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GENERAL NOTICES

Gazette Notices No. 460 of 2023 - 462 of 2023 are published by Order.

GAZETTE SUPPLEMENTS

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| 21 | The Harbour (Inner Harbour) (Control of Traffic) Regulations, 2023. (S.I. 30 of 2023) | 8.00 |
| | Value Added Tax (Amendment of the First Schedule) Regulations, 2023. (S.I. 31 of 2023) | 152.00 |
| | Beneficial Ownership (Amendment) Regulations, 2023. (S.I. 32 of 2023) | 64.00 |
| | Law Commission Act (Commencement) Notice, 2023. (S.I. 33 of 2023) | 4.00 |

No. 460 of 2023



Absa Bank (Seychelles) Limited

Summary financial statements prepared from the audited financial statements for the year ended 31 December 2022

| Summary statement of financial position- As at 31 December 2022 | 2022 SCR'000 | 2021 SCR'000 Restated | Summary statement of comprehensive income- For the year ended 31 December 2022 | 2022 SCR'000 | 2021 SCR'000 Restated |
|--|-----------------|-----------------------------|---|-----------------|-----------------------------|
| Assets | | | Interest income | | |
| Cash and balances with central bank | 1,824,948 | 2,378,717 | Interest income | 355,932 | 349,655 |
| Loans and advances to banks | 4,107,911 | 2,647,307 | Other interest income | 543 | 418 |
| Investment securities | 1,824,861 | 2,735,893 | Interest Income | 356,475 | 350,073 |
| Trading portfolio assets | 5 | 50 | Interest expense | (37,164) | (36,391) |
| Other assets | 72,293 | 68,891 | Net interest income | 319,311 | 313,682 |
| Current tax assets (restated) | - | 69,457 | Fee and commission income | 130,203 | 93,747 |
| Loans and advances to customers | 2,698,848 | 2,637,595 | Fee and commission expense | (29,650) | (23,002) |
| Retirement benefit asset | 9,054 | 6,436 | Net fee and commission income | 100,553 | 70,745 |
| Property and equipment | 175,891 | 138,517 | Net trading income | 134,694 | 103,843 |
| Intangible assets | 4,990 | 5,541 | Other (expenses)/income | (6,386) | 291 |
| Deferred tax assets | 72,676 | 94,341 | Total Income | 548,172 | 488,561 |
| Total assets (restated) | 10,791,477 | 10,782,745 | Reversal of expected credit losses | 43,125 | 48,189 |
| Liabilities | | | Net Operating income | 591,297 | 536,750 |
| Trading portfolio liabilities | 34 | 50 | Staff costs | (135,147) | (112,090) |
| Other liabilities | 118,609 | 113,992 | Infrastructure costs | (77,394) | (73,599) |
| Current tax liabilities | 21,984 | 302 | Administration and general expenses | (179,547) | (209,166) |
| Deposits from customers | 9,825,406 | 9,877,106 | Operating expenses | (392,088) | (394,855) |
| Borrowed funds | 96,393 | 102,330 | Profit before tax | 199,209 | 141,895 |
| Provisions | 41,135 | 45,528 | Taxation (restated) | (67,268) | (42,691) |
| Total liabilities | 10,103,561 | 10,139,308 | Profit for the year (restated) | 131,941 | 99,204 |
| Equity | | | Other comprehensive income: Items that will or may not be reclassified subsequently to profit or loss: | | |
| Share capital | 35,000 | 35,000 | Retirement benefit remeasurements | 762 | (142) |
| Reserves (restated) | 652,916 | 608,437 | Total other comprehensive income/(loss) for the year, net of tax | 762 | (142) |
| Total equity | 687,916 | 643,437 | Total comprehensive income for the year, net of tax (restated) | 132,703 | 99,062 |
| Total liabilities and equity | 10,791,477 | 10,782,745 | | | |

