

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of The Mauritius Civil Service Mutual Aid Association Ltd (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's 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 group financial statements of The Mauritius Civil Service Mutual Aid Association Ltd (the "Group") and the Company's separate financial statements on pages 7 to 52 which comprise the statements of financial position at June 30, 2012, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility 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 Companies Act 2001 and Banking Act 2004 as applicable to non-bank financial institutions. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation 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.

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 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' judgement, 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 Company'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 directors, as well as evaluating the overall presentation of the financial statements.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on 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

In our opinion, the financial statements on pages 7 to 52 give a true and fair view of the financial position of the Group and the Company at June 30, 2012, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company or its subsidiary, other than in our capacity as auditors and business advisers 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 Company as far as it appears from our examination of those records.

Banking Act 2004

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 Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius, as applicable to non-bank financial institutions.

The explanations or information called for or given to us by the officers or agents of the Company were satisfactory.

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 of Mauritius ("Code"). Our responsibility is to report on these disclosures.

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

BDO & Co

Chartered Accountants

Rookaya Ghanty

Licensed by FRC

September 26, 2012

Port Louis,

Mauritius.

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

ABRIDGED STATEMENT OF COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2012

	THE GROUP			THE COMPANY		
	2012	2011	2010	2012	2011	2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest income	2,065,351,839	1,795,040,988	1,635,257,464	2,065,351,839	1,795,040,988	1,635,257,464
Interest expense	(1,235,882,594)	(1,051,554,658)	(1,068,580,851)	(1,235,882,594)	(1,051,554,658)	(1,068,580,851)
Net interest income	829,469,245	743,486,330	566,676,613	829,469,245	743,486,330	566,676,613
Fee income	78,505,071	88,741,347	87,653,549	78,505,071	88,741,347	87,653,549
Rental income	5,711,310	5,730,967	6,422,288	5,711,310	5,730,967	6,422,288
Operating income	913,685,626	837,958,644	660,752,450	913,685,626	837,958,644	660,752,450
Net impairment loss on financial assets	(41,986,402)	(35,589,365)	(37,205,423)	(41,986,402)	(35,589,365)	(37,205,423)
Personnel expenses	(45,203,450)	(38,292,931)	(42,879,703)	(45,203,450)	(38,292,931)	(42,879,703)
Depreciation and amortisation	(11,261,935)	(28,864,920)	(27,944,950)	(11,261,935)	(28,864,920)	(27,944,950)
Operating lease expenses	(1,708,862)	(1,710,609)	(1,418,273)	(1,708,862)	(1,710,609)	(1,418,273)
Other expenses	(38,434,024)	(42,022,706)	(39,035,240)	(38,434,024)	(42,022,706)	(39,035,240)
	(138,594,673)	(146,480,531)	(148,483,589)	(138,594,673)	(146,480,531)	(148,483,589)
Profit before income tax	775,090,953	691,478,113	512,268,861	775,090,953	691,478,113	512,268,861
Income tax expense	(9,475,388)	(10,448,961)	(10,159,524)	(9,475,388)	(10,448,961)	(10,159,524)
Profit for the year	765,615,565	681,029,152	502,109,337	765,615,565	681,029,152	502,109,337
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	765,615,565	681,029,152	502,109,337	765,615,565	681,029,152	502,109,337
Profit attributable to owners of the parent	765,615,565	681,029,152	502,109,337	765,615,565	681,029,152	502,109,337
Total comprehensive income attributable to owners of the parent	765,615,565	681,029,152	502,109,337	765,615,565	681,029,152	502,109,337
Earnings per share						
- Basic	348.66	311.38	230.37	348.66	311.38	230.37
Transfer to statutory reserve	960,000	45,824,915	75,316,401	960,000	45,824,915	75,316,401

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

ABRIDGED STATEMENT OF FINANCIAL POSITION - AS AT JUNE 30, 2012

	THE GROUP			THE COMPANY		
	2012	2011	2010	2012	2011	2010
ASSETS	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents	206,478,113	267,153,019	286,130,177	206,478,113	267,153,019	286,130,177
Loans and advances to customers	20,262,208,796	16,680,282,338	13,931,011,929	20,262,208,796	16,680,282,338	13,931,011,929
Investment in subsidiary company	-	-	-	200,000,000	200,000,000	200,000,000
Held-to-maturity investment securities	2,283,407,461	2,289,016,901	2,324,756,390	2,283,407,461	2,289,016,901	2,324,756,390
Property, plant and equipment	29,257,038	27,049,316	157,354,629	29,257,038	27,049,316	157,354,629
Intangible assets	3,326,553	2,563,130	14,702,263	3,326,553	2,563,130	14,702,263
Investment property	195,249,503	181,192,592	43,289,098	195,249,503	181,192,592	43,289,098
Other assets	233,013,987	141,734,813	167,844,671	233,013,987	141,734,813	167,844,671
Total assets	23,212,941,451	19,588,992,109	16,925,089,157	23,412,941,451	19,788,992,109	17,125,089,157
LIABILITIES						
Deposits from customers	16,815,676,837	13,924,066,171	11,894,032,940	16,815,676,837	13,924,066,171	11,894,032,940
Other borrowed funds	334,828,000	699,475,987	1,045,008,003	334,828,000	699,475,987	1,045,008,003
Current tax liabilities	2,579,184	2,626,805	3,125,623	2,579,184	2,626,805	3,125,623
Funds	1,835,870,276	1,617,115,020	1,441,205,797	1,835,870,276	1,617,115,020	1,441,205,797
Retirement benefit obligations	2,221,452	3,669,532	3,079,083	2,221,452	3,669,532	3,079,083
Other liabilities	749,549,457	570,671,155	405,420,985	949,549,457	770,671,155	605,420,985
Total liabilities	19,740,725,206	16,817,624,670	14,791,872,431	19,940,725,206	17,017,624,670	14,991,872,431
Shareholders' equity						
Share capital	220,049,200	219,089,200	218,306,370	220,049,200	219,089,200	218,306,370
Retained earnings	3,022,337,945	2,323,409,139	1,731,866,171	3,022,337,945	2,323,409,139	1,731,866,171
Statutory reserve	220,049,200	219,089,200	173,264,285	220,049,200	219,089,200	173,264,285
Other reserves	9,779,900	9,779,900	9,779,900	9,779,900	9,779,900	9,779,900
Total equity attributable to owners of the parent	3,472,216,245	2,771,367,439	2,133,216,726	3,472,216,245	2,771,367,439	2,133,216,726
Total equity and liabilities	23,212,941,451	19,588,992,109	16,925,089,157	23,412,941,451	19,788,992,109	17,125,089,157

