

Independent Auditor's report on the Summary Financial Statements of The Mauritius Commercial Bank (Seychelles) Limited to the Board of Directors

Opinion

The summary financial statements of The Mauritius Commercial Bank (Seychelles) Limited (the "Bank") which comprise the summary statement of financial position as at 31 December 2023, the summary statement of profit or loss and other comprehensive income, the summary statement of changes in equity, the summary statement of cash flows for the year then ended and related notes, are derived from the audited financial statements of the Bank for the year ended 31 December 2023.

In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited financial statements of the Bank which are prepared in accordance with International Financial Reporting Standards (IFRSs), and in compliance with the requirements of the Seychelles Companies Act 1972, the Financial Institutions Act 2004 and the Regulations and Directives of the Central Bank of Seychelles.

Emphasis of matter relating to comparative information

We draw attention to Note 32 to the audited financial statements which describes the effects of restatement to the financial statements for the period periods. Our opinion is not modified in respect of this matter.

Other matter relating to comparative information

The financial statements for The Mauritius Commercial Bank (Seychelles) Limited as at and for the year ended December 31, 2022 and December 31, 2021 (from which the statement of financial position as at January 1, 2022 has been derived), were audited by another auditor who expressed an unmodified opinion on those financial statements on April 24, 2023 and April 13, 2022 respectively.

As part of our audit of the financial statements as at and for the year ended December 31, 2023, we also audited the adjustments described in Note 32 that were applied to restate the financial statements for the year ended December 31, 2022 and the adjustments to the opening balance as at January 1, 2022. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the financial statements for the year ended December 31, 2022 or December 31, 2021, other than with respect to the adjustments, and accordingly, we do not express an opinion or any other form of assurance on the financial statements for the year ended December 31, 2022 and the opening balances as at January 1, 2022, taken as a whole.

Summary financial statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated April 29, 2024. That report also includes the communication of key audit matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year.

Responsibilities of Directors for the Summary Financial Statements

The directors are responsible for the preparation of the summary financial statements on the basis described in note 1 of the summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Use of this report

This report, including our opinion, has been prepared for and only for the Bank's Board of Directors in accordance with Section 38(2) of the Financial Institutions Act 2004 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 Board of Directors, for our audit work for this report, or for the opinions we have formed.

Deloitte

Vishal Agrawal, FCA

Chartered Accountants

April 29, 2024



Summary statement of financial position as at December 31, 2023

	2023	2022	2021
	SR	(Restated) SR	(Restated) SR
ASSETS			
Cash and cash equivalents	1,090,511,407	1,520,238,747	1,405,162,152
Loans to and placements with banks	977,143,568	63,990,647	34,299,253
Loans and advances to customers	3,057,985,887	3,103,836,270	2,998,619,192
Investment securities	1,242,684,367	1,285,797,664	1,735,050,540
Right-of-use assets	120,413,477	115,190,871	118,293,571
Property and equipment	92,587,379	98,072,883	111,166,087
Intangible assets	3,782,027	7,702,654	12,061,988
Deferred tax assets	63,209,454	57,423,277	55,797,659
Other assets	938,696,831	839,379,261	710,744,959
Total assets	7,587,014,397	7,091,632,274	7,181,195,401
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Deposits from banks and customers	6,362,830,170	6,022,347,766	6,025,989,504
Other borrowed funds	30,499,802	97,220,879	255,291,141
Post employee benefit liability	30,367,480	32,075,929	40,919,366
Current tax liabilities	55,801,563	25,661,546	7,119,582
Lease liabilities	129,946,063	122,561,618	124,113,427
Other liabilities	147,945,803	85,438,231	92,921,888
Total liabilities	6,757,390,881	6,385,305,969	6,546,354,908
EQUITY			
Share capital	20,000,000	20,000,000	20,000,000
Statutory reserve	20,000,000	20,000,000	20,000,000
Other reserves	48,618,829	39,420,161	42,566,100
Retained earnings	741,004,687	626,906,144	552,274,393
Total equity	829,623,516	706,326,305	634,840,493
Total liabilities and equity	7,587,014,397	7,091,632,274	7,181,195,401

These financial statements were authorised and approved for issue by the Board of Directors on **April 29, 2024**.

Jean Michel Ng Tseung
Director

Bernard Jackson
Director

Regis Bistoquet
Director

Jean-Francois Desvaux de Marigny
Director

Summary statement of profit or loss and other comprehensive income for the year ended December 31, 2023

	2023	2022
	SR	(Restated) SR
Interest income using the effective interest rate method	373,219,117	278,195,923
Interest expense	(60,509,054)	(48,440,148)
Net interest income	312,710,063	229,755,775
Fee and commission income	156,030,782	142,694,032
Fee and commission expense	(105,688,454)	(91,834,392)
Net fee and commission income	50,342,328	50,859,640
Other income		
Profit arising from dealing in foreign currencies	109,244,720	112,114,451
Other operating income	440,333	399,285
Operating income	472,737,444	393,129,151
Non-interest expense		
Depreciation of right-of-use assets	(8,269,857)	(6,769,519)
Depreciation of property and equipment	(14,632,096)	(15,564,816)
Amortisation of intangible assets	(3,920,627)	(4,359,334)
Salaries and human resource costs	(69,894,491)	(64,213,639)
Other expenses	(69,447,247)	(74,668,520)
	(166,164,318)	(165,575,828)
Operating profit before impairment	306,573,126	227,553,323
Net impairment of financial assets	(23,764,922)	(11,771,463)
Profit before tax	282,808,204	215,781,860
Income tax expense	(99,794,391)	(75,038,119)
Profit for the year	183,013,813	140,743,741
Other comprehensive income		
<i>Items that will not be reclassified to profit:</i>		
Net fair value gain/(loss) on equity instruments	9,198,668	(3,145,939)
Remeasurement of defined benefit pension plan, net of deferred tax	1,084,730	3,888,010
Total comprehensive income for the year	193,297,211	141,485,812

