

Consolidated and separate statement of profit or loss and other comprehensive income For the year ended 31 December 2014

			Group			Bank	
	Note	2014 Rs 000	2013 Rs 000	2012 Rs 000	2014 Rs 000	2013 Rs 000	2012 Rs 000
Interest income		816,955	825,517	902,081	797,604	812,664	892,704
Interest expense		(353,286)	(406,689)	(423,604)	(347,734)	(400,816)	(418,683
Net interest income	9	463,669	418,828	478,477	449,870	411,848	474,02
Fee and commission income		153,479	143,277	147,362	136,441	130,126	139,60
Fee and commission expense		(33,825)	(32,303)	(34,111)	(24,640)	(32,161)	(33,897
Net fee and commission income	10	119,654	110,974	113,251	111,801	97,965	105,71
Net trading income	11	85,648	69,068	80,345	76,746	61,804	77,07
Net income from other financial instruments at fair value through							
profit or loss	12	(8)	(414)	(655)	(8)	(414)	(655
Other revenue	13	967	3,957	5,600	10,915	13,231	11,38
		206,261	183,585	198,541	199,454	172,586	193,51
Revenue		669,930	602,413	677,018	649,324	584,434	667,538
Personnel expenses	14	(267,644)	(249,747)	(210,740)	(261,972)	(243,992)	(205,737
Operating lease expenses	15	(45,315)	(42.066)	(37,580)	(40,269)	(36.754)	(34,188
Depreciation and amortisation		(32,880)	(38,489)	(43,356)	(25,820)	(26,663)	(31,371
Other expenses	16	(172,947)	(173.765)	(149.977)	(154.538)	(153.512)	(130.990
		(518,786)	(504,067)	(441,653)	(482,599)	(460,921)	(402,286
Operating profit		151,144	98,346	235,365	166,725	123,513	265,252
Net impairment loss on financial assets	20(c)	(103,495)	8,650	(1,013,994)	(101,316)	10,148	(1,012,845
Profit / (Loss) before tax		47,649	106,996	(778,629)	65,409	133,661	(747,593
Income tax	17(i)	16,460	(21,715)	55,207	16,607	(22,453)	54,98
Profit / (Loss)		64,109	85,281	(723,422)	82,016	111,208	(692,610
Other comprehensive income Items that are or may be reclassified to profit or loss Foreign currency translation differences for foreign operations		34,371	11,408	(25,023)	1,961		
Net change in fair value of available for sale financial assets		18,145	(3,797)	5,737	18,145	(3,797)	5,73
Actuarial (Losses) Gain		1,689	-	-	1,689	-	
Other comprehensive income		54,205	7,611	(19,286)	21,795	(3,797)	5,73
Total comprehensive income		118,314	92,892	(742,708)	103,811	107,411	(686,873
Profit / (Loss) attributable to :							
Equity holders of the Bank		69,053	93,058	(714,428)			
Non-controlling interests		(4,944)	(7,777)	(8,994)			
Profit / (Loss)		64,109	85,281	(723,422)			
Total comprehensive income attributable to:							
Equity holders of the Bank		123,258	100,669	(733,714)			
Non-controlling interest		(4,944)	(7,777)	(8,994)			
Total comprehensive income		118,314	92,892	(742,708)			

Consolidated and separate statement of financial position As at 31 December 2014

		Group			Bank			
	Note	2014 Rs 000	2013 Rs 000	2012 Rs 000	2014 Rs 000	2013 Rs 000	2012 Rs 000	
ASSETS								
Cash and cash equivalents	18	1,578,864	1,781,282	2,207,078	1,440,115	1,660,937	2,096,849	
Loans and advances to banks	19	522,184	466,187	1,737,056	522,184	425,870	1,737,056	
Loans and advances to customers	20	15,730,769	13,464,305	14,714,919	15,649,896	13,418,405	14,684,614	
Investment securities	21	2,021,590	1,884,133	1,605,904	1,974,772	1,770,194	1,570,44	
Investment in subsidiary	22	-	-	-	191,896	170,386	106,072	
Property and equipment	23	43,703	48,710	69,485	39,253	39,124	50,65	
Goodwill and Intangible assets	24	85,170	81,467	84,855	7,445	1,891	2,916	
Deferred tax assets	17(ii)	172,843	161,312	157,805	170,243	158,502	155,888	
Other assets	25	843,107	695,807	719,994	824,461	676,808	711,40	
Total assets		20,998,230	18,583,203	21,297,096	20,820,265	18,322,117	21,115,89	
LIABILITIES								
Deposits from banks	26	1,297,035	1,130,101	1,286,670	1,297,035	1,130,101	1,286,67	
Deposits from customers	27	13,838,847	10,638,327	13,311,624	13,579,948	10,372,838	13,129,06	
Borrowed funds	28	3,193,220	4,192,960	4,215,105	3,193,220	4,149,802	4,215,10	
Subordinated liabilities	29	509,408	619,283	621,200	509,408	619,283	621,20	
Provisions	30	37,228	30,736	26,577	34,384	24,698	20.78	
Current tax liabilities	17(ii)	10,207	12,405	15,972	10,013	12,265	15,97	
Other liabilities	31	413,533	382,583	603,520	435,504	356,188	527,56	
Total liabilities		19,299,478	17,006,395	20,080,668	19,059,512	16,665,175	19,816,36	
Equity								
Share capital	32	1,749,016	1,749,016	1,499,016	1,749,016	1,749,016	1,499,010	
Retained earnings		(268,911)	(339,653)	(432,711)	(162,434)	(246,139)	(357,347	
Reserves		203,689	151,173	143,562	174,171	154,065	157,86	
Total equity attributable to the equity holders of the Bank		1,683,794	1,560,536	1,209,867	1,760,753	1,656,942	1,299,53	
Non-controlling interests		1,683,794	16,272	6,561	1,760,753	1,000,942	1,299,53	
Total equity		1,698,752	1.576.808	1,216,428	1,760,753	1,656,942	1,299,53	
Total equity Total liabilities and equity		20,998,230	18,583,203	21,297,096	20,820,265	18,322,117	21,115,89	

