

## 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 2023

	Three months ended 30-Jun-23 MUR'000	Three months ended 30-Jun-22 MUR'000	Six months ended 30-Jun-23 MUR'000	Six months ended 30-Jun-22 MUR'000	Year ended 31-Dec-22 MUR'000
Interest income	307,790	138,193	573,068	267,681	625,261
Interest expense	(115,844)	(16,682)	(204,511)	(37,007)	(112,903)
<b>Net interest income</b>	<b>191,946</b>	<b>121,511</b>	<b>368,557</b>	<b>230,674</b>	<b>512,358</b>
Fee and commission income	46,511	46,292	92,139	94,036	190,185
Fee and commission expense	(8,874)	(8,446)	(17,447)	(19,499)	(48,550)
<b>Net fee and commission income</b>	<b>37,637</b>	<b>37,846</b>	<b>74,692</b>	<b>74,537</b>	<b>141,635</b>
Net trading income	48,897	49,248	97,716	98,325	208,753
	<b>278,480</b>	<b>208,605</b>	<b>540,965</b>	<b>403,536</b>	<b>862,746</b>
Other operating income	45,008	47,522	94,189	95,354	188,885
<b>Total operating income</b>	<b>323,488</b>	<b>256,127</b>	<b>635,154</b>	<b>498,890</b>	<b>1,051,631</b>
<b>Net impairment release/(charge) on financial assets</b>	<b>18,388</b>	<b>(1,336)</b>	<b>19,594</b>	<b>30,470</b>	<b>67,345</b>
Personnel expenses	(173,808)	(110,925)	(280,909)	(218,363)	(467,528)
Operating lease expenses	(1,260)	(1,492)	(2,289)	(3,777)	(4,276)
Depreciation	(10,398)	(11,278)	(21,103)	(21,924)	(45,420)
Other expenses	(138,087)	(132,844)	(285,937)	(253,139)	(583,115)
<b>Total expenses</b>	<b>(323,553)</b>	<b>(256,539)</b>	<b>(590,238)</b>	<b>(497,203)</b>	<b>(1,100,339)</b>
<b>Profit before tax</b>	<b>18,323</b>	<b>(1,748)</b>	<b>64,510</b>	<b>32,157</b>	<b>18,637</b>
Tax expense	(22,395)	(2,845)	(40,434)	(17,782)	(6,744)
<b>(Loss)/Profit for the period/year</b>	<b>(4,072)</b>	<b>(4,593)</b>	<b>24,076</b>	<b>14,375</b>	<b>11,893</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurements of retirement obligations	425	(18,551)	(17,304)	(18,551)	124,837
Deferred tax impact on remeasurements of retirement obligations	-	1,122	-	(389)	(93,894)
Gain on revaluation of land and buildings	-	-	-	-	12,998
Deferred tax impact on gain on revaluation of land and buildings	-	27	-	46	4,915
	<b>425</b>	<b>(17,402)</b>	<b>(17,304)</b>	<b>(18,894)</b>	<b>48,856</b>
<b>Items that may be reclassified to profit or loss</b>					
Net change in fair value of financial assets at fair value through other comprehensive income	10,258	(33,741)	29,993	(62,115)	(159,504)
Deferred tax impact on change in fair value of financial assets at fair value through other comprehensive income	-	1,782	-	3,956	4,607
	<b>10,258</b>	<b>(31,959)</b>	<b>29,993</b>	<b>(58,159)</b>	<b>(154,897)</b>
<b>Total other comprehensive income for the period/year</b>	<b>10,683</b>	<b>(49,361)</b>	<b>12,689</b>	<b>(77,053)</b>	<b>(106,041)</b>
<b>Total comprehensive income for the period/year</b>	<b>6,611</b>	<b>(53,954)</b>	<b>36,765</b>	<b>(62,678)</b>	<b>(94,148)</b>

