

## The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

### Unaudited Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 September 2018

	Three months ended 30-Sep-18 MUR'000	Three months ended 30-Sep-17 MUR'000	Nine months ended 30-Sep-18 MUR'000	Nine months ended 30-Sep-17 MUR'000	Year ended 31-Dec-17 MUR'000
Interest income	226,095	202,510	634,084	596,294	789,429
Interest expense	(67,372)	(53,290)	(177,847)	(163,497)	(211,945)
<b>Net interest income</b>	<b>158,723</b>	<b>148,590</b>	<b>456,237</b>	<b>432,797</b>	<b>577,484</b>
Fee and commission income	49,824	46,569	141,191	140,472	188,458
Fee and commission expense	(10,023)	(11,166)	(30,447)	(31,943)	(43,325)
<b>Net fee and commission income</b>	<b>39,801</b>	<b>35,403</b>	<b>110,744</b>	<b>108,529</b>	<b>145,133</b>
Net trading income	33,063	42,029	113,833	128,254	173,088
	<b>231,587</b>	<b>226,022</b>	<b>680,814</b>	<b>669,580</b>	<b>895,705</b>
Other operating income	94,884	78,027	268,831	235,268	320,937
<b>Total operating income</b>	<b>326,471</b>	<b>304,049</b>	<b>949,645</b>	<b>904,848</b>	<b>1,216,642</b>
<b>Net (impairment loss)/ reversal of impairment on financial assets</b>	<b>(3,790)</b>	<b>(1,302)</b>	<b>(1,908)</b>	663	(4,853)
Personnel expenses	(104,120)	(95,078)	(303,302)	(268,471)	(363,021)
Operating lease expenses	(9,173)	(11,824)	(28,683)	(34,339)	(45,398)
Depreciation	(3,228)	(2,835)	(8,720)	(8,811)	(11,402)
Other expenses	(127,816)	(114,793)	(389,898)	(341,277)	(484,918)
<b>Total expenses</b>	<b>(244,337)</b>	<b>(224,530)</b>	<b>(730,603)</b>	<b>(652,898)</b>	<b>(904,739)</b>
<b>Profit before tax</b>	<b>78,344</b>	<b>78,217</b>	<b>217,134</b>	<b>252,613</b>	<b>307,050</b>
Income tax expense	(31,284)	(21,205)	(60,382)	(62,266)	(86,883)
<b>Profit for the period/year</b>	<b>47,060</b>	<b>57,012</b>	<b>156,752</b>	<b>190,347</b>	<b>220,167</b>
<b>Other comprehensive income, net of tax</b>					
<b>Items that will never be reclassified to profit or loss</b>					
Remeasurements of defined benefit liabilities	(28,145)	(21,170)	(84,438)	(63,518)	(112,584)
Related tax on remeasurements of defined benefit liabilities	13,096	3,100	22,049	9,528	48,978
Gain on revaluation of land and buildings	-	-	-	-	15,442
Related tax on gain on revaluation of land and buildings	-	-	-	114	(1,274)
	<b>(15,049)</b>	<b>(18,070)</b>	<b>(62,389)</b>	<b>(53,876)</b>	<b>(49,438)</b>
<b>Items that may be reclassified to profit or loss</b>					
Net change in fair value	10,030	4,186	(61,092)	50,766	953
	<b>10,030</b>	<b>4,186</b>	<b>(61,092)</b>	<b>50,766</b>	<b>953</b>
<b>Other comprehensive expense for the period/year</b>	<b>(5,019)</b>	<b>(13,884)</b>	<b>(123,481)</b>	<b>(3,110)</b>	<b>(48,485)</b>
<b>Total comprehensive income for the period/year</b>	<b>42,041</b>	<b>43,128</b>	<b>33,271</b>	<b>187,237</b>	<b>171,682</b>

