

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 2018

	Three months ended 30 June 2018 MUR'000	Three months ended 30 June 2017 MUR'000	Six months ended 30 June 2018 MUR'000	Six months ended 30 June 2017 MUR'000	Year ended 31 December 2017 MUR'000
Interest income	212,457	196,125	407,989	393,784	789,429
Interest expense	(60,400)	(55,325)	(110,475)	(109,577)	(211,945)
Net interest income	152,057	140,800	297,514	284,207	577,484
Fee and commission income	47,316	48,131	91,367	93,903	188,458
Fee and commission expense	(10,961)	(12,155)	(20,424)	(20,777)	(43,325)
Net fee and commission income	36,355	35,976	70,943	73,126	145,133
Net trading income	34,661	46,982	80,770	86,225	173,088
	223,073	223,758	449,227	443,558	895,705
Other operating income	90,069	77,719	173,947	157,241	320,937
Total operating income	313,142	301,477	623,174	600,799	1,216,642
Net (impairment loss)/reversal of impairment on financial assets	2,799	1,258	1,882	1,965	(4,853)
Personnel expenses	(101,395)	(87,140)	(199,182)	(173,393)	(363,021)
Operating lease expenses	(9,700)	(11,287)	(19,510)	(22,515)	(45,398)
Depreciation	(2,847)	(3,034)	(5,492)	(5,976)	(11,402)
Other expenses	(150,655)	(120,778)	(262,082)	(226,484)	(484,918)
Total expenses	(264,597)	(222,239)	(486,266)	(428,368)	(904,739)
Profit before income tax	51,344	80,496	138,790	174,396	307,050
Income tax expense	(11,124)	(18,195)	(29,098)	(41,061)	(86,883)
Profit for the year	40,220	62,301	109,692	133,335	220,167
Other comprehensive income, net of income tax					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit liabilities	(28,147)	(21,175)	(56,293)	(42,348)	(112,584)
Related tax	4,786	3,252	8,953	6,428	48,978
Gain on revaluation of land and buildings	-	-	-	-	15,442
Related tax on gain on revaluation of land and buildings	-	-	-	-	(1,274)
	(23,361)	(17,923)	(47,340)	(35,920)	(49,438)
Items that may be reclassified to profit or loss					
Net change in fair value	(104)	38,483	(71,122)	46,580	953
Other comprehensive income for the year, net of income tax	(23,465)	20,560	(118,462)	10,660	(48,485)
Total comprehensive income for the year	16,755	82,861	(8,770)	143,995	171,682

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of financial position

at 30 June 2018

	30 June 2018 MUR'000	30 June 2017 MUR'000	31 December 2017 MUR'000
Assets			
Cash and cash equivalents	3,289,563	3,653,883	4,392,528
Trading assets	6,339	1,757	800
Loans and advances to banks	511,904	531,000	604,380
Loans and advances to customers	13,445,647	11,658,824	13,004,031
Investment securities	6,231,935	6,320,889	6,175,741
Property, plant and equipment	245,616	234,736	248,766
Deferred tax assets	102,818	58,710	89,067
Other assets	1,783,356	2,641,804	1,924,534
Total assets	25,617,178	25,101,603	26,439,847

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Unaudited statement of financial position (continued)

at 30 June 2018

	30 June 2018 MUR'000	30 June 2017 MUR'000	31 December 2017 MUR'000
Liabilities			
Deposits from banks	303,350	198,650	268,725
Deposits from customers	18,287,700	20,297,399	19,718,435
Trading liabilities	3,231	2,149	9,443
Other borrowed funds	3,475,250	624,865	2,887,037
Current tax liabilities	23,753	38,871	47,003
Other liabilities	1,179,235	1,573,938	1,120,718
Total liabilities	23,272,519	22,735,872	24,051,361
Shareholder's equity			
Stated capital – paid up	300,000	239,265	239,265
Retained earnings	1,487,690	1,474,115	1,516,703
Other reserves	556,969	652,351	632,518
Total equity attributable to equity holder	2,344,659	2,365,731	2,388,486
Total liabilities and shareholder's equity	25,617,178	25,101,603	26,439,847
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations.	6,274,056	2,367,969	2,271,814
Commitments	8,881,090	6,641,212	7,430,326

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Unaudited statement of changes in equity for the period ended 30 June 2018

