

STANDARD BANK (MAURITIUS) LIMITED

A member of Standard Bank Group



SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT 31 DECEMBER 2019

Summary Statement of Financial Position

As at 31 December 2019

	2019	2018	2017
	USD	USD	USD
Assets			
Cash and cash equivalents	686,658,119	875,019,563	570,823,648
Trading assets	3,690,943	2,473,961	749,636
Derivative assets	1,151,716	1,278,203	9,674,017
Loans and advances to banks	298,481,160	301,895,689	424,145,193
Loans and advances to customers	227,004,114	228,032,006	122,169,578
Financial investments	197,075,417	147,364,470	123,612,813
Property, plant and equipment	3,915,870	3,177,587	2,037,435
Intangible assets	17,010,463	18,143,248	19,517,579
Right-of-use assets	3,306,259	-	-
Other assets	8,062,336	9,785,646	8,046,618
Total Assets	1,446,356,397	1,587,170,373	1,280,776,517
Liabilities			
Deposits from banks	88,402,630	34,716,399	60,895,260
Deposits from customers	1,211,097,476	1,387,631,188	1,103,515,134
Derivative liabilities	1,705,225	1,671,872	9,353,440
Other borrowed funds	470,766	1,412,299	4,097,627
Lease liabilities	3,387,780	-	-
Current tax liabilities	876,781	673,262	630,313
Deferred tax liabilities	435,000	760,000	38,000
Other liabilities	12,123,660	44,513,903	11,285,967
Total Liabilities	1,318,499,318	1,471,378,923	1,189,815,741
Shareholder's Equity			
Share capital	35,000,000	35,000,000	35,000,000
Statutory and other reserves	23,813,752	19,243,582	15,414,664
Retained earnings	69,043,327	61,547,868	40,546,112
Total equity attributable to equity holder	127,857,079	115,791,450	90,960,776
Total Equity and Liabilities	1,446,356,397	1,587,170,373	1,280,776,517

Approved by the Board of Directors and authorised for issue on 18 March 2020.

Duncan Westcott
Chairman

Arvind Hari
Director

Lakshman Bheenick
Chief Executive

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SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT 31 DECEMBER 2019

Summary Statement of profit or loss and other comprehensive income

For the year ended 31 December 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
Interest income	44,878,982	37,913,582	28,481,564
Interest expense	(12,478,849)	(9,208,582)	(7,018,359)
Net interest income	32,400,133	28,705,000	21,463,205
Fee and commission income	6,931,396	7,148,964	7,188,411
Fee and commission expense	(311,241)	(407,468)	(373,345)
Net fee and commission income	6,620,155	6,741,496	6,815,066
Net trading income	7,399,617	11,610,187	10,121,660
Net income from other financial instruments carried at fair value	40,066	106,357	7,438
Other operating income	336,855	316,141	273,897
	7,776,538	12,032,685	10,402,995
Operating income	46,796,826	47,479,181	38,681,266
Net impairment (charge)/gain on financial assets	(5,160,591)	(1,455,341)	183,343
Personnel expenses	(9,535,265)	(8,681,740)	(7,325,926)
Operating lease expenses	(136,076)	(776,865)	(651,227)
Depreciation on Right-of-use assets	(705,556)	-	-
Depreciation and amortisation	(2,069,810)	(1,970,598)	(1,223,735)
Other expenses	(6,127,578)	(7,290,321)	(6,646,935)
	(23,734,876)	(20,174,865)	(15,664,480)
Profit before income tax	23,061,950	27,304,316	23,016,786
Income tax expense	(808,253)	(1,731,418)	(1,730,447)
Profit for the year	22,253,697	25,572,898	21,286,339
Other comprehensive income			
<i>Item that may be reclassified to profit or loss</i>			
Net gain / (loss) on fair value of debt instruments	22,474	14,276	(15,008)
<i>Item that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit liabilities	(249,421)	-	-
Other comprehensive income for the year	(226,947)	14,276	(15,008)
Total comprehensive income for the year	22,026,750	25,587,174	21,271,331

