

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of profit or loss and other comprehensive income for the period ended 31 March 2020

	Three months ended 31 March 2020 MUR'000	Three months ended 31 March 2019 MUR'000	Year ended 31 December 2019 MUR'000
Interest income	233,481	249,099	1,003,368
Interest expense	(80,067)	(92,602)	(382,848)
Net interest income	153,414	156,497	620,520
Fee and commission income	46,491	45,958	198,662
Fee and commission expense	(10,510)	(9,424)	(41,015)
Net fee and commission income	35,981	36,534	157,647
Net trading income	32,372	28,485	123,299
	221,767	221,516	901,466
Other operating income	66,520	96,408	267,329
Total operating income	288,287	317,924	1,168,795
Net impairment (loss)/release on financial assets	(262,001)	(3,512)	9,682
Personnel expenses	(101,280)	(99,576)	(417,571)
Operating lease expenses	(2,536)	(3,774)	(13,124)
Depreciation	(10,453)	(10,786)	(37,915)
Other expenses	(105,355)	(133,685)	(414,724)
Total expenses	(219,624)	(247,821)	(883,334)
(Loss)/Profit before tax	(193,338)	66,591	295,143
Income tax expense	(2,442)	(19,399)	(112,110)
(Loss)/Profit for the period/year	(195,780)	47,192	183,033
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of retirement obligations	(12,954)	(23,238)	(99,205)
Related tax on remeasurements of defined benefit liabilities	881	(1,492)	7,806
Gain on revaluation of land and buildings	-	-	-
Related tax on gain on revaluation of land and buildings	56	23	-
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	(1,079)
	(12,017)	(24,707)	(92,478)
Items that may be reclassified to profit or loss			
Net change in fair value of financial assets at fair value through other comprehensive income	89,844	26,438	75,150
	89,844	26,438	75,150
Other comprehensive income for the period/year	77,827	1,731	(17,328)
Total comprehensive income for the period/year	(117,953)	48,923	165,705

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Unaudited statement of financial position at 31 March 2020

	31 March 2020 MUR'000	31 March 2019 MUR'000	31 December 2019 MUR'000
Assets			
Cash and cash equivalents	4,868,296	4,129,143	3,997,601
Trading assets	17,723	4,965	1,975
Loans and advances to banks	645,646	483,005	332,422
Loans and advances to customers	16,006,658	16,272,939	15,865,325
Investment securities	7,688,387	6,079,288	7,762,913
Other assets	2,022,977	1,974,696	1,944,645
Property, plant and equipment	421,133	439,211	430,683
Deferred tax assets	66,376	44,175	46,823
Total assets	31,737,196	29,427,422	30,382,387

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Unaudited statement of financial position (continued)

at 31 March 2020

	31 March 2020	31 March 2019	31 December 2019
	MUR'000	MUR'000	MUR'000
Liabilities			
Deposits from banks	1,280,336	715,474	672,989
Deposits from customers	20,454,300	18,421,964	19,467,367
Trading liabilities	8,732	5,889	3,770
Other borrowed funds	6,372,912	6,142,307	6,593,650
Current tax liabilities	97,148	68,060	76,090
Other liabilities	1,143,015	1,587,306	1,069,815
Total liabilities	29,356,443	26,941,000	27,883,681
Shareholder's funds			
Assigned capital	400,000	300,000	400,000
Retained earnings	1,146,873	1,528,103	1,347,030
Other reserves	833,880	658,319	751,676
Total shareholder's funds	2,380,753	2,486,422	2,498,706
Total liabilities and shareholder's funds	31,737,196	29,427,422	30,382,387
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations.	3,387,916	5,036,547	3,604,515
Commitments	11,299,420	7,016,525	10,456,997

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Unaudited statement of changes in equity for the period ended 31 March 2020

