## Standard Chartered Bank (Mauritius) Limited

Financial statements for the year ended 31 December 2015

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Statement of financial position as at 31 December 2015				Statement of cash flows for the year ended 31 December 2015					
		<b>2015</b> 2014		2013		2015	2014	2013	
			USD'000	USD'000	USD'000		USD'000	USD'000	USD'000
ASSETS					Cash flows from operating activities				
Cash and cash equivalents			988,599	318,354	387,395	Profit	11,236	35,465	28,295
Placements with banks			2,000	-	-	A division and a favo			
	Trading assets		279,478	355,673	342,324	Adjustments for:	0.045	0.000	0.000
Derivative assets held for risk management			26,146	64,874	187,113	Depreciation and amortisation	2,915	3,008	3,089
Loans and advances to banks			242,473	298,765	70,896	Net impairment loss/(reversal of impairment loss) on financial assets	68,762	149,270	5,703
Loans and advances to custom	ers		992,765	1,312,089	1,170,841	Net (loss)/income from other financial instruments carried at		,	5,100
Investment securities			647,251	911,130	977,135	fair value	(57,000)	(157,024)	53
Investment in subsidiary			161,320	161,320	141,320	Profit on disposal of motor vehicles	(52)	(10)	(11)
Equipment and other fixed asse	ets		483	635	844	Foreign exchange on translation of investments	58,078	(520)	100,569
Intangible asset			30,701	33,371	36,041	Net interest income	(40,598)	(42,518)	(46,002)
Deferred tax assets			37	-	-	Tax expense	(97)	2,321	1,824
Other assets			76,095	91,478	57,041	Net fee and commission income	(6,311)	(7,309)	(6,345)
Total assets			3,447,348	3,547,689	3,370,950		36,933	(17,317)	87,175
LIABILITIES	LIABILITIES					Changes in:			
Derivative liabilities held for risk management			47,973	90,600	141,027	- Placements with banks	(2,000)	-	-
Deposits from customers			1,217,696	974,503	1,108,781	- Trading assets	76,195	(13,349)	298,382
Other borrowed funds			1,694,154	1,967,961	1,642,608	- Derivative assets held for risk management	53,101	227,354	(45,247)
Subordinated liabilities			75,000	95,000	72,000	- Loans and advances to banks	58,592	(229,822)	(28,840)
Income tax liability			742	1,431	148	- Loans and advances to customers	310,304	(143,132)	(101,062)
Deferred tax liability			-	639	907	- Other assets	(2,929)	(2,373)	45,878
Other liabilities			36,913	66,229	27,647	- Deposits from customers	243,193	(134,278)	483,914
Total liabilities			3,072,478	3,196,363	2,993,118	- Other borrowed funds	(272,663)	334,326	(183,004)
Equity						- Other liabilities	(27,989)	37,906	(317,991)
Share capital			272,652	272,652	252,652		472,737	59,315	239,205
Retained earnings		53,513	39,970	81,505	Interest received	144,959	97,283	166,359	
Other reserves		48,705	38,704	43,675	Interest received	(87,844)	(94,939)	(117,097)	
Total equity attributable to equity holders					Income tax paid				
of the Bank		<b>374,870</b> 351		377,832	•	(1,347)	(1,229)	(4,279)	
Total liabilities and equity		3,447,348	3,547,689	3,370,950	Fee and commission income received	11,261 (5,626)	13,180	9,767	
The financial statements have the	heen annroved	by the Bo				Fee and commission income paid	( ) /	(4,617)	(4,544)
its behalf by:	been approved	by the bo	ara on 10 ivi	aion 2010 an	a signea on	Net cash from operating activities	534,140	68,993	289,411
Richard Etemesi	Mathieu			Danny Ba		Cash flows from investing activities	(FFC 000)	(070.076)	(400 700)
Chairman CEO / Director		CFO / Director			Acquisition of investment securities	(558,968)	(373,273)	(420,796)	
Income Statement for the year ended 31 December 2015				Acquisition of investment in subsidiary	-	(20,000)	(20,000)		
	Unaudited Pro-forma Income Statement 2015 2019		Unaudite			Proceeds from sale and redemption of investment securities	732,773	294,730	365,302
			Pro-form Incom			Acquisition of equipment	(36)	(132)	(259)
			Statement			Proceeds from sale of equipment and other fixed assets	71	22	29
						Net cash from/(used in) investing activities	173,840	(98,653)	(75,724)
	USD'000	USD'000	00 USD'000 USD'000 USD'000			Cash flows from financing activities			
Interest income	125,971				Issue of subordinated debt	-	45,000	-	
Interest expense	(85,373)	(85,373	(86,64	12) (86,642	(113,188)	Repayment of subordinated liabilities	(20,000)	(22,000)	-
Mat interest income	40 509 40 509 42 519 42 519 46 002		Decreeds from local and bone		00 000	00.000			

