

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 2021

	Three months ended 30-Sep-21 MUR'000	Three months ended 30-Sep-20 MUR'000	Nine months ended 30-Sep-21 MUR'000	Nine months ended 30-Sep-20 MUR'000	Year ended 31-Dec-20 MUR'000
Interest income	120,589	172,942	395,444	594,115	751,462
Interest expense	(13,621)	(36,168)	(53,052)	(159,748)	(176,983)
Net interest income	106,968	136,774	342,392	434,367	574,479
Fee and commission income	45,769	43,379	116,709	127,062	173,618
Fee and commission expense	(7,939)	(10,592)	(24,545)	(29,256)	(41,250)
Net fee and commission income	37,830	32,787	92,164	97,806	132,368
Net trading income	46,721	42,120	130,709	113,463	147,410
	191,519	211,681	565,265	645,636	854,257
Other operating income	46,803	49,796	134,922	147,639	186,174
Total operating income	238,322	261,477	700,187	793,275	1,040,431
Net impairment release/(charge) on financial assets	(21,162)	(48,663)	16,309	(383,626)	(609,456)
Personnel expenses	(114,351)	(101,278)	(320,520)	(300,330)	(402,643)
Operating lease expenses	(1,501)	3,096	(4,931)	(1,014)	(6,106)
Depreciation	(10,830)	(12,292)	(33,214)	(32,722)	(40,729)
Other expenses	(127,478)	(128,832)	(351,224)	(356,361)	(482,463)
Total expenses	(254,160)	(239,306)	(709,889)	(690,427)	(931,941)
Profit/(Loss) before tax	(37,000)	(26,492)	6,607	(280,778)	(500,966)
Income tax credit/(expense)	(36,757)	(17,327)	(30,025)	(1,843)	63,111
Loss for the period/year	(73,757)	(43,819)	(23,418)	(282,621)	(437,855)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of retirement obligations	-	(22,685)	-	(78,949)	(297,975)
Related tax on remeasurements of defined benefit liabilities	28,474	5,193	(13,177)	9,080	19,006
Gain on revaluation of land and buildings	-	-	-	-	6,580
Related tax on gain on revaluation of land and buildings	-	56	-	166	(308)
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	(8,185)
	28,474	(17,436)	(13,177)	(69,703)	(280,882)
Items that may be reclassified to profit or loss					
Net change in fair value of financial assets at fair value through other comprehensive income	46,868	(45,516)	(124,388)	53,817	119,164
	46,868	(45,516)	(124,388)	53,817	119,164
Other comprehensive expense for the period/year	75,342	(62,952)	(137,565)	(15,886)	(161,718)
Total comprehensive income for the period/year	1,585	(106,771)	(160,983)	(298,507)	(599,573)

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of financial position

as at 30 September 2021

	30-Sep-21	30-Sep-20	31-Dec-20
	MUR'000	MUR'000	MUR'000
ASSETS			
Cash and cash equivalents	7,454,333	4,953,040	6,443,248
Trading assets	2,057	14,729	6,062
Loans and advances to banks	499,657	264,485	264,052
Loans and advances to customers	10,157,395	15,325,509	14,333,854
Investment securities	9,588,864	9,379,847	8,313,010
Other assets	3,019,404	2,605,331	2,439,861
Property, plant and equipment	344,580	416,992	415,100
Deferred tax assets	95,801	77,605	105,548
Current tax assets	-	-	1,137
Total assets	31,162,092	<u>33,037,538</u>	<u>32,321,872</u>

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of financial position (continued)

as at 30 September 2021

	30-Sep-21 MUR'000	30-Sep-20 MUR'000	31-Dec-20 MUR'000
LIABILITIES			
Deposits from banks	926,026	1,246,800	747,792
Deposits from customers	25,120,253	22,177,046	22,778,413
Trading liabilities	63	9,885	3,220
Other borrowed funds	1,286,317	5,706,733	5,218,552
Current tax liabilities	33,998	47,438	-
Other liabilities	1,636,842	1,658,755	1,287,923
Total liabilities	27,651,007	30,846,657	30,035,900
Shareholder's funds			
Assigned capital	825,750	400,000	794,150
Retained earnings	686,734	1,046,960	707,398
Other reserves	646,109	743,921	784,424
Total shareholder's funds	2,155,982	2,190,881	2,285,972
Total liabilities and shareholder's funds	29,806,989	33,037,538	32,321,872
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers	3,459,631	2,748,027	3,634,641
Undrawn commitments	8,286,178	10,668,225	8,574,018