Summary statement of cash flows for the year ended December 31, 2023

	2023	2022
	SR	(Restated) SR
OPERATING ACTIVITIES		
Profit before taxation	282,808,204	215,781,860
Adjustments for:		
Amortisation of right-of-use assets	8,269,857	6,769,519
Gain on early lease termination	-	(8,731)
Depreciation of property and equipment	14,632,096	15,564,816
Property, equipment and intangible asset written off	95,340	-
Amortisation of intangible assets	3,920,627	4,359,334
Employee benefit expense	4,914,315	5,158,890
Interest income	(373,219,117)	(278,195,923)
Interest expense	60,509,054	48,440,148
Dividend income	(155,828)	(384,875)
Unrealised exchange difference	(31,569,412)	101,322,811
Net impairment of financial assets	23,764,922	17,465,421
Operating profit before working capital changes	(6,029,942)	136,273,270
Changes in working capital		
Loans and advances to customers and banks	(896,155,280)	(101,860,322)
Other assets	(99,317,570)	(128,634,302)
Deposits from banks and customers	333,839,994	(7,317,004)
Interest received	374,597,477	236,881,433
Interest paid	(53,866,644)	(44,764,882)
Other liabilities	62,483,805	(2,371,443)
Net cash used in operations	(284,448,160)	88,206,750
Tax paid	(75,974,821)	(60,036,769)
Employer contributions and direct benefits paid	(5,003,763)	(8,199,327)
Net cash outflow from operating activities	(365,426,744)	19,970,654
INVESTING ACTIVITIES		
Purchase of property and equipment	(9,241,932)	(8,064,198)
Purchase of investment securities	(29,718,767,034)	(60,483,375,349)
Proceeds from matured investment securities	29,774,812,226	60,363,730,075
Dividend received on investments	155,828	384,875
Movement in short term investment	-	(8,744,216)
Net cash outflow from investing activities	(46,959,088)	(136,068,813)
FINANCING ACTIVITIES		
Repayment of principal portion of lease liabilities	(6,103,579)	(5,108,789)
Borrowings received	-	23,749,696
Borrowings repaid	(66,721,077)	(181,819,958)
Dividend paid	(70,000,000)	(70,000,000)
Net cash used in financing activities	(142,824,656)	(233,179,051)
Net change in cash and cash equivalents	(461,292,312)	(349,277,210)
Movement in cash and cash equivalents:		
At January 1,	1,520,238,747	1,970,838,768
Exchange differences in respect of cash and cash equivalents	31,564,972	(101,322,811)
(Decrease)/Increase during the year	(461,292,312)	(349,277,210)
At December 31,	1,090,511,407	1,520,238,747

Summary statement of changes in equity for the year ended December 31, 2023

	Share capital SR	Statutory reserve SR	Fair value reserve SR	Retained earnings SR	Total equity SR
At January 1, 2022 (as previously stated)	20,000,000	20,000,000	42,566,100	570,764,874	653,330,974
Profit year adjustments	-	-	-	(18,490,481)	(18,490,481)
At January 1, 2022 - as restated	20,000,000	20,000,000	42,566,100	552,274,393	634,840,493
Total comprehensive income for the year	-	-	(3,145,939)	144,631,751	141,485,812
Dividends proposed and paid	-	-	-	(70,000,000)	(70,000,000)
At December 31, 2022	<u>20,000,000</u>	<u>20,000,000</u>	<u>39,420,161</u>	<u>626,906,144</u>	<u>706,326,305</u>
At January 1, 2023 - as restated	20,000,000	20,000,000	39,420,161	626,906,144	706,326,305
Total comprehensive income for the year	-	-	9,198,668	184,098,543	193,297,211
Dividends proposed and paid	-	-	-	(70,000,000)	(70,000,000)
At December 31, 2023	<u>20,000,000</u>	<u>20,000,000</u>	<u>48,618,829</u>	<u>741,004,687</u>	<u>829,623,516</u>

Notes on preparation of the summary financial statements

1. The summary financial statements, without reference to the detailed notes, are derived from the audited financial statements of The Mauritius Commercial Bank (Seychelles) Limited (the "Bank") for the year ended 31 December 2023. The audited financial statements, which have been prepared 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 the Regulations and Directives of the Central Bank of Seychelles, are available at Caravelle House, Manglier Street, Victoria, Mahe, Seychelles and can be viewed on our website: www.mcb.sc.

2. The Board of Directors of the Bank accepts full responsibility for the accuracy of the information contained in this communiqué.