

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 2020

	Three months ended 30-Sep-20 MUR'000	Three months ended 30-Sep-19 MUR'000	Nine months ended 30-Sep-20 MUR'000	Nine months ended 30-Sep-19 MUR'000	Year ended 31-Dec-19 MUR'000
Interest income	172,942	255,873	594,115	760,969	1,003,368
Interest expense	(36,168)	(99,378)	(159,748)	(292,430)	(382,848)
Net interest income	136,774	156,495	434,367	468,539	620,520
Fee and commission income	43,379	49,211	127,062	141,890	198,662
Fee and commission expense	(10,592)	(12,616)	(29,256)	(33,272)	(41,015)
Net fee and commission income	32,787	36,595	97,806	108,618	157,647
Net trading income	42,120	34,378	113,463	89,785	123,299
	211,681	227,468	645,636	666,942	901,466
Other operating income	49,796	63,070	147,639	196,322	267,329
Total operating income	261,477	290,537	793,275	863,264	1,168,795
Net impairment (loss)/release on financial assets	(48,663)	(2,006)	(383,626)	(1,888)	9,682
Personnel expenses	(101,278)	(103,860)	(300,330)	(307,761)	(417,571)
Operating lease expenses	3,096	(2,917)	(1,014)	(10,321)	(13,124)
Depreciation	(12,292)	(8,643)	(32,722)	(27,681)	(37,915)
Other expenses	(128,832)	(140,766)	(356,361)	(350,240)	(414,724)
Total expenses	(239,306)	(256,186)	(690,427)	(696,003)	(883,334)
(Loss)/Profit before tax	(26,492)	32,346	(280,778)	165,373	295,143
Income tax expense	(17,327)	(21,263)	(1,843)	(38,329)	(112,110)
(Loss)/Profit for the period/year	(43,819)	11,083	(282,621)	127,044	183,033
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of retirement obligations	(22,685)	(21,361)	(78,949)	(65,596)	(99,205)
Related tax on remeasurements of defined benefit liabilities	5,193	(16,643)	9,080	13,657	7,806
Gain on revaluation of land and buildings	-	-	-	-	-
Related tax on gain on revaluation of land and buildings	56	(4,034)	166	(3,987)	-
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	(1,079)
	(17,436)	(8,752)	(69,703)	(55,926)	(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	(45,516)	28,295	53,817	53,943	75,150
	(45,516)	28,295	53,817	53,943	75,150
Other comprehensive expense for the period/year	(62,952)	19,543	(15,886)	(1,983)	(17,328)
Total comprehensive income for the period/year	(106,771)	30,626	(298,507)	125,061	165,705

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of financial position

as at 30 September 2020

	30 September 2020	30 September 2019	31 December 2019
	MUR'000	MUR'000	MUR'000
ASSETS			
Cash and cash equivalents	4,953,040	3,558,410	3,997,601
Trading assets	14,729	6,238	1,975
Loans and advances to banks	264,485	1,903,180	332,422
Loans and advances to customers	15,325,509	15,460,470	15,865,325
Investment securities	9,379,847	7,282,163	7,762,913
Other assets	2,605,331	2,226,872	1,944,645
Property, plant and equipment	416,992	424,952	430,683
Deferred tax assets	77,605	51,984	46,823
Total assets	33,037,538	30,914,269	30,382,387

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of financial position (continued)

as at 30 September 2020

	30 September 2020	30 September 2019	31 December 2019
	MUR'000	MUR'000	MUR'000
LIABILITIES			
Deposits from banks	1,246,800	649,265	672,989
Deposits from customers	22,177,046	19,734,355	19,467,367
Trading liabilities	9,885	4,314	3,770
Other borrowed funds	5,706,733	6,621,461	6,593,650
Current tax liabilities	47,438	20,358	76,090
Other liabilities	1,658,755	1,424,594	1,069,815
Total liabilities	30,846,657	28,454,347	27,883,681
Shareholder's funds			
Assigned capital	400,000	400,000	400,000
Retained earnings	1,046,960	1,381,532	1,347,030
Other reserves	743,921	678,390	751,676
Total shareholder's funds	2,190,881	2,459,922	2,498,706
Total liabilities and shareholder's funds	33,037,538	30,914,269	30,382,387
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers	2,748,027	3,844,722	3,604,515
Undrawn commitments	10,668,225	9,830,563	10,456,997

