

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 2020

	Three months ended 30 June 2020 MUR'000	Three months ended 30 June 2019 MUR'000	Six months ended 30 June 2020 MUR'000	Six months ended 30 June 2019 MUR'000	Year ended 31 December 2019 MUR'000
Interest income	187,692	255,997	421,173	505,096	1,003,368
Interest expense	(43,513)	(100,450)	(123,580)	(193,052)	(382,848)
Net interest income	144,179	155,547	297,593	312,044	620,520
Fee and commission income	37,192	46,721	83,683	92,679	198,662
Fee and commission expense	(8,154)	(11,232)	(18,664)	(20,656)	(41,015)
Net fee and commission income	29,038	35,489	65,019	72,023	157,647
Net trading income	38,971	26,922	71,343	55,407	123,299
	212,188	217,958	433,955	439,474	901,466
Other operating income	31,323	36,844	97,843	133,252	267,329
Total operating income	243,511	254,802	531,798	572,726	1,168,795
Net impairment (loss)/release on financial assets	(72,962)	3,630	(334,963)	118	9,682
Personnel expenses	(97,772)	(104,325)	(199,052)	(203,901)	(417,571)
Operating lease expenses	(1,574)	(3,630)	(4,110)	(7,404)	(13,124)
Depreciation	(9,977)	(8,252)	(20,430)	(19,038)	(37,915)
Other expenses	(122,174)	(75,789)	(227,529)	(209,474)	(414,724)
Total expenses	(231,497)	(191,996)	(451,121)	(439,817)	(883,334)
(Loss)/Profit before tax	(60,948)	66,436	(254,286)	133,027	295,143
Income tax expense	17,926	2,333	15,484	(17,066)	(112,110)
(Loss)/Profit for the period/year	(43,022)	68,769	(238,802)	115,961	183,033
Other comprehensive income Items that will not be reclassified to profit or loss					
Remeasurements of retirement obligations	(43,310)	(20,997)	(56,264)	(44,235)	(99,205)
Related tax on remeasurements of defined benefit liabilities	3,006	(1,494)	3,887	(2,986)	7,806
Gain on revaluation of land and buildings	-	-	-	-	-
Related tax on gain on revaluation of land and buildings	54	24	110	47	-
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	(1,079)
	(40,250)	(22,467)	(52,267)	(47,174)	(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	9,489	(790)	99,333	25,648	75,150
	9,489	(790)	99,333	25,648	75,150
Other comprehensive expense for the period/year	(30,761)	(23,257)	47,066	(21,526)	(17,328)
Total comprehensive income for the period/year	(73,783)	45,512	(191,736)	94,435	165,705

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of financial position as at 30 June 2020

	30 June 2020	30 June 2019	31 December 2019
	MUR'000	MUR'000	MUR'000
ASSETS			
Cash and cash equivalents	4,415,466	3,499,945	3,997,601
Trading assets	18,615	3,389	1,975
Loans and advances to banks	420,037	1,668,349	332,422
Loans and advances to customers	15,744,090	15,442,527	15,865,325
Investment securities	8,872,325	7,389,926	7,762,913
Other assets	2,531,129	2,139,010	1,944,645
Property, plant and equipment	414,356	367,015	430,683
Deferred tax assets	72,813	44,779	46,823
Total assets	32,488,831	30,554,940	30,382,387

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Unaudited statement of financial position (continued)

as at 30 June 2020

	30 June 2020	30 June 2019	31 December 2019
	MUR'000	MUR'000	MUR'000
LIABILITIES			
Deposits from banks	840,858	833,463	672,989
Deposits from customers	22,110,205	19,089,976	19,467,367
Trading liabilities	2,570	3,134	3,770
Other borrowed funds	5,692,719	6,674,705	6,593,650
Current tax liabilities	32,045	16,290	76,090
Other liabilities	1,503,464	1,405,438	1,069,815
Total liabilities	30,181,861	28,023,006	27,883,681
Shareholder's funds			
Assigned capital	400,000	400,000	400,000
Retained earnings	1,095,595	1,477,090	1,347,030
Other reserves	811,375	654,844	751,676
Total shareholder's funds	2,306,970	2,531,934	2,498,706
Total liabilities and shareholder's funds	32,488,831	30,554,940	30,382,387
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers	2,486,936	4,807,247	3,604,515
Undrawn commitments	9,378,094	7,732,789	10,456,997

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Unaudited statement of changes in equity for the period ended 30 June 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	-	(238,802)	-	-	-	-	-	(238,802)
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	99,333	99,333
Realisation of revaluation reserve to retained earnings	-	665	-	(665)	-	-	-	-
Remeasurements of retirement obligations	-	(56,264)	-	-	-	-	-	(56,264)
Tax on other comprehensive income	-	3,887	-	110	-	-	-	3,997
Total other comprehensive income	-	(51,712)	-	(555)	-	-	99,333	47,066
Total comprehensive income	-	(290,514)	-	(555)	-	-	99,333	(191,736)
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	-	39,079	-	-	-	(39,079)	-	-
Balance at 30 June 2020	400,000	1,095,595	25,323	203,546	306,835	123,091	152,580	2,306,970

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

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

	30 June 2020	30 June 2019	31 December 2019
	MUR'000	MUR'000	MUR'000
Cash flows from operating activities			
(Loss)/Profit before income tax	(254,286)	133,027	295,143
Adjustments for:			
Depreciation	20,430	19,038	37,915
Loss/(Profit) on sale of fixed assets	-	1,860	1,847
Provision and adjustments to income for impairment losses	334,963	(118)	(9,682)
Net interest income	(297,593)	(312,044)	(620,520)
Exchange differences in respect of cash and cash equivalents	326,152	89,566	163,430
	129,666	(68,671)	(131,867)
Change in:			
Other assets	(555,542)	(224,710)	(40,492)
Other liabilities	405,349	100,854	(404,504)
Trading assets	(16,640)	(2,819)	(1,405)
Trading liabilities	(1,200)	1,004	1,640
Loans and advances to customers	(193,397)	(455,602)	(867,557)
Loans and advances to banks	(89,224)	(1,284,360)	51,568
Deposits from customers	2,642,838	234,387	611,778
Deposits from banks	167,869	254,723	94,249
Interest received	390,217	495,154	1,003,571
Interest paid	(122,605)	(181,835)	(376,467)
Other borrowed funds	(905,116)	1,612,781	1,851,465
	1,852,215	480,906	1,791,979
Tax paid	(50,554)	(51,510)	(78,053)
Net cash (used in) / from operating activities	1,801,661	429,396	1,713,926
Cash flows from investing activities			
Acquisition of property, plant and equipment	(4,256)	(5,784)	(18,991)
Proceeds from disposal of property, plant and equipment	-	37	40
Purchase of investment securities	(4,042,802)	(3,401,909)	(7,318,771)
Proceed from sale and maturity of investment securities	3,018,100	2,609,550	6,201,749
Net cash from/ (used in) investing activities	(1,028,958)	(798,106)	(1,135,973)
Cash flows from financing activities			
Principal element of lease payments	(32,871)	(69,834)	(22,237)
Repatriation of profit	-	-	(103,000)
Net cash used in financing activities	(32,871)	(69,834)	(125,237)
Net change in cash and cash equivalents	739,832	(438,544)	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	(326,152)	(89,566)	(163,430)
Cash and cash equivalents at end of period/year	4,409,664	3,178,588	3,995,984