



THE MAURITIUS COMMERCIAL BANK LIMITED
Unaudited Interim Financial Statements - 31st December 2011

Statements of financial position

	GROUP			BANK		
	31-Dec-11 Rs'000	31-Dec-10 Rs'000	30-Jun-11 Rs'000	31-Dec-11 Rs'000	31-Dec-10 Rs'000	30-Jun-11 Rs'000
ASSETS						
Cash and cash equivalents	12,906,789	9,151,128	9,211,566	11,307,616	8,379,992	8,257,202
Mandatory balances with Central Banks	8,716,373	7,569,808	7,475,414	7,550,928	6,383,164	6,262,909
Derivative financial instruments	42,867	93,340	55,357	42,867	93,340	55,357
Loans and advances to banks	572,481	1,327,159	2,538,727	478,702	1,085,341	2,268,761
Loans and advances to customers	126,223,613	114,995,982	119,901,032	118,638,842	108,111,021	112,345,481
Investment securities	16,310,358	16,198,836	17,555,272	12,196,816	12,778,555	13,617,560
Investments in associates	6,582,906	6,635,877	6,740,979	850,927	876,354	879,012
Investments in subsidiaries	-	-	-	3,537,307	3,419,587	3,447,710
Goodwill and other intangible assets	1,037,716	1,035,916	1,079,472	882,523	889,655	919,264
Property, plant and equipment	6,357,838	5,396,867	5,918,072	5,578,221	4,609,287	5,147,598
Deferred tax assets	19,940	29,591	18,944	-	6,005	-
Other assets	2,995,045	2,753,133	2,194,644	2,382,147	2,398,092	2,096,442
Total assets	181,765,926	165,187,637	172,689,479	163,446,896	149,030,393	155,297,296
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits from banks	1,145,496	1,353,809	1,711,987	2,581,271	2,815,471	2,829,395
Deposits from customers	144,098,741	131,632,514	134,497,780	133,277,851	122,454,979	124,849,823
Derivative financial instruments	528,481	32,593	41,619	528,481	32,593	41,619
Other borrowed funds	4,696,310	2,850,880	5,153,730	4,268,546	2,257,141	4,499,307
Subordinated liabilities	-	1,374,484	1,278,856	-	1,374,484	1,278,856
Current tax liabilities	167,241	218,983	323,105	116,675	133,808	297,809
Deferred tax liabilities	83,650	34,091	46,212	47,049	-	13,095
Other liabilities	4,633,613	4,293,719	4,335,680	3,620,515	3,606,025	3,660,851
Total liabilities	155,353,532	141,791,073	147,388,969	144,440,388	132,674,501	137,470,755
Shareholders' Equity						
Share capital and share premium	2,585,339	2,574,201	2,581,709	2,585,339	2,574,201	2,581,709
Retained earnings	18,295,374	15,168,541	16,898,668	13,253,639	10,783,377	12,164,060
Other components of equity	4,317,209	4,421,607	4,615,779	3,533,997	3,366,612	3,447,955
	25,197,922	22,164,349	24,096,156	19,372,975	16,724,190	18,193,724
Less treasury shares	(366,467)	(368,298)	(367,183)	(366,467)	(368,298)	(367,183)
Equity attributable to the ordinary equity holders of the parent	24,831,455	21,796,051	23,728,973	19,006,508	16,355,892	17,826,541
Non-controlling interests	1,580,939	1,600,513	1,571,537	-	-	-
Total equity	26,412,394	23,396,564	25,300,510	19,006,508	16,355,892	17,826,541
Total equity and liabilities	181,765,926	165,187,637	172,689,479	163,446,896	149,030,393	155,297,296
CONTINGENT LIABILITIES						
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	33,416,187	27,144,694	33,143,144	31,844,988	26,454,288	31,627,552
Commitments	5,416,397	4,915,623	3,922,272	5,306,074	4,895,858	3,832,368
Tax assessments	376,946	347,799	315,356	376,946	347,799	315,356
Other	1,023,690	874,038	1,000,997	1,006,137	850,717	987,508
	40,233,220	33,282,154	38,381,769	38,534,145	32,548,662	36,762,784



