

# HSBC Bank (Mauritius) Limited

## Summary statement of profit or loss and other comprehensive income for the year ended 31 December 2017

	2017 USD'000	2016 USD'000	2015 USD'000
Interest income	63,078	52,630	44,968
Interest expense	(15,338)	(9,992)	(3,266)
<b>Net interest income</b>	<b>47,740</b>	42,638	41,702
Fee and commission income	6,406	10,256	14,236
Fee and commission expense	(582)	(828)	(4,783)
<b>Net fee and commission income</b>	<b>5,824</b>	9,428	9,453
Net trading income	2,860	3,595	3,958
	<b>56,424</b>	55,661	55,113
Other operating income	650	744	749
<b>Total operating income</b>	<b>57,074</b>	56,405	55,862
<b>Net reversal of impairment/(impairment loss) on financial assets</b>	<b>17</b>	29	(774)
Personnel expenses	(3,202)	(3,064)	(2,705)
Operating lease expenses	(151)	(125)	(136)
Depreciation	(32)	(38)	(13)
Other expenses	(10,845)	(10,179)	(8,830)
<b>Total expenses</b>	<b>(14,230)</b>	(13,406)	(11,684)
<b>Profit before income tax</b>	<b>42,861</b>	43,028	43,404
Income tax expense	(1,904)	(1,852)	(1,900)
<b>Profit for the year</b>	<b>40,957</b>	41,176	41,504
<b>Other comprehensive income, net of income tax</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit liabilities	(529)	(304)	36
Related tax	14	9	3
	<b>(515)</b>	(295)	39
<b>Items that may be reclassified to profit or loss</b>			
Net change in fair value	(156)	-	-
	<b>(671)</b>	(295)	39
<b>Total comprehensive income for the year</b>	<b>40,286</b>	40,881	41,543

# HSBC Bank (Mauritius) Limited

## Summary statement of financial position at 31 December 2017

	2017 USD'000	2016 USD'000	2015 USD'000
<b>ASSETS</b>			
Cash and cash equivalents	1,635,210	421,405	376,826
Trading assets	120	920	1,314
Loans and advances to banks	531,831	1,395,481	999,122
Loans and advances to customers	1,750,583	1,613,678	1,645,791
Investment securities	298,499	-	-
Equipment	44	52	32
Deferred tax assets	67	55	46
Other assets	29,893	14,014	15,336
<b>Total assets</b>	<b>4,246,247</b>	<b>3,445,605</b>	<b>3,038,467</b>
<b>LIABILITIES</b>			
Deposits from customers	3,120,937	2,162,790	2,557,350
Trading liabilities	629	137	256
Other borrowed funds	783,201	946,560	117,691
Current tax liabilities	815	786	818
Other liabilities	17,067	22,016	13,423
<b>Total liabilities</b>	<b>3,922,649</b>	<b>3,132,289</b>	<b>2,689,538</b>
<b>Shareholder's equity</b>			
Stated capital	72,957	72,957	72,957
Retained earnings	156,818	140,103	177,280
Other reserves	93,823	100,256	98,692
<b>Total equity attributable to equity holder</b>	<b>323,598</b>	<b>313,316</b>	<b>348,929</b>
<b>Total liabilities and shareholder's equity</b>	<b>4,246,247</b>	<b>3,445,605</b>	<b>3,038,467</b>

Approved by the Board of Directors on 14 March 2018 and signed on its behalf by:

Matthew Lobner  
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 2017

	Stated capital	Retained earnings	Statutory reserve	General banking reserve	Reserves for own shares	Fair value reserve	Total Equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Balance at 1 January 2015</b>	<b>72,957</b>	<b>182,280</b>	<b>72,957</b>	<b>27,135</b>	<b>53</b>	<b>-</b>	<b>355,382</b>
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 for the year	-	39	-	-	-	-	39
Total comprehensive income for the year	-	41,543	-	-	-	-	41,543
<b>Transactions with owner of the Bank</b>							
Dividends paid	-	(48,000)	-	-	-	-	(48,000)
Exchange difference	-	5	-	-	(1)	-	4
Transactions with owner of the Bank	-	(47,995)	-	-	(1)	-	(47,996)
Transfer from general banking reserve	-	1,452	-	(1,452)	-	-	-
<b>Balance at 31 December 2015</b>	<b>72,957</b>	<b>177,280</b>	<b>72,957</b>	<b>25,683</b>	<b>52</b>	<b>-</b>	<b>348,929</b>
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 for the year	-	(295)	-	-	-	-	(295)
Total comprehensive income for the year	-	40,881	-	-	-	-	40,881
<b>Transactions with owner of the Bank</b>							
Dividends paid	-	(76,500)	-	-	-	-	(76,500)
Exchange difference	-	13	-	-	(7)	-	6
Transactions with owner of the Bank	-	(76,487)	-	-	(7)	-	(76,494)
Transfer to general banking reserve	-	(1,571)	-	1,571	-	-	-
<b>Balance at 31 December 2016</b>	<b>72,957</b>	<b>140,103</b>	<b>72,957</b>	<b>27,254</b>	<b>45</b>	<b>-</b>	<b>313,316</b>
Profit for the year	-	40,957	-	-	-	-	40,957
Other comprehensive income							
Net change in fair value	-	-	-	-	-	(156)	(156)
Remeasurements of defined benefit liabilities	-	(462)	-	-	-	-	(462)
Exchange difference on remeasurements of defined benefit liabilities	-	(67)	-	-	-	-	(67)
Tax on other comprehensive income	-	14	-	-	-	-	14
Total other comprehensive income for the year	-	(515)	-	-	-	(156)	(671)
Total comprehensive income for the year	-	40,442	-	-	-	(156)	40,286
<b>Transactions with owner of the Bank</b>							
Dividends paid	-	(30,000)	-	-	-	-	(30,000)
Exchange difference	-	2	-	-	(6)	-	(4)
Transactions with owner of the Bank	-	(29,998)	-	-	(6)	-	(30,004)
Transfer from general banking reserve	-	6,271	-	(6,271)	-	-	-
<b>Balance at 31 December 2017</b>	<b>72,957</b>	<b>156,818</b>	<b>72,957</b>	<b>20,983</b>	<b>39</b>	<b>(156)</b>	<b>323,598</b>

