

**Unaudited Statement of Profit or Loss and Other Comprehensive Income**  
for the period ended 30 September 2016

	<b>Three Months ended 30-Sep-16 MUR'000</b>	Three Months ended 30-Sep-15 MUR'000	<b>Nine months ended 30-Sep-16 MUR'000</b>	Nine months ended 30-Sep-15 MUR'000	Year ended 31-Dec-15 MUR'000
Interest income	210,558	206,305	629,325	604,794	814,987
Interest expense	(60,022)	(62,251)	(181,279)	(195,672)	(257,351)
<b>Net interest income</b>	<b>150,536</b>	144,054	<b>448,046</b>	409,122	557,636
Fee and commission income	49,896	52,771	145,486	154,838	209,589
Fee and commission expense	(8,554)	(9,303)	(24,753)	(24,410)	(33,677)
<b>Net fee and commission income</b>	<b>41,342</b>	43,468	<b>120,733</b>	130,428	175,912
Net trading income	42,979	38,513	126,784	153,815	194,350
	<b>234,857</b>	226,035	<b>695,563</b>	693,365	927,898
Other operating income	74,284	72,931	223,859	212,727	284,857
<b>Total operating income</b>	<b>309,141</b>	298,966	<b>919,422</b>	906,092	1,212,755
<b>Net impairment gain/(loss) on financial assets</b>	<b>(4,935)</b>	(2,667)	<b>(7,989)</b>	(9,589)	(18,045)
Personnel expenses	(91,509)	(91,240)	(262,105)	(268,839)	(361,609)
Operating lease expenses	(10,947)	(11,666)	(29,222)	(34,764)	(46,669)
Depreciation	(3,400)	(3,966)	(9,531)	(11,300)	(14,809)
Other expenses	(123,869)	(132,105)	(378,554)	(380,765)	(519,509)
<b>Total expenses</b>	<b>(229,725)</b>	(238,977)	<b>(679,412)</b>	(695,668)	(942,596)
<b>Profit before tax</b>	<b>74,481</b>	57,322	<b>232,021</b>	200,835	252,114
Income tax expense	(19,986)	(17,204)	(62,561)	(41,520)	(57,397)
<b>Profit for the period/year</b>	<b>54,495</b>	40,118	<b>169,460</b>	159,315	194,717
<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	(1,937)	(10,650)	(5,815)	(31,950)	(7,754)
Related tax on remeasurements of defined benefit liabilities	236	1,598	716	4,793	1,163
Gain on revaluation of land and buildings	-	-	-	-	1,790
Related tax on gain on revaluation of land and buildings	53	52	157	156	(77)
	<b>(1,648)</b>	(9,000)	<b>(4,942)</b>	(27,001)	(4,878)
<b>Items that may be reclassified to profit or loss</b>					
Net change in fair value	13,977	(17,473)	119,702	(31,216)	(78,038)
	<b>13,977</b>	(17,473)	<b>119,702</b>	(31,216)	(78,038)
<b>Other comprehensive income/(expense) for the period/year</b>	<b>12,329</b>	(26,473)	<b>114,760</b>	(58,217)	(82,916)
<b>Total comprehensive income for the period/year</b>	<b>66,824</b>	13,645	<b>284,220</b>	101,098	111,801
<i>Profit attributable to:</i>					
Equity holders of the Bank	54,495	40,118	169,460	159,315	194,717
<i>Total comprehensive income attributable to:</i>					
Equity holders of the Bank	66,824	13,645	284,220	101,098	111,801

**The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch****Unaudited Statement of Financial Position***as at 30 September 2016*

	<b>30-Sep-16</b>	30-Sep-15	31-Dec-15
	<b>MUR'000</b>	MUR'000	MUR'000
<b>ASSETS</b>			
Cash and cash equivalents	<b>2,466,465</b>	3,732,317	4,560,602
Trading assets	<b>1,036</b>	325,381	225,613
Loans and advances to banks	<b>613,583</b>	458,447	307,595
Loans and advances to customers	<b>13,355,797</b>	13,097,726	13,603,659
Investment securities	<b>5,584,767</b>	5,006,532	4,864,108
Other assets	<b>1,910,489</b>	1,951,411	1,973,128
Property, plant and equipment	<b>263,629</b>	266,188	266,243
Deferred tax assets	<b>37,558</b>	39,480	36,308
	<b>24,233,324</b>	<u>24,877,482</u>	<u>25,837,256</u>