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Income statements

	GROUP					BANK				
	Quarter to	Quarter to	6 mths to	6 mths to	Year to	Quarter to	Quarter to	6 mths to	6 mths to	Year to
	31-Dec-11	31-Dec-10	31-Dec-11	31-Dec-10	30-Jun-11	31-Dec-11	31-Dec-10	31-Dec-11	31-Dec-10	30-Jun-11
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	2,883,765	2,462,884	5,653,733	4,969,977	9,924,655	2,592,067	2,219,248	5,095,444	4,494,249	8,995,292
Interest expense	(1,249,423)	(959,479)	(2,451,150)	(2,071,562)	(4,038,370)	(1,118,659)	(847,402)	(2,202,173)	(1,863,734)	(3,643,407)
Net interest income	1,634,342	1,503,405	3,202,583	2,898,415	5,886,285	1,473,408	1,371,846	2,893,271	2,630,515	5,351,885
Fee and commission income	646,724	585,052	1,290,372	1,128,272	2,225,100	515,473	482,527	1,042,032	918,229	1,852,414
Fee and commission expense	(126,570)	(88,103)	(220,220)	(160,142)	(343,537)	(96,283)	(69,661)	(167,587)	(125,024)	(263,212)
Net fee and commission income	520,154	496,949	1,070,152	968,130	1,881,563	419,190	412,866	874,445	793,205	1,589,202
Other income	350,248	319,728	722,611	655,189	1,425,345	223,836	243,738	461,236	504,440	1,175,379
Income from out-of-court settlement	-	-	-	-	250,000	-	-	-	-	250,000
Operating income	2,504,744	2,320,082	4,995,346	4,521,734	9,443,193	2,116,434	2,028,450	4,228,952	3,928,160	8,366,466
Non-interest expense	(1,262,431)	(1,082,729)	(2,426,686)	(2,093,634)	(4,021,671)	(1,040,085)	(903,252)	(2,010,768)	(1,753,459)	(3,405,636)
Operating profit before impairment	1,242,313	1,237,353	2,568,660	2,428,100	5,421,522	1,076,349	1,125,198	2,218,184	2,174,701	4,960,830
Allowance for credit impairment	(109,252)	(62,813)	(200,036)	(131,437)	(315,089)	(110,451)	(55,554)	(197,713)	(123,774)	(305,405)
Impairment of intangible assets	-	-	-	-	(24,428)	-	-	-	-	(24,428)
Operating profit	1,133,061	1,174,540	2,368,624	2,296,663	5,082,005	965,898	1,069,644	2,020,471	2,050,927	4,630,997
Share of profit of associates	20,315	71,467	63,171	83,398	288,020	-	-	-	-	-
Profit before tax	1,153,376	1,246,007	2,431,795	2,380,061	5,370,025	965,898	1,069,644	2,020,471	2,050,927	4,630,997