# HSBC Bank (Mauritius) Limited

## Summary Statement of cash flows for the year ended 31 December 2017

	2017 USD'000	2016 USD'000	2015 USD'000
<b>Cash flows from operating activities</b>			
Profit before income tax	42,861	43,028	43,404
<b>Adjustments for:</b>			
Depreciation	32	38	13
Loss on sale of equipment	3	-	2
Net (reversal of impairment)/impairment loss on financial assets	(17)	(29)	774
Net interest income	(47,740)	(42,638)	(41,702)
Exchange differences in respect of cash and cash equivalents	5,297	2,226	17,970
	436	2,625	20,461
<b>Change in:</b>			
Other assets	(16,641)	3,494	9,999
Other liabilities	(4,709)	6,678	(16,661)
Trading assets	800	394	21,288
Trading liabilities	492	(119)	(3,038)
Loans and advances to banks	863,650	(396,359)	301,160
Loans and advances to customers	(136,888)	32,142	1,066,964
Deposits from banks	-	-	(184)
Deposits from customers	958,147	(394,560)	(72,821)
Interest received	63,490	50,458	47,084
Interest paid	(16,111)	(8,375)	(3,657)
Other borrowed funds	(166,230)	930,522	(214)
	1,546,436	226,900	1,370,381
Income tax paid	(1,873)	(1,884)	(2,002)
<b>Net cash from/(used in) operating activities</b>	<b>1,544,563</b>	<b>225,016</b>	<b>1,368,379</b>
<b>Cash flows from investing activities</b>			
Acquisition of equipment	(27)	(58)	(14)
Proceeds from the sale of equipment	-	-	1
Net investment in securities	(298,305)	-	-
<b>Net cash used in investing activities</b>	<b>(298,332)</b>	<b>(58)</b>	<b>(13)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	(30,000)	(76,500)	(48,000)
<b>Net cash used in financing activities</b>	<b>(30,000)</b>	<b>(76,500)</b>	<b>(48,000)</b>
<b>Net change in cash and cash equivalents</b>	<b>1,216,231</b>	<b>148,458</b>	<b>1,320,366</b>
Cash and cash equivalents at 01 January	421,405	275,173	(1,027,223)
Exchange differences in respect of cash and cash equivalents	(5,297)	(2,226)	(17,970)
<b>Cash and cash equivalents at 31 December</b>	<b>1,632,339</b>	<b>421,405</b>	<b>275,173</b>

## Independent Auditor's Report

*To the Shareholder of*

*HSBC Bank (Mauritius) Limited*

### **Report on the Summary Financial Statements**

#### **Our Opinion**

In our opinion, the accompanying summary financial statements of HSBC Bank (Mauritius) Limited (the "Bank") are consistent, in all material respects, with the audited financial statements, on the basis described in note 1.

#### **The summary financial statements**

The Bank's summary financial statements derived from the audited financial statements for the year ended 31 December 2017 comprise:

- the summary statement of financial position as at 31 December 2017;
- the summary statement of profit or loss and other comprehensive income for the year then ended;
- the summary statement of changes in equity for the year then ended;
- the summary statement of cash flows for the year then ended; and
- the related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

#### **The Audited Financial Statements and our Audit Report thereon**

We expressed an unmodified audit opinion on the audited financial statements in our report dated 14 March 2018.

#### **Responsibilities of the Directors for the Summary Financial Statements**

The directors are responsible for the preparation of the summary financial statements on the basis described in note 1.

#### **Auditor's Responsibility for the Summary Financial Statements**

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

PricewaterhouseCoopers

Michael Ho Wan Kau, licensed by FRC

14 March 2018

#### Note 1

The accompanying summary financial statements are derived from the audited financial statements of HSBC Bank (Mauritius) Limited (the "Bank") for the year ended 31 December 2017. These audited financial statements, which have been prepared in accordance with International Financial Reporting Standards, are available at HSBC Bank (Mauritius) Limited, 6th floor, HSBC Tower, 18 Cybercity, Ebene, Rduit 72201. The summary financial statements comprise the statement of financial position as at 31 December 2017 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended 31 December 2017 as presented in the audited financial statements for that period without reference to the detailed notes.