

STANDARD BANK (MAURITIUS) LIMITED

A member of Standard Bank Group of South Africa

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

STATEMENT OF FINANCIAL POSITION

at 31 December 2011

	<u>2011</u> <u>USD</u>	<u>2010</u> <u>USD</u>	<u>2009</u> <u>USD</u>
ASSETS			
Cash and cash equivalents	729,309,883	1,982,991,291	1,288,177,249
Trading assets	267,669,335	135,969,120	121,972,892
Derivative assets held for risk management	23,370,433	35,832,521	4,973,014
Loans and advances to banks	7,284,847	57,332,820	110,264,189
Loans and advances to customers	414,336,817	255,073,720	174,547,605
Investment securities	22,877,552	9,676,023	42,562,530
Equipment	1,897,602	2,273,780	2,196,074
Intangible assets	94,182	145,893	149,778
Deferred tax assets	455,000	272,000	172,000
Other assets	10,444,117	13,307,116	17,342,565
Total assets	1,477,739,768	2,492,874,284	1,762,357,896
LIABILITIES			
Deposit from banks	289,541,634	72,516,698	67,103,722
Deposits from customers	788,308,477	2,165,127,105	1,488,916,254
Trading liabilities	270,630,077	135,280,165	121,625,980
Derivatives liabilities held for risk management	22,301,665	35,839,972	4,977,640
Other borrowed funds	1,873,850	4,942,338	-
Subordinated liabilities	20,000,000	20,000,000	20,000,000
Current tax liabilities	595,507	119,104	180,336
Other liabilities	5,968,507	6,771,862	11,598,288
Total liabilities	1,399,219,717	2,440,597,244	1,714,402,220
Shareholders' Equity			
Share capital	35,000,000	20,000,000	20,000,000
Retained earnings	35,940,359	26,362,800	22,812,380
Other reserves	7,579,692	5,914,240	5,143,296
Total equity attributable to equity holders	78,520,051	52,277,040	47,955,676
Total equity and liabilities	1,477,739,768	2,492,874,284	1,762,357,896

Approved by the Board of Directors and authorised for issue on 19 March 2012

Louis Rivalland
Chairman

Georges Leung Shing
Director

Lakshman Bheenick
Managing Director

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INCOME STATEMENT

for the year ended 31 December 2011

	2011 USD	2010 USD	2009 USD
Interest income	25,029,484	21,367,081	23,584,373
Interest expense	(11,290,566)	(12,874,023)	(16,452,154)
Net interest income	13,738,918	8,493,058	7,132,219
Fee and commission income	7,259,596	5,099,696	2,670,811
Fee and commission expense	(578,857)	(325,295)	(707,543)
Net fee and commission income	6,680,739	4,774,401	1,963,268
Net trading income	9,069,327	8,034,428	8,727,224
Net income from other financial instruments carried at fair value	(195,352)	256,282	66,027
Other operating income	292,484	295,982	272,373
	9,166,459	8,586,692	9,065,624
Operating income	29,586,116	21,854,151	18,161,111
Net impairment loss on financial assets	(2,705,888)	(1,788,646)	(391,507)
Personnel expenses	(7,892,422)	(7,598,222)	(6,217,474)
Operating lease expenses	(784,958)	(782,334)	(678,028)
Depreciation and amortisation	(627,632)	(639,115)	(527,817)
Other expenses	(5,132,697)	(6,346,622)	(5,484,274)
	(17,143,597)	(17,154,939)	(13,299,100)
Operating profit	12,442,519	4,699,212	4,862,011
Profit before income tax	12,442,519	4,699,212	4,862,011
Income tax expense	(1,174,800)	(522,240)	(844,477)
Profit for the year	11,267,719	4,176,972	4,017,534
Transfer to statutory reserve	1,690,160	626,554	602,630
Profit attributable to equity holders	9,577,559	3,550,418	3,414,904
	11,267,719	4,176,972	4,017,534
STATEMENT OF COMPREHENSIVE INCOME			
for the year ended 31 December 2011			
Profit for the year	11,267,719	4,176,972	4,017,534
Other Comprehensive Income			
Net (loss)/gain on available for sale financial assets	(120,505)	42,954	356,446
Other Comprehensive (Loss)/Income for the year	(120,505)	42,954	356,446
Total Comprehensive Income for the year	11,147,214	4,219,926	4,373,980
Transfer to statutory reserve	1,690,160	626,552	602,630
Comprehensive Income attributable to equity holders	9,457,054	3,593,374	3,771,350
	11,147,214	4,219,926	4,373,980

