

## BALANCE SHEET AS AT 31 DECEMBER 2007

	Notes	31 December 2007 Rs	31 December 2006 Rs	31 December 2005 Rs
<b>ASSETS</b>				
<b>Cash Resources</b>				
Cash and balances with Central Bank		251,133,076	159,727,837	143,997,573
Cash in hand		85,537,750	121,247,472	110,579,676
Balances with other banks and interbank loans	6	10,973,432	19,965,607	66,870,116
		<u>347,644,258</u>	<u>300,940,916</u>	<u>321,447,365</u>
<b>Securities, Placements and Other Investments</b>				
Investment securities:				
- Held-for-trading securities		249,674,375	631,899,564	476,040,704
- Held-to-maturity investments		968,940,879	1,078,304,300	1,166,264,907
- Available-for-sale investments		-	70,390	70,390
Placements		514,156,156	504,048,383	274,355,865
	5	<u>1,732,771,410</u>	<u>2,214,322,637</u>	<u>1,916,731,866</u>
<b>Loans</b>				
Personal		323,998,749	274,687,373	176,500,732
Business		3,964,048,104	3,275,162,272	2,433,195,892
		4,288,046,853	3,549,849,645	2,609,696,624
Less: allowance for credit losses		(59,462,304)	(52,332,425)	(31,744,039)
	7	<u>4,228,584,549</u>	<u>3,497,517,220</u>	<u>2,577,952,585</u>
<b>Other</b>				
Land, building and equipment	8	163,037,885	170,006,947	184,018,322
Investment property	9	62,000,000	62,000,000	62,000,000
Other assets	10	122,627,687	139,895,531	176,656,272
		<u>347,665,572</u>	<u>371,902,478</u>	<u>422,674,594</u>
<b>Total assets</b>		<u><u>6,656,665,789</u></u>	<u><u>6,384,683,251</u></u>	<u><u>5,238,806,410</u></u>

## BALANCE SHEET AS AT 31 DECEMBER 2007 (Contd)

	Notes	31 December 2007 Rs	31 December 2006 Rs	31 December 2005 Rs
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Deposits</b>				
Personal		3,658,770,971	3,134,177,168	3,082,360,000
Business and Government		2,207,828,685	2,415,329,407	1,433,779,114
	11	<u>5,866,599,656</u>	<u>5,549,506,575</u>	<u>4,516,139,114</u>
<b>Borrowings</b>				
Banks in Mauritius	12	<u>-</u>	<u>152,815,000</u>	<u>165,250,000</u>
<b>Other</b>				
Current tax liabilities	23	1,641,335	-	-
Deferred tax liability	23	151,742	151,742	151,742
Other liabilities	13	259,077,888	201,508,278	114,814,097
		<u>260,870,965</u>	<u>201,660,020</u>	<u>114,965,839</u>
<b>Shareholders' equity</b>				
Share capital	14	<u>383,962,400</u>	<u>383,962,400</u>	<u>383,962,400</u>
Statutory Reserve	15	22,476,709	15,202,682	9,936,152
Retained earnings	16	73,279,341	39,441,828	18,999,689
General Banking Reserve	17	42,880,468	35,498,496	26,096,966
Revaluation reserves	18	6,596,250	6,596,250	3,456,250
		<u>145,232,768</u>	<u>96,739,256</u>	<u>58,489,057</u>
Total equity and liabilities		<u>6,656,665,789</u>	<u>6,384,683,251</u>	<u>5,238,806,410</u>

## BALANCE SHEET AS AT 31 DECEMBER 2007

	Notes	31 December 2007 Rs	31 December 2006 Rs	31 December 2005 Rs
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>				
Letters of credit, guarantees, acceptances, endorsements and other obligations on account of customers	19	<u>455,644,101</u>	<u>499,069,783</u>	<u>794,695,993</u>
Credit commitments	19	<u>224,267,062</u>	<u>547,954,139</u>	<u>1,440,769,865</u>

