

The Hongkong and Shanghai Banking Corporation Limited - Mauritius Branch

Statement of profit or loss and other comprehensive income for the period ended 30 September 2015

	Three Months ended 30-Sep-15 MUR'000	Three Months ended 30-Sep-14 MUR'000	Nine Months ended 30-Sep-15 MUR'000	Nine Months ended 30-Sep-14 MUR'000	Year ended 31-Dec-14 MUR'000
Interest income	206,305	225,236	604,794	682,134	886,288
Interest expense	(62,251)	(78,807)	(195,672)	(244,032)	(321,451)
Net interest income	144,054	146,429	409,122	438,102	564,837
Fee and commission income	52,771	52,040	154,838	159,343	223,360
Fee and commission expense	(9,303)	(5,601)	(24,410)	(16,396)	(26,703)
Net fee and commission income	43,468	46,439	130,428	142,947	196,657
Net trading income	38,513	43,708	153,815	125,693	165,985
Revenue	226,035	236,576	693,365	706,742	927,479
Other operating income	72,931	31,151	212,727	92,992	126,567
Operating income	298,966	267,727	906,092	799,734	1,054,046
Net impairment loss on financial assets	(2,667)	(963)	(9,589)	(5,560)	(6,303)
Personnel expenses	(91,240)	(83,325)	(268,839)	(252,544)	(331,296)
Operating lease expenses	(11,666)	(11,187)	(34,764)	(32,941)	(44,501)
Depreciation	(3,966)	(3,474)	(11,300)	(10,783)	(14,168)
Amortisation	-	-	-	(166)	(166)
Other expenses	(132,105)	(66,558)	(380,765)	(241,179)	(334,848)
Total expenses	(238,977)	(164,544)	(695,668)	(537,613)	(724,979)
Profit before tax	57,322	102,220	200,835	256,561	322,764
Tax expense	(17,204)	(17,836)	(41,520)	(64,891)	(95,891)
Profit for the period/year	40,118	84,384	159,315	191,670	226,873
Other comprehensive income/(expense), net of tax					
Items that will never be reclassified to profit or loss					
Remeasurements of defined benefit asset	(10,650)	(10,478)	(31,950)	(31,431)	(42,598)
Related tax	1,598	4,715	4,793	4,715	6,390
Changes in revaluation surplus	52	(5,819)	156	(5,819)	7,831
	(9,000)	(11,582)	(27,001)	(32,535)	(28,377)
Items that may be reclassified to profit or loss					
Net change in fair value	(17,473)	24,185	(31,216)	22,528	(47,994)
	(17,473)	24,185	(31,216)	22,528	(47,994)
Other comprehensive income/(expense) for the period/year	(26,473)	12,603	(58,217)	(10,007)	(76,371)
Total comprehensive income for the period/year	13,645	96,987	101,098	181,663	150,502
<i>Profit attributable to:</i>					
Equity holders of the Bank	40,118	84,384	159,315	191,670	226,873
<i>Total comprehensive income attributable to:</i>					
Equity holders of the Bank	13,645	96,987	101,098	181,663	150,502

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Statement of financial position at 30 September 2015

	30-Sep-15	30-Sep-14	31-Dec-14
	MUR'000	MUR'000	MUR'000
ASSETS			
Cash and cash equivalents	3,732,317	3,625,451	2,814,959
Trading assets	325,381	475,875	585,558
Loans and advances to banks	458,447	174,980	311,710
Loans and advances to customers	13,097,726	11,692,785	12,188,035
Investment securities	5,006,532	6,070,695	4,828,602
Property, plant and equipment	266,188	261,332	274,119
Deferred tax assets	39,480	33,432	33,408
Other assets	1,951,411	1,822,699	1,688,162
Assets held for sale	-	26,980	26,980
Total assets	24,877,482	24,184,229	22,751,533

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Statement of financial position (continued)
at 30 September 2015

	30-Sep-15	30-Sep-14	31-Dec-14
	MUR'000	MUR'000	MUR'000
LIABILITIES			
Deposits from banks	545,179	829,116	805,551
Deposits from customers	19,692,920	19,039,116	18,585,933
Trading liabilities	852	15,287	3,584
Other borrowed funds	1,490,218	1,208,616	375,189
Current tax liabilities	43,026	81,056	75,175
Other liabilities	1,029,338	999,316	931,212
Total liabilities	22,801,533	22,172,507	20,776,644
Shareholders' funds			
Assigned capital	239,265	239,265	239,265
Retained earnings	1,255,093	1,130,646	1,121,831
Other reserves	581,591	641,811	613,793
Total shareholders' funds	2,075,949	2,011,722	1,974,889
Total liabilities and shareholders' funds	24,877,482	24,184,229	22,751,533
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers and foreign exchange contracts	3,512,437	4,790,885	4,822,347
Commitments	9,520,902	8,961,398	8,738,422

