

The Hongkong and Shanghai Banking Corporation - Mauritius Branch

Unaudited Statement of Comprehensive Income

for the quarter ended 30 June 2014

	Three Months ended 30-Jun-14 MUR'000	Three Months ended 30-Jun-13 MUR'000	Six Months ended 30-Jun-14 MUR'000	Six Months ended 30-Jun-13 MUR'000	Year ended 31-Dec-13 MUR'000
Interest income	225,662	249,695	456,898	515,750	996,024
Interest expense	(80,837)	(100,792)	(165,225)	(206,711)	(390,462)
Net interest income	144,825	148,903	291,673	309,039	605,562
Fee and commission income	57,050	54,462	107,303	107,490	213,367
Fee and commission expense	(5,730)	(4,743)	(10,795)	(9,627)	(19,927)
Net fee and commission income	51,320	49,719	96,508	97,863	193,440
Net trading income	46,014	45,796	81,985	102,814	187,839
Net income from other financial instruments carried at fair value through profit or loss	-	-	-	-	(1,242)
Other operating income	1,978	20,253	3,139	40,311	113,218
	47,992	66,049	85,124	143,125	299,815
Operating income	244,137	264,671	473,305	550,027	1,098,817
Net impairment gain on financial assets	(372)	(913)	(4,597)	(1,166)	(5,666)
Personnel expenses	(80,920)	(77,104)	(169,219)	(155,353)	(313,552)
Operating lease expenses	(11,192)	(11,249)	(21,754)	(21,744)	(42,816)
Depreciation	(3,572)	(4,373)	(7,309)	(8,735)	(29,872)
Amortisation	-	(699)	(166)	(1,398)	(2,864)
Other expenses	(63,371)	(78,900)	(115,919)	(158,276)	(334,854)
Total expenses	(159,055)	(172,325)	(314,367)	(345,506)	(723,958)
Profit before tax	84,710	91,433	154,341	203,355	369,193
Tax expense on continuing operation	(18,612)	(18,476)	(47,055)	(45,117)	(120,733)
Profit from continuing operation	66,098	72,957	107,286	158,238	248,460
Other comprehensive income, net of tax					
Items that will never be reclassified to profit or loss					
Remeasurements of defined benefit asset	(10,476)	(9,610)	(20,953)	(19,220)	(41,907)
Related tax	(1,625)	1,442	-	2,883	6,286
Changes in revaluation surplus	-	68	-	97	11,804
	(12,101)	(8,100)	(20,953)	(16,240)	(23,817)
Items that may be reclassified to profit or loss					
Net change in fair value	807	8,579	(1,657)	62,758	(16,411)
	807	8,579	(1,657)	62,758	(16,411)
Other comprehensive income for the year	(11,294)	479	(22,610)	46,518	(40,228)
Total comprehensive income for the year	54,804	73,436	84,676	204,756	208,232
<i>Profit attributable to:</i>					
Equity holders of the Bank	66,098	72,957	107,286	158,238	248,460
<i>Total comprehensive income attributable to:</i>					
Equity holders of the Bank	54,804	73,436	84,676	204,756	208,232



The Hongkong and Shanghai Banking Corporation - Mauritius Branch

Unaudited Statement of financial position

at 30 June 2014

	30-Jun-14	30-Jun-13	31-Dec-13
	MUR'000	MUR'000	MUR'000
ASSETS			
Cash and cash equivalents	3,075,300	3,007,204	3,838,653
Trading assets	373,248	465,661	347,638
Loans and advances to banks	-	171,972	1,522,203
Loans and advances to customers	11,218,158	12,119,813	12,956,929
Investment securities	6,659,822	6,732,809	5,527,575
Property, plant and equipment	288,666	296,400	290,717
Intangible asset	-	1,632	166
Deferred tax assets	28,632	23,775	27,587
Other assets	2,140,913	1,678,571	1,604,358
Total assets	23,784,738	24,497,837	26,115,826

The Hongkong and Shanghai Banking Corporation - Mauritius Branch
Unaudited Statement of financial position (continued)
at 30 June 2014

	30-Jun-14	30-Jun-13	31-Dec-13
	MUR'000	MUR'000	MUR'000
LIABILITIES			
Deposits from banks	321,785	227,521	566,665
Deposits from customers	19,534,043	19,157,075	20,272,079
Trading liabilities	7,694	33,032	8,772
Other borrowed funds	246,384	1,548,328	2,125,330
Current tax liabilities	60,250	57,445	80,927
Other liabilities	1,355,767	996,352	888,324
Total liabilities	21,525,923	22,019,753	23,942,097
Shareholders' funds			
Assigned capital	239,265	239,265	239,265
Retained earnings	1,403,645	1,543,105	1,297,840
Other reserves	615,905	695,714	636,624
Total shareholders' funds	2,258,815	2,478,084	2,173,729
Total liabilities and shareholders' funds	23,784,738	24,497,837	26,115,826
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers and foreign exchange contracts	4,831,939	9,595,291	5,755,139
Commitments	6,848,830	4,912,642	5,093,315

