



**THE MAURITIUS COMMERCIAL BANK LIMITED**  
Abridged Unaudited Interim Financial Statements - 31<sup>st</sup> March 2015

**Statement of financial position**

	31-Mar-15 Rs'000	31-Mar-14 Rs'000	30-Jun-14 Rs'000
<b>ASSETS</b>			
Cash and cash equivalents	21,935,660	17,180,881	17,703,617
Mandatory balances with Central Bank	11,640,753	9,446,137	10,646,314
Derivative financial instruments	193,294	130,681	121,901
Loans to and placements with banks	7,941,863	8,069,903	6,534,225
Loans and advances to customers	149,514,935	141,085,351	140,369,013
Investment securities	38,165,755	27,027,059	30,614,589
Investments in associates	-	885,395	-
Investments in subsidiaries	-	3,663,066	-
Intangible assets	414,406	564,321	523,084
Property, plant and equipment	5,023,111	5,236,926	5,202,509
Deferred tax assets	199,065	122,664	194,292
Non-current assets held for distribution	1,331,216	-	1,331,216
Other assets	3,634,757	3,131,969	3,391,216
<b>Total assets</b>	<b>239,994,815</b>	<b>216,544,353</b>	<b>216,631,976</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits from banks	4,122,940	4,754,986	3,698,038
Deposits from customers	190,150,363	167,248,259	171,021,910
Derivative financial instruments	958,774	504,313	528,795
Other borrowed funds	7,829,906	8,566,549	7,565,608
Subordinated liabilities	5,594,343	5,404,557	5,409,081
Current tax liabilities	370,077	258,264	368,440
Other liabilities	5,770,141	5,125,595	5,941,038
<b>Total liabilities</b>	<b>214,796,544</b>	<b>191,862,523</b>	<b>194,532,910</b>
<b>Shareholders' Equity</b>			
Stated capital	2,379,602	2,379,602	2,379,602
Retained earnings	18,989,368	18,297,977	16,322,961
Other components of equity	3,829,301	4,004,251	3,396,503
<b>Equity attributable to the ordinary equity holders of the bank</b>	<b>25,198,271</b>	<b>24,681,830</b>	<b>22,099,066</b>
<b>Total equity and liabilities</b>	<b>239,994,815</b>	<b>216,544,353</b>	<b>216,631,976</b>
<b>CONTINGENT LIABILITIES</b>			
Guarantees, letters of credit, endorsements and other obligations on account of customers	55,967,677	49,323,797	62,112,445
Commitments	4,806,823	4,313,449	4,355,291
Tax assessments	406,912	269,900	272,057
Other	1,333,337	1,386,738	1,504,788
	<b>62,514,749</b>	<b>55,293,884</b>	<b>68,244,581</b>



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**Statement of profit or loss**

	Quarter to <b>31-Mar-15</b>	Quarter to 31-Mar-14	<b>9 mths to 31-Mar-15</b>	9 mths to 31-Mar-14	Year to 30-Jun-14
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>Continuing operations</b>					
Interest income	2,932,297	2,659,670	8,683,587	8,157,333	10,865,841
Interest expense	<b>(1,066,459)</b>	(1,063,714)	<b>(3,197,107)</b>	(3,179,544)	(4,319,193)
<b>Net interest income</b>	<b>1,865,838</b>	1,595,956	<b>5,486,480</b>	4,977,789	6,546,648
Fee and commission income	831,009	708,080	2,457,834	2,081,745	2,949,355
Fee and commission expense	<b>(165,136)</b>	(164,576)	<b>(456,999)</b>	(421,005)	(550,459)
<b>Net fee and commission income</b>	<b>665,873</b>	543,504	<b>2,000,835</b>	1,660,740	2,398,896
Other income	233,880	255,987	796,100	788,632	1,503,085
<b>Operating income</b>	<b>2,765,591</b>	2,395,447	<b>8,283,415</b>	7,427,161	10,448,629
Non-interest expense	<b>(1,131,156)</b>	(1,088,049)	<b>(3,431,894)</b>	(3,420,163)	(4,452,705)
<b>Operating profit before impairment</b>	<b>1,634,435</b>	1,307,398	<b>4,851,521</b>	4,006,998	5,995,924
Allowance for credit impairment	<b>(208,674)</b>	(561,188)	<b>(527,286)</b>	(880,957)	(1,843,056)
<b>Profit before tax</b>	<b>1,425,761</b>	746,210	<b>4,324,235</b>	3,126,041	4,152,868
Income tax expense	<b>(209,035)</b>	(178,127)	<b>(725,359)</b>	(606,497)	(811,771)
<b>Profit for the period from continuing operations</b>	<b>1,216,726</b>	568,083	<b>3,598,876</b>	2,519,544	3,341,097
<b>Discontinuing operations</b>					
<b>Profit for the period from discontinuing operations</b>	-	-	-	-	345,484
<b>Profit for the period attributable to the owners of the bank</b>	<b>1,216,726</b>	568,083	<b>3,598,876</b>	2,519,544	3,686,581

