

HSBC Bank (Mauritius) Limited

Summary statement of profit or loss and other comprehensive income for the year ended 31 December 2016

	2016 USD'000	2015 USD'000	2014 USD'000
Interest income	52,630	44,968	52,409
Interest expense	(9,992)	(3,266)	(4,397)
Net interest income	42,638	41,702	48,012
Fee and commission income	10,256	14,236	14,962
Fee and commission expense	(828)	(4,783)	(6,725)
Net fee and commission income	9,428	9,453	8,237
Net trading income	3,595	3,958	4,517
	55,661	55,113	60,766
Other operating income	744	749	73
Total operating income	56,405	55,862	60,839
Net reversal of impairment/(impairment loss) on financial assets	29	(774)	-
Personnel expenses	(3,064)	(2,705)	(2,857)
Operating lease expenses	(125)	(136)	(143)
Depreciation	(38)	(13)	(17)
Other expenses	(10,179)	(8,830)	(6,746)
Total expenses	(13,406)	(11,684)	(9,763)
Profit before income tax	43,028	43,404	51,076
Income tax expense	(1,852)	(1,900)	(2,201)
Profit for the year	41,176	41,504	48,875
Other comprehensive income, net of income tax			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liabilities	(304)	36	286
Related tax	9	3	(7)
Other comprehensive income for the year, net of income tax	(295)	39	279
Total comprehensive income for the year	40,881	41,543	49,154
Profit attributable to:			
Equity holder	41,176	41,504	48,875
Total comprehensive income attributable to:			
Equity holder	40,881	41,543	49,154

HSBC Bank (Mauritius) Limited

Summary statement of financial position at 31 December 2016

	2016 USD'000	2015 USD'000	2014 USD'000
Assets			
Cash and cash equivalents	421,405	376,826	360,089
Trading assets	920	1,314	22,602
Loans and advances to banks	1,395,481	999,122	1,300,282
Loans and advances to customers	1,613,678	1,645,791	2,713,529
Equipment	52	32	34
Deferred tax assets	55	46	20
Other assets	14,014	15,336	27,451
Total assets	3,445,605	3,038,467	4,424,007
Liabilities			
Deposits from banks	-	-	184
Deposits from customers	2,162,790	2,557,350	2,630,171
Trading liabilities	137	256	3,294
Other borrowed funds	946,560	117,691	1,403,564
Current tax liabilities	786	818	897
Other liabilities	22,016	13,423	30,515
Total liabilities	3,132,289	2,689,538	4,068,625
Shareholder's equity			
Stated capital – paid up	72,957	72,957	72,957
Retained earnings	140,103	177,280	182,280
Other reserves	100,256	98,692	100,145
Total equity attributable to equity holder	313,316	348,929	355,382
Total liabilities and shareholder's equity	3,445,605	3,038,467	4,424,007

Approved by the Board of Directors on 22 February 2017 and signed on its behalf by:

Jayant Rikhye
Chairman

Dean Lam Kin Teng
Managing Director

Lukas Mandangu
Director

HSBC Bank (Mauritius) Limited

Summary statement of changes in equity for the year ended 31 December 2016

	Other reserves					Total
	Stated capital	Retained earnings	Statutory reserve	General banking reserve	Reserves for own shares	
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at 1 January 2014	72,957	168,424	72,957	26,835	52	341,225
Total comprehensive income						
Profit for the year	-	48,875	-	-	-	48,875
Other comprehensive income						
Remeasurements of defined benefit liabilities	-	228	-	-	-	228
Exchange difference on remeasurements of defined benefit liabilities	-	58	-	-	-	58
Tax on other comprehensive income	-	(7)	-	-	-	(7)
Total other comprehensive income	-	279	-	-	-	279
Total comprehensive income	-	49,154	-	-	-	49,154
Transactions with owners of the Bank						
Dividends paid	-	(35,000)	-	-	-	(35,000)
Exchange difference	-	2	-	-	1	3
Transactions with owners of the Bank	-	(34,998)	-	-	1	(34,997)
Transfer to general banking reserve	-	(300)	-	300	-	-
Balance at 31 December 2014	72,957	182,280	72,957	27,135	53	355,382
Total comprehensive income						
Profit for the year	-	41,504	-	-	-	41,504
Other comprehensive income						
Remeasurements of defined benefit liabilities	-	(49)	-	-	-	(49)
Exchange difference on remeasurements of defined benefit liabilities	-	85	-	-	-	85
Tax on other comprehensive income	-	3	-	-	-	3
Total other comprehensive income	-	39	-	-	-	39
Total comprehensive income	-	41,543	-	-	-	41,543
Transactions with owners of the Bank						
Dividends paid	-	(48,000)	-	-	-	(48,000)
Exchange difference	-	5	-	-	(1)	4
Transactions with owners of the Bank	-	(47,995)	-	-	(1)	(47,996)
Transfer from general banking reserve	-	1,452	-	(1,452)	-	-
Balance at 31 December 2015	72,957	177,280	72,957	25,683	52	348,929
Total comprehensive income						
Profit for the year	-	41,176	-	-	-	41,176
Other comprehensive income						
Remeasurements of defined benefit liabilities	-	(313)	-	-	-	(313)
Exchange difference on remeasurements of defined benefit liabilities	-	9	-	-	-	9
Tax on other comprehensive income	-	9	-	-	-	9
Total other comprehensive income	-	(295)	-	-	-	(295)
Total comprehensive income	-	40,881	-	-	-	40,881
Transactions with owners of the Bank						
Dividends paid	-	(76,500)	-	-	-	(76,500)
Exchange difference	-	13	-	-	(7)	6
Transactions with owners of the Bank	-	(76,487)	-	-	(7)	(76,494)
Transfer to general banking reserve	-	(1,571)	-	1,571	-	-
Balance at 31 December 2016	72,957	140,103	72,957	27,254	45	313,316

