



COMMUNIQUE

Press Articles on First City Bank

The Bank of Mauritius has become aware of internal conflicts involving the top management and certain board members of the First City Bank Ltd (FCB). There has been public disclosure of customer information in the press. In fact, part of the Bank of Mauritius Management Report issued to the FCB dated 18 May 2004, was published in this context in the press as a so-called report from the FCB's auditors.

The Management Report issued by the Bank of Mauritius to the FCB is a confidential document protected by the provisions of the Banking Act 2004 and it is intended for the sole use of the bank and its board. The Bank of Mauritius has requested the FCB to explain the leakage of extracts from this confidential document and to initiate appropriate action against any person who may have been at the source of this leakage.

It has been reported in the press that certain decisions taken by the board of the FCB would have been improperly executed by FCB staff in 2003. The overseeing of execution of decisions is an area of responsibility for the FCB's board. The Bank of Mauritius has however, asked the FCB to furnish explanations and to ensure compliance with legal provisions in this regard.

The Bank of Mauritius, as regulator of the banking system, is monitoring closely the situation at the FCB and will take all necessary action to maintain the confidence of the public in the FCB and the banking sector as a whole.

BANK OF MAURITIUS

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