**Statement of profit or loss and other comprehensive income**

<b>Profit for the period</b>	<b>1,216,726</b>	568,083	<b>3,598,876</b>	2,519,544	3,686,581
<b>Other comprehensive income/(expense):</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Remeasurement of defined benefit pension plan net of deferred tax	-	-	-	-	(229,412)
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Reclassification adjustments	-	-	-	-	(320,766)
Net fair value gain/(loss) on available-for-sale investments	<b>83,053</b>	(66,340)	<b>285,598</b>	152,162	101,416
	<b>83,053</b>	(66,340)	<b>285,598</b>	152,162	(219,350)
<b>Other comprehensive income/(expense) for the period</b>	<b>83,053</b>	(66,340)	<b>285,598</b>	152,162	(448,762)
<b>Total comprehensive income for the period</b>	<b>1,299,779</b>	501,743	<b>3,884,474</b>	2,671,706	3,237,819
<b>Total comprehensive income attributable to the owners of the bank:</b>					
Continuing operations	<b>1,299,779</b>	501,743	<b>3,884,474</b>	2,671,706	2,892,335
Discontinuing operations	-	-	-	-	345,484
	<b>1,299,779</b>	501,743	<b>3,884,474</b>	2,671,706	3,237,819
<b>Earnings per share (Rs):</b>					
Continuing operations	<b>5.11</b>	2.39	<b>15.12</b>	10.59	14.04
Discontinuing operations	-	-	-	-	1.45
Weighted average number of shares (thousands)	<b>237,960</b>	237,960	<b>237,960</b>	237,870	237,887



**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
<b>At 1<sup>st</sup> July 2013</b>							
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	<u>2,615,838</u>	<u>(360,057)</u>	<u>16,585,299</u>	<u>702,671</u>	<u>2,615,838</u>	<u>533,580</u>	<u>22,693,169</u>
Profit for the period	-	-	2,519,544	-	-	-	2,519,544
Other comprehensive income for the period	-	-	-	152,162	-	-	152,162
Total comprehensive income for the period	-	-	<u>2,519,544</u>	<u>152,162</u>	-	-	<u>2,671,706</u>
Dividends in cash	-	-	(713,508)	-	-	-	(713,508)
Employee share options exercised	26,101	4,362	-	-	-	-	30,463
Cancellation of treasury shares	(262,337)	355,695	(93,358)	-	-	-	-
<b>At 31<sup>st</sup> March 2014</b>	<b><u>2,379,602</u></b>	<b><u>-</u></b>	<b><u>18,297,977</u></b>	<b><u>854,833</u></b>	<b><u>2,615,838</u></b>	<b><u>533,580</u></b>	<b><u>24,681,830</u></b>
<b>At 1<sup>st</sup> July 2013</b>							
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	<u>2,615,838</u>	<u>(360,057)</u>	<u>16,585,299</u>	<u>702,671</u>	<u>2,615,838</u>	<u>533,580</u>	<u>22,693,169</u>
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	-	-	<u>3,457,169</u>	<u>(219,350)</u>	-	-	<u>3,237,819</u>
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)	-	-	-	-
<b>At 30<sup>th</sup> June 2014</b>	<b><u>2,379,602</u></b>	<b><u>-</u></b>	<b><u>16,322,961</u></b>	<b><u>483,321</u></b>	<b><u>2,379,602</u></b>	<b><u>533,580</u></b>	<b><u>22,099,066</u></b>
Profit for the period	-	-	3,598,876	-	-	-	3,598,876
Other comprehensive income for the period	-	-	-	285,598	-	-	285,598
Total comprehensive income for the period	-	-	<u>3,598,876</u>	<u>285,598</u>	-	-	<u>3,884,474</u>
Dividends in cash	-	-	(785,269)	-	-	-	(785,269)
Transfer to general banking reserve	-	-	(147,200)	-	-	147,200	-
<b>At 31<sup>st</sup> March 2015</b>	<b><u>2,379,602</u></b>	<b><u>-</u></b>	<b><u>18,989,368</u></b>	<b><u>768,919</u></b>	<b><u>2,379,602</u></b>	<b><u>680,780</u></b>	<b><u>25,198,271</u></b>