HSBC Bank (Mauritius) Limited

Summary statement of cash flows for the year ended 31 December 2016

	2016 USD'000	2015 USD'000	2014 USD'000
Cash flows from operating activities			
Profit before income tax	43,028	43,404	51,076
Adjustments for:			
Depreciation	38	13	17
Loss on sale of equipment	-	2	-
Net (reversal of impairment)/impairment loss on financial assets	(29)	774	-
Net interest income	(42,638)	(41,702)	(48,012)
Exchange differences in respect of cash and cash equivalents	2,226	17,970	11,667
	2,625	20,461	14,748
Change in:			
Other assets	3,494	9,999	(7,992)
Other liabilities	6,678	(16,661)	16,237
Trading assets	394	21,288	4,758
Trading liabilities	(119)	(3,038)	(5,514)
Loans and advances to banks	(396,359)	301,160	(415,478)
Loans and advances to customers	32,142	1,066,964	(30,037)
Deposits from banks	-	(184)	177
Deposits from customers	(394,560)	(72,821)	(519,587)
Interest received	50,458	47,084	53,106
Interest paid	(8,375)	(3,657)	(4,242)
	(703,622)	1,370,595	(893,824)
Income tax paid	(1,884)	(2,002)	(2,201)
Net cash (used in)/from operating activities	(705,506)	1,368,593	(896,025)
Cash flows from investing activities			
Acquisition of equipment	(58)	(14)	(13)
Proceeds from the sale of equipment	-	1	-
Net cash used in investing activities	(58)	(13)	(13)
Cash flows from financing activities			
Dividends paid	(76,500)	(48,000)	(35,000)
Increase/(decrease) in other borrowed funds	930,522	(214)	(33,748)
Net cash from/(used in) financing activities	854,022	(48,214)	(68,748)
Net change in cash and cash equivalents	148,458	1,320,366	(964,786)
Cash and cash equivalents at 1 January	275,173	(1,027,223)	(50,770)
Exchange differences in respect of cash and cash equivalents	(2,226)	(17,970)	(11,667)
Cash and cash equivalents at 31 December	421,405	275,173	(1,027,223)

Note 1

The summary financial statements are derived from the audited financial statements of HSBC Bank (Mauritius) Limited (the "Bank") for the year ended 31 December 2016. These audited financial statements, which have been prepared in accordance with International Financial Reporting Standards, are available from the regulatory authorities. The summary financial statements comprise the statement of financial position as at 31 December 2016 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended 31 December 2016 as presented in the audited financial statements for that period without reference to the detailed notes.

HSBC Bank (Mauritius) Limited

Independent Auditor's Report

To the Shareholder of HSBC Bank (Mauritius) Limited

Report on the Summary Financial Statements

The accompanying summary financial statements, which comprise the summary statement of financial position as at 31 December 2016, the summary statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended are derived from the audited financial statements of HSBC Bank (Mauritius) Limited (the "Bank") for the year ended 31 December 2016. We expressed an unmodified audit opinion on those financial statements in our report dated 22 February 2017.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Mauritian Companies Act 2001, the Mauritian Banking Act 2004 and regulations and guidelines issued by the Bank of Mauritius. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Bank.

Directors' Responsibility for the Summary Financial Statements

The Bank's directors are responsible for the preparation of a summary of the audited financial statements on the basis described in note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Bank for the year ended 31 December 2016 are consistent, in all material respects, with those financial statements, on the basis described in note 1.

Other Matter

This report, including the opinion, has been prepared for and only for the Bank's shareholder in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

Michael Ho Wan Kau, licensed by FRC

22 February 2017