Approved by the Board of Directors on **27 March 2008** and signed on its behalf by:

\_\_\_\_\_  
**Dr D. Bundhun**

Chairman

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**Mr G. Moteea**

Director

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**Mr R. K. Beeharry**

Chief Executive Officer

## INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	31 December 2007 Rs	31 December 2006 Rs	31 December 2005 Rs
<b>Interest income</b>				
Loans and advances		492,130,146	369,784,855	209,379,641
Securities		94,668,186	90,391,182	90,509,018
Placements		56,703,716	58,002,969	53,286,073
Others		9,793,468	6,709,804	6,068,406
	20	<u>653,295,516</u>	<u>524,888,810</u>	<u>359,243,138</u>
<b>Interest expense</b>				
Deposits		469,798,163	366,192,027	251,621,698
Borrowings from banks		4,298,717	3,821,780	579,580
Others		86,184	115,926	109,565
		<u>474,183,064</u>	<u>370,129,733</u>	<u>252,310,843</u>
<b>Net interest income</b>		179,112,452	154,759,077	106,932,295
Provisions and adjustment to income for credit losses	21	<u>(7,129,879)</u>	<u>(20,588,386)</u>	<u>(15,388,927)</u>
<b>Net interest income after provisions for credit losses</b>		<u>171,982,573</u>	<u>134,170,691</u>	<u>91,543,368</u>
<b>Other income</b>				
Fee income and commissions	22	78,237,793	68,332,999	65,676,405
Surplus on revaluation of investment property		-	-	4,000,000
Loss on revaluation of securities		(388,839)	(3,352,290)	(4,512,583)
Others		4,944,000	4,957,000	5,100,000
		<u>82,792,954</u>	<u>69,937,709</u>	<u>70,263,822</u>
<b>Net interest and other income</b>		<u>254,775,527</u>	<u>204,108,400</u>	<u>161,807,190</u>
<b>Non-interest expense</b>				
Salaries		(56,234,448)	(45,245,882)	(43,938,999)
Pension contributions and other staff benefits		(14,309,866)	(10,760,327)	(8,768,404)
Depreciation		(28,958,517)	(29,842,282)	(24,729,323)
Others		(105,137,849)	(83,149,710)	(67,157,865)
		<u>(204,640,680)</u>	<u>(168,998,201)</u>	<u>(144,594,591)</u>

## INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	31 December 2007 Rs	31 December 2006 Rs	31 December 2005 Rs
<b>Net income before taxation</b>		50,134,847	35,110,199	17,212,599
Provision for income taxes	23	(1,641,335)	-	(1,120,820)
<b>Net income after income taxes</b>	24	48,493,512	35,110,199	16,091,779
Transfer to Statutory Reserve	15	(7,274,027)	(5,266,530)	(2,413,767)
Transfer to General Banking Reserve	17	(7,381,972)	(9,401,530)	(10,601,915)
Net income available to shareholders	16	<u>33,837,513</u>	<u>20,442,139</u>	<u>3,076,097</u>
Earnings per share	25	<u>8.81</u>	<u>5.32</u>	<u>1.08</u>

Approved by the Board of Directors on 27 March 2008 and signed on its behalf by:

\_\_\_\_\_  
**Dr D. Bundhun**  
 Chairman

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**Mr G. Moteea**  
 Director

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**Mr R. K. Beeharry**  
 Chief Executive Officer

