

Banque des Mascareignes Ltée

Consolidated and separate statements of profit or loss and other comprehensive income

For the year ended 31 December 2016

	Note	Group			Bank		
		2016 Rs 000	2015 Rs 000	2014 Rs 000	2016 Rs 000	2015 Rs 000	2014 Rs 000
Interest income		757,510	790,022	816,955	735,288	761,486	797,604
Interest expense		(275,500)	(344,782)	(353,286)	(269,347)	(337,450)	(347,734)
Net interest income	8	482,010	445,240	463,669	465,941	424,036	449,870
Fee and commission income		139,295	146,170	153,479	116,753	120,788	136,441
Fee and commission expense		(40,600)	(28,088)	(33,825)	(38,978)	(26,167)	(24,640)
Net fee and commission income	9	98,695	118,082	119,654	77,775	94,621	111,801
Net trading income	10	70,597	88,817	85,648	63,148	76,430	76,746
Net income from other financial instruments at fair value through profit or loss	11	(27,941)	(49)	(8)	(27,941)	(49)	(8)
Other revenue	12	56,976	1,708	967	45,166	11,510	10,915
Revenue		680,337	653,798	669,930	624,089	606,548	649,324
Personnel expenses	13	(277,180)	(271,983)	(267,644)	(270,636)	(265,200)	(261,972)
Operating lease expenses	14	(48,243)	(50,402)	(45,315)	(43,500)	(45,599)	(40,269)
Depreciation and amortization		(55,744)	(26,490)	(32,880)	(51,124)	(21,812)	(25,820)
Other expenses	15	(199,357)	(175,949)	(172,947)	(160,285)	(152,044)	(154,538)
Operating profit		99,813	128,974	151,144	98,544	121,893	166,725
Net impairment loss on financial assets	19(c)	(48,565)	(81,901)	(103,495)	(40,551)	(77,426)	(101,316)
Profit before tax		51,248	47,073	47,649	57,993	44,467	65,409
Income tax (expense) / credit	16(i)	(1,040)	(91)	16,460	(70)	1,009	16,607
Profit		50,208	46,982	64,109	57,923	45,476	82,016
Other comprehensive income							
<i>Items that are or may be reclassified to profit or loss</i>							
Foreign currency translation differences for foreign operations		(17,599)	(5,097)	34,371	204	(1,670)	1,961
Net change in fair value of available for sale financial assets		12,391	(21,015)	18,145	12,391	(21,015)	18,145
Actuarial (Losses) / Gain		-	(4,341)	1,689	-	(4,341)	1,689
Other comprehensive income		(5,208)	(30,453)	54,205	12,595	(27,026)	21,795
Total comprehensive income		45,000	(16,529)	118,314	70,518	18,450	103,811
Profit attributable to :							
Equity holders		54,764	49,853	69,053			
Non-controlling interests		(4,556)	(2,871)	(4,944)			
Profit		50,208	46,982	64,109			
Total comprehensive income attributable to:							
Equity holders		49,556	19,400	123,258			
Non-controlling interest		(4,556)	(2,871)	(4,944)			
Total comprehensive income		45,000	16,529	118,314			

The notes on pages 61 to 133 form an integral part of these consolidated and separate financial statements.

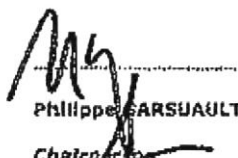


Banque des Mascareignes Ltée

Consolidated and separate statements of financial position

As at 31 December 2016

		Group			Bank		
	Note	2016	2015	2014	2016	2015	2014
		Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
ASSETS							
Cash and cash equivalents	17	6,856,475	3,466,895	1,578,864	6,790,496	3,345,550	1,440,115
Loans and advances to banks	18	645,760	715,800	522,184	645,760	715,800	522,184
Loans and advances to customers	19	11,584,758	15,582,847	15,730,769	11,496,362	15,453,646	15,649,896
Investment securities	20	1,835,894	1,491,030	2,021,590	1,746,350	1,438,119	1,974,772
Investment in subsidiary	21	-	-	-	189,706	190,201	191,896
Property and equipment	22	69,882	46,132	43,703	63,579	44,546	39,253
Goodwill and Intangible assets	23	210,063	151,136	85,170	132,900	73,902	7,445
Deferred tax assets	16 (ii)	175,807	179,916	172,843	175,080	178,264	170,243
Other assets	24	920,561	959,985	843,107	900,549	918,656	824,461
Total assets		22,299,200	22,593,741	20,998,230	22,140,782	22,358,684	20,820,265
LIABILITIES							
Deposits from banks	25	1,209	-	474,525	1,209	-	474,525
Deposits from customers	26	15,589,446	16,658,055	13,838,847	15,399,339	16,353,446	13,579,948
Borrowed funds	27	4,117,034	3,339,829	4,015,730	4,117,034	3,339,829	4,015,730
Subordinated liabilities	28	274,283	528,737	509,408	274,283	528,737	509,408
Provisions	29	49,869	18,423	37,228	47,040	17,452	34,384
Current tax liabilities	16 (iii)	1,273	274	10,207	1,049	-	10,013
Other liabilities	30	274,642	330,565	413,533	256,106	340,017	435,504
Total liabilities		20,307,756	20,875,883	19,299,478	20,096,060	20,579,481	19,059,512
Equity							
Share capital	31	1,944,015	1,749,016	1,749,016	1,944,015	1,749,016	1,749,016
Retained earnings		(145,250)	(223,399)	(268,911)	(63,374)	(121,299)	(162,434)
Reserves		172,369	177,577	203,689	164,081	151,486	174,171
Total equity attributable to the equity holders of the Bank		1,971,134	1,703,194	1,683,794	2,044,722	1,779,203	1,760,753
Non-controlling interests		20,310	14,664	14,958	-	-	-
Total equity		1,991,444	1,717,858	1,698,752	2,044,722	1,779,203	1,760,753
Total liabilities and equity		22,299,200	22,593,741	20,998,230	22,140,782	22,358,684	20,820,265