## The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

### Unaudited statement of financial position

at 30 June 2023

	<b>30-Jun-23</b>	30-Jun-22	31-Dec-22
	<b>MUR'000</b>	MUR'000	MUR'000
<b>ASSETS</b>			
Cash and cash equivalents	<b>6,302,985</b>	5,302,780	7,068,916
Trading assets	<b>2,641</b>	5,540	5,530
Loans and advances to banks	<b>246,376</b>	459,265	200,357
Loans and advances to customers	<b>12,195,016</b>	11,738,633	12,123,598
Investment securities at fair value through other comprehensive income	<b>6,842,621</b>	10,167,250	6,537,624
Investment securities at amortised cost	<b>1,454,590</b>	376,733	1,309,123
Other assets	<b>2,683,932</b>	3,071,429	2,513,370
Intangible assets	<b>2,358</b>	3,048	2,703
Property, plant and equipment	<b>383,841</b>	342,859	390,844
Deferred tax assets	-	61,803	-
<b>Total assets</b>	<b>30,114,360</b>	<u>31,529,340</u>	<u>30,152,065</u>

**The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch**

**Unaudited statement of financial position (continued)**

at 30 June 2023

	<b>30-Jun-23</b>	30-Jun-22	31-Dec-22
	<b>MUR'000</b>	MUR'000	MUR'000
<b>LIABILITIES</b>			
Deposits from banks	<b>605,502</b>	388,064	451,231
Deposits from customers	<b>26,299,993</b>	27,192,741	26,335,817
Trading liabilities	<b>3,008</b>	3,860	6,871
Other borrowed funds	<b>166,385</b>	4,551	444,494
Current tax liabilities	<b>34,886</b>	28,954	44,099
Other liabilities	<b>681,226</b>	1,314,249	583,918
<b>Total liabilities</b>	<b>27,791,000</b>	28,932,419	27,866,430
<b>Shareholder's funds</b>			
Assigned capital	<b>794,150</b>	794,150	794,150
Retained earnings	<b>907,900</b>	1,134,033	896,274
Other reserves	<b>621,310</b>	668,738	595,211
<b>Total shareholder's funds</b>	<b>2,323,360</b>	2,596,921	2,285,635
<b>Total liabilities and shareholder's funds</b>	<b>30,114,360</b>	31,529,340	30,152,065
<b>CONTINGENT LIABILITIES</b>			
Guarantees, letters of credit, endorsements and other obligations on account of customers	<b>2,840,699</b>	3,658,720	2,646,497
Undrawn commitments	<b>8,812,220</b>	8,193,107	9,647,576

Approved on 10 August 2023

**Gregory Lowden**  
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 2023

	Assigned capital	Retained earnings	Other Reserves					Total shareholder's funds
			Share based payment	Revaluation reserve	Statutory reserve	General banking reserve	Fair value reserve	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
<b>Balance at 1 January 2021</b>	794,150	707,398	13,009	208,493	306,835	91,861	164,226	2,285,972
<b>Total comprehensive income</b>								
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
<b>Transactions with owner of the Bank</b>								
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	-	-
<b>Balance at 31 December 2021</b>	794,150	1,172,632	12,493	221,332	306,835	91,881	59,312	2,658,635
<b>Total comprehensive income</b>								
Profit for the year	-	11,893	-	-	-	-	-	11,893
<i>Other comprehensive income</i>								
Net change in fair value	-	-	-	-	-	-	(159,504)	(159,504)
Realisation of revaluation reserve to retained earnings	-	2,098	-	(2,098)	-	-	-	-
Remeasurements of retirement obligations	-	124,837	-	-	-	-	-	124,837
Revaluation of land and buildings	-	-	-	12,998	-	-	-	12,998
Write off of deferred tax	-	(93,894)	-	4,915	-	-	4,607	(84,372)
Total other comprehensive income	-	33,041	-	15,815	-	-	(154,897)	(106,041)
Total comprehensive income	-	44,934	-	15,815	-	-	(154,897)	(94,148)
<b>Transactions with owner of the Bank</b>								
Other movements during the year	-	-	1,830	-	-	-	-	1,830
Net change in fair value of share-based payment liability	-	342	(342)	-	-	-	-	-
Profit remittance to Head office	-	(280,682)	-	-	-	-	-	(280,682)
Transactions with owner of the Bank	-	(280,340)	1,488	-	-	-	-	(278,852)
Transfer to general banking reserve	-	(40,952)	-	-	-	40,952	-	-
<b>Balance at 31 December 2022</b>	794,150	896,274	13,981	237,147	306,835	132,833	(95,585)	2,285,635
<b>Total comprehensive income</b>								
Profit for the year	-	24,076	-	-	-	-	-	24,076
<i>Other comprehensive income</i>								
Net change in fair value	-	-	-	-	-	-	29,993	29,993
Realisation of revaluation reserve to retained earnings	-	959	-	(959)	-	-	-	-
Remeasurements of retirement obligations	-	(17,304)	-	-	-	-	-	(17,304)
Total other comprehensive income	-	(16,345)	-	(959)	-	-	29,993	12,689
Total comprehensive income	-	7,731	-	(959)	-	-	29,993	36,765
<b>Transactions with owner of the Bank</b>								
Other movements during the year	-	-	960	-	-	-	-	960
Transactions with owner of the Bank	-	-	960	-	-	-	-	960
Transfer from general banking reserve	-	3,895	-	-	-	(3,895)	-	-
<b>Balance at 30 June 2023</b>	794,150	907,900	14,941	236,188	306,835	128,938	(65,592)	2,323,360