Income tax expense	(201,194)	(206,338)	(404,154)	(398,405)	(853,365)	(149,714)	(172,107)	(313,173)	(326,073)	(726,653)
Profit for the period	952,182	1,039,669	2,027,641	1,981,656	4,516,660	816,184	897,537	1,707,298	1,724,854	3,904,344
Profit for the period attributable to :-										
Ordinary equity holders of the parent	944,650	1,034,134	2,007,825	1,966,729	4,491,121	816,184	897,537	1,707,298	1,724,854	3,904,344
Non-controlling interests	7,532	5,535	19,816	14,927	25,539	-	-	-	-	-
	952,182	1,039,669	2,027,641	1,981,656	4,516,660	816,184	897,537	1,707,298	1,724,854	3,904,344
Statements of comprehensive income										
Profit for the period	952,182	1,039,669	2,027,641	1,981,656	4,516,660	816,184	897,537	1,707,298	1,724,854	3,904,344
Other comprehensive income/(expense):										
Exchange differences on translating foreign operations	(132,198)	(21,228)	(291,498)	18,184	24,781	-	-	-	-	-
Reclassification adjustments	(569)	-	(34,449)	-	(2,787)	-	-	-	-	-
Net fair value gain/(loss) on available-for-sale investments	111,860	(52,775)	20,377	(6,917)	236,202	64,611	34,727	86,042	41,635	96,239
Share of other comprehensive income/(expense) of associates	119,796	64,222	11,729	88,573	(16,795)	-	-	-	-	-
Other comprehensive income/(expense) for the period	98,889	(9,781)	(293,841)	99,840	241,401	64,611	34,727	86,042	41,635	96,239
Total comprehensive income for the period	1,051,071	1,029,888	1,733,800	2,081,496	4,758,061	880,795	932,264	1,793,340	1,766,489	4,000,583
Total comprehensive income attributable to :-										
Ordinary equity holders of the parent	988,148	1,003,999	1,714,021	2,038,777	4,735,144	880,795	932,264	1,793,340	1,766,489	4,000,583
Non-controlling interests	62,923	25,889	19,779	42,719	22,917	-	-	-	-	-
	1,051,071	1,029,888	1,733,800	2,081,496	4,758,061	880,795	932,264	1,793,340	1,766,489	4,000,583
Earnings per share:										
Basic (Rs)	3.98	4.36	8.45	8.29	18.91					
Diluted (Rs)	3.98	4.35	8.45	8.28	18.90					
Basic weighted average number of shares (thousands)	237,582	237,397	237,575	237,375	237,460					
Diluted weighted average number of shares (thousands)	237,627	237,493	237,620	237,471	237,585					



