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THE MAURITIUS COMMERCIAL BANK (SEYCHELLES) LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of **The Mauritius Commercial Bank (Seychelles) Limited** (hereafter referred to as the "Bank"), as a body, in terms of our engagement to conduct the audit on their behalf. Our audit work has been undertaken so that we might state to the members those matters which 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the attached financial statements of **The Mauritius Commercial Bank (Seychelles) Limited** set out on pages 3 to 37 which comprise the statement of financial position as at December 31, 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flow for the year then ended and a summary of significant accounting policies and explanatory notes.

Directors' Responsibility

As stated on page 1(a) of the Directors' Report, the Board of Directors are responsible for preparation of the financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on those financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of 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 these 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of 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.



THE MAURITIUS COMMERCIAL BANK (SEYCHELLES) LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D)

Opinion

In our opinion, the financial statements on pages 3 to 37 give a true and fair view of the financial position of the Bank at December 31, 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Seychelles Companies Act 1972.

Report on Other Legal and Regulatory Requirements

Companies Act, 1972

We have not relationship with, or interests, in the Bank other than in our capacity as auditors, tax and business advisers and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

Financial Institutions Act, 2004 and Regulations and Directives of the Central Bank of Seychelles

The Financial Institutions Act, 2004 and Regulations and Directives of the Central Bank of Seychelles requires that in carrying out our audit, we consider and report to you the following matters. We confirm that:

- 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 Financial Institutions Act, 2004 and Regulations and Directives of the Central Bank of Seychelles.
- The explanations or information called for or given to us by the employees of the Bank were satisfactory.
- The Bank did not carry out any fiduciary duties for the year under review.

Other Matter

The financial statements of the Company for the year ended December 31, 2011 were audited by another auditor who expressed an unmodified opinion on these financial statements on April 25, 2012.

Dated: *April 29, 2013*
Victoria, Seychelles

BDO Associates
BDO ASSOCIATES
Chartered Accountants

STATEMENT OF COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2012
(All amounts are in Seychelles Rupee unless otherwise stated)

	Notes	2012	Re-stated 2011
Interest income	21	111,810,794	76,768,264
Interest expense	22	(25,277,579)	(18,016,638)
Net interest income		86,533,215	58,751,626
Fee and commission income	23	48,300,713	39,370,005
Fee and commission expense	24	(22,715,652)	(20,614,024)
Net fee and commission income		25,585,061	18,755,981
Other income			
Other operating income	25	35,569,164	41,882,668
Operating income		147,687,440	119,390,275
Non-interest expenses			
Staff costs	26	(24,841,119)	(18,708,907)
Depreciation	9	(4,229,684)	(3,627,916)
Amortisation of intangible assets	10	(459,923)	(300,477)
Other operating expenses	27	(52,396,273)	(50,528,510)
		(81,926,999)	(73,165,810)
Operating profit before impairment		65,760,441	46,224,465
Allowance for credit impairment	6(ii)	(1,076,870)	(534,532)
Profit before taxation		64,683,571	45,689,933
Taxation expense	11(b)	(20,860,148)	(17,528,639)
Net profit for the year		43,823,423	28,161,294
Other comprehensive income:			
Increase in fair value of available-for-sale financial assets	8(c)	1,013,436	1,920,581
Total comprehensive income for the year		44,836,859	30,081,875

The notes on pages 7 to 37 form an integral part of these financial statements.
Auditors' report on pages 2 to 2(a).

STATEMENT OF FINANCIAL POSITION - YEAR ENDED DECEMBER 31, 2012

(All amounts are in Seychelles Rupee unless otherwise stated)

	Notes	2012	Re-stated 2011
ASSETS			
Cash and cash equivalents	5	461,339,118	370,505,703
Loans and advances	6	948,617,824	814,971,735
Investment in subsidiary	7	99,100	99,100
Investment in financial assets	8	551,364,422	662,924,024
Property and equipment	9	48,422,146	19,436,817
Intangible assets	10	3,071,389	1,408,925
Current tax assets	11	19,021,579	15,831,162
Deferred tax assets	12	2,117,005	971,949
Other assets	13	15,324,049	29,754,881
Total assets		2,049,376,632	1,915,904,296
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Deposits from banks and customers	14	1,807,128,747	1,692,892,917
Borrowings	15	7,000,000	7,000,000
Retirement benefit obligations	16	5,982,441	5,294,076
Other liabilities	17	43,651,956	54,940,674
Total liabilities		1,863,763,144	1,760,127,667
SHAREHOLDERS' EQUITY			
Share capital	18	20,000,000	20,000,000
Statutory reserve	19	20,000,000	20,000,000
Fair value reserve		4,751,793	3,738,357
Retained earnings		140,861,695	112,038,272
Total equity		185,613,488	155,776,629
Total equity and liabilities		2,049,376,632	1,915,904,296
CONTINGENT LIABILITIES			
Acceptances, letters of credit and guarantees		72,338,922	46,657,615
Loan commitments		134,039,553	39,563,417
		206,378,475	86,221,032

These financial statements have been approved for issue by the Board of Directors on

29th April 2013.

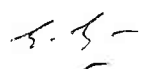

Pierre-Guy Noël
Director


Jean Mamet
Director


Jean-François Desvaux de Marigny
Director


Jocelyn Ah-Yu
Director


Raoul Gufflet
Director


Gilbert Gnany
Director

The notes on pages 7 to 37 form an integral part of these financial statements.
Auditors' report on pages 2 to 2(a).