| Summary statement of changes in equity For the year ended 31 December 2022 | Share capital | General banking reserve | Share-based payment reserve | Retained Earnings | Statutory reserve | Pension reserve | Total equity |
|---|---------------|-------------------------|-----------------------------|-------------------|-------------------|-----------------|--------------|
| | SCR'000 | SCR'000 | SCR'000 | SCR'000 | SCR'000 | SCR'000 | SCR'000 |
| Balance at 1 January 2021 | 35 000 | 9 457 | 4 391 | 462 595 | 35 000 | (2 407) | 544 036 |
| Profit for the year (restated) | - | - | - | 99 204 | - | - | 99 204 |
| Other comprehensive loss for the year, (restated) | - | - | - | - | - | (142) | (142) |
| Total comprehensive income for the year, (restated) | - | - | - | 99 204 | - | (142) | 99 062 |
| Expense in respect of share-based payments | - | - | 339 | - | - | - | 339 |
| Balance at 31 December 2021, (restated) | 35 000 | 9 457 | 4 730 | 561 799 | 35 000 | (2 549) | 643 437 |
| Balance at 1 January 2022, (restated) | 35 000 | 9 457 | 4 730 | 561 799 | 35 000 | (2 549) | 643 437 |
| Profit for the year | - | - | - | 131 941 | - | - | 131 941 |
| Other comprehensive income for the year | - | - | - | - | - | 762 | 762 |
| Total comprehensive income for the year | - | - | - | 131 941 | - | 762 | 132 703 |
| Dividend paid during the year | - | - | - | (88 796) | - | - | (88 796) |
| Released of general banking reserve | - | (9 457) | - | 9 457 | - | - | - |
| Expense in respect of share-based payments | - | - | 572 | - | - | - | 572 |
| Balance at 31 December 2022 | 35 000 | - | 5 302 | 614 401 | 35 000 | (1 787) | 687 916 |

The financial statements were authorised for issue by the Board of Directors on 27 April 2023 and signed on its behalf by:-

| | | | | | | |
|----------------------------------|----------------------------------|--------------------------------------|---------------------------------|-------------------------------|---|-------------------------------|
| Marc Yves Houareau (Director) | Mian Nazim Mahmood (Director) | Akhtar Mohammad Mamode (Director) | Veronique Laporte (Director) | Rod Thorrington (Director) | Michael Charles King-Harman (Director) | Alain Chang-Sam (Director) |
|----------------------------------|----------------------------------|--------------------------------------|---------------------------------|-------------------------------|---|-------------------------------|

Approval of financial statements

The audited financial statements have been approved by the Board and abridged for purposes of this report. KPMG has expressed an unmodified audit opinion on the annual financial statements. The signed auditors' report is available for viewing at Absa's Seychelles (www.absa.sc). The audited financial statements are available for inspection at the Bank's registered address. This abridged report is extracted from audited information but is itself not audited. The auditors' report does not necessarily cover all of the information contained in this announcement. Stakeholders are therefore advised that in order to obtain a full understanding of the nature auditors' work they should view together with the accompanying financial information.

No. 461 of 2023



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SEYCHELLES COMMERCIAL BANK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of **SEYCHELLES COMMERCIAL BANK LIMITED** (hereafter referred to as "**the Bank**") set out on pages 4 to 62 which comprise the Statement of Financial Position as at December 31, 2022, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at December 31, 2022 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, the Financial Institutions Act, 2004 as amended and Regulations and Directives of the Central Bank of Seychelles.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Adequacy for the provision for expected credit losses (ECL) per IFRS 9

Refer to Note 6(b) & 6(d) of the financial statements.

The determination of the allowance for expected credit losses ('ECL') is highly subjective. The subjectivity relates to the path to recovery from COVID-19, the impact of the Russian Ukraine War as well as the impacts of climate change.



SEYCHELLES COMMERCIAL BANK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT'D)

Key Audit Matters (Cont'd)

Adequacy for the provision for expected credit losses (ECL) per IFRS 9 (Cont'd)

Given the subjective nature of the calculation of ECL, there is a heightened risk that the provisions could be misstated.