	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 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 retirement obligations	-	(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)	-	-
Restated 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 year	-	183,033	-	-	-	-	-	183,033
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	74,071	74,071
Realisation of revaluation reserve to retained earnings	-	(694)	-	694	-	-	-	-
Remeasurements of retirement obligations	-	(99,205)	-	-	-	-	-	(99,205)
Tax on other comprehensive income	-	7,806	-	-	-	-	-	7,806
Total other comprehensive income	-	(92,093)	-	694	-	-	74,071	(17,328)
Total comprehensive income	-	90,940	-	694	-	-	74,071	165,705
Transactions with owners of the Bank								
Other movements during the period	100,000	(132,125)	2,810	-	27,455	-	-	(1,860)
Net change in fair value of share-based payment liability	-	(413)	413	-	-	-	-	-
Profit remittance to Head office	-	(103,000)	-	-	-	-	-	(103,000)
Transactions with owners of the Bank	100,000	(235,538)	3,223	-	27,455	-	-	(104,860)
Transfer to general banking reserve	-	(19,871)	-	-	-	19,871	-	-
Balance at 31 December 2019	400,000	1,347,030	25,323	204,101	306,835	162,170	53,247	2,498,706
Total comprehensive income								
Loss for the period	-	(195,780)	-	-	-	-	-	(195,780)
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	89,844	89,844
Realisation of revaluation reserve to retained earnings	-	332	-	(332)	-	-	-	-
Remeasurements of retirement obligations	-	(12,954)	-	-	-	-	-	(12,954)
Tax on other comprehensive income	-	881	-	56	-	-	-	937
Total other comprehensive income	-	(11,741)	-	(276)	-	-	89,844	77,827
Total comprehensive income	-	(207,521)	-	(276)	-	-	89,844	(117,953)
Transactions with owners of the Bank								
Other movements during the period	-	-	-	-	-	-	-	-
Net change in fair value of share-based payment liability	-	-	-	-	-	-	-	-
Profit remittance to Head office	-	-	-	-	-	-	-	-
Transactions with owners of the Bank	-	-	-	-	-	-	-	-
Transfer (from)/to general banking reserve	-	7,364	-	-	-	(7,364)	-	-
Balance at 31 March 2020	400,000	1,146,873	25,323	203,825	306,835	154,806	143,091	2,380,753

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of cash flows for the period ended 31 March 2020

	31 March 2020	31 March 2019	31 December 2019
	MUR'000	MUR'000	MUR'000
Cash flows from operating activities			
Profit before income tax	(193,338)	66,591	295,143
Adjustments for:			
Depreciation	10,453	10,786	37,915
Loss/(Profit) on sale of fixed assets	-	641	1,847
Provision and adjustments to income for impairment losses	262,001	3,512	(9,682)
Net interest income	(153,414)	(156,497)	(620,520)
Exchange differences in respect of cash and cash equivalents	162,261	30,692	163,430
	87,963	(44,275)	(131,867)
Change in:			
Other assets	(79,737)	(60,399)	(40,492)
Other liabilities	43,037	181,267	(404,504)
Trading assets	(15,748)	(4,395)	(1,405)
Trading liabilities	4,962	3,759	1,640
Loans and advances to customers	(403,331)	(1,289,592)	(867,557)
Loans and advances to banks	(313,223)	(99,015)	51,568
Deposits from customers	986,933	(433,625)	611,778
Deposits from banks	607,347	136,734	94,249
Interest received	234,887	239,157	1,003,571
Interest paid	(35,008)	(92,602)	(376,467)
Other borrowed funds	(224,867)	1,221,136	1,851,465
	893,215	(241,850)	1,791,979
Tax paid	-	-	(78,053)
Net cash from operating activities	893,215	(241,850)	1,713,926
Cash flows from investing activities			
Acquisition of property, plant and equipment	(1,056)	(4,816)	(18,991)
Proceeds from disposal of property, plant and equipment	-	-	40
Purchase of investment securities	(1,630,215)	(318,701)	(7,318,771)
Proceed from sale and maturity of investment securities	1,794,600	837,900	6,201,749
Net cash used in investing activities	163,329	514,383	(1,135,973)
Cash flows from financing activities			
Principal repayment of lease liabilities	(27,718)	-	(22,237)
Repatriation of profit	-	-	(103,000)
Net cash used in financing activities	(27,718)	-	(125,237)
Net change in cash and cash equivalents	1,028,826	272,533	452,716
Cash and cash equivalents at 1 January	3,995,984	3,706,698	3,706,698
Exchange differences in respect of cash and cash equivalents	(162,261)	(30,692)	(163,430)
Cash and cash equivalents at end of period/year	4,862,549	3,948,539	3,995,984