



Independent Auditor's Report To The Members of MCB (Seychelles) Limited

Report on the Financial Statements

1. We have audited the financial statements of MCB (Seychelles) Limited (the "Bank") on pages 4 to 36 which comprise the statement of financial position at 31 December 2011 and the statement of comprehensive income, the statement of changes in equity and the summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

2. The Bank's 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 Seychelles Companies Act 1972, the Financial Institutions Act 2004 and regulations and guidelines of the Central Bank of Seychelles. This responsibility includes, designing, implementing and maintaining internal control relevant to the presentation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

3. 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 whether the financial statements are free from material misstatement.
4. An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
6. In our opinion, the financial statements on pages 4 to 37 give a true and fair view of the financial position of the Bank at 31 December 2011 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 and the Financial Institutions Act 2004.

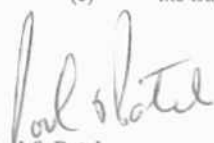
Report on Other Legal and Regulatory Requirements

7. The Seychelles Companies Act 1972 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:
 - a. we have obtained all the information and explanations necessary for the performance of our audit; and
 - b. in our opinion:
 - (i) proper books of accounting have been kept by the Bank as far as appears from our examination of those records;
 - (ii) proper returns adequate for our audit have been received from branches not visited by us; and

**Independent Auditor's Report
To The Members of MCB (Seychelles) Limited (Continued)**

Report of the Financial Statements (Continued)

- (iii) the Bank's statement of financial position and statement of comprehensive income are in agreement with the books of account and returns.
8. The Financial Institutions Act 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:
- (a) 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 the regulations and guidelines of the Central Bank of Seychelles,
 - (b) the explanations or information called for or given to us by the officers or agents of the Bank were satisfactory, and
 - (c) the Bank does not carry out any fiduciary duties.


Paul & Patel
Chartered Accountants

25 April 2012

STATEMENT OF FINANCIAL POSITION - YEAR ENDED DECEMBER 31, 2011
(All amounts are stated in Seychelles Rupee unless otherwise stated)

	Notes	2011	2010
		SR	SR
ASSETS			
Cash and cash equivalents	5	601,477,496	549,785,878
Loans and advances	6	812,840,610	786,477,733
Investment in subsidiary	7	99,100	99,100
Investment in financial assets	8	430,169,498	288,695,840
Property and equipment	9	10,765,237	8,750,488
Intangible asset	10	1,177,904	738,058
Current tax assets	11	15,831,162	2,932,532
Deferred tax assets	12	971,949	2,018,269
Other assets	13	47,176,340	35,981,040
Total assets		1,920,509,296	1,675,478,938
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Deposits from banks and customers	14	1,700,731,123	1,471,802,565
Borrowings	15	7,000,000	7,000,000
Retirement benefit obligations	16	5,294,076	4,402,267
Other liabilities	17	47,102,468	51,579,352
Total liabilities		1,760,127,667	1,534,784,184
SHAREHOLDERS' EQUITY			
Share capital	18	20,000,000	20,000,000
Statutory reserve	19	20,000,000	20,000,000
Fair value reserve	20	3,738,357	1,817,776
Credit Impairment reserve	21	4,605,000	-
Retained earnings		112,038,272	98,876,978
Total equity		160,381,629	140,694,754
Total equity and liabilities		1,920,509,296	1,675,478,938
CONTINGENT LIABILITIES			
Acceptances, letters of credit and guarantees		46,657,615	46,429,064
Loan commitments		39,563,417	22,350,363
		86,221,032	68,779,427

 These financial statements have been approved for issue by the Board of Directors on 25th APRIL 2012.


 Gilbert Gnany
 Director


 Jean Mamet
 Director


 Jocelyn Ah-Yu
 Director


 Jean-François Desvaux de Marigny
 Director


 Raoul Gufflet
 Director


 Pierre-Guy Noël
 Director

STATEMENT OF COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2011
(All amounts are stated in Seychelles Rupee unless otherwise stated)

	Notes	2011	2010
		SR	SR
Interest income	22	76,768,264	76,324,299
Interest expense	23	(18,016,638)	(19,318,014)
Net interest income		58,751,626	57,006,285
Fee and commission income	24	39,370,005	36,479,351
Fee and commission expense	25	(20,614,024)	(14,684,438)
Net fee and commission income		18,755,981	21,794,913
Other income		41,882,668	57,199,917
Operating income		119,390,275	136,001,115
Non-interest expense			
Staff costs	27	(18,708,907)	(17,940,234)
Depreciation	9	(3,627,916)	(2,701,145)
Amortisation of intangible assets	10	(300,477)	(267,793)
Other operating expenses	28	(50,215,374)	(43,202,724)
		(72,852,674)	(64,111,896)
Operating profit before impairment		46,537,601	71,889,219
Allowance for credit impairment	6(ii)	(156,568)	(511,013)
Profit before taxation		46,381,033	71,378,206
Taxation expense	11(b)	(17,528,639)	(23,980,199)
Net profit for the year		28,852,394	47,398,007
Other comprehensive income:			
Movement in fair value of available-for-sale financial assets		1,920,581	1,817,776
Total comprehensive income for the year		30,772,975	49,215,783

The notes on pages 8 to 36 form an integral part of these financial statements.
Auditor's report on pages 3 to 3(a).