

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 2017

	Three months ended 30-Jun-17 MUR'000	Three months ended 30-Jun-16 MUR'000	Six months ended 30-Jun-17 MUR'000	Six months ended 30-Jun-16 MUR'000	Year ended 31-Dec-16 MUR'000
Interest income	196,125	208,777	393,784	418,767	838,046
Interest expense	(55,325)	(59,681)	(109,577)	(121,257)	(236,936)
Net interest income	140,800	149,096	284,207	297,510	601,110
Fee and commission income	48,131	48,156	93,903	95,590	193,193
Fee and commission expense	(12,155)	(9,363)	(20,777)	(16,199)	(33,154)
Net fee and commission income	35,976	38,793	73,126	79,391	160,039
Net trading income	46,982	38,459	86,225	83,805	168,202
	223,758	226,348	443,558	460,706	929,351
Other operating income	77,719	74,265	157,241	149,575	301,122
Total operating income	301,477	300,613	600,799	610,281	1,230,473
Net impairment gain/(loss) on financial assets	1,258	(3,616)	1,965	(3,054)	(15,556)
Personnel expenses	(87,140)	(84,940)	(173,393)	(170,596)	(346,258)
Operating lease expenses	(11,287)	(7,195)	(22,515)	(18,275)	(40,995)
Depreciation	(3,034)	(3,161)	(5,976)	(6,131)	(12,029)
Other expenses	(120,778)	(137,754)	(226,484)	(254,685)	(506,013)
Total expenses	(222,239)	(233,050)	(428,368)	(449,687)	(905,295)
Profit before tax	80,496	62,947	174,396	157,540	309,622
Income tax expense	(18,195)	(17,882)	(41,061)	(42,575)	(85,455)
Profit for the period/year	62,301	45,065	133,335	114,965	224,167
Other comprehensive income, net of tax					
Items that will never be reclassified to profit or loss					
Remeasurements of defined benefit liabilities	(21,175)	(1,939)	(42,348)	(3,878)	(84,691)
Related tax on remeasurements of defined benefit liabilities	3,252	291	6,428	582	12,704
Gain on revaluation of land and buildings	-	-	-	-	(28,711)
Related tax on gain on revaluation of land and buildings	-	-	-	-	2,788
	(17,923)	(1,648)	(35,920)	(3,296)	(97,910)
Items that may be reclassified to profit or loss					
Net change in fair value	38,483	8,650	46,580	105,725	106,233
	38,483	8,650	46,580	105,725	106,233
Other comprehensive income/(expense) for the period/year	20,560	7,002	10,660	102,429	8,323
Total comprehensive income for the period/year	82,861	52,067	143,995	217,394	232,490
<i>Profit attributable to:</i>					
Equity holders of the Bank	62,301	45,065	133,335	114,965	224,167
<i>Total comprehensive income attributable to:</i>					
Equity holders of the Bank	82,861	52,067	143,995	217,394	232,490

The HongKong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited Statement of Financial Position as at 30 June 2017

	30-Jun-17	30-Jun-16	31-Dec-16
	MUR'000	MUR'000	MUR'000
ASSETS			
Cash and cash equivalents	3,653,883	3,929,470	3,509,555
Trading assets	1,757	36,177	694
Loans and advances to banks	531,000	557,745	563,557
Loans and advances to customers	11,658,824	12,721,543	12,404,036
Investment securities	6,320,889	4,920,063	5,705,028
Other assets	2,641,804	1,810,550	2,060,873
Property, plant and equipment	234,736	264,858	233,996
Deferred tax assets	58,710	36,653	53,014
Total assets	25,101,603	24,277,059	24,530,753

The HongKong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited Statement of Financial Position (continued)

as at 30 June 2017

	30-Jun-17	30-Jun-16	31-Dec-16
	MUR'000	MUR'000	MUR'000
LIABILITIES			
Deposits from banks	198,650	125,137	188,531
Deposits from customers	20,297,399	19,663,091	19,542,948
Trading liabilities	2,149	5,006	6,400
Other borrowed funds	624,865	931,908	1,264,409
Current tax liabilities	38,871	37,557	54,846
Other liabilities	1,573,938	1,209,617	1,251,509
Total liabilities	22,735,872	21,972,316	22,308,643
Shareholders' funds			
Assigned capital	239,265	239,265	239,265
Retained earnings	1,474,115	1,425,443	1,368,257
Other reserves	652,351	640,035	614,588
Total shareholders' funds	2,365,731	2,304,743	2,222,110
Total liabilities and shareholders' funds	25,101,603	24,277,059	24,530,753
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers	2,367,969	4,904,226	3,072,885
Undrawn commitments	6,641,212	8,787,319	7,683,868

