

STANDARD BANK (MAURITIUS) LIMITED

A member of Standard Bank Group

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of Financial Position

as at 31 December 2014

	<u>2014</u> USD	<u>2013</u> USD	<u>2012</u> USD
Assets			
Cash and cash equivalents	2,497,991,968	1,429,027,700	1,460,621,533
Trading assets	184,035,481	223,637,126	174,622,254
Derivative assets held for risk management	4,503,937	6,047,463	54,245,767
Loans and advances to banks	270,117,616	351,186,580	133,031,384
Loans and advances to customers	249,836,871	340,219,697	408,522,858
Investment securities	2,661,958	16,498,218	17,894,462
Property, plant and equipment	3,294,570	4,160,125	4,692,712
Intangible assets	40,554	71,428	50,104
Deferred tax assets	2,116,000	3,654,000	2,579,000
Other assets	16,324,078	19,467,651	18,218,457
Total assets	3,230,923,033	2,393,969,988	2,274,478,531
Liabilities			
Deposits from banks	22,885,089	355,725,816	343,813,634
Deposits from customers	3,025,659,257	1,776,766,143	1,539,402,206
Trading liabilities	23,342,017	2,349,153	4,929,039
Derivative liabilities held for risk management	3,796,297	6,065,708	54,443,336
Other borrowed funds	43,455,945	154,292,412	213,334,482
Subordinated liabilities	25,000,000	25,000,000	45,000,000
Current tax payable	-	248,446	159,303
Other liabilities	9,597,039	11,794,793	7,429,503
Total liabilities	3,153,735,644	2,332,242,471	2,208,511,503
Shareholders' Equity			
Share capital	35,000,000	35,000,000	35,000,000
Other reserves	7,423,062	7,378,766	7,553,692
Retained income	34,764,327	19,348,751	23,413,336
Total equity attributable to equity holders	77,187,389	61,727,517	65,967,028
Total equity and liabilities	3,230,923,033	2,393,969,988	2,274,478,531

Approved by the Board of Directors and authorised for issue on 24 March 2015.

Louis Rivalland
Chairman

Georges Leung Shing
Director

Lakshman Bheenick
Chief Executive

STANDARD BANK (MAURITIUS) LIMITED

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2014

	2014 USD	2013 USD	2012 USD
Interest income	26,117,645	29,751,601	31,936,301
Interest expense	(10,381,726)	(12,672,892)	(12,953,964)
Net interest income	15,735,919	17,078,709	18,982,337
Fee and commission income	7,717,934	8,138,815	8,852,303
Fee and commission expense	(485,645)	(623,196)	(571,751)
Net fee and commission income	7,232,289	7,515,619	8,280,552
Net trading income	8,683,797	4,110,844	8,272,162
Net income from other financial instruments carried at fair value	284,976	68,344	202,516
Other operating income	278,958	282,171	276,918
	9,247,731	4,461,359	8,751,596
Operating income	32,215,939	29,055,687	36,014,485
Net impairment reversal/(charge) on financial assets	1,125,491	(18,738,168)	(33,366,120)
Personnel expenses	(7,254,866)	(7,899,980)	(8,419,233)
Operating lease	(808,337)	(789,070)	(785,671)
Depreciation and amortisation	(902,607)	(820,472)	(561,427)
Other expenses	(5,838,034)	(5,222,592)	(5,858,276)
	(13,678,353)	(33,470,282)	(48,990,727)
Profit/(Loss) before income tax	18,537,586	(4,414,595)	(12,976,242)
Income tax (expense)/credit	(3,122,010)	151,527	449,219
Profit/(Loss) for the year	15,415,576	(4,263,068)	(12,527,023)
Profit/(Loss) attributable to equity holders	15,415,576	(4,263,068)	(12,527,023)
	15,415,576	(4,263,068)	(12,527,023)
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Net gain/(loss) on available for sale financial assets	4,539	(35,691)	(133,135)
	4,539	(35,691)	(133,135)
Other comprehensive income/(loss) for the year	4,539	(35,691)	(133,135)
Total comprehensive income/(loss) for the year	15,420,115	(4,298,759)	(12,660,158)
Total comprehensive income/(loss) attributable to equity holders	15,420,115	(4,298,759)	(12,660,158)