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of changes in equity for the period ended 30 September 2020

	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	
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	-	(282,621)	-	-	-	-	-	(282,621)
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	53,817	53,817
Realisation of revaluation reserve to retained earnings	-	997	-	(997)	-	-	-	-
Remeasurements of retirement obligations	-	(78,949)	-	-	-	-	-	(78,949)
Tax on other comprehensive income	-	9,080	-	166	-	-	-	9,246
Total other comprehensive income	-	(68,872)	-	(831)	-	-	53,817	(15,886)
Total comprehensive income	-	(351,493)	-	(831)	-	-	53,817	(298,507)
Transactions with owners of the Bank								
Other movements during the period	-	-	(9,318)	-	-	-	-	(9,318)
Net change in fair value of share-based payment liability	-	-	-	-	-	-	-	-
Profit remittance to Head office	-	-	-	-	-	-	-	-
Transactions with owners of the Bank	-	-	(9,318)	-	-	-	-	(9,318)
Transfer (from)/to general banking reserve	-	51,423	-	-	-	(51,423)	-	-
Balance at 30 September 2020	400,000	1,046,960	16,005	203,270	306,835	110,747	107,064	2,190,881

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of cash flows for the period ended 30 September 2020

	30 September 2020 MUR'000	30 September 2019 MUR'000	31 December 2019 MUR'000
Cash flows from operating activities			
(Loss)/Profit before income tax	(280,778)	165,373	295,143
Adjustments for:			
Depreciation	32,722	27,681	37,915
Loss/(Profit) on sale of fixed assets	(602)	1,883	1,847
Provision and adjustments to income for impairment losses	383,626	1,888	(9,682)
Net interest income	(434,367)	(468,539)	(620,520)
Exchange differences in respect of cash and cash equivalents	373,383	107,207	163,430
	73,984	(164,507)	(131,867)
Change in:			
Other assets	(645,911)	(312,573)	(40,492)
Other liabilities	510,322	(58,138)	(404,504)
Trading assets	(12,754)	(5,668)	(1,405)
Trading liabilities	6,115	2,184	1,640
Loans and advances to customers	171,072	(474,917)	(867,557)
Loans and advances to banks	67,798	(1,519,193)	51,568
Deposits from customers	2,709,679	878,766	611,778
Deposits from banks	573,811	70,525	94,249
Interest received	579,338	751,027	1,003,571
Interest paid	(144,914)	(242,725)	(376,467)
Other borrowed funds	(885,316)	1,880,137	1,851,465
	3,003,224	804,918	1,791,979
Tax paid	(52,030)	(63,301)	(78,053)
Net cash (used in) / from operating activities	2,951,194	741,617	1,713,926
Cash flows from investing activities			
Acquisition of property, plant and equipment	(3,110)	(7,289)	(18,991)
Proceeds from disposal of property, plant and equipment	-	36	40
Purchase of investment securities	(5,663,120)	(4,790,528)	(7,318,771)
Proceed from sale and maturity of investment securities	4,089,900	4,134,252	6,201,749
Net cash from/ (used in) investing activities	(1,576,330)	(663,529)	(1,135,973)
Cash flows from financing activities			
Principal element of lease payments	(44,441)	(16,925)	(22,237)
Repatriation of profit	-	(103,000)	(103,000)
Net cash used in financing activities	(44,441)	(119,925)	(125,237)
Net change in cash and cash equivalents	1,330,423	(41,838)	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	(373,383)	(107,207)	(163,430)
Cash and cash equivalents at end of period/year	4,953,024	3,557,653	3,995,984