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

**Unaudited Statement of Financial Position (continued)**

*as at 30 September 2016*

	<b>30-Sep-16</b>	30-Sep-15	31-Dec-15
	<b>MUR'000</b>	MUR'000	MUR'000
<b>LIABILITIES</b>			
Deposits from banks	<b>154,285</b>	545,179	650,082
Deposits from customers	<b>19,428,007</b>	19,692,920	20,498,350
Trading liabilities	<b>2,689</b>	852	1,527
Other borrowed funds	<b>1,307,833</b>	1,490,218	1,426,619
Current tax liabilities	<b>47,180</b>	43,026	45,203
Other liabilities	<b>921,688</b>	1,029,338	1,128,971
<b>Total liabilities</b>	<b>21,861,682</b>	22,801,533	23,750,752
<b>Shareholders' funds</b>			
Assigned capital	<b>239,265</b>	239,265	239,265
Retained earnings	<b>1,470,351</b>	1,255,093	1,305,057
Other reserves	<b>662,026</b>	581,591	542,182
<b>Total shareholders' funds</b>	<b>2,371,642</b>	2,075,949	2,086,504
<b>Total liabilities and shareholders' funds</b>	<b>24,233,324</b>	24,877,482	25,837,256
<b>CONTINGENT LIABILITIES</b>			
Guarantees, letters of credit, endorsements and other obligations on account of customers	<b>2,820,341</b>	3,512,437	2,348,971
Undrawn commitments	<b>8,080,670</b>	9,520,902	6,186,264

# The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

## Unaudited Statement of Changes in Equity for the period ended 30 September 2016

	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	
<b>Balance at 1 January 2014</b>	<b>239,265</b>	<b>1,297,840</b>	<b>24,305</b>	<b>232,086</b>	<b>243,185</b>	<b>102,805</b>	<b>34,243</b>	<b>2,173,729</b>
<b>Total comprehensive income</b>								
Profit for the year	-	226,873	-	-	-	-	-	226,873
<b>Other comprehensive income</b>								
Net change in fair value	-	-	-	-	-	-	(47,994)	(47,994)
Realisation of revaluation reserve to retained earnings	-	6,213	-	(6,213)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(42,598)	-	-	-	-	-	(42,598)
Revaluation of properties	-	-	-	7,802	-	-	-	7,802
Tax on other comprehensive income	-	6,390	-	29	-	-	-	6,419
<b>Total other comprehensive income</b>	<b>-</b>	<b>(29,995)</b>	<b>-</b>	<b>1,618</b>	<b>-</b>	<b>-</b>	<b>(47,994)</b>	<b>(76,371)</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>196,878</b>	<b>-</b>	<b>1,618</b>	<b>-</b>	<b>-</b>	<b>(47,994)</b>	<b>150,502</b>
<b>Transactions with owners of the Bank</b>								
Movement relating to share-based payment	-	(445)	3,358	-	-	-	-	2,913
Net change in fair value of share-based payment liability	-	-	(2,764)	-	-	-	-	(2,764)
Profit remittance to Head office	-	(349,491)	-	-	-	-	-	(349,491)
<b>Transactions with owners of the Bank</b>	<b>-</b>	<b>(349,936)</b>	<b>594</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(349,342)</b>
Transfer (from)/to general banking reserve	-	(22,951)	-	-	-	22,951	-	-
<b>Balance at 31 December 2014</b>	<b>239,265</b>	<b>1,121,831</b>	<b>24,899</b>	<b>233,704</b>	<b>243,185</b>	<b>125,756</b>	<b>(13,751)</b>	<b>1,974,889</b>
<b>Total comprehensive income</b>								
Profit for the year	-	194,717	-	-	-	-	-	194,717
<b>Other comprehensive income</b>								
Net change in fair value	-	-	-	-	-	-	(78,038)	(78,038)
Realisation of revaluation reserve to retained earnings	-	26,262	-	(26,262)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(7,754)	-	-	-	-	-	(7,754)
Revaluation of properties	-	-	-	1,790	-	-	-	1,790
Tax on other comprehensive income	-	1,163	-	(77)	-	-	-	1,086
<b>Total other comprehensive income</b>	<b>-</b>	<b>19,671</b>	<b>-</b>	<b>(24,549)</b>	<b>-</b>	<b>-</b>	<b>(78,038)</b>	<b>(82,916)</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>214,388</b>	<b>-</b>	<b>(24,549)</b>	<b>-</b>	<b>-</b>	<b>(78,038)</b>	<b>111,801</b>
<b>Transactions with owners of the Bank</b>								
Movement relating to share-based payment	-	899	3,161	-	-	-	-	4,060
Net change in fair value of share-based payment liability	-	-	(4,246)	-	-	-	-	(4,246)
Profit remittance to Head office	-	-	-	-	-	-	-	-
<b>Transactions with owners of the Bank</b>	<b>-</b>	<b>899</b>	<b>(1,085)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(186)</b>
Transfer (from)/to general banking reserve	-	(32,061)	-	-	-	32,061	-	-
<b>Balance at 31 December 2015</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	-	169,460	-	-	-	-	-	169,460
<b>Other comprehensive income</b>								
Net change in fair value	-	-	-	-	-	-	119,702	119,702
Realisation of revaluation reserve to retained earnings	-	1,045	-	(1,045)	-	-	-	-
Remeasurements of defined benefit liabilities	-	(5,815)	-	-	-	-	-	(5,815)
Revaluation of properties	-	-	-	-	-	-	-	-
Tax on other comprehensive income	-	716	-	157	-	-	-	873
<b>Total other comprehensive income</b>	<b>-</b>	<b>(4,054)</b>	<b>-</b>	<b>(888)</b>	<b>-</b>	<b>-</b>	<b>119,702</b>	<b>114,760</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>165,406</b>	<b>-</b>	<b>(888)</b>	<b>-</b>	<b>-</b>	<b>119,702</b>	<b>284,220</b>
<b>Transactions with owners of the Bank</b>								
Movement relating to share-based payment	-	1,800	1,568	-	-	-	-	3,368
Net change in fair value of share-based payment liability	-	-	(2,450)	-	-	-	-	(2,450)
Profit remittance to Head office	-	-	-	-	-	-	-	-
<b>Transactions with owners of the Bank</b>	<b>-</b>	<b>1,800</b>	<b>(882)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>918</b>
Transfer (from)/to general banking reserve	-	(1,912)	-	-	-	1,912	-	-
<b>Balance at 30 September 2016</b>	<b>239,265</b>	<b>1,470,351</b>	<b>22,932</b>	<b>208,267</b>	<b>243,185</b>	<b>159,729</b>	<b>27,913</b>	<b>2,371,642</b>

