

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 2019

	Three months ended 30 September 2019 MUR'000	Three months ended 30 September 2018 MUR'000	Nine months ended 30 September 2019 MUR'000	Nine months ended 30 September 2018 MUR'000	Year ended 31 December 2018 MUR'000
Interest income	255,873	226,095	760,969	634,084	878,362
Interest expense	(99,378)	(67,372)	(292,430)	(177,847)	(261,206)
Net interest income	156,495	158,723	468,539	456,237	617,156
Fee and commission income	49,211	49,824	141,890	141,191	192,053
Fee and commission expense	(12,616)	(10,023)	(33,272)	(30,447)	(29,147)
Net fee and commission income	36,595	39,801	108,618	110,744	162,906
Net trading income	34,378	33,063	89,785	113,833	143,587
	227,468	231,587	666,942	680,814	923,649
Other operating income	63,070	94,884	196,322	268,831	367,977
Total operating income	290,538	326,471	863,264	949,645	1,291,626
Net impairment loss on financial assets	(2,006)	(3,790)	(1,888)	(1,908)	(4,312)
Personnel expenses	(103,860)	(104,120)	(307,761)	(303,302)	(413,549)
Operating lease expenses	(2,917)	(9,173)	(10,321)	(28,683)	(38,625)
Depreciation	(8,643)	(3,228)	(27,681)	(8,720)	(13,229)
Other expenses	(140,766)	(127,816)	(350,240)	(389,898)	(506,570)
Total expenses	(256,186)	(244,337)	(696,003)	(730,603)	(971,973)
Profit before income tax	32,346	78,344	165,373	217,134	315,341
Income tax expense	(21,263)	(31,284)	(38,329)	(60,382)	(75,186)
Profit for the period/year	11,083	47,060	127,044	156,752	240,155
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit liabilities	(21,361)	(28,145)	(65,596)	(84,438)	(83,394)
Related tax	16,643	13,096	13,657	22,049	(50,163)
Gain on revaluation of land and buildings	-	-	-	-	16,150
Related tax on gain on revaluation of land and buildings	(4,034)	-	(3,987)	-	(1,555)
	(8,752)	(15,049)	(55,926)	(62,389)	(118,962)
Items that may be reclassified to profit or loss					
Net change in fair value of financial assets at FVOCI	28,295	10,030	53,943	(61,092)	(36,221)
	28,295	10,030	53,943	(61,092)	(36,221)
Other comprehensive income for the period/year	19,543	(5,019)	(1,983)	(123,481)	(155,183)
Total comprehensive income for the period/year	30,626	42,041	125,061	33,271	84,972

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of financial position at 30 September 2019

	30 September 2019 MUR'000	30 September 2018 MUR'000	31 December 2018 MUR'000
Assets			
Cash and cash equivalents	3,558,410	3,105,343	4,485,191
Trading assets	6,238	537	570
Loans and advances to banks	1,903,180	640,755	383,993
Loans and advances to customers	15,460,470	14,395,867	14,986,995
Investment securities	7,282,163	6,190,992	6,572,059
Other assets	2,226,872	1,885,249	1,904,357
Property, plant and equipment	424,952	289,403	312,332
Deferred tax assets	51,984	108,624	45,168
Total assets	30,914,269	26,616,770	28,690,665

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Unaudited statement of financial position (continued)

at 30 September 2019

	30 September 2019	30 September 2018	31 December 2018
	MUR'000	MUR'000	MUR'000
Liabilities			
Deposits from banks	649,265	354,346	578,740
Deposits from customers	19,734,355	18,569,841	18,855,589
Trading liabilities	4,314	1,458	2,130
Other borrowed funds	6,621,461	4,027,971	5,519,060
Current tax liabilities	20,358	39,421	48,184
Other liabilities	1,424,594	1,237,568	1,249,101
Total liabilities	28,454,347	24,230,605	26,252,804
Shareholder's funds			
Assigned capital	400,000	300,000	300,000
Retained earnings	1,381,532	1,510,166	1,511,499
Other reserves	678,390	575,999	626,362
Total shareholder's funds	2,459,922	2,386,165	2,437,861
Total liabilities and shareholder's funds	30,914,269	26,616,770	28,690,665
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations.	3,844,722	5,482,753	5,377,218
Commitments	9,830,563	9,550,919	7,579,614

