

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 2022

	Three months ended 30-Jun-22 MUR'000	Three months ended 30-Jun-21 MUR'000	Six months ended 30-Jun-22 MUR'000	Six months ended 30-Jun-21 MUR'000	Year ended 31-Dec-21 MUR'000
Interest income	138,193	132,443	267,681	274,855	556,093
Interest expense	(16,682)	(16,332)	(37,007)	(39,431)	(69,458)
Net interest income	121,511	116,111	230,674	235,424	486,635
Fee and commission income	46,292	31,341	94,036	70,940	162,043
Fee and commission expense	(8,446)	(6,027)	(19,499)	(16,606)	(34,327)
Net fee and commission income	37,846	25,314	74,537	54,334	127,716
Net trading income	49,248	52,647	98,325	83,988	216,207
	208,605	194,072	403,536	373,746	830,558
Other operating income	47,522	44,314	95,354	88,119	182,075
Total operating income	256,127	238,386	498,890	461,865	1,012,633
Net impairment (charge)/release on financial assets	(1,336)	21,750	30,470	37,471	322,830
Personnel expenses	(110,925)	(104,039)	(218,363)	(206,169)	(446,117)
Operating lease expenses	(1,492)	(1,747)	(3,777)	(3,430)	(3,626)
Depreciation	(11,278)	(12,637)	(21,924)	(22,384)	(43,788)
Other expenses	(132,844)	(114,214)	(253,139)	(223,746)	(491,833)
Total expenses	(256,539)	(232,637)	(497,203)	(455,729)	(985,364)
(Loss)/Profit before tax	(1,748)	27,499	32,157	43,607	350,099
Income tax (expense)/credit	(2,845)	(14,192)	(17,782)	6,732	(69,417)
(Loss)/Profit for the period/year	(4,593)	13,307	14,375	50,339	280,682
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of retirement obligations	(18,551)	-	(18,551)	-	207,168
Deferred tax impact on remeasurements of retirement obligations	1,122	(2,418)	(389)	(41,651)	(26,591)
Gain on revaluation of land and buildings	-	-	-	-	15,268
Deferred tax impact on gain on revaluation of land and buildings	27	-	46	-	(461)
	(17,402)	(2,418)	(18,894)	(41,651)	195,384
Items that may be reclassified to profit or loss					
Net change in fair value of financial assets at fair value through other comprehensive income	(33,741)	(141,980)	(62,115)	(171,256)	(100,307)
Deferred tax impact on change in fair value of financial assets at fair value through other comprehensive income	1,782	-	3,956	-	(4,607)
	(31,959)	(141,980)	(58,159)	(171,256)	(104,914)
Total other comprehensive income for the period/year	(49,361)	(144,398)	(77,053)	(212,907)	90,470
Total comprehensive income for the period/year	(53,954)	(131,091)	(62,678)	(162,568)	371,151

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of financial position

At 30 June 2022

	30-Jun-22 MUR'000	30-Jun-21 MUR'000	31-Dec-21 MUR'000
ASSETS			
Cash and cash equivalents	5,302,780	6,191,043	6,643,354
Trading assets	5,540	6,280	11,992
Loans and advances to banks	459,265	555,139	378,631
Loans and advances to customers	11,738,633	10,361,957	10,808,135
Investment securities at fair value through other comprehensive income	10,167,250	9,644,165	10,600,515
Investment securities at amortised cost	376,733	-	148,173
Other assets	3,071,429	2,511,993	3,163,913
Intangible assets	3,048	-	3,392
Property, plant and equipment	342,859	440,859	345,243
Deferred tax assets	61,803	95,553	56,239
Total assets	31,529,340	29,806,989	32,159,587

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of financial position (continued)

At 30 June 2022

Notes	30-Jun-22 MUR'000	30-Jun-21 MUR'000	31-Dec-21 MUR'000
LIABILITIES			
Deposits from banks	388,064	1,243,762	1,177,285
Deposits from customers	27,192,741	24,543,961	25,814,918
Trading liabilities	3,860	4,930	1,089
Other borrowed funds	4,551	640,774	1,083,503
Current tax liabilities	28,954	23,440	52,002
Other liabilities	1,314,249	1,194,140	1,372,155
Total liabilities	28,932,419	27,651,007	29,500,952
Shareholder's funds			
Assigned capital	794,150	826,875	794,150
Retained earnings	1,134,033	727,174	1,172,632
Other reserves	668,738	601,933	691,853
Total shareholder's funds	2,596,921	2,155,982	2,658,635
Total liabilities and shareholder's funds	31,529,340	29,806,989	32,159,587
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers	3,658,720	3,469,612	3,634,641
Undrawn commitments	8,193,107	9,403,536	8,574,018