# The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch

## Unaudited Statement of Cash Flows for the period ended 30 September 2016

	30-Sep-16 MUR'000	30-Sep-15 MUR'000	31-Dec-15 MUR'000
<b>Cash flows from operating activities</b>			
Profit before income tax	232,021	200,835	252,114
<b>Adjustments for:</b>			
Depreciation	9,531	11,300	14,809
(Profit)/loss on sale of fixed assets	-	911	911
Provision and adjustments to income for impairment losses	2,787	2,812	8,940
Net interest income	(448,046)	(409,122)	(557,636)
Exchange differences in respect of cash & cash equivalents	15,048	(181,428)	(170,204)
	<b>(188,659)</b>	<b>(374,692)</b>	<b>(451,066)</b>
<b>Change in:</b>			
Other assets	85,703	(250,721)	(287,922)
Other liabilities	(250,591)	30,160	197,991
Investment securities	(720,659)	(177,930)	(35,506)
Trading assets	344,279	228,961	281,907
Trading liabilities	1,162	(2,732)	(2,057)
Loans and advances to customers	245,075	(912,503)	(1,424,564)
Loans and advances to banks	(305,988)	(146,737)	4,115
Deposits from customers	(1,070,343)	1,106,987	1,912,417
Deposits from banks	(495,797)	(260,372)	(155,469)
Interest received	606,263	592,266	817,943
Interest paid	(142,868)	(159,538)	(265,333)
	<b>(1,892,423)</b>	<b>(326,851)</b>	<b>592,456</b>
Tax paid	(60,963)	(74,948)	(89,373)
<b>Net cash from operating activities</b>	<b>(1,953,386)</b>	<b>(401,799)</b>	<b>503,083</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	(6,744)	(3,610)	(5,384)
Proceeds from disposal of equipment	(173)	270	270
Proceeds from disposal of assets held for sale	-	26,040	26,040
<b>Net cash (used in)/ from investing activities</b>	<b>(6,917)</b>	<b>22,700</b>	<b>20,926</b>
<b>Cash flows from financing activities</b>			
Increase / (decrease) in other borrowed funds	(1,326,820)	-	1,326,820
<b>Net cash used in financing activities</b>	<b>(1,326,820)</b>	<b>-</b>	<b>1,326,820</b>
<b>Net change in cash and cash equivalents</b>	<b>(3,287,123)</b>	<b>(379,099)</b>	<b>1,850,829</b>
Cash and cash equivalents at 1 January	4,460,803	2,439,770	2,439,770
Exchange differences in respect of cash & cash equivalents	(15,048)	181,428	170,204
<b>Cash and cash equivalents at end of period/year</b>	<b>1,158,632</b>	<b>2,242,099</b>	<b>4,460,803</b>