Proceeds from issuing shares

Net cash used in financing activities

Cash and cash equivalents at 1 January

Cash and cash equivalents at 31 December

Net increase/(decrease) in cash and cash equivalents

Effect of exchange rate fluctuations on cash and cash

Dividend paid

equivalents held

Richard Etemesi Chairman	Mathieu I CEO / Dir		Danny Balluck CFO / Director			
Income Statement for the	year ended 31 De	cember 201	5			
	Unaudited Pro-forma Income Statement		Unaudited Pro-forma Income Statement			
	2015 USD'000	2015 USD'000	2014 USD'000	2014 USD'000	2013 USD'000	
Interest income	125,971	125.971	129.160	129.160	159,190	
Interest income	(85,373)	(85,373)	(86,642)	(86,642)	(113,188	
Net interest income	40,598	40,598	42.518	42.518	46.002	
Fee and commission income	11,937	11,937	11,926	11,926	10,889	
Fee and commission expense	(5,626)	(5,626)	(4,617)	(4,617)	(4,544	
Net fee and commission income	6,311	6,311	7,309	7,309	6,345	
Net trading income	6,135	6,135	5,045	5,045	3,488	
Net income/(loss) from other financial instruments at fair value through profit or loss	6,472	57,000	11,600	157,024	(3,541	
Other revenue	52	52	10	10	11	
	12,659	63,187	16,655	162,079	(42	
Revenue	59,568	110,096	66,482	211,906	52,305	
Net impairment loss on financial assets Personnel expenses Operating lease	(18,234) (6,563)	(68,762) (6,563)	(3,846) (6,706)	(149,270) (6,706)	(5,703 (6,181	
expenses Depreciation and	(526)	(526)	(666)	(666)	(602	
amortisation Other expenses	(2,915)	(2,915) (20,191)	(3,008)	(3,008)	(3,089	
Operating expenses	(48,429)	(98,957)	(28,696)	(174,120)	(22,186	
Profit before tax	11,139	11,139	37,786	37,786	30,119	
Income tax expense	97	97	(2,321)	(2,321)	(1,824	
Profit	11,236	11,236	35,465	35,465	28,295	
Profit attributable to: Equity holders of the						
Bank	11,236	11,236	35,465	35,465	28,295	

			Statement of comprehensive income for the year ended 31 December 2015							
	2015	2014	2013							
	USD'000	USD'000	USD'000							
Profit	11,236	35,465	28,295							
Other comprehensive income										
Items that are or may be reclassified to profit or loss										
Net change in fair value of available-for-sale financial assets	(54)	1,123	(2,134)							
Income tax relating to components of other comprehensive income	(78)	77	-							
Cash flow hedges:										
Effective portion of changes in fair value	992	(6,171)	5,543							
Other comprehensive income for the year, net of tax	860	(4,971)	3,409							
Total comprehensive income	12,096	30,494	31,704							
Total comprehensive income attributable to:										
Equity holders of the Bank	12,096	30,494	31,704							

Financial statements for the year ended 31 December 2015 (Cont'd)



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Statement of changes in equity for the year ended 31 December 2015								
		Share	Statutory	Capital	Available-for-	Cash flow	Retained	
		USD'000	reserve USD'000	reserve USD'000	usp'000	hedge reserve USD'000	earnings USD'000	USD'000
Balance at 01 January 2014		252,652	34,661	4,850	(1,036)	5,200	81,505	377,832
Total comprehensive income		202,002	0 1,001	1,000	(1,000)	0,200	01,000	0.1,002
Profit for the year		_	_	_	_	_	35,465	35,465
Other comprehensive income, net of tax							,	
Fair value adjustment, net of tax	_	_	_	1,200	_	_	1,200	
Cash Flow Hedges:								
Effective portion of changes in fair value	-	-	-	-	(6,171)	-	(6,171)	
Total other comprehensive income								
Total comprehensive income for the year	-	-	-	1,200	(6,171)	35,465	30,494	
Transactions with owners of the Bank								
Contributions and distributions								
Dividend to equity holders		-	-	-	-	-	(77,000)	(77,000)
Issuance of ordinary shares		20,000	-	-	-	-	-	20,000
Total contributions and distributions		20,000	-	-	-	-	(77,000)	(57,000)
Balance at 31 December 2014		272,652	34,661	4,850	164	(971)	39,970	351,326
	Share capital	Statutory reserve	Capital reserve	Available-for- sale reserve	Cash flow hedge reserve		Retained earnings	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at 01 January 2015	272,652	34,661	4,850	164	(971)	-	39,970	351,326
Total comprehensive income								
Profit for the year	-	-	-	-	-	-	11,236	11,236
Other comprehensive income, net of tax								
Fair value adjustment, net of tax	-	-	-	(132)	-	-	-	(132)
Cash Flow Hedges:					200			000
Effective portion of changes in fair value	-	-	-	-	992	-	-	992
Total other comprehensive income	-	-	-	(132)	992	-	-	860
Total comprehensive income for the year	-	-	-	(132)	992	-	11,236	12,096

## Report on the Financial Statements

Balance at 31 December 2015

Total contributions and distributions

Transfer from collective allowances for impairment to general

Transfer from retained earnings to general reserve

20,000

(40,000)

(20,000)

193.687

205,601

(11,893)

387,395

20,000

(77,000)

(34,000)

(63,660)

387,395

(5,381)

318,354

(20,000)

687,980

318,354

(17,735)

We have audited the financial statements Standard Chartered Bank (Mauritius) Limited ("the Bank") which comprise the statement of financial position at 31 December 2015 and the income statement 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 37 to 113.

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 we are required to state 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.

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

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.

In our opinion, the financial statements give a true and fair view of the financial position of the Bank at 31 December 2015 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 and Financial Reporting 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

In our opinion, the financial statements have been prepared on a basis consistent with that of the

11,448

(2,307)

2,307

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

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 disclosures in the Corporate Governance Report are consistent with the requirement

Ebène, Mauritius

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