These financial statements were approved for issue by the Board of Directors on the 10th March 2017.

 Philippe GARSUAULT Chairman	 Sylvain FAURE Chairperson, Audit Committee	 Philippe WATTECAMPS Chief Executive Officer
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The notes on pages 61 to 133 form an integral part of these consolidated and separate financial statements.

Banque des Mascareignes Ltée

Consolidated statement of changes in equity

For the year ended 31 December 2016

Group	← Attributable to equity holders of the Bank →								
	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 2014	1,749,016	83,372	28,709	13,784	25,308	(339,653)	1,560,536	16,272	1,576,808
Total comprehensive income									
Profit / (loss) for the year	-	-	-	-	-	69,053	69,053	(4,944)	64,109
Other comprehensive income for the year	-	-	-	18,145	34,371	1,689	54,205		54,205
Total comprehensive income / (loss) for the year	-	-	-	18,145	34,371	70,742	123,258	(4,944)	118,314
Transactions with owners of the Bank									
Issue of shares	-	-	-	-	-	-	-	3,630	3,630
Total contributions									
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
Balance at 01 January 2015	1,749,016	83,372	28,709	31,929	59,679	(268,911)	1,683,794	14,958	1,698,572
Total comprehensive income									
Profit / (loss) for the year	-	-	-	-	-	49,853	49,853	(2,871)	46,982
Other comprehensive income for the year	-	-	-	(21,015)	(5,097)	(4,341)	(30,453)	-	(30,453)
Total comprehensive income / (loss) for the year				(21,015)	(5,097)	45,512	19,400	(2,871)	16,529
Transactions with owners of the Bank									
Issue of shares	-	-	-	-	-	-	-	2,577	2,577
Balance at 31 December 2015	1,749,016	83,372	28,709	10,914	54,582	(223,399)	1,703,194	14,664	1,717,858

The notes on pages 61 to 133 form an integral part of these consolidated and separate financial statements.

Banque Des Mascareignes Ltée

Consolidated statement of changes in equity

For the year ended 31 December 2016 (continued)

Group	Attributable to equity holders of the Bank								
	Share capital Rs 000	Reserves			Foreign currency translation reserve Rs 000	Retained earnings Rs 000	Total Rs 000	Non- controlling interest Rs 000	Total equity Rs 000
Statutory reserve Rs 000		General banking reserve Rs 000	Fair value reserve Rs 000						
Balance at 01 January 2016	1,749,016	83,372	28,709	10,914	54,582	(223,399)	1,703,194	14,664	1,717,858
Total comprehensive income									
Profit / (loss) for the year	-	-	-	-	-	50,208	50,208	(4,556)	45,652
Other comprehensive income for the year	-	-	-	12,391	(17,599)	27,941	22,733	-	22,733
Total comprehensive income / (loss) for the year	-	-	-	12,391	(17,599)	78,149	72,941	(4,556)	68,386
Transactions with owners of the Bank									
Issue of shares	194,999	-	-	-	-	-	194,999	10,202	205,201
Balance at 31 December 2016	1,944,015	83,372	28,709	23,305	36,983	(145,250)	1,971,134	20,310	1,991,444

The notes on pages 61 to 133 form an integral part of these consolidated and separate financial statements.