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

	Other Reserves							Total MUR'000
	Assigned capital	Retained earnings	Reserves for own shares	Revaluation reserves	Statutory reserve	General banking reserve	Fair value reserve	
	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 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 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	-	127,044	-	-	-	-	-	127,044
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	53,943	53,943
Realisation of revaluation reserve to retained earnings	-	869	-	(869)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(65,596)	-	-	-	-	-	(65,596)
Revaluation of properties	-	-	-	-	-	-	-	-
Tax on other comprehensive income	-	13,657	-	(3,987)	-	-	-	9,670
Total other comprehensive income	-	(51,070)	-	(4,856)	-	-	53,943	(1,983)
Total comprehensive income	-	75,974	-	(4,856)	-	-	53,943	125,061
Transactions with owners of the Bank								
Other movements during the period	100,000	(100,000)	-	-	-	-	-	-
Net change in fair value of share-based payment liability	-	-	-	-	-	-	-	-
Profit remittance to Head office	-	(103,000)	-	-	-	-	-	(103,000)
Transactions with owners of the Bank	100,000	(203,000)	-	-	-	-	-	(103,000)
Transfer to general banking reserve	-	(2,941)	-	-	-	2,941	-	-
Balance at 30 September 2019	400,000	1,381,532	22,100	198,551	279,380	145,240	33,119	2,459,922

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of cash flows for the period ended 30 September 2019

	30 September 2019	30 September 2018	31 December 2018
	MUR'000	MUR'000	MUR'000
Cash flows from operating activities			
Profit before income tax	165,373	217,134	315,341
Adjustments for:			
Depreciation	27,681	8,720	13,229
Loss/(Profit) on sale of fixed assets	1,883	-	(3,651)
Provision and adjustments to income for impairment losses	1,888	1,908	4,312
Net interest income	(468,539)	(456,237)	(617,156)
Exchange differences in respect of cash and cash equivalents	107,207	15,142	45,048
	(164,507)	(213,333)	(242,877)
Change in:			
Other assets	(312,573)	44,209	39,194
Other liabilities	(58,139)	(13,880)	30,416
Trading assets	(5,668)	263	230
Trading liabilities	2,184	(7,985)	(7,313)
Loans and advances to customers	(474,917)	(1,434,037)	(2,028,348)
Loans and advances to banks	(1,519,193)	(36,157)	220,374
Deposits from customers	878,766	(1,148,594)	(862,846)
Deposits from banks	70,525	85,621	310,015
Interest received	751,027	629,137	859,106
Interest paid	(242,725)	(132,654)	(246,900)
Other borrowed funds	1,880,137	3,683,696	4,740,568
	804,917	1,456,286	2,811,619
Tax paid	(63,301)	(58,784)	(75,177)
Net cash from operating activities	741,616	1,397,502	2,736,442
Cash flows from investing activities			
Acquisition of property, plant and equipment	(7,289)	(49,357)	(67,803)
Proceeds from disposal of property, plant and equipment	36	-	10,809
Purchase of investment securities	(4,790,528)	(4,078,993)	(5,418,593)
Proceed from sale and maturity of investment securities	4,134,252	4,001,800	4,985,400
Net cash used in investing activities	(663,529)	(126,550)	(490,187)
Cash flows from financing activities			
Principal repayment of lease liabilities	(16,925)	-	-
Repatriation of profit	(103,000)	-	-
Net cash used in financing activities	(119,925)	-	-
Net change in cash and cash equivalents	(41,838)	1,270,952	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	(107,207)	(15,142)	(45,048)
Cash and cash equivalents at end of period/year	3,557,653	2,761,301	3,706,698