



THE MAURITIUS COMMERCIAL BANK LIMITED

Abridged Unaudited Interim Financial Statements - 31st December 2014

Statement of financial position

	31-Dec-14 Rs'000	31-Dec-13 Rs'000	30-Jun-14 Rs'000
ASSETS			
Cash and cash equivalents	29,313,977	21,803,914	17,703,617
Mandatory balances with Central Bank	11,161,446	9,181,907	10,646,314
Derivative financial instruments	76,613	139,689	121,901
Loans to and placements with banks	5,180,637	5,650,619	6,534,225
Loans and advances to customers	145,129,937	138,208,606	140,369,013
Investment securities	37,993,845	22,319,169	30,614,589
Investments in associates	-	885,807	-
Investments in subsidiaries	-	3,662,929	-
Intangible assets	449,478	608,530	523,084
Property, plant and equipment	5,088,645	5,304,141	5,202,509
Deferred tax assets	197,313	120,366	194,292
Non-current assets held for distribution	1,331,216	-	1,331,216
Other assets	2,910,229	3,757,433	3,391,216
Total assets	238,833,336	211,643,110	216,631,976
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from banks	7,009,889	5,239,063	3,698,038
Deposits from customers	189,897,500	161,698,167	171,021,910
Derivative financial instruments	443,623	491,038	528,795
Other borrowed funds	6,726,159	9,416,895	7,565,608
Subordinated liabilities	5,452,053	5,403,732	5,409,081
Current tax liabilities	289,497	247,173	368,440
Other liabilities	5,116,123	4,992,213	5,941,038
Total liabilities	214,934,844	187,488,281	194,532,910
Shareholders' Equity			
Stated capital	2,379,602	2,620,245	2,379,602
Retained earnings	17,772,642	17,823,252	16,322,961
Other components of equity	3,746,248	4,070,591	3,396,503
	23,898,492	24,514,088	22,099,066
Less treasury shares	-	(359,259)	-
Equity attributable to the ordinary equity holders of the bank	23,898,492	24,154,829	22,099,066
Total equity and liabilities	238,833,336	211,643,110	216,631,976
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers	60,941,791	51,249,362	62,112,445
Commitments	3,889,682	4,341,134	4,355,291
Tax assessments	403,068	267,213	272,057
Other	1,370,811	1,188,719	1,504,788
	66,605,352	57,046,428	68,244,581



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Statement of profit or loss

	Quarter to 31-Dec-14 Rs'000	Quarter to 31-Dec-13 Rs'000	6 mths to 31-Dec-14 Rs'000	6 mths to 31-Dec-13 Rs'000	Year to 30-Jun-14 Rs'000
Continuing operations					
Interest income	2,899,079	2,717,254	5,751,290	5,495,768	10,865,841
Interest expense	(1,064,348)	(1,066,317)	(2,130,648)	(2,113,935)	(4,319,193)
Net interest income	1,834,731	1,650,937	3,620,642	3,381,833	6,546,648
Fee and commission income	817,668	690,830	1,626,825	1,373,665	2,949,355
Fee and commission expense	(156,448)	(132,730)	(291,863)	(256,429)	(550,459)
Net fee and commission income	661,220	558,100	1,334,962	1,117,236	2,398,896
Other income	312,704	280,792	598,697	532,645	1,503,085
Operating income	2,808,655	2,489,829	5,554,301	5,031,714	10,448,629
Non-interest expense	(1,157,777)	(1,197,851)	(2,300,738)	(2,332,114)	(4,452,705)
Operating profit before impairment	1,650,878	1,291,978	3,253,563	2,699,600	5,995,924
Allowance for credit impairment	(197,846)	(163,777)	(355,089)	(319,769)	(1,843,056)
Profit before tax	1,453,032	1,128,201	2,898,474	2,379,831	4,152,868
Income tax expense	(261,736)	(203,077)	(516,324)	(428,370)	(811,771)
Profit for the period from continuing operations	1,191,296	925,124	2,382,150	1,951,461	3,341,097
Discontinuing operations					
Profit for the period from discontinuing operations	-	-	-	-	345,484
Profit for the period attributable to the owners of the bank	1,191,296	925,124	2,382,150	1,951,461	3,686,581

Statement of profit or loss and other comprehensive income

Profit for the period	1,191,296	925,124	2,382,150	1,951,461	3,686,581
Other comprehensive income/(expense):					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit pension plan net of deferred tax	-	-	-	-	(229,412)
Items that may be reclassified subsequently to profit or loss:					
Reclassification adjustments	-	-	-	-	(320,766)
Net fair value gain on available-for-sale investments	51,771	145,930	202,545	218,502	101,416
	51,771	145,930	202,545	218,502	(219,350)
Other comprehensive income/(expense) for the period	51,771	145,930	202,545	218,502	(448,762)
Total comprehensive income for the period	1,243,067	1,071,054	2,584,695	2,169,963	3,237,819
Total comprehensive income attributable to the owners of the bank:					
Continuing operations	1,243,067	1,071,054	2,584,695	2,169,963	2,892,335
Discontinuing operations	-	-	-	-	345,484
	1,243,067	1,071,054	2,584,695	2,169,963	3,237,819
Earnings per share (Rs):					
Continuing operations	5.01	3.89	10.01	8.21	14.04
Discontinuing operations	-	-	-	-	1.45
Weighted average number of shares (thousands)	237,960	237,834	237,960	237,825	237,887



