

# STANDARD BANK (MAURITIUS) LIMITED

A member of Standard Bank Group

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### Statement of Financial Position

at 31 December 2013

	<u>2013</u> <u>USD</u>	<u>2012</u> <u>USD</u>	<u>2011</u> <u>USD</u>
<b>Assets</b>			
Cash and cash equivalents	1,429,027,700	1,460,621,533	729,309,883
Trading assets	223,637,126	174,622,254	267,669,335
Derivative assets held for risk management	6,047,463	54,245,767	23,370,433
Loans and advances to banks	351,186,580	133,031,384	7,284,847
Loans and advances to customers	340,219,697	408,522,858	414,336,817
Investment securities	16,498,218	17,894,462	22,877,552
Property, plant and equipment	4,160,125	4,692,712	1,897,602
Intangible assets	71,428	50,104	94,182
Deferred tax	3,654,000	2,579,000	455,000
Other assets	19,467,651	18,218,457	10,444,117
<b>Total assets</b>	<b>2,393,969,988</b>	<b>2,274,478,531</b>	<b>1,477,739,768</b>
<b>Liabilities</b>			
Deposits from banks	355,725,816	343,813,634	23,555,093
Deposits from customers	1,776,766,143	1,539,402,206	1,053,406,525
Trading liabilities	2,349,153	4,929,039	5,532,029
Derivative liabilities held for risk management	6,065,708	54,443,336	22,301,665
Other borrowed funds	154,292,412	213,334,482	267,860,391
Subordinated liabilities	25,000,000	45,000,000	20,000,000
Current tax payable	248,446	159,303	595,507
Other liabilities	11,794,793	7,429,503	5,968,507
<b>Total liabilities</b>	<b>2,332,242,471</b>	<b>2,208,511,503</b>	<b>1,399,219,717</b>
<b>Shareholders' Equity</b>			
Share capital	35,000,000	35,000,000	35,000,000
Reserves	7,378,766	7,553,692	7,579,692
Retained income	19,348,751	23,413,336	35,940,359
<b>Total equity attributable to equity holders</b>	<b>61,727,517</b>	<b>65,967,028</b>	<b>78,520,051</b>
<b>Total equity and liabilities</b>	<b>2,393,969,988</b>	<b>2,274,478,531</b>	<b>1,477,739,768</b>

Approved by the Board of Directors and authorised for issue on 14 March 2014.

**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 2013

### Income Statement

for the year ended 31 December 2013

	2013 USD	2012 USD	2011 USD
Interest income	29,751,601	31,936,301	25,029,484
Interest expense	(12,672,892)	(12,953,964)	(11,290,566)
<b>Net interest income</b>	<b>17,078,709</b>	<b>18,982,337</b>	<b>13,738,918</b>
Fee and commission income	8,138,815	8,852,303	7,259,596
Fee and commission expense	(623,196)	(571,751)	(578,857)
<b>Net fee and commission income</b>	<b>7,515,619</b>	<b>8,280,552</b>	<b>6,680,739</b>
Net trading income	4,110,844	8,272,162	9,069,327
Net income/(loss) from other financial instruments carried at fair value	68,344	202,516	(195,352)
Other operating income	282,171	276,918	292,484
	<b>4,461,359</b>	<b>8,751,596</b>	<b>9,166,459</b>
<b>Operating income</b>	<b>29,055,687</b>	<b>36,014,485</b>	<b>29,586,116</b>
Net impairment loss on financial assets	(18,738,168)	(33,366,120)	(2,705,888)
Personnel expenses	(7,899,980)	(8,419,233)	(7,892,422)
Operating lease	(789,070)	(785,671)	(784,958)
Depreciation and amortisation	(820,472)	(561,427)	(627,632)
Other expenses	(5,222,592)	(5,858,276)	(5,132,697)
	<b>(33,470,282)</b>	<b>(48,990,727)</b>	<b>(17,143,597)</b>
<b>(Loss)/Profit before income tax</b>	<b>(4,414,595)</b>	<b>(12,976,242)</b>	<b>12,442,519</b>
Income tax credit/(expense)	151,527	449,219	(1,174,800)
<b>(Loss)/Profit for the year</b>	<b>(4,263,068)</b>	<b>(12,527,023)</b>	<b>11,267,719</b>
Transfer to statutory reserve	-	-	1,690,160
<b>(Loss)/Profit attributable to equity holders</b>	<b>(4,263,068)</b>	<b>(12,527,023)</b>	<b>9,577,559</b>
	<b>(4,263,068)</b>	<b>(12,527,023)</b>	<b>11,267,719</b>
<b>Statement of profit or loss and other comprehensive income</b> for the year ended 31 December 2013			
(Loss)/Profit for the year	<b>(4,263,068)</b>	<b>(12,527,023)</b>	<b>11,267,719</b>
<b>Other comprehensive income</b>			
Net loss on available for sale financial assets	<b>(35,691)</b>	<b>(133,135)</b>	<b>(120,505)</b>
<b>Other comprehensive loss for the year</b>	<b>(35,691)</b>	<b>(133,135)</b>	<b>(120,505)</b>
<b>Total comprehensive (loss)/Income for the year</b>	<b>(4,298,759)</b>	<b>(12,660,158)</b>	<b>11,147,214</b>
Transfers to statutory reserve	-	-	1,690,160
<b>Total comprehensive (loss)/Income attributable to equity holders</b>	<b>(4,298,759)</b>	<b>(12,660,158)</b>	<b>9,457,054</b>
	<b>(4,298,759)</b>	<b>(12,660,158)</b>	<b>11,147,214</b>