**Statement of cash flows**

	9 mths to 31-Mar-15 Rs'000	9 mths to 31-Mar-14 Rs'000	Year to 30-Jun-14 Rs'000
<b>Net cash flows from trading activities</b>	<b>4,876,792</b>	3,060,591	3,371,424
<b>Net cash flows from other operating activities</b>	<b>2,680,987</b>	2,975,870	3,450,043
Dividends paid	(1,594,334)	(1,510,165)	(1,510,165)
Income tax paid	(728,369)	(599,056)	(725,299)
<b>Net cash flows from operating activities</b>	<b>5,235,076</b>	3,927,240	4,586,003
<b>Investing activities</b>	<b>(1,394,363)</b>	(197,415)	(338,995)
<b>Net cash flows before financing activities</b>	<b>3,840,713</b>	3,729,825	4,247,008
<b>Financing activities</b>			
Employee share options exercised	-	26,595	26,595
Subordinated liabilities issued	-	5,415,567	5,415,567
Net debt securities (matured)/issued	(1,793,050)	145,800	145,800
Refund of subordinated loan by subsidiary	-	12,500	12,500
<b>Net cash flows from financing activities</b>	<b>(1,793,050)</b>	5,600,462	5,600,462
<b>Increase in cash and cash equivalents</b>	<b>2,047,663</b>	9,330,287	9,847,470
Net cash and cash equivalents brought forward	17,698,064	7,850,594	7,850,594
<b>Net cash and cash equivalents carried forward</b>	<b>19,745,727</b>	17,180,881	17,698,064

#### **COMMENTS**

Results for the nine months ended 31<sup>st</sup> March 2015 were very encouraging, with the Bank's after tax profits reaching Rs 3.6 billion, a 42.8% rise over those achieved for the corresponding period in FY 13/14.

Net interest income grew by 10%, on the back of strong contribution from our international activities and in spite of the persisting excess liquidity situation in the Mauritian economy. Indeed, the small rise in our rupee loan portfolio is a good indication of the subdued level of local private investment. When coupled with the continuing strong growth of rupee deposits, this has led to a situation where liquid assets now represent about 30% of our balance sheet, with excess liquidity channelled, when possible, to a Treasury Bills market still characterised by very low yields.

Fees and commissions increased by 20% over the corresponding period, with particularly good contributions from international trade finance operations, card and portfolio management services.

The rise in operating expenses was contained below 1%, leading to a 21% increase in operating profit. Allowances for credit impairment, at Rs 527 million for the period, were substantially down on the corresponding period in FY 13/14.

#### **PROSPECTS**

On current trends, full year results to 30<sup>th</sup> June 2015 should show a good improvement over those of the previous year.

By order of the Board

14<sup>th</sup> May 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 30<sup>th</sup> 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](http://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.*