## The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

### Unaudited Statement of Financial Position

as at 30 September 2018

	30-Sep-18	30-Sep-17	31-Dec-17
	MUR'000	MUR'000	MUR'000
<b>ASSETS</b>			
Cash and cash equivalents	3,105,343	3,815,978	4,392,528
Trading assets	537	934	800
Loans and advances to banks	640,755	566,135	604,380
Loans and advances to customers	14,395,867	12,639,535	13,004,031
Investment securities	6,190,992	6,438,221	6,175,741
Other assets	1,885,249	2,089,389	1,924,534
Property, plant and equipment	289,403	232,592	248,766
Deferred tax assets	108,624	62,464	89,067
<b>Total assets</b>	<b>26,616,770</b>	<b>25,845,248</b>	<b>26,439,847</b>

## The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

### Unaudited Statement of Financial Position (continued)

as at 30 September 2018

	30-Sep-18	30-Sep-17	31-Dec-17
	MUR'000	MUR'000	MUR'000
<b>LIABILITIES</b>			
Deposits from banks	354,346	185,428	268,725
Deposits from customers	18,569,841	19,746,211	19,718,435
Trading liabilities	1,458	3,157	9,443
Other borrowed funds	4,027,971	2,308,507	2,887,037
Current tax liabilities	39,421	45,200	47,003
Other liabilities	1,237,568	1,147,966	1,120,718
<b>Total liabilities</b>	<b>24,230,605</b>	<b>23,436,469</b>	<b>24,051,361</b>
<b>Shareholders' funds</b>			
Assigned capital	300,000	239,265	239,265
Retained earnings	1,510,166	1,505,139	1,516,703
Other reserves	575,999	664,375	632,518
<b>Total shareholders' funds</b>	<b>2,386,165</b>	<b>2,408,779</b>	<b>2,388,486</b>
<b>Total liabilities and shareholders' funds</b>	<b>26,616,770</b>	<b>25,845,248</b>	<b>26,439,847</b>
<b>CONTINGENT LIABILITIES</b>			
Guarantees, letters of credit, endorsements and other obligations on account of customers	5,482,753	2,335,699	2,271,814
Undrawn commitments	9,550,919	6,810,091	7,430,326

# The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

## Unaudited Statement of Changes in Equity for the period ended 30 September 2018

	Other Reserves							Total
	Assigned capital	Retained earnings	Reserves for own shares	Revaluation reserves	Statutory reserve	General banking reserve	Fair value reserve	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
<b>Balance at 1 January 2016</b>	<b>239,265</b>	<b>1,305,057</b>	<b>23,814</b>	<b>209,155</b>	<b>243,185</b>	<b>157,817</b>	<b>(91,789)</b>	<b>2,086,504</b>
<b>Total comprehensive income</b>								
Profit for the year	-	224,167	-	-	-	-	-	224,167
<b>Other comprehensive income</b>								
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
<b>Transactions with owners of the Bank</b>								
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)	-	-
<b>Balance at 31 December 2016</b>	<b>239,265</b>	<b>1,368,257</b>	<b>22,722</b>	<b>181,955</b>	<b>243,185</b>	<b>152,282</b>	<b>14,444</b>	<b>2,222,110</b>
<b>Total comprehensive income</b>								
Profit for the year	-	220,167	-	-	-	-	-	220,167
<b>Other comprehensive income</b>								
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
<b>Transactions with owners of the Bank</b>								
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	-	-
<b>Balance at 31 December 2017</b>	<b>239,265</b>	<b>1,516,703</b>	<b>21,990</b>	<b>195,333</b>	<b>243,185</b>	<b>156,613</b>	<b>15,397</b>	<b>2,388,486</b>
<b>Changes in initial application of IFRS 9</b>	<b>-</b>	<b>(35,665)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,665)</b>
<b>Restated balance at 1 January 2018</b>	<b>239,265</b>	<b>1,481,038</b>	<b>21,990</b>	<b>195,333</b>	<b>243,185</b>	<b>156,613</b>	<b>15,397</b>	<b>2,352,821</b>
<b>Total comprehensive income</b>								
Profit for the year	-	156,752	-	-	-	-	-	156,752
<b>Other comprehensive income</b>								
Net change in fair value	-	-	-	-	-	-	(61,092)	(61,092)
Realisation of revaluation reserve to retained earnings	-	849	-	(849)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(84,438)	-	-	-	-	-	(84,438)
Revaluation of properties	-	-	-	-	-	-	-	-
Tax on other comprehensive income	-	21,905	-	144	-	-	-	22,049
Total other comprehensive income	-	(61,684)	-	(705)	-	-	(61,092)	(123,481)
Total comprehensive income	-	95,068	-	(705)	-	-	(61,092)	33,271
<b>Transactions with owners of the Bank</b>								
Other movements during the period	60,735	(60,735)	244	-	-	-	-	244
Net change in fair value of share-based payment liability	-	-	(171)	-	-	-	-	(171)
Profit remittance to Head office	-	-	-	-	-	-	-	-
Transactions with owners of the Bank	60,735	(60,735)	73	-	-	-	-	73
Transfer (from)/to general banking reserve	-	(5,205)	-	-	-	5,205	-	-
<b>Balance at 30 September 2018</b>	<b>300,000</b>	<b>1,510,166</b>	<b>22,063</b>	<b>194,628</b>	<b>243,185</b>	<b>161,818</b>	<b>(45,695)</b>	<b>2,386,165</b>