Approved on 10 August 2022

Bonnie Yi Jing Qiu
Chief Executive Officer

Rajiv Gopaul
Head of Finance

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of changes in equity

for the period ended 30 June 2022

	Assigned capital	Retained earnings	Other Reserves				Fair value reserve	Total shareholder's funds
			Reserves for own shares	Revaluation reserve	Statutory reserve	General banking reserve		
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Balance at 01 January 2020	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)
<i>Other comprehensive income</i>								
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 owner of the Bank								
Other movements during the year	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 owner 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 year	-	280,682	-	-	-	-	-	280,682
<i>Other comprehensive income</i>								
Net change in fair value	-	-	-	-	-	-	(100,307)	(100,307)
Realisation of revaluation reserve to retained earnings	-	1,968	-	(1,968)	-	-	-	-
Remeasurements of retirement obligations	-	207,168	-	-	-	-	-	207,168
Revaluation of land and buildings	-	-	-	15,268	-	-	-	15,268
Tax on other comprehensive income	-	(26,591)	-	(461)	-	-	(4,607)	(31,659)
Total other comprehensive income	-	182,545	-	12,839	-	-	(104,914)	90,470
Total comprehensive income	-	463,227	-	12,839	-	-	(104,914)	371,152
Transactions with owner of the Bank								
Other movements during the year	-	72	1,439	-	-	-	-	1,511
Net change in fair value of share-based payment liability	-	1,955	(1,955)	-	-	-	-	-
Transactions with owner of the Bank	-	2,027	(516)	-	-	-	-	1,511
Transfer to general banking reserve	-	(20)	-	-	-	20	-	-
Balance at 31 December 2021	794,150	1,172,632	12,493	221,332	306,835	91,881	59,312	2,658,635
Total comprehensive income								
Profit for the year	-	14,375	-	-	-	-	-	14,375
<i>Other comprehensive income</i>								
Net change in fair value	-	-	-	-	-	-	(62,115)	(62,115)
Realisation of revaluation reserve to retained earnings	-	766	-	(766)	-	-	-	-
Remeasurements of retirement obligation	-	(18,551)	-	-	-	-	-	(18,551)
Tax on other comprehensive income	-	(389)	-	46	-	-	3,956	3,613
Total other comprehensive income	-	(18,174)	-	(720)	-	-	(58,159)	(77,053)
Total comprehensive income	-	(3,799)	-	(720)	-	-	(58,159)	(62,678)
Transactions with owner of the Bank								
Other movements during the year	-	21	943	-	-	-	-	964
Transactions with owner of the Bank	-	21	943	-	-	-	-	964
Transfer to general banking reserve	-	(34,820)	-	-	-	34,820	-	-
Balance at 30 June 2022	794,150	1,134,012	13,436	220,612	306,835	126,702	1,153	2,596,921

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of cash flows

for the period ended 30 June 2022

	30-Jun-22 MUR'000	30-Jun-21 MUR'000	31-Dec-21 MUR'000
Cash flows from operating activities			
Profit before income tax	32,157	43,607	350,099
Adjustments for:			
Depreciation	21,924	22,384	43,788
Profit on sale of fixed assets	-	(378)	(197)
Net impairment release on financial assets	(30,470)	(37,471)	(322,830)
Net interest income	(230,674)	(235,424)	(486,635)
Exchange differences in respect of cash and cash equivalents	30,204	436,457	(378,778)
	<u>(176,859)</u>	<u>229,175</u>	<u>(794,553)</u>
Change in:			
Other assets	92,476	(71,431)	(733,582)
Other liabilities	(50,861)	(129,157)	368,443
Trading assets	6,452	(218)	(5,930)
Trading liabilities	2,771	1,710	(2,131)
Loans and advances to customers	(897,610)	3,996,241	3,835,670
Loans and advances to banks	(80,622)	(291,006)	(113,824)
Deposits from customers	1,377,823	1,765,548	3,036,505
Deposits from banks	(789,221)	495,970	429,493
Interest received	291,223	274,157	565,655
Interest paid	(32,058)	(2,997)	(74,315)
Other borrowed funds	(1,078,952)	(4,576,995)	(4,133,804)
	<u>(1,335,438)</u>	<u>1,690,997</u>	<u>2,377,627</u>
Tax (paid)/refund	(42,778)	(347)	1,372
Net cash (used in) / from operating activities	<u>(1,378,216)</u>	<u>1,690,650</u>	<u>2,378,999</u>
Cash flows from investing activities			
Acquisition of intangible assets	-	-	(3,392)
Acquisition of property, plant and equipment	(11,819)	(4,607)	(9,501)
Proceeds from disposal of property, plant and equipment	1,804	477	-
Purchase of investment securities	(4,840,279)	(3,550,975)	(7,225,981)
Proceed from sale and maturity of investment securities	4,959,500	2,060,000	4,701,700
Net cash from/ (used in) investing activities	<u>109,206</u>	<u>(1,495,105)</u>	<u>(2,537,174)</u>
Cash flows from financing activities			
Principal element of lease payments	(41,360)	(10,510)	(19,253)
Capital injection	-	-	-
Net cash used in financing activities	<u>(41,360)</u>	<u>(10,510)</u>	<u>(19,253)</u>
Net change in cash and cash equivalents	<u>(1,310,370)</u>	<u>185,035</u>	<u>(177,428)</u>
Cash and cash equivalents at 1 January	6,643,354	6,442,004	6,442,004
Exchange differences in respect of cash and cash equivalents	(30,204)	(436,457)	378,778
Cash and cash equivalents at end of period/year	<u>5,302,780</u>	<u>6,190,582</u>	<u>6,643,354</u>