The Hongkong and Shanghai Banking Corporation - Mauritius Branch

Unaudited Statement of Changes in Equity
for the period ended 30 June 2014

	Assigned capital MUR'000	Reserves for own shares MUR'000	Revaluation reserves MUR'000	Statutory reserve MUR'000	General banking reserve MUR'000	Retained earnings MUR'000	Fair value reserve MUR'000	Total MUR'000
Balance at 1 January 2012	239,265	25,172	201,891	243,185	73,935	1,101,876	(62,555)	1,822,769
Total comprehensive income								
Profit for the year	-	-	-	-	-	349,491	-	349,491
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	113,209	113,209
Remeasurements of defined benefit asset	-	-	-	-	-	(38,440)	-	(38,440)
Revaluation of properties	-	-	19,930	-	-	-	-	19,930
Movement during the year	-	-	(1,550)	-	-	-	-	(1,550)
Tax on other comprehensive income	-	-	11	-	-	5,766	-	5,777
Total other comprehensive income	-	-	18,391	-	-	(32,674)	113,209	98,926
Total comprehensive income	-	-	18,391	-	-	316,817	113,209	448,417
Transactions with owners of the Bank								
Movement during the year	-	8,603	-	-	-	886	-	9,489
Net change in fair value	-	(10,052)	-	-	-	-	-	(10,052)
Transactions with owners of the Bank	-	(1,449)	-	-	-	886	-	(563)
Transfer to/(from) general banking reserve	-	-	-	-	27,399	(27,399)	-	-
Balance at 31 December 2012	239,265	23,723	220,282	243,185	101,334	1,392,180	50,654	2,270,623
Total comprehensive income								
Profit for the year	-	-	-	-	-	248,460	-	248,460
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	13,768	13,768
Movement during the year	-	-	560	-	-	-	(30,179)	(29,619)
Remeasurements of defined benefit asset	-	-	-	-	-	(41,907)	-	(41,907)
Revaluation of properties	-	-	11,000	-	-	-	-	11,000
Tax on other comprehensive income	-	-	244	-	-	6,286	-	6,530
Total other comprehensive income	-	-	11,804	-	-	(35,621)	(16,411)	(40,228)
Total comprehensive income	-	-	11,804	-	-	212,839	(16,411)	208,232
Transactions with owners of the Bank								
Movement during the year	-	2,774	-	-	-	1,568	-	4,342
Net change in fair value	-	(2,192)	-	-	-	-	-	(2,192)
Profit remittance to Head office	-	-	-	-	-	(307,276)	-	(307,276)
Transactions with owners of the Bank	-	582	-	-	-	(305,708)	-	(305,126)
Transfer to/(from) general banking reserve	-	-	-	-	1,471	(1,471)	-	-
Balance at 31 December 2013	239,265	24,305	232,086	243,185	102,805	1,297,840	34,243	2,173,729
Total comprehensive income								
Profit for the year	-	-	-	-	-	107,286	-	107,286
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	(1,657)	(1,657)
Movement during the year	-	-	(5,625)	-	-	5,625	-	-
Remeasurements of defined benefit asset	-	-	-	-	-	(20,953)	-	(20,953)
Tax on other comprehensive income	-	-	106	-	-	(106)	-	-
Total other comprehensive income	-	-	(5,519)	-	-	(15,434)	(1,657)	(22,610)
Total comprehensive income	-	-	(5,519)	-	-	91,852	(1,657)	84,676
Transactions with owners of the Bank								
Movement during the year	-	1,706	-	-	-	-	-	1,706
Net change in fair value	-	(1,296)	-	-	-	-	-	(1,296)
Transactions with owners of the Bank	-	410	-	-	-	-	-	410
Transfer to/(from) general banking reserve	-	-	-	-	(13,953)	13,953	-	-
Balance at 30 June 2014	239,265	24,715	226,567	243,185	88,852	1,403,645	32,586	2,258,815

The Hongkong and Shanghai Banking Corporation - Mauritius Branch

Unaudited Statement of Cash Flow

for the period ended 30 June 2014

	30-Jun-14	30-Jun-13	31-Dec-13
	MUR'000	MUR'000	MUR'000
Cash flows from operating activities			
Profit for the year	107,286	158,238	248,460
Adjustments for:			
Depreciation	7,309	8,735	29,872
Amortisation	166	1,398	2,864
(Profit)/loss on sale of fixed assets	-	99	(660)
Provision and adjustments to income for credit losses	1,814	(1,732)	(776)
Tax expense	47,055	45,117	120,733
	163,630	211,855	400,493
Change in other assets	(536,554)	334,503	163,283
Change in other liabilities	446,924	(93,884)	2,012
Change in investment securities	(1,132,247)	1,116,679	2,321,913
Change in trading assets	(27,267)	148,853	187,707
Change in trading liabilities	(1,078)	(34,901)	(59,161)
Change in loans and advances to customers	1,736,957	1,052,379	214,304
Change in loans and advances to banks	1,522,203	(171,972)	(1,276,763)
Change in deposits from customers	(738,036)	(2,272,093)	(1,157,089)
Change in deposits from banks	(244,880)	40,154	151,204
Change in other borrowed funds	-	(458,750)	(458,750)
	1,189,652	(127,177)	489,153
Tax paid	(68,778)	(71,105)	(124,369)
Net cash flows from/(used in) operating activities	1,120,874	(198,282)	364,784
Cash flows from investing activities			
Acquisition of property, plant and equipment	(5,281)	(7,396)	(9,499)
Proceeds from disposal of property, plant and equipment	-	(2)	758
Net cash used in investing activities	(5,281)	(7,398)	(8,741)
Cash flows used in financing activities			
Repatriation of profit	-	-	(307,276)
Net change in cash and cash equivalents	1,115,593	(205,680)	48,767
Cash and cash equivalents at 1 January	1,713,323	1,664,556	1,664,556
Cash and cash equivalents at end of period / year	2,828,916	1,458,876	1,713,323