Banque des Mascareignes Ltée

Statement of changes in equity

For the year ended 31 December 2016

Bank

	Share capital	Reserves			Retained earnings	Total	
		Statutory reserve	General banking reserve	Fair value reserve			Foreign currency translation reserve
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	
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	82,016
Other comprehensive loss for the year	-	-	-	18,145	1,961	1,689	21,795
Total comprehensive income/(loss) for the year	-	-	-	18,145	1,961	83,705	103,811
Transactions with owners of the Bank							
Issue of shares							
Total contributions and distributions							
Balance at 31 December 2014	1,749,016	83,372	28,709	31,929	30,161	(162,434)	1,760,753
Balance at 01 January 2014	1,749,016	83,372	28,709	31,929	30,161	(162,434)	1,760,753
Total comprehensive income							
Profit for the year	-	-	-	(21,015)	(1,670)	45,476	45,476
Other comprehensive loss for the year	-	-	-	(21,015)	(1,670)	(4,341)	(27,026)
Total comprehensive income for the year	-	-	-	(21,015)	(1,670)	41,135	18,450
Transactions with owners of the Bank							
Issue of shares	-	-	-	-	-	-	-
Total contributions and distributions	-	-	-	-	-	-	-
At 31 December 2015	1,749,016	83,372	28,709	10,914	28,491	(121,299)	1,779,203
Balance at 01 January 2016	1,749,016	83,372	28,709	10,914	28,491	(121,299)	1,779,203
Total comprehensive income							
Profit for the year	-	-	-	-	-	57,925	57,925
Other comprehensive income for the year	-	-	-	12,391	204	-	12,595
Total comprehensive income for the year	-	-	-	12,391	204	57,925	70,520
Transactions with owners of the Bank							
Issue of shares	194,999	-	-	-	-	-	194,999
Total contributions and distributions	194,999	-	-	-	-	-	194,999
At 31 December 2016	1,944,015	83,372	28,709	23,305	28,695	(63,374)	2,044,722

The notes on pages 61 to 133 form an integral part of these consolidated and separate financial statements.

Banque des Mascareignes Ltée

Consolidated and separate statements of cash flows For the year ended 31 December 2016

Note	Group			Bank		
	2016 Rs 000	2015 Rs 000	2014 Rs 000	2016 Rs 000	2015 Rs 000	2014 Rs 000
Cash flows from operating activities						
Profit / (loss) before tax	51,248	47,073	47,649	57,993	44,467	65,409
<i>Adjustments for:</i>						
- Depreciation and amortisation	55,744	26,490	32,880	51,124	21,812	25,820
- Net impairment loss on financial assets	48,565	81,901	103,495	40,551	77,426	101,316
- Net income from financial instruments at fair value through profit and loss	-	49	8	-	(49)	8
- Profit on sale of equipment	-	(615)	-	-	(615)	-
	155,557	154,800	184,032	149,668	143,041	192,553
<i>Changes in:</i>						
- Loans and advances to banks	70,040	(193,616)	(240,030)	70,041	(193,616)	(96,314)
- Loans and advances to customers	3,998,090	29,502	(2,266,463)	3,864,593	82,047	(2,260,245)
- Other assets	39,424	(116,878)	(147,300)	18,108	(88,631)	(180,429)
- Deposits from banks	(1,512,051)	1,038,735	(655,576)	(1,512,051)	1,038,735	(655,576)
- Deposits from customers	(1,068,608)	2,819,208	3,200,520	(954,107)	2,773,498	3,207,109
- Other liabilities and provisions	(24,477)	(101,773)	37,441	64,536	(112,419)	89,003
	1,657,975	3,629,978	112,624	1,700,788	3,642,655	296,101
Income taxes paid	(999)	(19,715)	(737)	-	(19,531)	(737)
Net cash (used in)/ from operating activities	1,656,976	3,610,263	111,887	1,700,788	3,623,124	295,364
Cash flows from investing activities						
- Acquisition of investment securities	(2,324,322)	(1,272,743)	(1,499,740)	(1,766,900)	(1,002,165)	(1,199,027)
- Proceeds from sale of investment securities	2,001,734	1,744,619	1,497,952	1,477,000	1,510,100	975,880
- Acquisition of shares in subsidiary	-	-	-	-	-	(19,549)
- Acquisition of property and equipment	(52,634)	(23,319)	(25,369)	(44,541)	(23,016)	(23,915)
- Proceeds from sale of property and equipment	1,571	615	-	1,572	615	-
- Acquisition of intangible assets	(86,016)	(71,898)	(7,672)	(84,567)	(70,569)	(7,589)
Net cash used in investing activities	(459,667)	377,274	(34,829)	(417,436)	414,965	(274,200)
Cash flows from financing activities						
- Proceeds from issue of subordinated liabilities	-	-	154,400	-	-	154,400
- Repayment of subordinated liabilities	(247,663)	(19,853)	(269,393)	(247,663)	(19,853)	(269,393)
- Repayment of borrowed funds	2,290,465	(2,189,161)	(177,230)	2,290,465	(2,189,161)	(134,072)
- Proceeds from issue of shares	194,999	-	-	194,999	-	-
- Dividends paid	-	-	-	-	-	-
Net cash (used in)/from financing activities	2,237,801	(2,209,014)	(292,223)	2,237,801	(2,209,014)	(249,065)
Net decrease in cash and cash equivalents	3,435,111	1,778,523	(215,165)	3,521,153	1,829,075	(227,901)
Cash and cash equivalents at 01 January	3,466,895	1,578,864	1,781,282	3,345,550	1,440,115	1,660,937
Effect of exchange rate fluctuations on cash and cash equivalents held	(45,530)	109,508	12,747	(76,207)	76,360	7,079
Cash and cash equivalents at 31 December	6,856,475	3,466,895	1,578,864	6,790,496	3,345,550	1,440,115

The notes on pages 61 to 133 form an integral part of these consolidated and separate financial statements.