



# THE MAURITIUS COMMERCIAL BANK LIMITED

Unaudited Interim Financial Statements - 30th September 2013

## Statements of financial position

	GROUP			BANK		
	30-Sep-13 Rs'000	30-Sep-12 Rs'000 (Restated)	30-Jun-13 Rs'000 (Restated)	30-Sep-13 Rs'000	30-Sep-12 Rs'000 (Restated)	30-Jun-13 Rs'000 (Restated)
<b>ASSETS</b>						
Cash and cash equivalents	13,911,644	14,575,051	15,394,108	12,490,862	13,813,194	14,614,633
Mandatory balances with Central Banks	9,847,719	9,678,782	9,882,327	8,063,372	7,673,216	8,039,278
Derivative financial instruments	316,929	524,469	120,955	266,135	524,469	120,955
Loans to and placements with banks	6,114,854	3,546,765	3,789,813	5,942,195	3,353,444	3,659,498
Loans and advances to customers	151,966,994	135,919,385	148,034,666	142,665,562	127,983,024	138,981,434
Investment securities	28,199,999	15,440,017	22,446,957	22,924,611	10,754,862	17,274,855
Investments in associates	6,610,630	5,974,739	6,377,033	883,696	862,690	876,156
Investments in subsidiaries	-	-	-	3,677,729	3,537,307	3,679,902
Goodwill and other intangible assets	927,383	946,802	977,813	650,316	786,937	691,896
Property, plant and equipment	6,212,701	6,253,141	6,312,841	5,378,708	5,485,968	5,442,042
Deferred tax assets	128,652	93,949	129,320	116,860	78,556	113,786
Other assets	3,315,194	2,596,337	2,967,191	2,900,180	2,176,438	2,699,903
<b>Total assets</b>	<b>227,552,699</b>	<b>195,549,437</b>	<b>216,433,024</b>	<b>205,960,226</b>	<b>177,030,105</b>	<b>196,194,338</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
Deposits from banks	1,778,415	2,567,402	1,737,230	3,543,595	4,109,384	3,408,512
Deposits from customers	164,519,629	151,600,328	164,376,019	150,571,488	139,269,604	150,918,634
Derivative financial instruments	126,238	89,743	167,297	75,531	89,743	167,297
Other borrowed funds	17,997,510	7,515,731	13,392,661	17,275,586	7,087,252	13,103,722
Subordinated liabilities	4,500,000	-	-	4,500,000	-	-
Current tax liabilities	462,010	381,326	249,552	470,313	370,997	241,946
Deferred tax liabilities	41,959	35,023	42,149	-	-	-
Other liabilities	6,488,764	5,486,914	6,340,678	5,729,515	4,834,397	5,661,058
<b>Total liabilities</b>	<b>195,914,525</b>	<b>167,676,467</b>	<b>186,305,586</b>	<b>182,166,028</b>	<b>155,761,377</b>	<b>173,501,169</b>
<b>Shareholders' Equity</b>						
Share capital and share premium	2,617,619	2,593,840	2,615,838	2,617,619	2,593,840	2,615,838
Retained earnings	22,784,044	19,887,491	21,485,646	17,611,636	15,368,541	16,585,299
Other components of equity	4,932,901	4,234,357	4,764,255	3,924,661	3,671,017	3,852,089
	30,334,564	26,715,688	28,865,739	24,153,916	21,633,398	23,053,226
Less treasury shares	(359,718)	(364,670)	(360,057)	(359,718)	(364,670)	(360,057)
<b>Equity attributable to the ordinary equity holders of the parent</b>	<b>29,974,846</b>	<b>26,351,018</b>	<b>28,505,682</b>	<b>23,794,198</b>	<b>21,268,728</b>	<b>22,693,169</b>
Non-controlling interests	1,663,328	1,521,952	1,621,756	-	-	-
<b>Total equity</b>	<b>31,638,174</b>	<b>27,872,970</b>	<b>30,127,438</b>	<b>23,794,198</b>	<b>21,268,728</b>	<b>22,693,169</b>
<b>Total equity and liabilities</b>	<b>227,552,699</b>	<b>195,549,437</b>	<b>216,433,024</b>	<b>205,960,226</b>	<b>177,030,105</b>	<b>196,194,338</b>
<b>CONTINGENT LIABILITIES</b>						
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	49,962,100	37,749,512	48,028,454	48,104,946	36,288,807	46,549,986
Commitments	6,646,745	4,940,588	5,237,848	6,455,879	4,752,267	5,022,227
Tax assessments	122,569	68,042	121,584	122,569	68,042	121,584
Other	1,325,190	1,455,212	1,702,432	1,291,646	1,340,345	1,632,122
	58,056,604	44,213,354	55,090,318	55,975,040	42,449,461	53,325,919



