

# STANDARD BANK (MAURITIUS) LIMITED

A member of Standard Bank Group of South Africa

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### STATEMENT OF FINANCIAL POSITION at 31 December 2009

	2009	2008	2007
	USD	USD	Reclassified USD
<b>ASSETS</b>			
Cash and cash equivalents	1,288,177,249	483,939,588	499,932,132
Trading assets	121,972,892	22,074,732	23,685,064
Derivative assets held for risk management	4,973,014	1,487,802	5,079,843
Loans and advances to banks	110,264,189	92,244,617	32,947,759
Loans and advances to customers	174,547,605	197,177,135	125,955,320
Investment securities	42,562,530	23,881,975	11,023,046
Equipment	2,196,074	2,534,979	2,766,292
Intangible assets	149,778	115,224	117,552
Deferred tax assets	172,000	154,000	19,933
Other assets	17,342,565	18,524,517	10,411,218
<b>Total assets</b>	<b>1,762,357,896</b>	<b>842,134,569</b>	<b>711,938,159</b>
<b>LIABILITIES</b>			
Deposit from banks	67,103,722	13,205,397	34,237,277
Deposits from customers	1,488,916,254	731,804,070	612,823,024
Trading liabilities	121,625,980	11,317,241	6,894,638
Derivatives liabilities held for risk management	4,977,640	-	4,578,980
Subordinated liabilities	20,000,000	20,000,000	-
Current tax liabilities	180,336	1,066,000	151,000
Other liabilities	11,598,288	11,254,235	7,274,177
<b>Total liabilities</b>	<b>1,714,402,220</b>	<b>788,646,943</b>	<b>665,959,096</b>
<b>Shareholders' Equity</b>			
Share capital and share premium	20,000,000	20,000,000	20,000,000
Retained earnings	22,812,380	29,397,476	21,734,867
Other reserves	5,143,296	4,090,150	4,244,196
<b>Total equity attributable to equity holders</b>	<b>47,955,676</b>	<b>53,487,626</b>	<b>45,979,063</b>
<b>Total equity and liabilities</b>	<b>1,762,357,896</b>	<b>842,134,569</b>	<b>711,938,159</b>

Approved by the Board of Directors and authorised for issue on March 26, 2010.

Prof Donald Ah Chuen  
Chairman

Izam Nathadkhan  
Director

Chris Clarkson  
Managing Director

### INCOME STATEMENT for the year ended 31 December 2009

	2009	2008	2007
	USD	USD	USD
Interest income	23,584,373	47,624,170	32,933,892
Interest expense	(16,452,154)	(39,275,730)	(28,102,041)
<b>Net interest income</b>	<b>7,132,219</b>	<b>8,348,440</b>	<b>4,831,851</b>
Fee and commission income	2,670,811	2,772,921	2,171,713
Fee and commission expense	(707,543)	(53,240)	(14,403)
<b>Net fee and commission income</b>	<b>1,963,268</b>	<b>2,719,681</b>	<b>2,157,310</b>
Net trading income	8,727,224	9,354,749	2,894,347
Net income from other financial instruments carried at fair value	66,027	466,011	350,889
Other operating income	272,373	202,894	-
	<b>9,065,624</b>	<b>10,023,654</b>	<b>3,245,236</b>
<b>Operating income</b>	<b>18,161,111</b>	<b>21,091,775</b>	<b>10,234,397</b>
Net impairment loss on financial assets	(391,507)	(1,197,661)	(932,765)
Personnel expenses	(6,217,474)	(6,325,940)	(3,491,392)
Operating lease expenses	(678,028)	(922,714)	(339,029)
Depreciation and amortisation	(527,817)	(465,705)	(360,701)
Other expenses	(5,484,274)	(3,615,431)	(2,854,304)
	<b>(13,299,100)</b>	<b>(12,527,451)</b>	<b>(7,978,191)</b>
<b>Operating profit</b>	<b>4,862,011</b>	<b>8,564,324</b>	<b>2,256,206</b>
<b>Profit before income tax</b>	<b>4,862,011</b>	<b>8,564,324</b>	<b>2,256,206</b>
Income tax expense	(844,477)	(931,000)	(131,945)
<b>Profit for the year</b>	<b>4,017,534</b>	<b>7,633,324</b>	<b>2,124,261</b>
Transfer to statutory reserve	602,630	1,144,961	318,639
<b>Profit attributable to equity holders</b>	<b>3,414,904</b>	<b>6,488,363</b>	<b>1,805,622</b>
	<b>4,017,534</b>	<b>7,633,324</b>	<b>2,124,261</b>

### STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2009

	2009	2008	2007
	USD	USD	USD
<b>Profit for the year</b>	<b>4,017,534</b>	<b>7,633,324</b>	<b>2,124,261</b>
<b>Other Comprehensive Income</b>			
Net gain/(loss) on available for sale financial assets	356,446	(124,761)	8,022
<b>Total Comprehensive Income for the year</b>	<b>4,373,980</b>	<b>7,508,563</b>	<b>2,132,283</b>
Transfer to Statutory Reserve	602,630	1,144,961	318,639
<b>Comprehensive Income Attributable to equity holders</b>	<b>3,771,350</b>	<b>6,363,602</b>	<b>1,813,644</b>
	<b>4,373,980</b>	<b>7,508,563</b>	<b>2,132,283</b>

### 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") on pages 65 to 140 which comprise the statement of financial position at 31 December 2009 and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

#### 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### 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 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 on pages 65 to 140 give a true and fair view of the financial position of the Bank at 31 December 2009 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act.

#### Other matter

This report, including the opinion, has been prepared for and only for, the Bank's members, as a body, in accordance with Section 205 of the Mauritius Companies Act and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### 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.