These financial statements have been approved for issue by the Board of Directors on September 26, 2012 and signed on its behalf by:

Mr. A.K.K.R. Jaunky
Director

Mr. P. Ramjug
Director

Mr. N. Dabeesingh
Chief Executive Officer

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

ABRIDGED STATEMENT OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2012

THE GROUP

	Share capital	Statutory reserve	Revaluation and other reserves	Retained earnings	Total equity
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2011	219,089,200	219,089,200	9,779,900	2,323,409,139	2,771,367,439
Issue of shares	960,000	-	-	-	960,000
Total comprehensive income	-	-	-	765,615,565	765,615,565
Dividend declared	-	-	-	(65,726,759)	(65,726,759)
Movement in respect of the year	-	960,000	-	(960,000)	-
Balance at June 30, 2012	220,049,200	220,049,200	9,779,900	3,022,337,945	3,472,216,245
Balance at July 1, 2010	218,306,370	173,264,285	9,779,900	1,731,866,171	2,133,216,726
Issue of shares	782,830	-	-	-	782,830
Total comprehensive income	-	-	-	681,029,152	681,029,152
Dividend declared	-	-	-	(43,661,269)	(43,661,269)
Movement in respect of the year	-	45,824,915	-	(45,824,915)	-
Balance at June 30, 2011	219,089,200	219,089,200	9,779,900	2,323,409,139	2,771,367,439
Balance at July 1, 2009	217,575,500	97,947,884	9,779,900	1,326,830,785	1,652,134,069
Issue of shares	730,870	-	-	-	730,870
Total comprehensive income	-	-	-	502,109,337	502,109,337
Dividend declared	-	-	-	(21,757,550)	(21,757,550)
Movement in respect of the year	-	75,316,401	-	(75,316,401)	-
Balance at June 30, 2010	218,306,370	173,264,285	9,779,900	1,731,866,171	2,133,216,726

THE COMPANY

	Share capital	Statutory reserve	Revaluation and other reserves	Retained earnings	Total equity
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2011	219,089,200	219,089,200	9,779,900	2,323,409,139	2,771,367,439
Issue of shares	960,000	-	-	-	960,000
Total comprehensive income	-	-	-	765,615,565	765,615,565
Dividend declared	-	-	-	(65,726,759)	(65,726,759)
Movement in respect of the year	-	960,000	-	(960,000)	-
Balance at June 30, 2012	220,049,200	220,049,200	9,779,900	3,022,337,945	3,472,216,245
Balance at July 1, 2010	218,306,370	173,264,285	9,779,900	1,731,866,171	2,133,216,726
Issue of shares	782,830	-	-	-	782,830
Total comprehensive income	-	-	-	681,029,152	681,029,152
Dividend declared	-	-	-	(43,661,269)	(43,661,269)
Movement in respect of the year	-	45,824,915	-	(45,824,915)	-
Balance at June 30, 2011	219,089,200	219,089,200	9,779,900	2,323,409,139	2,771,367,439
Balance at July 1, 2009	217,575,500	97,947,884	9,779,900	1,326,830,785	1,652,134,069
Issue of shares	730,870	-	-	-	730,870
Total comprehensive income	-	-	-	502,109,337	502,109,337
Dividend declared	-	-	-	(21,757,550)	(21,757,550)
Movement in respect of the year	-	75,316,401	-	(75,316,401)	-
Balance at June 30, 2010	218,306,370	173,264,285	9,779,900	1,731,866,171	2,133,216,726

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

ABRIDGED STATEMENT OF CASH FLOWS - YEAR ENDED JUNE 30, 2012

	THE GROUP			THE COMPANY		
	2012	2011	2010	2012	2011	2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net cash generated from operating activities	375,496,869	397,334,277	1,559,701,852	375,496,869	397,334,277	1,559,701,852
Net cash used in investing activities	(25,004,474)	(36,448,529)	(1,157,075,054)	(25,004,474)	(36,448,529)	(1,157,075,054)
Net cash used in financing activities	(411,167,301)	(379,862,906)	(531,375,612)	(411,167,301)	(379,862,906)	(531,375,612)
Net decrease in cash and cash equivalents	(60,674,906)	(18,977,158)	(128,748,814)	(60,674,906)	(18,977,158)	(128,748,814)
Cash and cash equivalents at beginning of year	267,153,019	286,130,177	414,878,991	267,153,019	286,130,177	414,878,991
Cash and cash equivalents at end of year	206,478,113	267,153,019	286,130,177	206,478,113	267,153,019	286,130,177