

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 2016

	Three Months ended 30-Jun-16 MUR'000	Three Months ended 30-Jun-15 MUR'000	Six months ended 30-Jun-16 MUR'000	Six months ended 30-Jun-15 MUR'000	Year ended 31-Dec-15 MUR'000
Interest income	208,777	200,133	418,767	398,489	814,987
Interest expense	(59,681)	(65,140)	(121,257)	(133,421)	(257,351)
Net interest income	149,096	134,993	297,510	265,068	557,636
Fee and commission income	48,156	51,959	95,590	102,067	209,589
Fee and commission expense	(9,363)	(8,335)	(16,199)	(15,107)	(33,677)
Net fee and commission income	38,793	43,624	79,391	86,960	175,912
Net trading income	38,459	43,938	83,805	115,302	194,350
	226,348	222,555	460,706	467,330	927,898
Other operating income	74,265	70,348	149,575	139,796	284,857
Total operating income	300,613	292,903	610,281	607,126	1,212,755
Net impairment gain/(loss) on financial assets	(3,616)	(5,069)	(3,054)	(6,922)	(18,045)
Personnel expenses	(85,940)	(90,253)	(170,596)	(177,599)	(361,609)
Operating lease expenses	(7,195)	(11,510)	(18,275)	(23,098)	(46,669)
Depreciation	(3,161)	(3,693)	(6,131)	(7,334)	(14,809)
Other expenses	(137,754)	(140,447)	(254,685)	(248,660)	(519,509)
Total expenses	(234,050)	(245,903)	(449,687)	(456,691)	(942,596)
Profit before tax	62,947	41,931	157,540	143,513	252,114
Income tax expense	(17,882)	(19,837)	(42,575)	(24,316)	(57,397)
Profit for the period/year	45,065	22,094	114,965	119,197	194,717
Other comprehensive income, net of tax					
Items that will never be reclassified to profit or loss					
Remeasurements of defined benefit liabilities	(1,939)	(10,650)	(3,878)	(21,300)	(7,754)
Related tax on remeasurements of defined benefit liabilities	291	1,598	582	3,195	1,163
Gain on revaluation of land and buildings	-	52	-	104	1,790
Related tax on gain on revaluation of land and buildings	-	-	-	-	(77)
	(1,648)	(9,000)	(3,296)	(18,001)	(4,878)
Items that may be reclassified to profit or loss					
Net change in fair value	8,650	(58,136)	105,725	(13,743)	(78,038)
	8,650	(58,136)	105,725	(13,743)	(78,038)
Other comprehensive income/(expense) for the period/year	7,002	(67,136)	102,429	(31,744)	(82,916)
Total comprehensive income for the period/year	52,067	(45,042)	217,394	87,453	111,801
<i>Profit attributable to:</i>					
Equity holders of the Bank	45,065	22,094	114,965	119,197	194,717
<i>Total comprehensive income attributable to:</i>					
Equity holders of the Bank	52,067	(45,042)	217,394	87,453	111,801

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited Statement of Financial Position

as at 30 June 2016

	30-Jun-16	30-Jun-15	31-Dec-15
	MUR'000	MUR'000	MUR'000
ASSETS			
Cash and cash equivalents	3,929,470	3,341,634	4,560,602
Trading assets	36,177	251,471	225,613
Loans and advances to banks	557,745	211,212	307,595
Loans and advances to customers	12,721,543	12,760,291	13,603,659
Investment securities	4,920,063	6,118,402	4,864,108
Other assets	1,810,550	1,729,969	1,973,128
Property, plant and equipment	264,858	268,718	266,243
Deferred tax assets	36,653	37,887	36,308
	24,277,059	24,719,584	25,837,256

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited Statement of Financial Position (continued)

as at 30 June 2016

	30-Jun-16	30-Jun-15	31-Dec-15
	MUR'000	MUR'000	MUR'000
LIABILITIES			
Deposits from banks	125,137	387,164	650,082
Deposits from customers	19,663,091	19,563,067	20,498,350
Trading liabilities	5,006	1,670	1,527
Other borrowed funds	931,908	1,488,172	1,426,619
Current tax liabilities	37,557	32,241	45,203
Other liabilities	1,209,617	1,185,119	1,128,971
Total liabilities	21,972,316	22,657,433	23,750,752
Shareholders' funds			
Assigned capital	239,265	239,265	239,265
Retained earnings	1,425,443	1,240,514	1,305,057
Other reserves	640,035	582,372	542,182
Total shareholders' funds	2,304,743	2,062,151	2,086,504
Total liabilities and shareholders' funds	24,277,059	24,719,584	25,837,256
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers	4,904,226	3,545,038	2,348,971
Undrawn Commitments	8,787,319	7,569,791	6,186,264