# THE MAURITIUS COMMERCIAL BANK LIMITED

Unaudited Interim Financial Statements - 30th September 2013

## Income statements

	GROUP			BANK		
	3 mths to 30-Sep-13 Rs'000	3 mths to 30-Sep-12 Rs'000	Year to 30-Jun-13 Rs'000 (Restated)	3 mths to 30-Sep-13 Rs'000	3 mths to 30-Sep-12 Rs'000	Year to 30-Jun-13 Rs'000 (Restated)
Interest income	3,104,844	2,895,162	11,686,394	2,811,977	2,628,459	10,544,759
Interest expense	(1,186,521)	(1,143,917)	(4,639,343)	(1,081,081)	(1,039,747)	(4,211,344)
<b>Net interest income</b>	<b>1,918,323</b>	<b>1,751,245</b>	<b>7,047,051</b>	<b>1,730,896</b>	<b>1,588,712</b>	<b>6,333,415</b>
Fee and commission income	862,975	686,335	3,193,627	682,835	539,618	2,601,828
Fee and commission expense	(171,775)	(105,943)	(564,158)	(123,699)	(75,980)	(411,373)
<b>Net fee and commission income</b>	<b>691,200</b>	<b>580,392</b>	<b>2,629,469</b>	<b>559,136</b>	<b>463,638</b>	<b>2,190,455</b>
Other income	346,887	280,146	1,346,926	251,853	226,510	1,147,801
<b>Operating income</b>	<b>2,956,410</b>	<b>2,611,783</b>	<b>11,023,446</b>	<b>2,541,885</b>	<b>2,278,860</b>	<b>9,671,671</b>
Non-interest expense	(1,335,154)	(1,239,530)	(4,996,431)	(1,134,263)	(1,040,949)	(4,158,744)
<b>Operating profit before impairment</b>	<b>1,621,256</b>	<b>1,372,253</b>	<b>6,027,015</b>	<b>1,407,622</b>	<b>1,237,911</b>	<b>5,512,927</b>
Allowance for credit impairment	(182,613)	(105,938)	(1,081,027)	(155,992)	(99,770)	(1,055,277)
<b>Operating profit</b>	<b>1,438,643</b>	<b>1,266,315</b>	<b>4,945,988</b>	<b>1,251,630</b>	<b>1,138,141</b>	<b>4,457,650</b>
Share of profit of associates	123,583	81,366	257,262	-	-	-
<b>Profit before tax</b>	<b>1,562,226</b>	<b>1,347,681</b>	<b>5,203,250</b>	<b>1,251,630</b>	<b>1,138,141</b>	<b>4,457,650</b>
Income tax expense	(262,564)	(207,320)	(853,582)	(225,293)	(170,721)	(695,502)
<b>Profit for the period</b>	<b>1,299,662</b>	<b>1,140,361</b>	<b>4,349,668</b>	<b>1,026,337</b>	<b>967,420</b>	<b>3,762,148</b>
<b>Profit for the period attributable to :-</b>						
Ordinary equity holders of the parent	1,283,038	1,136,250	4,315,438	1,026,337	967,420	3,762,148
Non-controlling interests	16,624	4,111	34,230	-	-	-
	<b>1,299,662</b>	<b>1,140,361</b>	<b>4,349,668</b>	<b>1,026,337</b>	<b>967,420</b>	<b>3,762,148</b>
<b>Statements of comprehensive income</b>						
<b>Profit for the period</b>	<b>1,299,662</b>	<b>1,140,361</b>	<b>4,349,668</b>	<b>1,026,337</b>	<b>967,420</b>	<b>3,762,148</b>
<b>Other comprehensive income/(expense):</b>						
<b>Items that will not be reclassified to income statement:</b>						
Remeasurement of defined benefit pension plan	-	-	(105,319)	-	-	(105,319)
<b>Items that may be reclassified subsequently to income statement:</b>						
Exchange differences on translating foreign operations	(11,120)	(3,448)	151,229	-	-	-
Reclassification adjustments	(1,384)	-	(3,517)	-	-	(3,206)
Net fair value gain/(loss) on available-for-sale investments	157,468	(94,409)	187,475	72,572	22,796	184,631
Share of other comprehensive income/(expense) of associates	77,150	(29,803)	117,024	-	-	-
	<b>222,114</b>	<b>(127,660)</b>	<b>452,211</b>	<b>72,572</b>	<b>22,796</b>	<b>181,425</b>
<b>Other comprehensive income/(expense) for the period</b>	<b>222,114</b>	<b>(127,660)</b>	<b>346,892</b>	<b>72,572</b>	<b>22,796</b>	<b>76,106</b>
<b>Total comprehensive income for the period</b>	<b>1,521,776</b>	<b>1,012,701</b>	<b>4,696,560</b>	<b>1,098,909</b>	<b>990,216</b>	<b>3,838,254</b>
<b>Total comprehensive income attributable to :-</b>						
Ordinary equity holders of the parent	1,467,044	1,033,808	4,612,016	1,098,909	990,216	3,838,254
Non-controlling interests	54,732	(21,107)	84,544	-	-	-
	<b>1,521,776</b>	<b>1,012,701</b>	<b>4,696,560</b>	<b>1,098,909</b>	<b>990,216</b>	<b>3,838,254</b>
<b>Earnings per share:</b>						
Basic (Rs)	5.40	4.78	18.15			
Diluted (Rs)	5.39	4.78	18.15			
Basic weighted average number of shares (thousands)	237,817	237,646	237,718			
Diluted weighted average number of shares (thousands)	237,918	237,684	237,808			