These financial statements were approved for issue by the Board of Directors on the 25th March 2015.

Philippe WATTECAMPS Chief Executive Officer

Consolidated and separate statement of cash flows For the year ended 31 December 2014

		Group			Bank	
Not	2014 Rs 000	2013 Rs 000	2012 Rs 000	2014 Rs 000	2013 Rs 000	2012 Rs 000
Cash flows from operating activities						
Profit / (loss) before tax	47,649	106,996	(778,629)	65,409	133,661	(747,593)
Adjustments for:						
Depreciation and amortisation	32,880	38,489	43,356	25,820	26,663	31,371
Net impairment loss on financial assets	103,495	(8,650)	1,013,994	101,316	(10,148)	1,012,845
Net income from financial						
struments at fair value through profit and loss	8	414	655	8	414	655
Profit on sale of equipment	-	-	339	-	-	339
	184,032	137,249	279,715	192,553	150,590	297,617
Changes in:	(0.00.000)			(00.00.1)		
Loans and advances to banks	(240,030)	1,270,869	1,078,977	(96,314)	1,311,186	1,078,977
Loans and advances to customers	(2,266,463)	1,251,771	(2,577,413)	(2,260,245)	1,268,881	(2,552,550
Other assets	(147,300)	24,190	(79,912)	(180,429)	34,595	(12,214
Deposits from banks	166,934	(156,569)	1,286,670	166,934	(156,569)	1,286,670
Deposits from customers	3,200,520	(2,673,297)	1,476,190	3,207,109	(2,756,228)	1,336,061
Other liabilities and provisions	37,441	(216,777)	87,693 1,551,920	89,003	(167,465)	2,547 1,437,108
ncome taxes paid	935,134 (737)	(362,564) (24,402)	(43,326)	1,118,611 (737)	(24,403)	(43,326
let cash (used in)/ from operating activities	934,397	(386,966)	1,508,594	1,117,874	(339,413)	1,393,782
Cash flows from investing activities coguisition of investment securities roceeds from sale of investment securities rocuisition of shares in subsidiary	(1,499,740) 1,497,952	(2,103,621) 1,865,274	(1,447,873) 1,463,849	(1,199,027) 975,880 (19,549)	(1,567,291) 1,317,064	(1,378,758, 1,391,473
Acquisition of property and equipment	(25,369)	(13,900)	(18,907)	(23,915)	(13,475)	(17,326
Proceeds from sale of property and equipment	(23,303)	(15,500)	3,215	(23,313)	(13,473)	3,215
Acquisition of intangible assets	(7,672)	(636)	(879)	(7,589)	(636)	(879
Net cash used in investing activities	(34,829)	(252,883)	(595)	(274,200)	(264,338)	(2,275
Cash flows from financing activities		, , , , , , , , ,	,,		, , , , , , , , , , , , , , , , , , , ,	
Proceeds from issue of subordinated liabilities	154,400	_	100,000	154,400	_	100,000
Repayment of subordinated liabilities	(269,393)	_	-	(269,393)	_	100,000
Repayment of borrowed funds	(999,740)	(22,145)	(2,431,741)	(956,582)	(65,303)	(2,432,120
Proceeds from issue of shares	-	253,854	660,282	-	250,000	660,282
Dividends paid	-	-	(110,283)	-	-	(110,283
let cash (used in) / from financing activities	(1,114,733)	231,709	(1,781,742)	(1,071,575)	184,697	(1,782,121
let (decrease) / increase in cash and cash quivalents	(215,165)	(408.140)	(273.743)	(227.901)	(419.054)	(390,614)
ash and cash equivalents at 01 January	1,781,282	2,207,078	2.515.861	1.660.937	2,096,849	2,467,357
·	1,701,202	2,207,070	2,010,001	1,000,007	2,000,040	2,407,007
Effect of exchange rate fluctuations on cash and eash equivalents held	12,747	(17,656)	(35,040)	7,079	(16,858)	20,106