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

STATEMENT OF CASH FLOWS

for the year ended 31 December 2011

	2011 USD	2010 USD	2009 USD
Cash flows from operating activities			
Profit before income tax	12,442,519	4,699,212	4,862,011
Adjustments for:			
Depreciation and amortisation	627,632	639,115	527,817
Loss/(profit) on disposal of fixed assets	-	492	(1,363)
Impairment on financial assets	2,705,888	1,788,646	391,507
Changes in operating assets and liabilities			
Increase in trading assets	(131,700,215)	(13,996,228)	(99,898,160)
(Increase)/Decrease in derivative financial instruments held for risk management	(1,076,219)	2,826	1,492,428
Decrease/(Increase) in loans and advances to banks	50,047,973	52,931,369	(18,019,572)
(Increase)/Decrease in loans and advances to customers	(161,968,816)	(82,339,777)	22,175,588
Decrease in other assets	2,862,999	4,007,758	1,181,951
Increase in trading liabilities	135,349,912	13,654,185	110,308,739
Increase in deposits from banks	213,956,448	10,355,315	53,898,325
(Decrease)/Increase in deposits from customers	(1,376,818,628)	676,210,851	757,112,184
(Decrease)/increase in other liabilities	(706,552)	(4,725,035)	296,405
Income tax paid	(880,574)	(651,736)	(1,629,421)
Net cash (used in)/from operating activities	(1,255,157,633)	662,576,993	832,698,439
Cash flows from investing activities			
Purchase of investment securities	(13,324,034)	-	(18,238,674)
Matured investment securities	-	32,950,476	-
Purchase of equipment	(199,741)	(738,860)	(154,318)
Proceeds from sale of equipment	-	71,716	1,600
Purchase of intangible assets	-	(46,283)	(69,386)
Net cash (used in)/from investing activities	(13,523,775)	32,237,049	(18,460,778)
Cash flows from financing activities			
Dividends paid	-	-	(10,000,000)
Increase in Share Capital	15,000,000	-	-
Net cash from/(used in) financing activities	15,000,000	-	(10,000,000)
Net (decrease)/increase in cash and cash equivalents	(1,253,681,408)	694,814,042	804,237,661
Cash and cash equivalents at beginning of the year	1,982,991,291	1,288,177,249	483,939,588
Cash and cash equivalents at end of year	729,309,883	1,982,991,291	1,288,177,249

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2011

	Share capital USD	Statutory reserve USD	Other reserve USD	Retained earnings USD	Total USD
Balance at 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	-	-	42,954	-	42,954
Total Comprehensive Income for the year	-	-	42,954	4,176,972	4,219,926
Share based payment	-	-	101,438	-	101,438
Transfer to statutory reserve	-	626,552	-	(626,552)	-
	-	626,552	101,438	(626,552)	101,438
Balance at end of year 2010/ beginning of year 2011	20,000,000	5,436,384	477,856	26,362,800	52,277,040
Profit for the year	-	-	-	11,267,719	11,267,719
<i>Other Comprehensive Income</i>					
Net loss on available for sale financial investments	-	-	(122,505)	-	(122,505)
Total Comprehensive Income for the year	-	-	(122,505)	11,267,719	11,145,214
Share based payment	-	-	97,797	-	97,797
Transfer to statutory reserve	-	1,690,160	-	(1,690,160)	-
	-	1,690,160	(24,908)	9,577,559	11,243,011
<i>Transactions with owners, recorded directly in equity</i>					
Contributions by and distributions to owners	-	-	-	-	-
Additional share capital	15,000,000	-	-	-	15,000,000
Balance at end of year 2011	35,000,000	7,126,544	453,148	35,940,359	78,520,051

The above information including the independent auditors' report has been extracted from the audited financial statements for the year ended 31 December 2011. 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 2011, from which the summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated 19 March 2012 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
Ebene
19 March 2012

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Licensed by FRC

STANDARD BANK (MAURITIUS) LIMITED

A member of Standard Bank Group of South Africa

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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 74 to 152 which comprise the statement of financial position at 31 December 2011 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 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 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.

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 74 to 152 give a true and fair view of the financial position of the Bank at 31 December 2011 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.

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.

The Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report and making disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius ("Code"). Our responsibility is to report on these disclosures.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

KPMG
Licensed auditors
Ebene
19 March 2012

Subhas Purgus
Licensed by FRC