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Statements of changes in equity

GROUP	Attributable to ordinary equity holders of the parent										
	Share Capital	Share Premium	Treasury Shares	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	General Banking Reserve	Total	Non-controlling Interests	Total Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1st July 2010	2,503,756	51,214	(373,208)	13,774,324	1,317,398	(120,332)	2,567,170	599,058	20,319,380	1,557,042	21,876,422
Total comprehensive income for the period	-	-	-	1,966,729	48,856	23,192	-	-	2,038,777	42,719	2,081,496
Changes in ownership interest in subsidiaries with no loss of control	-	-	-	2,365	-	-	-	-	2,365	6,425	8,790
Increase in effective shareholding of associate	-	-	-	4,814	-	-	-	-	4,814	3,550	8,364
Dividends	-	-	-	(593,426)	-	-	-	-	(593,426)	(9,223)	(602,649)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	10,989	(10,989)	-	-	-	-	-	-
Transfer from general banking reserve	-	-	-	2,746	-	-	-	(2,746)	-	-	-
Employee share options exercised	-	19,231	4,910	-	-	-	-	-	24,141	-	24,141
At 31st December 2010	2,503,756	70,445	(368,298)	15,168,541	1,355,265	(97,140)	2,567,170	596,312	21,796,051	1,600,513	23,396,564
At 1st July 2010	2,503,756	51,214	(373,208)	13,774,324	1,317,398	(120,332)	2,567,170	599,058	20,319,380	1,557,042	21,876,422
Total comprehensive income for the year	-	-	-	4,491,121	219,287	24,736	-	-	4,735,144	22,917	4,758,061
Changes in ownership interest in subsidiaries with no loss of control	-	-	-	2,365	-	-	-	-	2,365	6,425	8,790
Increase in effective shareholding of associate	-	-	-	4,814	-	-	-	-	4,814	3,550	8,364
Dividends	-	-	-	(1,365,494)	-	-	-	-	(1,365,494)	(18,397)	(1,383,891)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	20,230	(20,230)	-	-	-	-	-	-
Transfer from general banking reserve	-	-	-	1,785	-	-	-	(1,785)	-	-	-
Transfer to statutory reserve	-	-	-	(30,477)	-	-	30,477	-	-	-	-
Employee share options exercised	-	26,739	6,025	-	-	-	-	-	32,764	-	32,764
At 30th June 2011	2,503,756	77,953	(367,183)	16,898,668	1,516,455	(95,596)	2,597,647	597,273	23,728,973	1,571,537	25,300,510
Total comprehensive income/(expense) for the period	-	-	-	2,007,825	(8,360)	(285,444)	-	-	1,714,021	19,779	1,733,800
Transfer on disposal of interests in Joint Venture	-	-	-	3,029	-	(2,468)	-	-	561	(561)	-
Increase in effective shareholding of associate	-	-	-	1,273	-	-	-	-	1,273	939	2,212
Dividends	-	-	-	(617,719)	-	-	-	-	(617,719)	(10,755)	(628,474)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	2,408	(2,408)	-	-	-	-	-	-
Transfer to general banking reserve	-	-	-	(110)	-	-	-	110	-	-	-
Employee share options exercised	-	3,630	716	-	-	-	-	-	4,346	-	4,346
At 31st December 2011	2,503,756	81,583	(366,467)	18,295,374	1,505,687	(383,508)	2,597,647	597,383	24,831,455	1,580,939	26,412,394
BANK											
At 1st July 2010	2,503,756	51,214	(373,208)	9,651,949	236,427	-	2,554,970	533,580	15,158,688	-	15,158,688
Total comprehensive income for the period	-	-	-	1,724,854	41,635	-	-	-	1,766,489	-	1,766,489
Dividends	-	-	-	(593,426)	-	-	-	-	(593,426)	-	(593,426)
Employee share options exercised	-	19,231	4,910	-	-	-	-	-	24,141	-	24,141
At 31st December 2010	2,503,756	70,445	(368,298)	10,783,377	278,062	-	2,554,970	533,580	16,355,892	-	16,355,892
At 1st July 2010	2,503,756	51,214	(373,208)	9,651,949	236,427	-	2,554,970	533,580	15,158,688	-	15,158,688
Total comprehensive income for the year	-	-	-	3,904,344	96,239	-	-	-	4,000,583	-	4,000,583
Dividends	-	-	-	(1,365,494)	-	-	-	-	(1,365,494)	-	(1,365,494)
Transfer to statutory reserve	-	-	-	(26,739)	-	-	26,739	-	-	-	-
Employee share options exercised	-	26,739	6,025	-	-	-	-	-	32,764	-	32,764
At 30th June 2011	2,503,756	77,953	(367,183)	12,164,060	332,666	-	2,581,709	533,580	17,826,541	-	17,826,541
Total comprehensive income for the period	-	-	-	1,707,298	86,042	-	-	-	1,793,340	-	1,793,340
Dividends	-	-	-	(617,719)	-	-	-	-	(617,719)	-	(617,719)
Employee share options exercised	-	3,630	716	-	-	-	-	-	4,346	-	4,346
At 31st December 2011	2,503,756	81,583	(366,467)	13,253,639	418,708	-	2,581,709	533,580	19,006,508	-	19,006,508



