

The Hongkong and Shanghai Banking Corporation - Mauritius Branch
Unaudited Statement of Comprehensive Income
for the quarter ended 30 September 2014

	Three Months ended 30-Sep-14 MUR'000	Three Months ended 30-Sep-13 MUR'000	Nine Months ended 30-Sep-14 MUR'000	Nine Months ended 30-Sep-13 MUR'000	Year ended 31-Dec-13 MUR'000
Interest income	225,236	244,352	682,134	760,102	996,024
Interest expense	(78,807)	(92,935)	(244,032)	(299,646)	(390,462)
Net interest income	146,429	151,417	438,102	460,456	605,562
Fee and commission income	52,040	53,449	159,343	160,939	213,367
Fee and commission expense	(5,601)	(5,160)	(16,396)	(14,787)	(19,927)
Net fee and commission income	46,439	48,289	142,947	146,152	193,440
Net trading income	43,708	43,636	125,693	146,795	187,839
Net income from other financial instruments carried at fair value through profit or loss	-	(283)	-	(628)	(1,242)
Revenue	236,576	243,059	706,742	752,775	985,599
Other operating income	31,151	57,047	92,992	97,358	113,218
Operating income	267,727	300,106	799,734	850,133	1,098,817
Net impairment gain on financial assets	(963)	(1,054)	(5,560)	(2,220)	(5,666)
Personnel expenses	(83,325)	(84,275)	(252,544)	(239,628)	(313,552)
Operating lease expenses	(11,187)	(10,346)	(32,941)	(32,090)	(42,816)
Depreciation	(3,474)	(4,524)	(10,763)	(13,239)	(29,832)
Amortisation	-	(700)	(166)	(2,098)	(2,864)
Other expenses	(66,558)	(80,018)	(241,179)	(238,294)	(334,854)
Total expenses	(164,544)	(179,863)	(537,593)	(525,349)	(723,918)
Profit before tax	102,220	119,189	256,581	322,564	369,233
Tax expense on continuing operation	(17,836)	(19,861)	(64,891)	(64,978)	(120,733)
Profit from continuing operation	84,384	99,328	191,690	257,586	248,500
Loss on assets held for sale, net of tax	-	(10)	(20)	(30)	(40)
Profit for the year	84,384	99,318	191,670	257,556	248,460
Other comprehensive income, net of tax					
Items that will never be reclassified to profit or loss					
Remeasurements of defined benefit asset	(10,478)	(9,610)	(31,431)	(28,830)	(41,907)
Related tax	4,715	1,442	4,715	4,325	6,286
Changes in revaluation surplus	(5,819)	(54)	(5,819)	43	11,804
	(11,582)	(8,222)	(32,535)	(24,462)	(23,817)
Items that may be reclassified to profit or loss					
Net change in fair value	24,185	(36,420)	22,528	26,338	(16,411)
	24,185	(36,420)	22,528	26,338	(16,411)
Other comprehensive income for the year	12,603	(44,642)	(10,007)	1,876	(40,228)
Total comprehensive income for the year	96,987	54,676	181,663	259,432	208,232
<i>Profit attributable to:</i>					
Equity holders of the Bank	84,384	99,318	191,670	257,556	248,460
<i>Total comprehensive income attributable to:</i>					
Equity holders of the Bank	96,987	54,676	181,663	259,432	208,232

The Hongkong and Shanghai Banking Corporation - Mauritius Branch

Unaudited Statement of financial position

at 30 September 2014

	30-Sep-14	30-Sep-13	31-Dec-13
	MUR'000	MUR'000	MUR'000
ASSETS			
Cash and cash equivalents	3,625,451	2,828,909	3,838,653
Trading assets	475,875	513,952	347,638
Loans and advances to banks	174,980	1,198,861	1,522,203
Loans and advances to customers	11,692,785	12,131,416	12,956,929
Investment securities	6,070,695	5,897,230	5,527,575
Property, plant and equipment	261,332	292,491	290,717
Intangible asset	-	932	166
Deferred tax assets	33,432	24,807	27,587
Other assets	1,822,699	1,453,583	1,604,358
Assets held for sale	26,980	-	-
Total assets	24,184,229	24,342,181	26,115,826