## The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

### Unaudited statement of cash flows

for the period ended 30 June 2023

	30-Jun-23 MUR'000	30-Jun-22 MUR'000	31-Dec-22 MUR'000
<b>Cash flows from operating activities</b>			
Profit before tax	64,510	32,157	18,637
<b>Adjustments for:</b>			
Depreciation	21,103	21,924	45,420
Profit on modification of lease	-	-	(2,820)
Net impairment reversal on financial assets	(19,594)	(30,470)	(67,345)
Net interest income	(368,557)	(230,674)	(512,358)
Write off of plant, property and equipment	-	-	10,392
Exchange differences in respect of cash and cash equivalents	111,404	30,204	(139,114)
	<b>(191,134)</b>	<b>(176,859)</b>	<b>(647,188)</b>
<b>Change in:</b>			
Other assets	(169,590)	92,476	645,827
Other liabilities	54,768	(50,861)	(691,302)
Trading assets	2,889	6,452	6,462
Trading liabilities	(3,863)	2,771	5,782
Loans and advances to customers	(54,167)	(897,610)	(1,241,417)
Loans and advances to banks	(49,488)	(80,622)	177,719
Deposits from customers	(35,824)	1,377,823	520,899
Deposits from banks	154,271	(789,221)	(726,054)
Interest received	583,484	291,223	681,144
Interest paid	(169,587)	(32,058)	(93,900)
Other borrowed funds	(278,109)	(1,078,952)	(639,009)
	<b>(156,350)</b>	<b>(1,335,438)</b>	<b>(2,001,037)</b>
Tax (paid)/refund	(49,647)	(42,778)	(42,778)
<b>Net cash from operating activities</b>	<b>(205,997)</b>	<b>(1,378,216)</b>	<b>(2,043,815)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	(13,755)	(11,819)	(52,483)
Proceeds from disposal of property, plant and equipment	-	1,804	-
Purchase of investment securities	(100,070,640)	(4,840,279)	(11,686,730)
Proceed from sale and maturity of investment securities	104,801,966	4,959,500	14,521,600
<b>Net cash from/(used in) investing activities</b>	<b>4,717,571</b>	<b>109,206</b>	<b>2,782,387</b>
<b>Cash flows from financing activities</b>			
Principal element of lease payments	(8,225)	(41,360)	(22,207)
Profit remittance to Head office	-	-	(280,682)
<b>Net cash (used in)/from financing activities</b>	<b>(8,225)</b>	<b>(41,360)</b>	<b>(302,889)</b>
<b>Net change in cash and cash equivalents</b>	<b>4,503,349</b>	<b>(1,310,370)</b>	<b>435,683</b>
Cash and cash equivalents at 1 January	7,218,151	6,643,354	6,643,354
Exchange differences in respect of cash and cash equivalents	(111,404)	(30,204)	139,114
<b>Cash and cash equivalents at end of period/year</b>	<b>11,610,096</b>	<b>5,302,780</b>	<b>7,218,151</b>