# STANDARD BANK (MAURITIUS) LIMITED

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## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### Statement of Cash Flows

for the year ended 31 December 2013

	2013 USD	2012 USD	2011 USD
<b>Cash flows from operating activities</b>			
(Loss)/Profit for the year	(4,263,068)	(12,527,023)	11,267,719
<b>Adjusted for:</b>			
Depreciation and amortisation	820,472	561,427	627,632
Loss on sale of assets	1,105	531,656	-
Net impairments loss on financial assets	18,738,168	33,366,120	2,705,888
Income tax (credit)/expense	(151,527)	(449,219)	1,174,800
<b>Changes in operating assets and liabilities</b>			
(Increase)/Decrease in trading assets	(49,014,872)	93,047,081	(131,700,215)
(Increase)/Decrease in derivative financial instruments held for risk management	(179,323)	1,266,336	(1,076,219)
(Increase)/Decrease in loans and advances to banks	(218,155,196)	(125,746,537)	50,047,973
Decrease/(Increase) in loans and advances to customers	49,565,256	(27,552,160)	(161,968,816)
(Increase)/Decrease in other assets	(839,470)	(7,853,937)	2,862,999
(Decrease)/Increase in trading liabilities	(2,579,886)	(602,990)	4,832,103
Increase/(Decrease) in deposits from banks	11,912,182	320,258,541	(169,939)
(Decrease)/Increase in other borrowed funds	(59,042,070)	(54,525,909)	214,126,387
Increase/(Decrease) in deposits from customers	237,363,938	485,995,681	(1,246,300,819)
Increase/(Decrease) in other liabilities	4,226,054	1,566,131	(706,552)
Income tax paid	(851,554)	(2,022,388)	(880,574)
<b>Net cash (used in)/from operating activities</b>	<b>(12,449,791)</b>	<b>705,312,810</b>	<b>(1,255,157,633)</b>
<b>Cash flows from investing activities</b>			
Sale/(Purchase) of investment securities	1,429,935	4,842,955	(13,324,034)
Capital expenditure on property, plant and equipment	(520,960)	(3,886,750)	(199,741)
Proceeds from sale of property, plant and equipment	1,072	50,344	-
Capital expenditure intangible assets	(54,089)	(7,709)	-
<b>Net cash from/(used in) investing activities</b>	<b>855,958</b>	<b>998,840</b>	<b>(13,523,775)</b>
<b>Cash flows from financing activities</b>			
Increase in share capital	-	-	15,000,000
(Decrease)/Increase in subordinated liabilities	(20,000,000)	25,000,000	-
<b>Net cash from financing activities</b>	<b>(20,000,000)</b>	<b>25,000,000</b>	<b>15,000,000</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(31,593,833)</b>	<b>731,311,650</b>	<b>(1,253,681,408)</b>
Cash at the beginning of the year	1,460,621,533	729,309,883	1,982,991,291
<b>Total cash at end of the year</b>	<b>1,429,027,700</b>	<b>1,460,621,533</b>	<b>729,309,883</b>

# STANDARD BANK (MAURITIUS) LIMITED

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## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### Statement of Changes in Equity

for the year ended 31 December 2013

	Share Capital USD	Statutory Reserve USD	Other Reserve USD	Retained Earnings USD	Total USD
Balance at 31 December 2010	20,000,000	5,436,384	477,856	26,362,800	52,277,040
Profit for the year	-	-	-	11,267,719	11,267,719
Other comprehensive income	-	-	(122,505)	-	(122,505)
Total comprehensive income for the year	-	-	(122,505)	11,267,719	11,145,214
Share based payments	-	-	97,797	-	97,797
Transfer between reserves	-	1,690,160	-	(1,690,160)	-
Additional Share Capital	15,000,000	-	-	-	15,000,000
	15,000,000	1,690,160	(24,708)	9,577,559	26,243,011
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	-
	-	-	(139,235)	198,483	59,248
Balance at 31 December 2013	35,000,000	7,126,544	252,222	19,348,751	61,727,517

The above information including the independent auditors' report has been extracted from the audited financial statements for the year ended 31 December 2013. 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 2013, from which the summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated 14 March 2014, 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**

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Date: 14 March 2014

# STANDARD BANK (MAURITIUS) LIMITED

A member of Standard Bank Group

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 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 at 31 December 2013 and the statements of 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 92 to 157.

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 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 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 the Bank at 31 December 2013 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*

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 annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.