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Statement of changes in equity

	Stated Capital	Treasury Shares	Retained Earnings	Capital Reserve	Statutory Reserve	General Banking Reserve	Total Equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
At 1st July 2013							
As previously stated	2,615,838	(360,057)	17,511,459	702,671	2,615,838	533,580	23,619,329
Effect of adopting IAS 19 (revised) net of deferred tax	-	-	(926,160)	-	-	-	(926,160)
As restated	2,615,838	(360,057)	16,585,299	702,671	2,615,838	533,580	22,693,169
Profit for the period	-	-	1,951,461	-	-	-	1,951,461
Other comprehensive income for the period	-	-	-	218,502	-	-	218,502
Total comprehensive income for the period	-	-	1,951,461	218,502	-	-	2,169,963
Dividends in cash	-	-	(713,508)	-	-	-	(713,508)
Employee share options exercised	4,407	798	-	-	-	-	5,205
At 31st December 2013	2,620,245	(359,259)	17,823,252	921,173	2,615,838	533,580	24,154,829
At 1st July 2013							
As previously stated	2,615,838	(360,057)	17,511,459	702,671	2,615,838	533,580	23,619,329
Effect of adopting IAS 19 (revised) net of deferred tax	-	-	(926,160)	-	-	-	(926,160)
As restated	2,615,838	(360,057)	16,585,299	702,671	2,615,838	533,580	22,693,169
Profit for the year	-	-	3,686,581	-	-	-	3,686,581
Other comprehensive expense for the year	-	-	(229,412)	(219,350)	-	-	(448,762)
Total comprehensive income/(expense) for the year	-	-	3,457,169	(219,350)	-	-	3,237,819
Dividends in cash	-	-	(1,522,573)	-	-	-	(1,522,573)
Dividends in specie	-	-	(2,339,812)	-	-	-	(2,339,812)
Transfer from statutory reserve	-	-	236,236	-	(236,236)	-	-
Employee share options exercised	26,101	4,362	-	-	-	-	30,463
Cancellation of treasury shares	(262,337)	355,695	(93,358)	-	-	-	-
At 30th June 2014	2,379,602	-	16,322,961	483,321	2,379,602	533,580	22,099,066
Profit for the period	-	-	2,382,150	-	-	-	2,382,150
Other comprehensive income for the period	-	-	-	202,545	-	-	202,545
Total comprehensive income for the period	-	-	2,382,150	202,545	-	-	2,584,695
Dividends in cash	-	-	(785,269)	-	-	-	(785,269)
Transfer to general banking reserve	-	-	(147,200)	-	-	147,200	-
At 31st December 2014	2,379,602	-	17,772,642	685,866	2,379,602	680,780	23,898,492



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Statement of cash flows

	6 mths to 31-Dec-14 Rs'000	6 mths to 31-Dec-13 Rs'000	Year to 30-Jun-14 Rs'000
Net cash flows from trading activities	2,906,741	1,091,712	3,371,424
Net cash flows from other operating activities	13,421,538	7,668,931	3,450,043
Dividends paid	(1,594,334)	(1,510,165)	(1,510,165)
Income tax paid	(598,162)	(429,720)	(725,299)
Net cash flows from operating activities	14,135,783	6,820,758	4,586,003
Investing activities	(1,285,820)	(74,243)	(338,995)
Net cash flows before financing activities	12,849,963	6,746,515	4,247,008
Financing activities			
Employee share options exercised	-	4,255	26,595
Subordinated liabilities issued	-	5,415,567	5,415,567
Net debt securities (matured)/issued	(1,234,050)	145,800	145,800
Refund of subordinated loan by subsidiary	-	12,500	12,500
Net cash flows from financing activities	(1,234,050)	5,578,122	5,600,462
Increase in cash and cash equivalents	11,615,913	12,324,637	9,847,470
Net cash and cash equivalents brought forward	17,698,064	7,850,594	7,850,594
Net cash and cash equivalents carried forward	29,313,977	20,175,231	17,698,064



COMMENTS

Profit after tax for the half year to 31st December 2014 was Rs 2382 million, a 22.1% increase over the corresponding period in 2013. This was a very satisfactory performance, in view of the current tepid economic climate. While Net Interest Income was up by only 7%, in line with a similar rise in interest bearing assets, there were strong contributions from international trade finance and asset management fees along with credit card operations, which boosted Fees and Commissions, the latter reaching Rs 1335 million, up 19.5% on 2013. Profit on exchange was up by 15.7% and operating costs were stable, at just over Rs 2.3 billion.

Credit impairment charges for the period were Rs 355 million, which, on an annualised basis, is well below the level experienced in FY 2013/14. There is every indication that the negative trend observed over the last two financial years is now reversing, as evidenced by a reduction of nearly 1% in the Bank's non-performing loan ratio when compared to 30th June 2014, the gross NPL ratio now standing at just around 6%.

On current forecasts, and net of non-recurrent items, results for the full year to 30th June 2015 should show good progress over those of the previous year.

By order of the Board

13th February 2015

The abridged 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 2014 and comply with IAS 34.

Copies of the abridged unaudited interim financial statements are available to the public, free of charge, upon request to the Company Secretary at the registered office of the bank, 9-15, Sir William Newton Street, Port-Louis and can be viewed on our website: www.mcb.mu

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 bank.

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.