	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 2016	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 (from)/to 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	-	220,167	-	-	-	-	-	220,167
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	953	953
Realisation of revaluation reserve to retained earnings	-	929	-	(929)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(112,584)	-	-	-	-	-	(112,584)
Revaluation of properties	-	-	-	15,442	-	-	-	15,442
Tax on other comprehensive income	-	48,978	-	(1,274)	-	-	-	47,704
Total other comprehensive income	-	(62,677)	-	13,239	-	-	953	(48,485)
Total comprehensive income	-	157,490	-	13,239	-	-	953	171,682
Transactions with owners of the Bank								
Other movements during the period	-	(4,713)	1,241	139	-	-	-	(3,333)
Net change in fair value of share-based payment liability	-	-	(1,973)	-	-	-	-	(1,973)
Profit remittance to Head office	-	-	-	-	-	-	-	-
Transactions with owners of the Bank	-	(4,713)	(732)	139	-	-	-	(5,306)
Transfer (from)/to general banking reserve	-	(4,331)	-	-	-	4,331	-	-
Balance at 31 December 2017	239,265	1,516,703	21,990	195,333	243,185	156,613	15,397	2,388,486
Changes in initial application of IFRS 9	-	(35,089)	-	-	-	-	-	(35,089)
Restated balance at 1 January 2018	239,265	1,481,614	21,990	195,333	243,185	156,613	15,397	2,353,397
Total comprehensive income								
Profit for the year	-	109,692	-	-	-	-	-	109,692
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	(71,122)	(71,122)
Realisation of revaluation reserve to retained earnings	-	566	-	(566)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(56,293)	-	-	-	-	-	(56,293)
Revaluation of properties	-	-	-	-	-	-	-	-
Tax on other comprehensive income	-	8,857	-	96	-	-	-	8,953
Total other comprehensive income	-	(46,870)	-	(470)	-	-	(71,122)	(118,462)
Total comprehensive income	-	62,822	-	(470)	-	-	(71,122)	(8,770)
Transactions with owners of the Bank								
Other movements during the period	60,735	(60,735)	113	-	-	-	-	113
Net change in fair value of share-based payment liability	-	-	(81)	-	-	-	-	(81)
Profit remittance to Head office	-	-	-	-	-	-	-	-
Transactions with owners of the Bank	60,735	(60,735)	32	-	-	-	-	32
Transfer (from)/to general banking reserve	-	3,989	-	-	-	(3,989)	-	-
Balance at 30 June 2018	300,000	1,487,690	22,022	194,863	243,185	152,624	(55,725)	2,344,659

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited statement of cash flows for the period ended 30 June 2018

	30 June 2018 MUR'000	30 June 2017 MUR'000	31 December 2017 MUR'000
Cash flows from operating activities			
Profit before income tax	138,790	174,396	307,050
Adjustments for:			
Depreciation	5,492	5,976	11,402
(Profit)/loss on sale of fixed assets	-	218	370
Provision and adjustments to income for impairment losses	(1,882)	(1,965)	4,853
Net interest income	(297,514)	(284,207)	(577,484)
Exchange differences in respect of cash & cash equivalents	47,596	38,499	120,401
	(107,518)	(67,083)	(133,408)
Change in:			
Other assets	146,125	(585,320)	135,613
Other liabilities	(39,750)	281,671	(245,254)
Trading assets	(5,539)	(1,063)	(106)
Trading liabilities	(6,212)	(4,251)	3,043
Loans and advances to customers	(480,492)	747,177	(597,028)
Loans and advances to banks	92,476	32,557	(40,823)
Deposits from customers	(1,430,735)	754,451	175,487
Deposits from banks	34,625	10,119	80,194
Interest received	403,042	398,173	790,155
Interest paid	(70,063)	(111,465)	(218,894)
	(1,464,041)	1,454,966	(51,021)
Tax paid	(49,883)	(56,380)	(87,373)
Net cash (used in)/from operating activities	(1,513,924)	1,398,586	(138,394)
Cash flows from investing activities			
Acquisition of property, plant and equipment	(2,342)	(6,934)	(11,100)
Net investment in securities	(127,316)	(569,281)	(469,760)
Net cash used in investing activities	(129,658)	(576,215)	(480,860)
Net change in cash and cash equivalents	(1,643,582)	822,371	(619,254)
Cash and cash equivalents at 1 January	1,505,491	2,245,146	2,245,146
Exchange differences in respect of cash & cash equivalents	(47,596)	(38,499)	(120,401)
Cash and cash equivalents at end of period/year	(185,687)	3,029,018	1,505,491