

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited Statement of Profit or Loss and Other Comprehensive Income
for the period ended 31 March 2018

	Period ended 31-Mar-18 MUR'000	Period ended 31-Mar-17 MUR'000	Year ended 31-Dec-17 MUR'000
Interest income	195,532	197,659	789,429
Interest expense	(50,075)	(54,252)	(211,945)
Net interest income	145,457	143,407	577,484
Fee and commission income	44,051	45,772	188,458
Fee and commission expense	(9,463)	(8,622)	(43,325)
Net fee and commission income	34,588	37,150	145,133
Net trading income	46,109	39,243	173,088
	226,154	219,800	895,705
Other operating income	83,878	79,522	320,937
Total operating income	310,032	299,322	1,216,642
Net impairment gain/(loss) on financial assets	(917)	707	(4,853)
Personnel expenses	(97,787)	(86,253)	(363,021)
Operating lease expenses	(9,810)	(11,228)	(45,398)
Depreciation	(2,645)	(2,942)	(11,402)
Other expenses	(111,427)	(105,706)	(484,918)
Total expenses	(221,669)	(206,129)	(904,739)
Profit before tax	87,446	93,900	307,050
Income tax expense	(17,974)	(22,866)	(86,883)
Profit for the period/year	69,472	71,034	220,167
Other comprehensive income, net of tax			
Items that will never be reclassified to profit or loss			
Remeasurements of defined benefit liabilities	(28,146)	(21,173)	(112,584)
Related tax on remeasurements of defined benefit liabilities	4,167	3,176	48,978
Gain on revaluation of land and buildings	-	-	15,442
Related tax on gain on revaluation of land and buildings	-	-	(1,274)
	(23,979)	(17,997)	(49,438)
Items that may be reclassified to profit or loss			
Net change in fair value	(71,018)	8,097	953
	(71,018)	8,097	953
Other comprehensive income/(expense) for the period/year	(94,997)	(9,900)	(48,485)
Total comprehensive income for the period/year	(25,525)	61,134	171,682

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited Statement of Financial Position

as at 31 March 2018

	31-Mar-18	31-Mar-17	31-Dec-17
	MUR'000	MUR'000	MUR'000
ASSETS			
Cash and cash equivalents	3,991,465	3,950,714	4,392,528
Trading assets	6,959	7,437	800
Loans and advances to banks	640,553	618,868	604,380
Loans and advances to customers	13,824,977	11,415,020	13,004,031
Investment securities	5,814,030	5,988,641	6,175,741
Other assets	1,876,491	2,401,745	1,924,534
Property, plant and equipment	247,460	231,896	248,766
Deferred tax assets	99,664	56,440	89,067
Total assets	26,501,599	<u>24,670,761</u>	<u>26,439,847</u>

Unaudited Statement of Financial Position (continued)

as at 31 March 2018

	31-Mar-18	31-Mar-17	31-Dec-17
	MUR'000	MUR'000	MUR'000
LIABILITIES			
Deposits from banks	194,450	310,606	268,725
Deposits from customers	19,757,784	19,926,702	19,718,435
Trading liabilities	2,373	1,393	9,443
Other borrowed funds	2,922,678	413,673	2,887,037
Current tax liabilities	64,144	77,963	47,003
Other liabilities	1,232,225	1,656,908	1,120,718
Total liabilities	24,173,654	<u>22,387,245</u>	<u>24,051,361</u>
Shareholders' funds			
Assigned capital	239,265	239,265	239,265
Retained earnings	1,528,863	1,431,858	1,516,703
Other reserves	559,817	612,393	632,518
Total shareholders' funds	2,327,945	<u>2,283,516</u>	<u>2,388,486</u>
Total liabilities and shareholders' funds	26,501,599	<u>24,670,761</u>	<u>26,439,847</u>
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers	2,167,629	<u>2,660,744</u>	<u>2,271,814</u>
Undrawn commitments	7,087,331	<u>7,775,351</u>	<u>7,430,326</u>

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited Statement of Changes in Equity for the period ended 31 March 2018

	Assigned capital	Retained earnings	Other Reserves				Fair value reserve	Total
			Reserves for own shares	Revaluation reserves	Statutory reserve	General banking reserve		
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	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	-	69,472	-	-	-	-	-	69,472
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	(71,018)	(71,018)
Realisation of revaluation reserve to retained earnings	-	239	-	(239)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(28,146)	-	-	-	-	-	(28,146)
Revaluation of properties	-	-	-	-	-	-	-	-
Tax on other comprehensive income	-	4,119	-	48	-	-	-	4,167
Total other comprehensive income	-	(23,788)	-	(191)	-	-	(71,018)	(94,997)
Total comprehensive income	-	45,684	-	(191)	-	-	(71,018)	(25,525)
Transactions with owners of the Bank								
Other movements during the period	-	-	(15)	-	-	-	-	(15)
Net change in fair value of share-based payment liability	-	-	88	-	-	-	-	88
Profit remittance to Head office	-	-	-	-	-	-	-	-
Transactions with owners of the Bank	-	-	73	-	-	-	-	73
Transfer (from)/to general banking reserve	-	1,565	-	-	-	(1,565)	-	-
Balance at 31 December 2017	239,265	1,528,863	22,063	195,142	243,185	155,048	(55,621)	2,327,945

The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

Unaudited Statement of Cash Flows
for the period ended 31 March 2018

	31-Mar-18 MUR'000	31-Mar-17 MUR'000	31-Dec-17 MUR'000
Cash flows from operating activities			
Profit before income tax	87,446	93,900	307,050
Adjustments for:			
Depreciation	2,645	2,942	11,402
(Profit)/loss on sale of fixed assets	-	-	370
Provision and adjustments to income for impairment losses	917	(707)	4,853
Net interest income	(145,457)	(143,407)	(577,484)
Exchange differences in respect of cash & cash equivalents	38,499	18,110	120,401
	(15,950)	(29,162)	(133,408)
Change in:			
Other assets	52,990	(327,664)	135,613
Other liabilities	39,595	343,728	(245,254)
Trading assets	(6,159)	(6,743)	(106)
Trading liabilities	(7,070)	(5,007)	3,043
Loans and advances to customers	(860,787)	989,890	(597,028)
Loans and advances to banks	(36,173)	(55,311)	(40,823)
Deposits from customers	39,349	383,754	175,487
Deposits from banks	(74,275)	122,075	80,194
Interest received	190,585	184,450	790,155
Interest paid	(9,664)	(13,647)	(218,894)
	(687,559)	1,586,363	(51,021)
Tax paid	-	-	(87,373)
Net cash from / (used in) operating activities	(687,559)	1,586,363	(138,394)
Cash flows from investing activities			
Acquisition of property, plant and equipment	(1,339)	(842)	(11,100)
Net investment in securities	290,693	(275,516)	(469,760)
Net cash from/(used in) investing activities	289,354	(276,358)	(480,860)
Net change in cash and cash equivalents	(398,205)	1,310,005	(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	(38,499)	(18,110)	(120,401)
Cash and cash equivalents at end of period/year	1,068,787	3,537,041	1,505,491