We focused on the following:

Staging/assessment of significant increase in credit risk: Allocation of assets recognised in stages 1, 2 and 3, including the trigger for assets moving between stages;

ECL models: The assumptions used in the models to calculate ECL, including the accounting interpretations, modelling assumptions and data used in the Probability of Default ('PD'), Loss Given Default ('LGD') and Exposure at Default ('EAD') models; and

Model adjustments: Adequacy and completeness of model adjustments, including those in relation to the effect of COVID-19 and macro economic factors such as GDP, inflation, etc.

How our audit addressed the key audit matter

Staging/assessment of significant increase in credit risk

We assessed the design and tested the operating effectiveness of key controls on the following:

- assessment and approval of significant increase or reduction in credit risk and monitoring of asset in each stage;
- assessment of manual overrides to staging outcomes; and
- data accuracy and completeness.

On a sample basis, we analysed the assets in stages 1, 2 and 3 to assess if they were allocated to the appropriate stage and performed sensitivity analysis to assess the impact of different criteria on the ECL.

ECL models

We assessed the design and tested the operating effectiveness of key controls, focusing on model governance, including the design, build, testing, review, and approval of relevant models. As part of this we assessed the accounting interpretations made for compliance with IFRS 9.

Model adjustments

Checked the reasonableness of the Bank's considerations, the impact on ECL of the war in Ukraine, remaining effect of the COVID-19 pandemic, as well as the economic impact of the rising cost of living on the ECL. Sample tested key inputs to assess reasonableness of forecasts.

Overall stand-back assessment - adequacy of ECL

We performed a stand-back assessment of the ECL provisions and coverage at an overall level and by stage to determine if provision levels were reasonable by considering the overall credit quality of the Bank's portfolios, risk profile, and the remaining impacts of the COVID-19 pandemic, other impacts like Russia-Ukraine war and climate changes.

Disclosures

Assessed whether disclosures with respect to ECL appropriately addressed the uncertainties which exist when determining the ECL and in addition, assessed whether the disclosures of key judgements and assumptions made were adequate in the circumstances.



SEYCHELLES COMMERCIAL BANK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT'D)

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Companies Act, 1972, the Financial Institutions Act 2004, as amended and the Regulations and Directives of the Central Bank of Seychelles, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.



SEYCHELLES COMMERCIAL BANK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Seychelles Companies Act, 1972

We have no relationship with, or interests in, the Bank, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Bank as far as it appears from our examination of those records.