#### KPMG

Public Accountants  
Port Louis  
Date: 26 March 2010

### STATEMENT OF CASH FLOWS

for the year ended 31 December 2009

	2009	2008	2007
	USD	USD	Reclassified USD
<b>Cash flows from operating activities</b>			
Profit before tax	4,862,011	8,564,324	2,256,206
<b>Adjustments for:</b>			
Depreciation	492,985	465,705	353,780
Amortisation	34,832	27,328	6,921
Loss on disposal of fixed assets	(1,363)	18,377	(848)
Equipment written off	-	-	12,922
Intangible assets written off	-	-	7,004
Transfer to trust	-	-	389,394
Impairment on financial assets	391,507	1,197,661	932,765
<b>Changes in operating assets and liabilities</b>			
(Increase) / Decrease in trading assets	(99,898,160)	1,610,332	(19,299,779)
Increase/(Decrease) in derivative financial instruments held for risk management	1,492,428	(986,939)	(423,570)
(Increase) / Decrease in loans and advances to banks	(18,019,572)	(59,296,858)	20,399,212
Decrease / (Increase) in loans and advances to customers	22,175,588	(72,332,025)	1,958,235
Decrease / (Increase) in other assets	1,181,951	(8,113,299)	(4,885,736)
Increase/(Decrease) in trading liabilities	110,308,739	4,422,603	6,894,638
Increase/(Decrease) in deposits from banks	53,898,325	(21,031,880)	31,217,403
Increase/(Decrease) in deposits from customers	757,112,184	118,981,046	216,795,075
Increase/(Decrease) in other liabilities	296,405	4,075,461	2,662,280
Income tax paid	(1,629,421)	(250,417)	(371,220)
<b>Net cash from / (used in) operating activities</b>	<b>832,698,439</b>	<b>(22,648,581)</b>	<b>258,904,682</b>
<b>Cash flows from investing activities</b>			
Purchase of investment securities	(18,238,674)	(13,071,138)	(11,023,046)
Purchase of equipment	(154,318)	(285,731)	(2,049,859)
Proceeds from sale of equipment	1,600	37,906	9,925
Purchase of intangible assets	(69,386)	(25,000)	(119,112)
<b>Net cash used in investing activities</b>	<b>(18,460,778)</b>	<b>(13,343,963)</b>	<b>(13,182,092)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	(10,000,000)	-	-
Increase / (Decrease) in Subordinated Liabilities	-	20,000,000	-
<b>Net cash (used in) / from financing activities</b>	<b>(10,000,000)</b>	<b>20,000,000</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>804,237,661</b>	<b>(15,992,544)</b>	<b>245,722,590</b>
Cash and cash equivalents at beginning of year	483,939,588	499,932,132	254,209,542
<b>Cash and cash equivalents at end of year</b>	<b>1,288,177,249</b>	<b>483,939,588</b>	<b>499,932,132</b>

### STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2009

	Share capital	Statutory reserve	General banking reserve	Other reserve	Retained earnings	Total
	USD	USD	USD	USD	USD	USD
<b>Balance at beginning of year 2007</b>	20,000,000	2,743,602	1,174,246	(313)	19,929,245	43,846,780
Profit for the year	-	-	-	-	2,124,261	2,124,261
<b>Other Comprehensive Income</b>						
Net gains on available for sale financial investments	-	-	-	8,022	-	8,022
Total Comprehensive Income for the year	-	-	-	8,022	2,124,261	2,132,283
Transfer to statutory reserve	-	318,639	-	-	(318,639)	-
<b>Balance at end of Year 2007 / beginning of Year 2008</b>	<b>20,000,000</b>	<b>3,062,241</b>	<b>1,174,246</b>	<b>7,709</b>	<b>21,734,867</b>	<b>45,979,063</b>
Profit for the year	-	-	-	-	7,633,324	7,633,324
<b>Other Comprehensive Income</b>						
Net gains on available for sale financial investments	-	-	-	(124,761)	-	(124,761)
Total Comprehensive Income for the year	-	-	-	(124,761)	7,633,324	7,508,563
Movement during the year	-	-	(1,174,246)	-	1,174,246	-
Transfer to statutory reserve	-	1,144,961	-	-	(1,144,961)	-
	-	1,144,961	(1,174,246)	-	29,285	-
<b>Balance at end of year 2008 / beginning of Year 2009</b>	<b>20,000,000</b>	<b>4,207,202</b>	<b>-</b>	<b>(117,052)</b>	<b>29,397,476</b>	<b>53,487,626</b>
Profit for the year	-	-	-	-	4,017,534	4,017,534
<b>Other Comprehensive Income</b>						
Net gains on available for sale financial investments	-	-	-	356,446	-	356,446
Total Comprehensive Income for the year	-	-	-	356,446	4,017,534	4,373,980
Share based payment	-	-	-	94,070	-	94,070
Transfer to statutory reserve	-	602,630	-	-	(602,630)	-
	-	602,630	-	94,070	(602,630)	94,070
<b>Transactions with owners, recorded directly in equity</b>						
Contributions by and distributions to owners	-	-	-	-	(10,000,000)	(10,000,000)
Dividend Paid	-	-	-	-	(10,000,000)	(10,000,000)
<b>Balance at end of year 2009</b>	<b>20,000,000</b>	<b>4,809,832</b>	<b>-</b>	<b>333,464</b>	<b>22,812,380</b>	<b>47,955,676</b>

The above information including the independent auditors' report has been extracted from the audited financial statements for the year ended 31 December 2009. 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 2009, from which the summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated 26 March 2010 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

Public Accountants  
Port Louis  
Date: 26 March 2010

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