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SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT 31 DECEMBER 2019

Summary Statement of Cash Flows

For the year ended 31 December 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
Cash flows from operating activities			
Profit before income tax	23,061,950	27,304,316	23,016,786
Adjusted for:			
Depreciation and amortisation	2,775,366	1,970,598	1,223,735
Loss on sale of assets	-	-	1,301
Loss on plant and equipment written off	2,862	-	-
Net foreign exchange difference	648,363	262,821	199,355
Net impairment charge / (gain) on financial assets	4,204,692	1,452,910	(183,343)
Retirement benefit cost	502,159	-	-
Interest income	(44,878,982)	(37,913,582)	(28,481,564)
Interest expense	12,478,849	9,208,582	7,018,359
Changes in operating assets and liabilities			
(Increase) / decrease in trading assets	(1,216,982)	(1,724,327)	11,465,136
Decrease/ (increase) in derivative assets and liabilities	159,840	715,216	(90,052)
Decrease in loans and advances to banks	3,647,410	122,847,183	39,582,278
Increase in loans and advances to customers	(2,775,999)	(107,621,745)	(43,689,776)
Decrease / (increase) in other assets	1,577,229	(1,903,565)	1,398,471
Increase / (decrease) in deposits from banks	53,489,350	(26,174,549)	(33,489,941)
(Decrease)/ increase in other borrowed funds	(941,533)	(2,685,329)	78,772
(Decrease)/ increase in deposits from customers	(176,166,444)	283,508,753	(179,742,064)
(Decrease)/ increase in other liabilities	(33,251,805)	33,171,853	(22,706,982)
Increase in financial investments	(780,959)	(70,747)	(30,542)
Interest received	44,318,406	36,194,281	27,832,010
Interest paid	(12,649,235)	(8,605,592)	(6,933,862)
Income tax paid	(783,796)	(787,866)	(819,978)
Net cash (used in)/from operating activities	(126,579,259)	329,149,211	(204,351,901)
Cash flows from investing activities			
Capital expenditure on property, plant and equipment	(1,422,579)	(1,724,098)	(600,200)
Capital expenditure intangible assets	(255,591)	(12,321)	(19,899,655)
Purchase of financial investments	(196,184,195)	(141,338,975)	(131,468,679)
Financial investments matured	147,364,470	118,382,553	8,894,088
Acquisition of Right-of-use assets	(44,819)	-	-
Net cash used in investing activities	(50,542,714)	(24,692,841)	(143,074,446)
Cash flows from financing activities			
Repayment of subordinated debt	-	-	(25,000,000)
Principal portion of lease liability paid	(579,023)	-	-
Dividends paid	(10,000,000)	-	(12,000,000)
Net cash used in financing activities	(10,579,023)	-	(37,000,000)
Net (decrease)/ increase in cash and cash equivalents	(187,700,996)	304,456,370	(384,426,347)
Net foreign exchange difference	(648,363)	(262,821)	(199,355)
Cash at the beginning of the year	875,019,563	570,823,648	955,449,350
Effect of IFRS 9 impairment charge	(12,085)	2,366	-
Total cash at end of the year	686,658,119	875,019,563	570,823,648

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SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT 31 DECEMBER 2019