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

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

BDO Associates

BDO ASSOCIATES
Chartered Accountants

Dated: **21 APR 2023**
Victoria, Seychelles

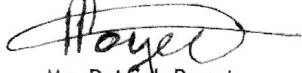
SEYCHELLES COMMERCIAL BANK LIMITED

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

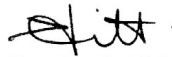
| | Notes | 2022 | 2021 |
|--|--------|----------------------|----------------------|
| ASSETS | | SR | SR |
| Cash and cash equivalents | 5 | 820,482,440 | 680,246,657 |
| Loans and advances | 6 | 772,903,448 | 698,275,192 |
| Investment in financial assets at amortised cost | 7 | 576,659,549 | 556,397,549 |
| Right-of-use assets | 8(b) | 3,440,327 | 1,433,597 |
| Intangible assets | 9 | 12,031,387 | 8,973,004 |
| Property and equipment | 10 | 61,516,959 | 63,142,217 |
| Other assets | 11 | 14,994,827 | 28,507,602 |
| Deferred tax asset | 12(b) | 9,485,240 | 9,234,948 |
| Current tax asset | 16(a) | 1,100,123 | - |
| Total assets | | 2,272,614,300 | 2,046,210,766 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Deposits from customers | 13 | 2,001,057,075 | 1,794,780,642 |
| Retirement benefit obligations | 14 | 10,540,465 | 10,414,618 |
| Lease liabilities | 8(c) | 3,507,996 | 1,503,180 |
| Borrowings | 15 | 5,781,344 | 6,936,131 |
| Current tax liability | 16(a) | - | 1,299,551 |
| Other liabilities | 17 | 28,781,783 | 18,622,312 |
| Dividends payable | 29 | 5,400,000 | - |
| Total liabilities | | 2,055,068,663 | 1,833,556,434 |
| EQUITY | | | |
| Share capital | 18 | 60,000,000 | 60,000,000 |
| Statutory reserve | 19 | 39,837,575 | 36,819,314 |
| Revaluation reserve | Page 6 | 39,990,829 | 39,990,829 |
| Retained earnings | | 77,717,233 | 75,844,189 |
| Total equity | | 217,545,637 | 212,654,332 |
| Total liabilities and equity | | 2,272,614,300 | 2,046,210,766 |
| CONTINGENT LIABILITIES | | | |
| Loan commitments | 27(b) | 77,771,000 | 45,357,000 |

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

21 APR 2023



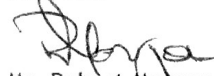
Mr. Patrick Payet
Chairman



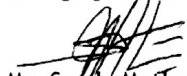
Mrs. Annie Vidot
Managing Director



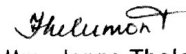
Mrs. Esther Boniface
Director



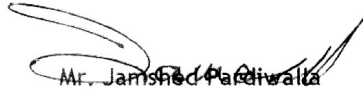
Mr. Robert Morgan
Director



Mr. Sandy Mothee
Director



Mrs. Jenna Thelermont
Director



Mr. Jamshed Pandiwala
Director

SEYCHELLES COMMERCIAL BANK LIMITED

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2022

| | Notes | 2022 SR | 2021 SR |
|---|-------|---------------------|---------------------|
| Interest income | 20 | 128,895,027 | 128,199,807 |
| Interest expense | 21 | (26,420,574) | (36,582,171) |
| Net interest income | | 102,474,453 | 91,617,636 |
| Fee and commission income | 22 | 17,523,446 | 15,686,797 |
| Net interest, fee and commission income | | 119,997,899 | 107,304,433 |
| Net foreign exchange loss | | (2,115,393) | (15,534,063) |
| Sundry income | 23 | 300,486 | 196,383 |
| Operating income | | <u>118,182,992</u> | <u>91,966,753</u> |
| Employee benefit expense | 24 | (35,234,116) | (29,449,323) |
| Amortisation of right-of-use assets | 8(b) | (2,721,365) | (2,784,237) |
| Amortisation of intangible assets | 9 | (2,145,875) | (2,101,602) |
| Depreciation of property and equipment | 10 | (4,510,574) | (4,081,264) |
| Other operating expenses | 25 | (46,819,278) | (38,996,026) |
| Total operating expenses | | <u>(91,431,208)</u> | <u>(77,412,452)</u> |
| Operating profit before impairment | | 26,751,784 | 14,554,301 |
| Allowance for credit impairment | 6(c) | (1,219,552) | 2,811,562 |
| Profit before taxation | | 25,532,232 | 17,365,863 |
| Tax charge | 16(b) | (10,440,927) | (9,341,737) |
| Profit and Total Comprehensive Income for the year | | <u>15,091,305</u> | <u>8,024,126</u> |

No. 462 of 2023



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THE MAURITIUS COMMERCIAL BANK (SEYCHELLES) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of **THE MAURITIUS COMMERCIAL BANK (SEYCHELLES) LIMITED** (hereafter referred to as "the Bank") set out on pages 4 to 58 which comprise the Statement of Financial Position as at December 31, 2022, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 4 to 58 give a true and fair view of the financial position of the Bank as at December 31, 2022 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Adequacy for the provision for expected credit losses (ECL) per IFRS 9

At December 31, 2022, the Bank reported total Expected Credit Loss [ECL] of SCR 87.9m out of which SCR 80.3m was in respect of drawn loans and advances which represent an ECL cover ratio of 2.51% (2021: SCR 65.6m & ECL Cover of 2.13%).