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of changes in equity

for the period ended 30 September 2021

	Other Reserves						Total Shareholder's equity	
	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	MUR'000
Balance at 1 January 2019	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 year	-	(437,855)	-	-	-	-	-	(437,855)
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	110,979	110,979
Realisation of revaluation reserve to retained earnings	-	1,880	-	(1,880)	-	-	-	-
Remeasurements of retirement obligations	-	(297,975)	-	-	-	-	-	(297,975)
Revaluation of land and buildings	-	-	-	6,580	-	-	-	6,580
Tax on other comprehensive income	-	19,006	-	(308)	-	-	-	18,698
Total other comprehensive income	-	(277,089)	-	4,392	-	-	110,979	(161,718)
Total comprehensive income	-	(714,944)	-	4,392	-	-	110,979	(599,573)
Transactions with owners of the Bank								
Other movements during the period	394,150	4,590	(13,942)	-	-	-	-	384,798
Net change in fair value of share-based payment liability	-	413	1,628	-	-	-	-	2,041
Transactions with owners of the Bank	394,150	5,003	(12,314)	-	-	-	-	386,839
Transfer from general banking reserve	-	70,309	-	-	-	(70,309)	-	-
Balance at 31 December 2020	794,150	707,398	13,009	208,493	306,835	91,861	164,226	2,285,972
Total comprehensive income								
Profit for the period	-	(23,418)	-	-	-	-	-	(23,418)
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	(124,388)	(124,388)
Realisation of revaluation reserve to retained earnings	-	989	-	(989)	-	-	-	-
Remeasurements of retirement obligations	-	-	-	-	-	-	-	-
Tax on other comprehensive income	-	(13,177)	-	-	-	-	-	(13,177)
Total other comprehensive income	-	(12,188)	-	(989)	-	-	(124,388)	(137,565)
Total comprehensive income	-	(35,606)	-	(989)	-	-	(124,388)	(160,983)
Transactions with owners of the Bank								
Other movements during the period	31,600	2,875	-	-	-	-	-	34,475
Net change in fair value of share-based payment liability	-	-	(871)	-	-	-	-	(871)
Transactions with owners of the Bank	31,600	2,875	(871)	-	-	-	-	33,604
Transfer (from)/to general banking reserve	-	12,067	-	-	-	(12,067)	-	-
Balance at 30 September 2021	825,750	686,734	12,137	207,504	306,835	79,794	39,838	2,158,593

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of cash flows

for the period ended 30 September 2021

	30-Sep-21 MUR'000	30-Sep-20 MUR'000	31-Dec-20 MUR'000
Cash flows from operating activities			
Profit/(Loss) before income tax	6,607	(280,778)	(500,966)
Adjustments for:			
Depreciation	33,214	32,722	40,729
(Profit)/Loss on sale of fixed assets	(454)	(607)	1,655
Loss on modification of lease	-	-	(807)
Net impairment (release)/charge on financial assets	(16,309)	383,626	609,456
Net interest income	(342,392)	(434,367)	(574,479)
Exchange differences in respect of cash and cash	23,005	272,282	421,812
	<u>23,851</u>	<u>73,984</u>	<u>(2,600)</u>
Change in:			
Other assets	(614,070)	(645,911)	(485,590)
Other liabilities	330,262	510,322	(41,311)
Trading assets	4,005	(12,754)	(4,087)
Trading liabilities	(3,157)	6,115	(550)
Loans and advances to customers	4,181,834	171,072	934,081
Loans and advances to banks	(235,535)	67,798	67,560
Deposits from customers	2,341,840	2,709,679	3,311,046
Deposits from banks	178,234	573,811	74,803
Interest received	412,274	579,338	741,827
Interest paid	(16,618)	(144,914)	(196,667)
Other borrowed funds	(3,931,452)	(885,316)	(1,374,725)
	<u>2,671,467</u>	<u>3,003,224</u>	<u>3,023,787</u>
Tax paid	1,680	(52,030)	(54,143)
Net cash (used in) / from operating activities	<u>2,673,147</u>	<u>2,951,194</u>	<u>2,969,644</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	(6,384)	(3,110)	(19,423)
Proceeds from disposal of property, plant and equipment	27	-	-
Purchase of investment securities	(4,797,490)	(5,663,120)	(6,418,162)
Proceed from sale and maturity of investment securities	3,407,500	4,089,900	5,968,000
Net cash from/ (used in) investing activities	<u>(1,396,347)</u>	<u>(1,576,330)</u>	<u>(469,585)</u>
Cash flows from financing activities			
Principal element of lease payments	75,278	(44,441)	(26,376)
Capital injection	-	-	394,150
Net cash used in financing activities	<u>75,278</u>	<u>(44,441)</u>	<u>367,774</u>
Net change in cash and cash equivalents	<u>1,352,078</u>	<u>1,330,423</u>	<u>2,867,833</u>
Cash and cash equivalents at 1 January	6,442,004	3,995,984	3,995,983
Exchange differences in respect of cash and cash	(343,085)	(373,383)	(421,812)
Other movements	2,875	-	-
Cash and cash equivalents at end of period/year	<u>7,453,872</u>	<u>4,953,024</u>	<u>6,442,004</u>