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited Statement of Changes in Equity for the period ended 30 June 2016

	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 2014	239,265	1,297,840	24,305	232,086	243,185	102,805	34,243	2,173,729
Total comprehensive income								
Profit for the year	-	226,873	-	-	-	-	-	226,873
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	(47,994)	(47,994)
Realisation of revaluation reserve to retained earnings	-	6,213	-	(6,213)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(42,598)	-	-	-	-	-	(42,598)
Revaluation of properties	-	-	-	7,802	-	-	-	7,802
Tax on other comprehensive income	-	6,390	-	29	-	-	-	6,419
Total other comprehensive income	-	(29,995)	-	1,618	-	-	(47,994)	(76,371)
Total comprehensive income	-	196,878	-	1,618	-	-	(47,994)	150,502
Transactions with owners of the Bank								
Movement relating to share-based payment	-	(445)	3,358	-	-	-	-	2,913
Net change in fair value of share-based payment liability	-	-	(2,764)	-	-	-	-	(2,764)
Profit remittance to Head office	-	(349,491)	-	-	-	-	-	(349,491)
Transactions with owners of the Bank	-	(349,936)	594	-	-	-	-	(349,342)
Transfer (from)/to general banking reserve	-	(22,951)	-	-	-	22,951	-	-
Balance at 31 December 2014	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								
Movement relating to share-based payment	-	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	-	114,965	-	-	-	-	-	114,965
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	105,725	105,725
Realisation of revaluation reserve to retained earnings	-	696	-	(696)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(3,878)	-	-	-	-	-	(3,878)
Revaluation of properties	-	-	-	-	-	-	-	-
Tax on other comprehensive income	-	480	-	104	-	-	-	584
Total other comprehensive income	-	(2,702)	-	(592)	-	-	105,725	102,431
Total comprehensive income	-	112,263	-	(592)	-	-	105,725	217,396
Transactions with owners of the Bank								
Movement relating to share-based payment	-	-	2,153	-	-	-	-	2,153
Net change in fair value of share-based payment liability	-	-	(1,310)	-	-	-	-	(1,310)
Profit remittance to Head office	-	-	-	-	-	-	-	-
Transactions with owners of the Bank	-	-	843	-	-	-	-	843
Transfer (from)/to general banking reserve	-	8,123	-	-	-	(8,123)	-	-
Balance at 30 June 2016	239,265	1,425,443	24,657	208,563	243,185	149,694	13,936	2,304,743

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited Statement of Cash Flows for the period ended 30 June 2016

	30-Jun-16 MUR'000	30-Jun-15 MUR'000	31-Dec-15 MUR'000
Cash flows from operating activities			
Profit before income tax	157,540	143,513	252,114
Adjustments for:			
Depreciation	6,131	7,334	14,809
(Profit)/loss on sale of fixed assets	-	911	911
Provision and adjustments to income for impairment losses	(792)	2,904	8,940
Net interest income	(297,510)	(265,068)	(557,636)
Exchange differences in respect of cash & cash equivalents	15,723	(202,582)	(170,204)
	(118,908)	(312,988)	(451,066)
Change in:			
Other assets	165,280	(43,706)	(287,922)
Other liabilities	82,476	242,134	197,991
Investment securities	(55,955)	(1,289,800)	(35,506)
Trading assets	295,161	320,344	281,907
Trading liabilities	3,479	(1,914)	(2,057)
Loans and advances to customers	882,908	(575,159)	(1,424,564)
Loans and advances to banks	(250,150)	100,498	4,115
Deposits from customers	(835,259)	977,134	1,912,417
Deposits from banks	(524,945)	(418,387)	(155,469)
Interest received	416,065	400,387	817,943
Interest paid	(126,119)	(143,034)	(265,333)
	(65,967)	(744,491)	592,456
Tax paid	(49,985)	(68,534)	(89,373)
Net cash from operating activities	(115,952)	(813,025)	503,083
Cash flows from investing activities			
Acquisition of property, plant and equipment	(4,787)	(2,110)	(5,384)
Proceeds from disposal of equipment	41	206	270
Proceeds from disposal of assets held for sale	-	26,040	26,040
Net cash (used in)/ from investing activities	(4,746)	24,136	20,926
Cash flows from financing activities			
Increase / (decrease) in other borrowed funds	(1,326,820)	-	1,326,820
Net cash used in financing activities	(1,326,820)	-	1,326,820
Net change in cash and cash equivalents	(1,447,518)	(788,889)	1,850,829
Cash and cash equivalents at 1 January	4,460,803	2,439,770	2,439,770
Exchange differences in respect of cash & cash equivalents	(15,723)	202,582	170,204
Cash and cash equivalents at end of period/year	2,997,562	1,853,463	4,460,803