

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

STATEMENT OF FINANCIAL POSITION
at 31 December 2010

	2010 USD	2009 USD	2008 USD
ASSETS			
Cash and cash equivalents	1,982,991,291	1,288,177,249	483,939,588
Trading assets	135,969,120	121,972,892	22,074,732
Derivative assets held for risk management	35,832,521	4,973,014	1,487,802
Loans and advances to banks	57,332,820	110,264,189	92,244,617
Loans and advances to customers	255,073,720	174,547,605	197,177,135
Investment securities	9,676,023	42,562,530	23,881,975
Equipment	2,273,780	2,196,074	2,534,979
Intangible assets	145,893	149,778	115,224
Deferred tax assets	272,000	172,000	154,000
Other assets	13,307,116	17,342,565	18,524,517
Total assets	2,492,874,284	1,762,357,896	842,134,569
LIABILITIES			
Deposit from banks	72,516,698	67,103,722	13,205,397
Deposits from customers	2,165,127,105	1,488,916,254	731,804,070
Trading liabilities	135,280,165	121,625,980	11,317,241
Derivatives liabilities held for risk management	35,839,972	4,977,640	-
Other borrowed funds	4,942,338	-	-
Subordinated liabilities	20,000,000	20,000,000	20,000,000
Current tax liabilities	119,104	180,336	1,066,000
Other liabilities	6,771,862	11,598,288	11,254,235
Total liabilities	2,440,597,244	1,714,402,220	788,646,943
Shareholders' Equity			
Share capital	20,000,000	20,000,000	20,000,000
Retained earnings	26,362,800	22,812,380	29,397,476
Other reserves	5,914,240	5,143,296	4,090,150
Total equity attributable to equity holders	52,277,040	47,955,676	53,487,626
Total equity and liabilities	2,492,874,284	1,762,357,896	842,134,569

Approved by the Board of Directors and authorised for issue on 16 March 2011

Louis Rivalland Chairman	Georges Leung Shing Director	Lakshman Bheenic Managing Director
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INCOME STATEMENT
for the year ended 31 December 2010

	2010 USD	2009 USD	2008 USD
Interest income	21,367,081	23,584,373	47,624,170
Interest expense	(12,874,023)	(16,452,154)	(39,275,730)
Net interest income	8,493,058	7,132,219	8,348,440
Fee and commission income	5,099,696	2,670,811	2,772,921
Fee and commission expense	(325,295)	(707,543)	(53,240)
Net fee and commission income	4,774,401	1,963,268	2,719,681
Net trading income	8,034,428	8,727,224	9,354,749
Net income from other financial instruments carried at fair value	256,282	66,027	466,011
Other operating income	295,982	272,373	202,894
	8,586,692	9,065,624	10,023,654
Operating income	21,854,151	18,161,111	21,091,775
Net impairment loss on financial assets	(1,788,646)	(391,507)	(1,197,661)
Personnel expenses	(7,598,222)	(6,217,474)	(6,325,940)
Operating lease expenses	(782,334)	(678,028)	(922,714)
Depreciation and amortisation	(639,115)	(527,817)	(465,705)
Other expenses	(6,346,622)	(5,484,274)	(3,615,431)
	(17,154,939)	(13,299,100)	(12,527,451)
Operating profit	4,699,212	4,862,011	8,564,324
Profit before income tax	4,699,212	4,862,011	8,564,324
Income tax expense	(522,240)	(844,477)	(931,000)
Profit for the year	4,176,972	4,017,534	7,633,324
Transfer to statutory reserve	626,552	602,630	1,144,961
Profit attributable to equity holders	3,550,420	3,414,904	6,488,363
	4,176,972	4,017,534	7,633,324

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2010

	2010 USD	2009 USD	2008 USD
Profit for the year	4,176,972	4,017,534	7,633,324
Other Comprehensive Income			
Net gain/(loss) on available for sale financial assets	42,954	356,446	(124,761)
Other Comprehensive Income for the year	42,954	356,446	(124,761)
Total Comprehensive Income for the year	4,219,926	4,373,980	7,508,563
Transfer to statutory reserve	626,552	602,630	1,144,961
Comprehensive Income attributable to equity holders	3,593,374	3,771,350	6,363,602
	4,219,926	4,373,980	7,508,563

The above information including the independent auditors' report has been extracted from the audited financial statements for the year ended 31 December 2010. 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 2010, from which the summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated 16 March 2011 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 Licensed auditors Port Louis Date: 16 March 2011	Subhas Purgus Signing Partner
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Report on the Financial Statements

We have audited the financial statements of Standard Bank (Mauritius) Limited (the "Bank") on pages 72 to 147 which comprise the statement of financial position at 31 December 2010 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.