## The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

### Unaudited Statement of Cash Flows for the period ended 30 September 2018

	30-Sep-18 MUR'000	30-Sep-17 MUR'000	31-Dec-17 MUR'000
<b>Cash flows from operating activities</b>			
Profit before income tax	217,134	252,613	307,050
<b>Adjustments for:</b>			
Depreciation	8,720	8,811	11,402
(Profit)/loss on sale of fixed assets	-	370	370
Net impairment charge/ (release) on financial assets	1,908	(2,799)	4,853
Net interest income	(456,237)	(432,797)	(577,484)
Exchange differences in respect of cash & cash equivalents	15,142	89,381	120,401
	<b>(213,333)</b>	<b>(84,421)</b>	<b>(133,408)</b>
<b>Change in:</b>			
Other assets	44,209	(15,951)	135,613
Other liabilities	(13,880)	(205,273)	(245,254)
Trading assets	263	(240)	(106)
Trading liabilities	(7,985)	(3,243)	3,043
Loans and advances to customers	(1,434,037)	(232,700)	(597,028)
Loans and advances to banks	(36,157)	(2,578)	(40,823)
Deposits from customers	(1,148,594)	203,263	175,487
Deposits from banks	85,621	(3,103)	80,194
Interest received	629,137	583,729	790,155
Interest paid	(132,654)	(125,738)	(218,894)
Other borrowed funds	3,683,696	-	-
	<b>1,456,286</b>	<b>113,745</b>	<b>(51,021)</b>
Tax paid	(58,784)	(71,835)	(87,373)
<b>Net cash from / (used in) operating activities</b>	<b>1,397,502</b>	<b>41,910</b>	<b>(138,394)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	(49,357)	(7,777)	(11,100)
Net investment in securities	(77,193)	(682,427)	(469,760)
<b>Net cash used in investing activities</b>	<b>(126,550)</b>	<b>(690,204)</b>	<b>(480,860)</b>
<b>Net change in cash and cash equivalents</b>	<b>1,270,952</b>	<b>(648,294)</b>	<b>(619,254)</b>
Cash and cash equivalents at 1 January	1,505,491	2,245,146	2,245,146
Exchange differences in respect of cash & cash equivalents	(15,142)	(89,381)	(120,401)
<b>Cash and cash equivalents at end of period/year</b>	<b>2,761,301</b>	<b>1,507,471</b>	<b>1,505,491</b>