

**Independent auditors' report
To the members of BanyanTree Bank Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of BanyanTree Bank Limited Ltd, the "Bank", which comprise the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibilities 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 2001, the Financial Reporting Act 2004, the Banking Act 2004 and the Bank of Mauritius Guideline on Public Disclosure of Information 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.

Auditors' Responsibility

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' judgment, 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 entity'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 entity'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.

Opinion

During the period ended 31 December 2012, the Bank received Rs 250,178,318 from its investors and as at 31 December 2012, Rs 67,222,260 have been converted into stated capital, with the remaining balance of Rs 182,956,058 treated as share application monies. This is not in compliance with Section 20 (1) of the Banking Act 2004 which requires banks to maintain in the Republic of Mauritius an amount paid as stated capital of not less than Rs 200 million, after deduction of any accumulated losses. Subsequent to the reporting date, the stated capital of the Bank increased to Rs 194,622,750 (Note 11).

In our opinion, the financial statements on pages 15 to 32 give a true and fair view of the financial position of the Bank as at 31 December 2012, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and the Banking Act 2004, except as explained above.

Independent auditors' report (Contd)
To the members of BanyanTree Bank Limited

Report on Other Legal and Regulatory Requirements

(a) Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Bank other than in our capacity as auditors and arm's length dealings in the ordinary course of business;
- we have obtained all the information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Bank as far as appears from our examination of those records.

(b) Banking Act 2004

(i) In our opinion, the financial statements:

- are complete, fair and properly drawn up; and
- comply with the Banking Act 2004 as well as the regulations and guidelines of the Bank of Mauritius, except for non-compliance with Section 20 (1) as explained on page 13.

(ii) The explanations or information called for or given to us by the officers or agents of the Bank were satisfactory.

(c) Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance, (the 'Code'). Our responsibility is to report on these disclosures.

In our opinion, the disclosures in the Corporate Governance Report comply with the requirements of the Code.

Other Matters

This report is made solely to the members of the Bank as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Bank's members those matters we are required to state to them 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 members as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 25th March 2013

Ebene, Republic of Mauritius

BanyanTree Bank Limited

Statement of financial position as at 31 December
2012

	Rs
ASSETS	
Cash and cash equivalents	244,699,302
Plant and equipment	489,528
Deferred tax assets	241,755
Other assets	1,025,149
Total assets	246,455,734
LIABILITIES	
Other liabilities	1,310,139
Total liabilities	1,310,139
SHAREHOLDERS' EQUITY	
Stated capital	67,222,260
Share application monies	182,956,058
Loss for the period	(5,032,723)
Total equity	245,145,595
Total liabilities and equity	246,455,734

Approved by the Board of Directors on 25 March 2013 and signed on its behalf by:

Mr. Jagdish Capoor
Chairman

Mr. Sanjiv Singhal
Vice-Chairman

Mr. Gopakumar Puthenveetil
Chief Executive Officer

BanyanTree Bank Limited

Statement of comprehensive income for the period from 11 June 2012 (date of incorporation) to 31 December 2012

	Rs
Interest income	517,983
Operating income	517,983
Personnel expenses	(422,424)
Operating lease expenses	(291,057)
Depreciation	(28,070)
Other expenses	(5,050,910)
Loss before income tax	(5,274,478)
Income tax credit	241,755
Loss for the period	(5,032,723)
Other comprehensive income for the period, net of tax	-
Total comprehensive income for the period	(5,032,723)
Loss per share	0.75

Approved by the Board of Directors on 25 March 2013 and signed on its behalf by:

Mr. Jagdish Capoor
 Chairman

Mr. Sanjiv Singhal
 Vice-Chairman

Mr. Gopakumar Puthenveetil
 Chief Executive Officer

BanyanTree Bank Limited

Statement of changes in shareholders' equity for the period from 11 June 2012 (date of incorporation) to 31 December 2012

	Stated capital Rs	Share application monies Rs	Loss for the period Rs	Total Rs
Issue of shares	67,222,260	-	-	67,222,260
Funds received	-	182,956,058	-	182,956,058
Transaction with the owner	67,222,260	182,956,058	-	250,178,318
Loss for the period			(5,032,723)	(5,032,723)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period			(5,032,723)	(5,032,723)
At 31 December 2012	67,222,260	182,956,058	(5,032,723)	245,145,595

BanyanTree Bank Limited

Statement of cash flows for the period from
11 June 2012 (date of incorporation) to
31 December 2012

	Rs
Cash flows from operating activities	
Loss before income tax	(5,274,478)
Adjustment for:	
Depreciation	28,070
	(5,246,408)
Changes in operating assets and liabilities	
Changes in other assets	(1,025,149)
Changes in other liabilities	1,310,139
Net cash used in operating activities	(4,961,418)
Cash flows from investing activities	
Acquisition of plant and equipment	(517,598)
Net cash used in investing activities	(517,598)
Cash flows from financing activities	
Proceeds from issue of shares	67,222,260
Proceeds from share application monies	182,956,058
Net cash generated from financing activities	250,178,318
Net change in cash and cash equivalents and at period end	244,699,302
Cash and cash equivalents is made up of:	
Cash in hand and at bank	244,699,302