The HongKong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited Statement of Changes in Equity

for the period ended 30 June 2017

	Other Reserves							Total MUR'000
	Assigned capital MUR'000	Retained earnings MUR'000	Reserves for own shares MUR'000	Revaluation reserves MUR'000	Statutory reserve MUR'000	General banking reserve MUR'000	Fair value reserve MUR'000	
Balance at 1 January 2015	239,265	1,121,831	24,899	233,704	243,185	125,756	(13,751)	1,974,889
Total comprehensive income								
Profit for the year	-	194,717	-	-	-	-	-	194,717
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	(78,038)	(78,038)
Realisation of revaluation reserve to retained earnings	-	26,262	-	(26,262)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(7,754)	-	-	-	-	-	(7,754)
Revaluation of properties	-	-	-	1,790	-	-	-	1,790
Tax on other comprehensive income	-	1,163	-	(77)	-	-	-	1,086
Total other comprehensive income	-	19,671	-	(24,549)	-	-	(78,038)	(82,916)
Total comprehensive income	-	214,388	-	(24,549)	-	-	(78,038)	111,801
Transactions with owners of the Bank								
Other movements during the period	-	899	3,161	-	-	-	-	4,060
Net change in fair value of share-based payment liability	-	-	(4,246)	-	-	-	-	(4,246)
Profit remittance to Head office	-	-	-	-	-	-	-	-
Transactions with owners of the Bank	-	899	(1,085)	-	-	-	-	(186)
Transfer (from)/to general banking reserve	-	(32,061)	-	-	-	32,061	-	-
Balance at 31 December 2015	239,265	1,305,057	23,814	209,155	243,185	157,817	(91,789)	2,086,504
Total comprehensive income								
Profit for the year	-	224,167	-	-	-	-	-	224,167
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	106,233	106,233
Realisation of revaluation reserve to retained earnings	-	1,277	-	(1,277)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(84,691)	-	-	-	-	-	(84,691)
Revaluation of properties	-	-	-	(28,711)	-	-	-	(28,711)
Tax on other comprehensive income	-	12,704	-	2,788	-	-	-	15,492
Total other comprehensive income	-	(70,710)	-	(27,200)	-	-	106,233	8,323
Total comprehensive income	-	153,457	-	(27,200)	-	-	106,233	232,490
Transactions with owners of the Bank								
Other movements during the period	-	1,608	2,157	-	-	-	-	3,765
Net change in fair value of share-based payment liability	-	-	(3,249)	-	-	-	-	(3,249)
Profit remittance to Head office	-	(97,400)	-	-	-	-	-	(97,400)
Transactions with owners of the Bank	-	(95,792)	(1,092)	-	-	-	-	(96,884)
Transfer to/(from) general banking reserve	-	5,535	-	-	-	(5,535)	-	-
Balance at 31 December 2016	239,265	1,368,257	22,722	181,955	243,185	152,282	14,444	2,222,110
Total comprehensive income								
Profit for the year	-	133,335	-	-	-	-	-	133,335
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	46,580	46,580
Realisation of revaluation reserve to retained earnings	-	507	-	(507)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(42,348)	-	-	-	-	-	(42,348)
Tax on other comprehensive income	-	6,352	-	76	-	-	-	6,428
Total other comprehensive income	-	(35,489)	-	(431)	-	-	46,580	10,660
Total comprehensive income	-	97,846	-	(431)	-	-	46,580	143,995
Transactions with owners of the Bank								
Other movements during the period	-	(111)	746	-	-	-	-	635
Net change in fair value of share-based payment liability	-	-	(1,009)	-	-	-	-	(1,009)
Transactions with owners of the Bank	-	(111)	(263)	-	-	-	-	(374)
Transfer to/(from) general banking reserve	-	8,123	-	-	-	(8,123)	-	-
Balance at 30 June 2017	239,265	1,474,115	22,459	181,524	243,185	144,159	61,024	2,365,731

Unaudited Statement of Cash Flows
for the period ended 30 June 2017

	30-Jun-17	30-Jun-16	31-Dec-16
	MUR'000	MUR'000	MUR'000
Cash flows from operating activities			
Profit before income tax	174,396	157,540	309,622
Adjustments for:			
Depreciation	5,976	6,131	12,029
(Profit)/loss on sale of fixed assets	218	-	1
Provision and adjustments to income for impairment losses	(3,712)	(792)	9,115
Net interest income	(284,207)	(297,510)	(601,110)
Exchange differences in respect of cash & cash equivalents	38,499	15,723	28,243
	(68,830)	(118,908)	(242,100)
Change in:			
Other assets	(585,320)	165,280	(84,464)
Other liabilities	281,671	82,476	54,717
Trading assets	(1,063)	295,161	224,919
Trading liabilities	(4,251)	3,479	4,873
Loans and advances to customers	748,924	882,908	1,190,508
Loans and advances to banks	32,557	(250,150)	(255,962)
Deposits from customers	754,451	(835,259)	(955,402)
Deposits from banks	10,119	(524,945)	(461,551)
Interest received	398,173	416,065	834,765
Interest paid	(111,465)	(126,119)	(253,099)
	1,454,966	(10,012)	57,204
Tax paid	(56,380)	-	(77,219)
Net cash from / (used in) operating activities	1,398,586	(10,012)	(20,015)
Cash flows from investing activities			
Acquisition of property, plant and equipment	(6,934)	(4,787)	(8,541)
Proceeds from disposal of equipment	-	41	49
Net investment in securities	(569,281)	(55,955)	(734,687)
Net cash used in investing activities	(576,215)	(60,701)	(743,179)
Cash flows from financing activities			
Increase / (decrease) in other borrowed funds	-	(1,326,820)	(1,326,820)
Repatriation of profit	-	-	(97,400)
Net cash used in financing activities	-	(1,326,820)	(1,424,220)
Net change in cash and cash equivalents	822,371	(1,447,518)	(2,187,414)
Cash and cash equivalents at 1 January	2,245,146	4,460,803	4,460,803
Exchange differences in respect of cash & cash equivalents	(38,499)	(15,723)	(28,243)
Cash and cash equivalents at end of period/year	3,029,018	2,997,562	2,245,146