
Loss/(Profit) on sale of fixed assets	1,860	-	(3,651)
Provision and adjustments to income for impairment losses	(118)	(1,882)	4,312
Net interest income	(312,044)	(297,514)	(617,156)
Exchange differences in respect of cash and cash equivalents	89,566	78,721	45,048
	(68,671)	(76,393)	(242,877)
Change in:			
Other assets	(224,710)	146,125	39,194
Other liabilities	100,854	(39,750)	30,416
Trading assets	(2,819)	(5,539)	230
Trading liabilities	1,004	(6,212)	(7,313)
Loans and advances to customers	(455,602)	(480,492)	(2,028,348)
Loans and advances to banks	(1,284,360)	92,476	220,374
Deposits from customers	234,387	(1,430,735)	(862,846)
Deposits from banks	254,723	34,625	310,015
Interest received	495,154	403,042	859,106
Interest paid	(181,835)	(70,063)	(246,900)
Other borrowed funds	1,612,781	-	4,740,568
	480,906	(1,432,916)	2,811,619
Tax paid	(51,510)	(49,883)	(75,177)
Net cash from/(used in) operating activities	429,396	(1,482,799)	2,736,442
Cash flows from investing activities			
Acquisition of property, plant and equipment	(5,784)	(2,342)	(67,803)
Proceeds from disposal of property, plant and equipment	37	-	10,809
Purchase of investment securities	(3,401,909)	(2,793,016)	(5,418,593)
Proceed from sale and maturity of investment securities	2,609,550	2,665,700	4,985,400
Net cash used in investing activities	(798,106)	(129,658)	(490,187)
Cash flows from financing activities			
Principal repayment of lease liabilities	(69,834)	-	-
Net cash used in financing activities	(69,834)	-	-
Net change in cash and cash equivalents	(438,544)	(1,612,457)	2,246,255
Cash and cash equivalents at 1 January	3,706,698	1,505,491	1,505,491
Exchange differences in respect of cash and cash equivalents	(89,566)	(78,721)	(45,048)
Cash and cash equivalents at end of period/year	3,178,588	(185,687)	3,706,698