# THE MAURITIUS COMMERCIAL BANK LIMITED

## Unaudited Interim Financial Statements - 30th September 2013

### Statements of changes in equity

	Attributable to ordinary equity holders of the parent									Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Treasury Shares	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	General Banking Reserve	Total		
GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>At 1st July 2012</b>											
As previously stated	2,503,756	89,639	(364,765)	19,565,121	1,382,904	(253,309)	2,614,782	598,033	26,136,161	1,553,029	27,689,190
Effect of adopting IAS 19 (revised)	-	-	-	(821,260)	-	-	-	-	(821,260)	(309)	(821,569)
As restated	<b>2,503,756</b>	<b>89,639</b>	<b>(364,765)</b>	<b>18,743,861</b>	<b>1,382,904</b>	<b>(253,309)</b>	<b>2,614,782</b>	<b>598,033</b>	<b>25,314,901</b>	<b>1,552,720</b>	<b>26,867,621</b>
Profit for the period	-	-	-	1,136,250	-	-	-	-	1,136,250	4,111	1,140,361
Other comprehensive (expense)/income for the period	-	-	-	-	(102,629)	187	-	-	(102,442)	(25,218)	(127,660)
Total comprehensive income/(expense) for the period	-	-	-	1,136,250	(102,629)	187	-	-	1,033,808	(21,107)	1,012,701
Increase in effective shareholding of associate	-	-	-	1,769	-	-	-	-	1,769	1,302	3,071
Dividends	-	-	-	-	-	-	-	-	-	(10,963)	(10,963)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	4,523	(4,523)	-	-	-	-	-	-
Transfer from general banking reserve	-	-	-	1,088	-	-	-	(1,088)	-	-	-
Employee share options exercised	-	445	95	-	-	-	-	-	540	-	540
<b>At 30th September 2012</b>	<b>2,503,756</b>	<b>90,084</b>	<b>(364,670)</b>	<b>19,887,491</b>	<b>1,275,752</b>	<b>(253,122)</b>	<b>2,614,782</b>	<b>596,945</b>	<b>26,351,018</b>	<b>1,521,952</b>	<b>27,872,970</b>
<b>At 1st July 2012</b>											
As previously stated	2,503,756	89,639	(364,765)	19,565,121	1,382,904	(253,309)	2,614,782	598,033	26,136,161	1,553,029	27,689,190
Effect of adopting IAS 19 (revised)	-	-	-	(821,260)	-	-	-	-	(821,260)	(309)	(821,569)
As restated	<b>2,503,756</b>	<b>89,639</b>	<b>(364,765)</b>	<b>18,743,861</b>	<b>1,382,904</b>	<b>(253,309)</b>	<b>2,614,782</b>	<b>598,033</b>	<b>25,314,901</b>	<b>1,552,720</b>	<b>26,867,621</b>
Profit for the year	-	-	-	4,315,438	-	-	-	-	4,315,438	34,230	4,349,668