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of Cash Flows

for the year ended 31 December 2014

	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>	<u>2012</u> <u>USD</u>
Cash flows from operating activities			
Profit/(Loss) for the year	15,415,576	(4,263,068)	(12,527,023)
Adjusted for:			
Depreciation and amortisation	902,607	820,472	561,427
Loss on sale of assets	-	1,105	531,656
Net impairment (gain)/loss on financial assets	(1,125,491)	18,738,168	33,366,120
Income tax expense/(credit)	3,122,010	(151,527)	(449,219)
Changes in operating assets and liabilities			
Decrease/(Increase) in trading assets	39,601,645	(49,014,872)	93,047,081
(Increase)/Decrease in derivative financial instruments held for risk management	(725,886)	(179,323)	1,266,336
Decrease/(Increase) in loans and advances to banks	81,068,964	(218,155,196)	(125,746,537)
Decrease/(Increase) in loans and advances to customers	91,508,317	49,565,256	(27,552,160)
Decrease/(Increase) in other assets	2,851,579	(839,470)	(7,853,937)
Increase/(Decrease) in trading liabilities	20,992,864	(2,579,886)	(602,990)
(Decrease)/Increase in deposits from banks	(332,840,728)	11,912,182	320,258,541
(Decrease)/Increase in other borrowed funds	(110,836,467)	(59,042,070)	(54,525,909)
Increase in deposits from customers	1,248,893,113	237,363,938	485,995,681
(Decrease)/Increase in other liabilities	(2,157,999)	4,226,054	1,566,131
Income tax paid	(1,498,071)	(851,554)	(2,022,388)
Net cash from/(used in) operating activities	1,055,172,033	(12,449,791)	705,312,810
Cash flows from investing activities			
Sale of investment securities	13,840,799	1,429,935	4,842,955
Capital expenditure on property, plant and equipment	(48,564)	(520,960)	(3,886,750)
Proceeds from sale of property, plant and equipment	-	1,072	50,344
Capital expenditure intangible assets	-	(54,089)	(7,709)
Net cash from investing activities	13,792,235	855,958	998,840
Cash flows from financing activities			
(Decrease)/Increase in subordinated liabilities	-	(20,000,000)	25,000,000
Net cash (used in)/from financing activities	-	(20,000,000)	25,000,000
Net increase/(decrease) in cash and cash equivalents	1,068,964,268	(31,593,833)	731,311,650
Cash at the beginning of the year	1,429,027,700	1,460,621,533	729,309,883
Cash and cash equivalents at end of year	2,497,991,968	1,429,027,700	1,460,621,533

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Statement of Changes in Equity

for the year ended 31 December 2014

	Share Capital USD	Statutory Reserve USD	Other Reserves USD	Retained Earnings USD	Total USD
Balance at 31 December 2011	35,000,000	7,126,544	453,148	35,940,359	78,520,051
Loss for the year	-	-	-	(12,527,023)	(12,527,023)
Other comprehensive loss	-	-	(131,135)	-	(131,135)
Total comprehensive loss for the year	-	-	(131,135)	(12,527,023)	(12,658,158)
Share based payments	-	-	105,135	-	105,135
Balance at 31 December 2012	35,000,000	7,126,544	427,148	23,413,336	65,967,028
Loss for the year	-	-	-	(4,263,068)	(4,263,068)
Other comprehensive loss	-	-	(35,691)	-	(35,691)
Total comprehensive loss for the year	-	-	(35,691)	(4,263,068)	(4,298,759)
Share based payments	-	-	59,248	-	59,248
Transfer between reserves	-	-	(198,483)	198,483	-
Balance at 31 December 2013	35,000,000	7,126,544	252,222	19,348,751	61,727,517
Income for the year	-	-	-	15,415,576	15,415,576
Other comprehensive income	-	-	4,539	-	4,539
Total comprehensive income for the year	-	-	4,539	15,415,576	15,420,115
Share based payments	-	-	39,757	-	39,757
Balance at 31 December 2014	35,000,000	7,126,544	296,518	34,764,327	77,187,389

The above information including the independent auditors' report has been extracted from the audited financial statements for the year ended 31 December 2014. It should therefore be read in conjunction with the rest of the audited financial statements.

Independent auditors' report to the member of Standard Bank (Mauritius) Limited

We have audited the financial statements of Standard Bank (Mauritius) Limited for the year ended 31 December 2014, from which the summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated 24 March 2015 we expressed an unqualified opinion on the financial statements from which the summarised financial statements were derived.

In our opinion, the accompanying summarised financial statements are consistent, in all material respects, with the financial statements from which they were derived.

For a better understanding of the Bank's financial position and the financial performance and cash flows for the year and of the scope of our audit, the summarised financial statements should be read in conjunction with the financial statements from which the summarised financial statements were derived and our audit report thereon.

KPMG

Ebène, Mauritius

Date: 24 March 2015

STANDARD BANK (MAURITIUS) LIMITED

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Independent auditors' report to the member of Standard Bank (Mauritius) Limited

Report on the Financial Statements

We have audited the financial statements of Standard Bank (Mauritius) Limited ("the Bank"), which comprise the statement of financial position as at 31 December 2014 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 97 to 169.

This report is made solely to the Bank's member in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Bank's member those matters that are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's member, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibility for the Financial Statements

The Bank's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act and Banking Act and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Standard Bank (Mauritius) Limited as at 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Bank other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Bank as far as it appears from our examination of those records.

Banking Act

In our opinion, the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the Banking Act and the regulations and guidelines of the Bank of Mauritius.

The explanations or information called for or given to us by the officers or agents of the Bank were satisfactory.

Financial Reporting Act 2004

The Directors are responsible for preparing the corporate governance report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the financial statements and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the financial statements is consistent with the requirements of the Code.

KPMG
Ebène, Mauritius
24 March 2015

John Chung, BSc FCA
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