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Statement of changes in equity for the period ended 30 September 2015

	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 2013	239,265	1,392,180	23,723	220,282	243,185	101,334	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
Remeasurements of defined benefit asset	-	-	-	-	-	-	(30,179)	(29,619)
Revaluation of properties	-	(41,907)	-	11,000	-	-	-	(41,907)
Movement during the year	-	-	-	560	-	-	-	11,000
Tax on other comprehensive income	-	6,286	-	244	-	-	-	6,530
Total other comprehensive income	-	(35,621)	-	11,804	-	-	(16,411)	(40,228)
Total comprehensive income	-	212,839	-	11,804	-	-	(16,411)	208,232
Transactions with owners of the Bank								
Movement during the year	-	1,568	2,774	-	-	-	-	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	-	(305,708)	582	-	-	-	-	(305,126)
Transfer to/(from) general banking reserve	-	(1,471)	-	-	-	1,471	-	-
Balance at 31 December 2013	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)
Movement during the year	-	6,213	-	(6,213)	-	-	-	-
Remeasurements of defined benefit asset	-	(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 during the year	-	(445)	3,358	-	-	-	-	2,913
Net change in fair value	-	-	(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 to/(from) 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 period	-	159,315	-	-	-	-	-	159,315
Other comprehensive income								
Net change in fair value	-	-	-	-	-	-	(31,216)	(31,216)
Movement during the period	-	26,029	-	(26,029)	-	-	-	-
Remeasurements of defined benefit asset	-	(31,950)	-	-	-	-	-	(31,950)
Revaluation of properties	-	-	-	-	-	-	-	-
Tax on other comprehensive income	-	4,793	-	156	-	-	-	4,949
Total other comprehensive income	-	(1,129)	-	(25,873)	-	-	(31,216)	(58,218)
Total comprehensive income	-	158,187	-	(25,873)	-	-	(31,216)	101,098
Transactions with owners of the Bank								
Movement during the period	-	938	1,786	-	-	-	-	2,724
Net change in fair value	-	-	(2,762)	-	-	-	-	(2,762)
Profit remittance to Head office	-	-	-	-	-	-	-	-
Transactions with owners of the Bank	-	938	(976)	-	-	-	-	(38)
Transfer to/(from) general banking reserve	-	(25,863)	-	-	-	25,863	-	-
Balance at 30 September 2015	239,265	1,255,093	23,923	207,831	243,185	151,619	(44,967)	2,075,949

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Statement of cash flows

for the period ended 30 September 2015

	30-Sep-15 MUR'000	30-Sep-14 MUR'000	31-Dec-14 MUR'000
Operating activities			
Profit for the period/year	159,315	191,670	226,873
Adjustments for:			
Depreciation	11,300	10,783	14,168
Amortisation	-	166	166
(Profit)/loss on sale of fixed assets	911	24	63
Provision and adjustments to income for credit losses	2,812	1,940	359
Tax expense	41,520	64,891	95,891
	215,858	269,474	337,520
Change in:			
Other assets	(263,249)	(205,619)	(83,804)
Other liabilities	66,294	79,563	634
Investment securities	(177,930)	(543,120)	698,973
Trading assets	228,961	(105,709)	(285,914)
Trading liabilities	(2,732)	6,515	(5,188)
Loans and advances to customers	(912,503)	1,262,204	768,535
Loans and advances to banks	(146,737)	1,347,223	1,210,493
Deposits from customers	1,106,987	(1,232,963)	(1,686,146)
Deposits from banks	(260,372)	262,451	238,886
	(145,423)	1,140,019	1,193,989
Tax paid	(74,948)	(78,614)	(101,240)
Net cash flows from operating activities	(220,371)	1,061,405	1,092,749
Cash flows used in investing activities			
Acquisition of property, plant and equipment	(3,610)	(8,402)	(16,811)
Proceeds from disposal of property, plant and equipment	26,310	-	-
Net cash inflow / (outflow) from investing activities	22,700	(8,402)	(16,811)
Financing activities			
Repatriation of profit	-	(349,491)	(349,491)
Net change in cash and cash equivalents	(197,671)	703,512	726,447
Cash and cash equivalents at 1 January	2,439,770	1,713,323	1,713,323
Cash and cash equivalents at end of period / year	2,242,099	2,416,835	2,439,770