Summary Statement of Changes in Equity

For the year ended 31 December 2019

	Share capital	Statutory reserve	Other reserves	Retained earnings	Total equity attributable to equity holder
	USD	USD	USD	USD	USD
Balance 01 January 2017	35,000,000	12,091,641	100,646	34,500,874	81,693,161
Profit for the year	-	-	-	21,286,339	21,286,339
Other comprehensive income:					
Net loss on fair value of debt instruments	-	-	(15,008)	-	(15,008)
Total comprehensive income for the year	-	-	(15,008)	21,286,339	21,271,331
Transfer to statutory reserve	-	3,192,951	-	(3,192,951)	-
Transfer to credit risk reserve	-	-	48,107	(48,107)	-
<i>Transactions with owner of the Bank:</i>					
Dividend to equity holder	-	-	-	(12,000,000)	(12,000,000)
Share based payments	-	-	(3,673)	(43)	(3,716)
Balance at 31 December 2017	35,000,000	15,284,592	130,072	40,546,112	90,960,776
Impact of adoption of IFRS 9	-	-	-	(850,916)	(850,916)
Balance at 01 January 2018	35,000,000	15,284,592	130,072	39,695,196	90,109,860
Profit for the year	-	-	-	25,572,898	25,572,898
Other comprehensive income:					
Net gain on fair value of debt instruments	-	-	14,276	-	14,276
Total comprehensive income for the year	-	-	14,276	25,572,898	25,587,174
Transfer to statutory reserve	-	3,835,935	-	(3,835,935)	-
<i>Transactions with owner of the Bank:</i>					
Transfer from credit risk reserve	-	-	(115,666)	115,666	-
Share based payments	-	-	94,373	43	94,416
Balance at 31 December 2018	35,000,000	19,120,527	123,055	61,547,868	115,791,450
Impact of adoption of IFRS 16	-	-	-	36,742	36,742
Balance at 01 January 2019	35,000,000	19,120,527	123,055	61,584,610	115,828,192
Profit for the year	-	-	-	22,253,697	22,253,697
Other comprehensive income:					
Net gain on fair value of debt instruments	-	-	22,474	-	22,474
Remeasurement of defined benefit liabilities	-	-	(249,421)	-	(249,421)
Total comprehensive income for the year	-	-	(226,947)	22,253,697	22,026,750
Transfer to statutory reserve	-	3,338,054	-	(3,338,054)	-
Transfer to credit risk reserve	-	-	1,456,926	(1,456,926)	-
<i>Transactions with owner of the Bank:</i>					
Dividend to equity holder	-	-	-	(10,000,000)	(10,000,000)
Share based payments	-	-	2,137	-	2,137
Balance at 31 December 2019	35,000,000	22,458,581	1,355,171	69,043,327	127,857,079

The above information including the independent auditor's report has been extracted from the audited financial statements for the year ended 31 December 2019. It should therefore be read in conjunction with the rest of the audited financial statements.

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SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT 31 DECEMBER 2019

Independent Auditor's Report To the Shareholder of Standard Bank (Mauritius) Limited

Report on the Summary Financial Statements

Our Opinion

In our opinion, the accompanying summary financial statements of Standard Bank (Mauritius) Limited (the "Bank") are consistent, in all material respects, with the audited financial statements, on the basis described in note 1.

The summary financial statements

The Bank's summary financial statements derived from the audited financial statements for the year ended 31 December 2019 comprise:

- the summary statement of financial position as at 31 December 2019;
- the summary statement of profit or loss and other comprehensive income for the year then ended;
- the summary statement of changes in equity for the year then ended;
- the summary statement of cash flows for the year then ended; and
- the related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The audited financial statements and our audit report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 18 March 2020. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current period.

Responsibilities of the directors for the summary financial statements

The directors are responsible for the preparation of the summary financial statements on the basis described in note 1.

Auditor's responsibility for the summary financial statements

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

Other Matter

This report, including the opinion, has been prepared for and only for the Bank's shareholder in accordance with Section 34(6)(b)(ii) of the Mauritian Banking Act 2004 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

PricewaterhouseCoopers

18 March 2020

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Note 1:

The accompanying summary financial statements, without reference to the detailed notes, are derived from the audited financial statements of Standard Bank (Mauritius) Limited (the "Bank") for the year ended 31 December 2019. These audited financial statements, which have been prepared in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001, the Mauritian Banking Act 2004 and guidelines issued by the Bank of Mauritius, are available from the regulatory authorities and can be viewed on the Bank's website: www.standardbank.mu

The summary financial statements comprise the statement of financial position at 31 December 2019 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended 31 December 2019, as presented in the audited financial statements for that period without reference to the detailed notes.