This report is made solely to the Bank's member, as a body, 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 to them 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 as a body, 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 the directors determine 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 whether the financial statements are free from material misstatement.

STATEMENT OF CASH FLOWS
for year ended 31 December 2010

	2010 USD	2009 USD	2008 USD
Cash flows from operating activities			
Profit before income tax	4,699,212	4,862,011	8,564,324
Adjustments for:			
Depreciation	588,947	492,985	465,705
Amortisation	50,168	34,832	27,328
Loss on disposal of fixed assets	492	(1,363)	18,377
Impairment on financial assets	1,788,646	391,507	1,197,661
Changes in operating assets and liabilities			
(Increase)/Decrease in trading assets	(13,996,228)	(99,898,160)	1,610,332
Decrease/(Increase) in derivative financial instruments held for risk management	2,826	1,492,428	(986,939)
Decrease/(Increase) in loans and advances to banks	52,931,369	(18,019,572)	(59,296,858)
(Increase)/Decrease in loans and advances to customers	(82,339,777)	22,175,588	(72,332,025)
Decrease/(Increase) in other assets	4,007,758	1,181,951	(8,113,299)
Increase in trading liabilities	13,654,185	110,308,739	4,422,603
Increase/(Decrease) in deposits from banks	10,355,315	53,898,325	(21,031,880)
Increase in deposits from customers	676,210,851	757,112,184	118,981,046
(Decrease)/increase in other liabilities	(4,725,035)	296,405	4,075,461
Income tax paid	(651,736)	(1,629,421)	(250,417)
Net cash from/ (used in) operating activities	662,576,993	832,698,439	(22,648,581)
Cash flows from investing activities			
Purchase of investment securities	-	(18,238,674)	(13,071,138)
Matured investment securities	32,950,476	-	-
Purchase of equipment	(738,860)	(154,318)	(285,731)
Proceeds from sale of equipment	71,716	1,600	37,906
Purchase of intangible assets	(46,283)	(69,386)	(25,000)
Net cash from/ (used in) investing activities	32,237,049	(18,460,778)	(13,343,963)
Cash flows from financing activities			
Dividends paid	-	(10,000,000)	-
Increase in subordinated liabilities	-	-	20,000,000
Net cash (used in)/ from financing activities	-	(10,000,000)	20,000,000
Net increase / (decrease) in cash and cash equivalents	694,814,042	804,237,661	(15,992,544)
Cash and cash equivalents at beginning of the year	1,288,177,249	483,939,588	499,932,132
Cash and cash equivalents at end of year	1,982,991,291	1,288,177,249	483,939,588

STATEMENT OF CHANGES IN EQUITY
for year ended 31 December 2010

	Share capital USD	Statutory reserve USD	General banking reserve USD	Other reserve USD	Retained earnings USD	Total USD
Balance at beginning of year 2008	20,000,000	3,062,241	1,174,246	7,709	21,734,867	45,979,063
Profit for the year	-	-	-	-	7,633,324	7,633,324
<i>Other Comprehensive Income</i>						
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	-
Balance at end of year 2008/ beginning of year 2009	20,000,000	4,207,202	-	(117,052)	29,397,476	53,487,626
Profit for the year	-	-	-	-	4,017,534	4,017,534
<i>Other Comprehensive Income</i>						
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
<i>Transactions with owners, recorded directly in equity</i>						
Contributions by and distributions to owners	-	-	-	-	(10,000,000)	(10,000,000)
Dividend Paid	-	-	-	-	(10,000,000)	(10,000,000)
Balance at end of year 2009/ beginning of year 2010	20,000,000	4,809,832	-	333,464	22,812,380	47,955,676
Profit for the year	-	-	-	-	4,176,972	4,176,972
<i>Other Comprehensive Income</i>						
Net gains on available for sale financial investments	-	-				