The determination of ECL consists of a number of assumptions that require a high degree of complex and subjective auditor judgement, specialised skills and knowledge, complex impairment modelling and a high degree of estimation uncertainty.



THE MAURITIUS COMMERCIAL BANK (SEYCHELLES) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT'D)

Key Audit Matters (Cont'd)

Adequacy for the provision for expected credit losses (ECL) per IFRS 9

Specifically, the impact of the war in Ukraine, residual economic impact of the COVID-19 pandemic, as well as the economic impact of the rising cost of living on the ECL have been particularly judgemental given the inherent uncertainty in the current economic environment.

The key areas we identified as having the most significant level of management judgement were in respect of:

- **Staging** - the determination of significant increase in credit risk and resultant timely allocation of assets to the appropriate stage in accordance with IFRS 9;
- **Model estimations** - Determination of Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposures at Default ("EAD"); and
- **Forward-looking information** - Macroeconomic forecasts, including GDP, unemployment (national and regional), inflation, interest rates and The borrowers' probability of non-payment in response to macroeconomic factors.

How our audit addressed the key audit matter

- Evaluated the appropriateness of the Bank's IFRS 9 impairment methodologies;
- Reperformed and inspected model code for the calculation of certain components of the ECL model (including the staging criteria);
- Evaluated whether the changes were appropriate by assessing the updated IFRS 9 model methodology;
- Checked the reasonableness of the Bank's considerations on the ECL the impact of the war in Ukraine, residual economic impact of the COVID-19 pandemic, as well as the economic impact of the rising cost of living on the ECL;
- Sample-tested key inputs, data and assumptions impacting ECL calculations to assess the reasonableness of economic forecasts, weights, and model assumptions applied; and
- We assessed whether the disclosures were appropriate addressed the uncertainties which existed when determining the ECL including sensitivity analysis done. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Companies Act, 1972, the Financial Institutions Act 2004, as amended and the Regulations and Directives of the Central Bank of Seychelles, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.



THE MAURITIUS COMMERCIAL BANK (SEYCHELLES) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT'D)

Responsibilities of Directors and Those Charged with Governance for the Financial Statements (Cont'd)

In preparing the financial statements, the Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



THE MAURITIUS COMMERCIAL BANK (SEYCHELLES) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Seychelles Companies Act, 1972

We have no relationship with, or interests in, the Bank, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Bank as far as it appears from our examination of those records.

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

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

Other Matter

This report is made solely to the members of **THE MAURITIUS COMMERCIAL BANK (SEYCHELLES) LIMITED** 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 Bank's members those matters which we are required to state to them in an auditor's 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 or the Bank's members as a body, for our audit work, for this report, or for the opinions we have formed.

Dated: **24 APR 2023**
Victoria, Seychelles

BDO ASSOCIATES
BDO ASSOCIATES
Chartered Accountants

THE MAURITIUS COMMERCIAL BANK (SEYCHELLES) LIMITED

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STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