THE MAURITIUS COMMERCIAL BANK LIMITED

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Statements of cash flows

	GROUP			BANK		
	6 mths to 31-Dec-11 Rs'000	6 mths to 31-Dec-10 Rs'000	Year to 30-Jun-11 Rs'000	6 mths to 31-Dec-11 Rs'000	6 mths to 31-Dec-10 Rs'000	Year to 30-Jun-11 Rs'000
Net cash flows from trading activities	1,795,465	(838,904)	2,101,764	1,630,394	(666,686)	1,855,053
Net cash flows from other operating activities	5,969,377	(3,206,025)	(7,029,581)	5,011,202	(2,929,534)	(6,580,033)
Dividends received from associates	10,772	20,669	38,713	-	-	-
Dividends paid	(772,068)	(1,305,473)	(1,305,473)	(772,068)	(1,305,473)	(1,305,473)
Dividends paid to non-controlling interests in subsidiaries	(10,755)	(11,128)	(20,302)	-	-	-
Income tax paid	(521,199)	(471,582)	(795,935)	(460,353)	(455,807)	(673,286)
Net cash flows from operating activities	6,471,592	(5,812,443)	(7,010,814)	5,409,175	(5,357,500)	(6,703,739)
Investing activities	(1,011,590)	(1,638,768)	(2,630,692)	(782,578)	(1,411,532)	(2,435,508)
Net cash flows before financing	5,460,002	(7,451,211)	(9,641,506)	4,626,597	(6,769,032)	(9,139,247)
Contribution of non-controlling interests in subsidiary	-	-	8,790	-	-	-
Employee share options exercised	3,250	22,817	28,076	3,250	22,817	28,076
Refund of subordinated debts	(1,298,672)	-	-	(1,298,672)	-	-
Grant of subordinated loan to associate/subsidiary	-	(2,000)	(2,000)	(50,000)	(2,000)	(2,000)
Increase/(Decrease) in cash and cash equivalents	4,164,580	(7,430,394)	(9,606,640)	3,281,175	(6,748,215)	(9,113,171)
Net cash and cash equivalents brought forward	4,057,836	13,830,136	13,830,136	3,757,895	12,871,066	12,871,066
Effect of foreign exchange rate changes	(11,937)	(99,494)	(165,660)	-	-	-
Net cash and cash equivalents carried forward	8,210,479	6,300,248	4,057,836	7,039,070	6,122,851	3,757,895



COMMENTS ON HALF YEAR RESULTS TO 31st DECEMBER 2011

1. Comparatives have been restated to ensure comparability.

2. RESULTS

In spite of the challenging local and international economic environment, Group results for the six months period to 31st December 2011 were 2.1% up on last year, largely attributable to its international activities. Net interest income increased by more than 10% in spite of some pressures on the loan book associated with restrained private investment patterns locally and difficult conditions abroad.

Moreover, net fee and commission income rose by some 11% over the period, driven mainly by strong revenue growth from regional trade finance activities. Coupled with rising contributions from non-bank operations and foreign banking subsidiaries, this has contributed to non interest income expanding by 10.5%, despite lower profit on exchange at Bank level.

On the other hand, the share of profit from associated companies dropped by around 25%, essentially linked to the dampened performance of Reunion-based BFCOI, exacerbated by the weakness of the euro. Whilst higher operating expenses stemmed from capacity-building initiatives, Group results were affected by a noticeable rise in allowances for credit impairment, marking a reversal in trend on account of the difficult operating environment. However, both impairment charges and the level of non-performing loans remain well within internationally accepted norms.

3. PROSPECTS

There seems to be little doubt that the testing international context and the increasing economic uncertainty levels will represent a major test for the operations of the MCB across its international network. With regard specifically to Mauritius, this situation threatens to further impede the demand for credit and, thus, revenue generated by the Group. Moreover, should the situation in the eurozone worsen even more, there is a real danger of further deterioration in economic activity and the performance of the productive sectors, which calls for pragmatic measures from the authorities. As it stands, performance of the MCB for the full year to 30th June 2012 is expected to be in line with that of FY 2010/11.



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By order of the Board

14th February 2012

The unaudited interim financial statements have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 30th June 2011 and comply with IAS34.

Copies of the unaudited interim financial statements can be obtained free of charge upon request at the registered office of the Company, 9-15, Sir William Newton Street, Port-Louis.

The statement of direct and indirect interests of officers of the Company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request, free of charge, at the registered office of the Company.

This communiqué is issued pursuant to Listing Rule 12.20 and Securities Act 2005.

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