Consolidated statement of changes in equity

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Group	1		Reserves						
	Share Capital Rs 000	Statutory Reserve Rs 000	General Banking Reserve Rs 000	Fair Value Reserve Rs 000	Foreign Currency Translation Reserve Rs 000	Retained Earnings Rs 000	Total Rs 000	Non - Controlling Interest Rs 000	Total Equity Rs 000
Balance at 01 January 2012	838,734	83,372	28,709	11,844	38,923	392,000	1,393,582	15,555	1,409,137
Total comprehensive income Loss for the year Other comprehensive income for the	-	-	-	-	-	(714,428)	(714,428)	(8,994)	(723,422)
year	-	-	-	5,737	(25,023)	-	(19,286)	-	(19,286)
Total comprehensive income for the year	-	-	-	5,737	(25,023)	(714,428)	(733,714)	(8,994)	(742,708)
Transactions with owners of the Bank									
Issue of shares	660,282	-	-	-	-	-	660,282	-	660,282
Dividends to equity holders	-	-	-	-	-	(110,283)	(110,283)	-	(110,283)
Total contributions and distributions	660,282	-	-	-	-	(110,283)	549,999	-	549,999
Balance at 31 December 2012	1,499,016	83,372	28,709	17,581	13,900	(432,711)	1,209,867	6,561	1,216,428
Balance at 01 January 2013	1,499,016	83,372	28,709	17,581	13,900	(432,711)	1,209,867	6,561	1,216,428
Total comprehensive income Profit / (loss) for the year Other comprehensive income / (loss) for the year Total comprehensive income / (loss) for the year	-	-	-	(3,797)	- 11,408 11,408	93,058 - 93,058	93,058 7,611 100,669	(7,777) - (7,777)	85,281 7,611 92,892
Transactions with owners of the Bank									
Issue of shares	250,000	•	-	-	-	-	250,000	17,488	267,488
Total contributions	250,000		-	-		(000 050)	250,000	17,488	267,488
Balance at 31 December 2013 Balance at 01 January 2014 Total comprehensive income	1,749,016 1,749,016	83,372 83,372	28,709	13,784 13,784	25,308 25,308	(339,653)	1,560,536 1,560,536	16,272 16,272	1,576,808 1,576,808
Profit / (loss) for the year Other comprehensive income for	-		-	-	-	69,053	69,053	(4,944)	64,109
the year				18,145	34,371	1,689	54,205		54,205
Total comprehensive income / (loss) for the year Transactions with owners of the Bank			-	18,145	34,391	70,742	123,258	(4,944)	118,314
Issue of shares								3,630	3,630
Balance at 31 December 2014	1,749,016	83,372	28,709	31,929	59,679	(268,911)	1,683,794	14,958	1,698,752

Statement of changes in equity

Bank			Rese				
	Share Capital Rs 000	Statutory Reserve Rs 000	General Banking Reserve Rs 000	Fair Value Reserve Rs 000	Foreign Currency Translation Reserve Rs 000	Retained Earnings Rs 000	Total Rs 000
Balance at 01 January 2012	838,734	83,372	28,709	11,844	28,200	445,546	1,436,405
Total comprehensive income							
Loss for the year	-	-	-	-	-	(692,610)	(692,610
Other comprehensive income for the year	-	-	-	5,737	-	-	5,737
Total comprehensive income for the year	-	-	-	5,737	-	(692,610)	(686,873
Transactions with owners of the Bank							
Issue of shares	660,282	-	-	-	-	-	660,282
Dividends to equity holders	-	-	-	-	-	(110,283)	(110,283
Total contributions and distributions	660,282	-	-		-	(110,283)	549,999
Balance at 31 December 2012	1,499,016	83,372	28,709	17,581	28,200	(357,347)	1,299,531
Balance at 01 January 2013 Total comprehensive income	1,499,016	83,372	28,709	17,581	28,200	(357,347)	1,299,531
Profit for the year	-	-	-		-	111,208	111,20
Other comprehensive loss for the year	-	-		(3,797)	-	-	(3,797
Total comprehensive income / (loss) for the year	-	-		(3,797)		111,208	107,411
Transactions with owners of the Bank							
Issue of shares Total contributions	250,000	-				-	250,000
Balance at 31 December 2013	250,000	83,372	28,709	13,784	28,200	(246,139)	250,000 1,656,942
Balance at 31 December 2013	1,749,016	03,372	20,703	13,704	20,200	(240,133)	1,000,042
Balance at 01 January 2014	1,749,016	83,372	28,709	13,784	28,200	(246,139)	1,656,942
Total comprehensive income Profit for the year	-					82.016	82,01
Other comprehensive income for the year				18,145	1,961	1,689	21,795
Total comprehensive income for the year	-	-		18,145	1,961	83,705	103,811
Balance at 31 December 2014	1,749,016	83,372	28,709	31,929	30,161	(162,434)	1,760,753

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BANQUE DES MASCAREIGNES LTÉE

Report on the Financial Statements

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 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.

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 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.

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 (the "Code") 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 of the Code.

KPMG Ebène, Mauritius

John Chung, BSc FCA Licensed by FRC