| | Notes | 2022 SR | 2021 SR |
|---|-------|----------------------|----------------------|
| ASSETS | | | |
| Cash and bank balances | 5 | 1,675,010,982 | 2,062,377,113 |
| Loans and advances | 6 | 3,116,354,296 | 3,018,912,139 |
| Investment in financial assets | 7 | 1,952,733,635 | 1,749,056,846 |
| Right-of-use assets | 8(b) | 115,190,871 | 118,293,571 |
| Property and equipment | 9 | 98,072,883 | 111,166,087 |
| Intangible assets | 10 | 7,702,654 | 12,061,988 |
| Deferred tax assets | 11(b) | 51,179,303 | 46,690,407 |
| Other assets | 12 | 69,143,676 | 53,529,998 |
| Total Assets | | 7,085,388,300 | 7,172,088,149 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| LIABILITIES | | | |
| Deposits from banks and customers | 13 | 6,022,347,766 | 6,025,989,504 |
| Borrowings | 14 | 97,220,879 | 255,291,141 |
| Retirement benefit obligations | 15 | 13,154,786 | 13,321,634 |
| Current tax liabilities | 16(a) | 25,661,546 | 7,119,582 |
| Other liabilities | 17 | 207,999,849 | 217,035,314 |
| Total Liabilities | | 6,366,384,826 | 6,518,757,175 |
| EQUITY | | | |
| Share capital | 18 | 20,000,000 | 20,000,000 |
| Statutory reserve | 19 | 20,000,000 | 20,000,000 |
| Other reserves | | 39,420,161 | 42,566,100 |
| Retained earnings | | 639,583,313 | 570,764,874 |
| Total Equity | | 719,003,474 | 653,330,974 |
| Total Liabilities and Equity | | 7,085,388,300 | 7,172,088,149 |
| CONTINGENT LIABILITIES | | | |
| Acceptances, letters of credit and guarantees | | 361,168,789 | 314,620,444 |
| Loan commitments | 29(d) | 91,837,416 | 340,188,328 |
| Unutilised cards and overdraft commitments | 29(d) | 180,787,305 | 190,223,905 |
| | | 633,793,510 | 845,032,677 |

These financial statements were approved for issue by the Board of Directors on: 24 APR 2023


Pierre-Guy Noël
Director


Bernard Jackson
Director


Jean Michel Ng Tseung
Director


Gilbert Gnany
Director


Régis Bistoquet
Director


Jean-François Desvaux de Marigny
Director

THE MAURITIUS COMMERCIAL BANK (SEYCHELLES) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2022

| | Notes | 2022 SR | 2021 SR |
|---|----------|----------------------|----------------------|
| Interest income | 20 | 278,195,923 | 274,858,244 |
| Interest expense | 21 | (48,440,148) | (53,271,005) |
| Net interest income | | 229,755,775 | 221,587,239 |
| Fee and commission income | 22 | 142,694,032 | 120,663,328 |
| Fee and commission expense | 23 | (91,834,392) | (81,740,900) |
| Net fee and commission income | | 50,859,640 | 38,922,428 |
| Other income | | | |
| Profit arising from dealing in foreign currencies | | 112,114,451 | 41,054,444 |
| Other operating income | 24 | 399,285 | 21,144 |
| Total operating income | | 112,513,736 | 41,075,588 |
| Net operating income | | 393,129,151 | 301,585,255 |
| Non-interest expenses | | | |
| Depreciation of right-of-use | 8(b) | (6,769,519) | (6,159,599) |
| Depreciation of property and equipment | 9 | (15,564,816) | (13,271,215) |
| Amortisation of intangibles | 10 | (4,359,334) | (6,945,490) |
| Staff costs | 25 | (67,087,228) | (54,422,142) |
| Other operating expenses | 26 | (74,668,520) | (68,234,358) |
| Total operating expenses | | (168,449,417) | (149,032,804) |
| Operating profit before impairment | | 224,679,734 | 152,552,451 |
| Expected credit loss expense | 27 | (11,771,463) | (4,687,146) |
| Profit before taxation | | 212,908,271 | 147,865,305 |
| Taxation | 16(b) | (74,089,834) | (50,942,068) |
| Profit for the year | | 138,818,437 | 96,923,237 |
| Other Comprehensive Income | | | |
| <i>Items that will not be reclassified subsequently to the Statement of Profit or Loss:</i> | | | |
| Net change in fair value of financial assets at FVTOCI and Total | | | |
| Other Comprehensive (Expense)/Income for the year | 7(a)(ii) | (3,145,939) | (19,848,020) |
| Total comprehensive income for the year | | 135,672,498 | 77,075,217 |