The Hongkong and Shanghai Banking Corporation - Mauritius Branch

Unaudited Statement of financial position (continued)

at 30 September 2014

	30-Sep-14	30-Sep-13	31-Dec-13
	MUR'000	MUR'000	MUR'000
LIABILITIES			
Deposits from banks	829,116	291,650	566,665
Deposits from customers	19,039,116	18,600,730	20,272,079
Trading liabilities	15,287	21,676	8,772
Other borrowed funds	1,208,616	2,246,508	2,125,330
Current tax liabilities	81,056	38,975	80,927
Other liabilities	999,316	920,083	888,324
Total liabilities	22,172,507	22,119,622	23,942,097
Shareholders' funds			
Assigned capital	239,265	239,265	239,265
Retained earnings	1,130,646	1,323,267	1,297,840
Other reserves	641,811	660,027	636,624
Total shareholders' funds	2,011,722	2,222,559	2,173,729
Total liabilities and shareholders' funds	24,184,229	24,342,181	26,115,826
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers and foreign exchange contracts	4,790,885	7,136,499	5,755,139
Commitments	8,961,398	5,950,306	5,093,315

The Hongkong and Shanghai Banking Corporation - Mauritius Branch

Unaudited Statement of Changes in Equity

for the period ended 30 September 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	-	-	-	-	-	191,670	-	191,670
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	22,528	22,528
Movement during the year	-	-	(5,977)	-	-	5,977	-	-
Remeasurements of defined benefit asset	-	-	-	-	-	(31,431)	-	(31,431)
Tax on other comprehensive income	-	-	158	-	-	4,557	-	4,715
Total other comprehensive income	-	-	(5,819)	-	-	(20,897)	22,528	(4,188)
Total comprehensive income	-	-	(5,819)	-	-	170,773	22,528	187,482
Transactions with owners of the Bank								
Movement during the year	-	2,249	-	-	-	-	-	2,249
Net change in fair value	-	(2,247)	-	-	-	-	-	(2,247)
Profit remittance to Head office	-	-	-	-	-	(349,491)	-	(349,491)
Transactions with owners of the Bank	-	2	-	-	-	(349,491)	-	(349,489)
Transfer to/(from) general banking reserve	-	-	-	-	(11,524)	11,524	-	-
Balance at 30 September 2014	239,265	24,307	226,267	243,185	91,281	1,130,646	56,771	2,011,722

The Hongkong and Shanghai Banking Corporation - Mauritius Branch

Unaudited Statement of Cash Flows
for the period ended 30 September 2014

	30-Sep-14	30-Sep-13	31-Dec-13
	MUR'000	MUR'000	MUR'000
Cash flows from operating activities			
Profit for the year	191,670	257,556	248,460
Adjustments for:			
Depreciation	10,783	13,269	29,872
Amortisation	166	2,098	2,864
(Profit)/loss on sale of fixed assets	24	(656)	(660)
Provision and adjustments to income for credit losses	1,940	(1,701)	(776)
Tax expense	64,891	64,978	120,733
	269,474	335,544	400,493
Change in other assets	(205,619)	559,492	163,283
Change in other liabilities	79,563	46,850	2,012
Change in investment securities	(543,120)	1,952,258	2,321,913
Change in trading assets	(105,709)	64,142	187,707
Change in trading liabilities	6,515	(46,257)	(59,161)
Change in loans and advances to customers	1,262,204	1,040,743	214,304
Change in loans and advances to banks	1,347,223	(1,198,861)	(1,276,763)
Change in deposits from customers	(1,232,963)	(2,828,437)	(1,157,089)
Change in deposits from banks	262,451	(123,811)	151,204
Change in other borrowed funds	-	(458,750)	(458,750)
	1,140,019	(657,087)	489,153
Tax paid	(78,614)	(110,524)	(124,369)
Net cash flows from/(used in) operating activities	1,061,405	(767,611)	364,784
Cash flows from investing activities			
Acquisition of property, plant and equipment	(8,402)	(8,020)	(9,499)
Proceeds from disposal of property, plant and equipment	-	753	758
Net cash used in investing activities	(8,402)	(7,267)	(8,741)
Cash flows used in financing activities			
Repatriation of profit	(349,491)	(307,276)	(307,276)
Net change in cash and cash equivalents	703,512	(1,082,154)	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	2,416,835	582,402	1,713,323