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2007

	Share Capital	Statutory Reserve	General Banking Reserve	Revaluation Reserves	Retained Earnings	Proposed Dividends	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
At 01 January 2005	280,205,000	7,522,385	15,495,051	-	15,923,592	11,208,200	330,354,228
Issue of shares	103,757,400	-	-	-	-	-	103,757,400
Profit for the year	-	-	-	-	16,091,779	-	16,091,779
Dividends paid during the year	-	-	-	-	-	(11,208,200)	(11,208,200)
Surplus on revaluation	-	-	-	3,456,250	-	-	3,456,250
Transfers for the year	-	2,413,767	10,601,915	-	(13,015,682)	-	-
At 31 December 2005	<u>383,962,400</u>	<u>9,936,152</u>	<u>26,096,966</u>	<u>3,456,250</u>	<u>18,999,689</u>	<u>-</u>	<u>442,451,457</u>
At 01 January 2006	383,962,400	9,936,152	26,096,966	3,456,250	18,999,689	-	442,451,457
Profit for the year	-	-	-	-	35,110,199	-	35,110,199
Surplus on revaluation	-	-	-	3,140,000	-	-	3,140,000
Transfers for the year	-	5,266,530	9,401,530	-	(14,668,060)	-	-
At 31 December 2006	<u>383,962,400</u>	<u>15,202,682</u>	<u>35,498,496</u>	<u>6,596,250</u>	<u>39,441,828</u>	<u>-</u>	<u>480,701,656</u>
At 01 January 2007	383,962,400	15,202,682	35,498,496	6,596,250	39,441,828	-	480,701,656
Profit for the year	-	-	-	-	48,493,512	-	48,493,512
Transfers for the year	-	7,274,027	7,381,972	-	(14,655,999)	-	-
At 31 December 2007	<u>383,962,400</u>	<u>22,476,709</u>	<u>42,880,468</u>	<u>6,596,250</u>	<u>73,279,341</u>	<u>-</u>	<u>529,195,168</u>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	31 December 2007 Rs	31 December 2006 Rs	31 December 2005 Rs
<b>Cash flows from operating activities</b>				
Profit for the year before taxation		50,134,847	35,110,199	17,212,599
<b>Adjustments for:</b>				
Provision and adjustments to income for credit losses		7,129,879	20,588,386	15,388,927
Depreciation		28,958,517	29,842,282	24,729,323
(Loss)/profit on disposal		-	(336,707)	484,322
Fair valuation of investment property		-	-	(4,000,000)
		<u>86,223,243</u>	<u>85,204,160</u>	<u>53,815,171</u>
Accrued interest receivable and payable (net)		44,485,074	56,770,223	(4,119,341)
Other assets		(5,550,856)	49,954,416	(56,198,472)
Other liabilities		35,973,626	16,730,282	14,333,417
		<u>161,131,087</u>	<u>208,659,081</u>	<u>7,830,775</u>
Tax paid		-	-	(1,120,820)
<b>Net cash generated from operating activities</b>		<u>161,131,087</u>	<u>208,659,081</u>	<u>6,709,955</u>
<b>Cash flows from financing activities</b>				
Deposits		317,093,081	1,033,367,461	886,862,342
Dividends paid		-	-	(11,208,200)
Issuance of ordinary shares		-	-	103,757,400
<b>Net cash generated from financing activities</b>		<u>317,093,081</u>	<u>1,033,367,461</u>	<u>979,411,542</u>
<b>Cash flows from investing activities</b>				
Loans		(738,197,208)	(940,153,021)	(1,060,191,482)
Securities		491,588,610	(67,898,252)	221,086,294
Placements		(10,107,773)	(229,692,518)	(126,654,044)
Land, building and equipment		(21,989,455)	(12,354,200)	(129,820,759)
Available-for-sale investments		-	-	498,509
<b>Net cash used in investing activities</b>		<u>(278,705,826)</u>	<u>(1,250,097,991)</u>	<u>(1,095,081,482)</u>
Net increase/(decrease) in cash and cash equivalents		199,518,342	(8,071,449)	(108,959,985)
<b>Cash and cash equivalents at start of the year</b>		<u>148,125,916</u>	<u>156,197,365</u>	<u>265,157,350</u>
<b>Cash and cash equivalents at end of the year</b>	26	<u>347,644,258</u>	<u>148,125,916</u>	<u>156,197,365</u>