Other comprehensive (expense)/income for the year	-	-	-	(105,319)	248,603	153,294	-	-	296,578	50,314	346,892
Total comprehensive income for the year	-	-	-	4,210,119	248,603	153,294	-	-	4,612,016	84,544	4,696,560
Increase in effective shareholding of associate	-	-	-	1,822	-	-	-	-	1,822	1,343	3,165
Dividends	-	-	-	(1,450,208)	-	-	-	-	(1,450,208)	(16,851)	(1,467,059)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	15,585	(15,585)	-	-	-	-	-	-
Transfer to general banking reserve	-	-	-	(6,638)	-	-	-	6,638	-	-	-
Transfer to statutory reserve	-	-	-	(28,895)	-	-	28,895	-	-	-	-
Employee share options exercised	-	22,443	4,708	-	-	-	-	-	27,151	-	27,151
<b>At 30th June 2013</b>	<b>2,503,756</b>	<b>112,082</b>	<b>(360,057)</b>	<b>21,485,646</b>	<b>1,615,922</b>	<b>(100,015)</b>	<b>2,643,677</b>	<b>604,671</b>	<b>28,505,682</b>	<b>1,621,756</b>	<b>30,127,438</b>
Profit for the period	-	-	-	1,283,038	-	-	-	-	1,283,038	16,624	1,299,662
Other comprehensive (expense)/income for the period	-	-	-	(1,165)	193,192	(8,021)	-	-	184,006	38,108	222,114
Total comprehensive income/(expense) for the period	-	-	-	1,281,873	193,192	(8,021)	-	-	1,467,044	54,732	1,521,776
Dividends	-	-	-	-	-	-	-	-	-	(13,160)	(13,160)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	573	(573)	-	-	-	-	-	-
Share of transfer from capital reserve of associate	-	-	-	15,759	(15,759)	-	-	-	-	-	-
Transfer from general banking reserve	-	-	-	140	-	-	-	(140)	-	-	-
Transfer from statutory reserve	-	-	-	53	-	-	(53)	-	-	-	-
Employee share options exercised	-	1,781	339	-	-	-	-	-	2,120	-	2,120
<b>At 30th September 2013</b>	<b>2,503,756</b>	<b>113,863</b>	<b>(359,718)</b>	<b>22,784,044</b>	<b>1,792,782</b>	<b>(108,036)</b>	<b>2,643,624</b>	<b>604,531</b>	<b>29,974,846</b>	<b>1,663,328</b>	<b>31,638,174</b>
<b>BANK</b>											
<b>At 1st July 2012</b>											
As previously stated	2,503,756	89,639	(364,765)	15,221,962	521,246	-	2,593,395	533,580	21,098,813	-	21,098,813
Effect of adopting IAS 19 (revised)	-	-	-	(820,841)	-	-	-	-	(820,841)	-	(820,841)
As restated	<b>2,503,756</b>	<b>89,639</b>	<b>(364,765)</b>	<b>14,401,121</b>	<b>521,246</b>	<b>-</b>	<b>2,593,395</b>	<b>533,580</b>	<b>20,277,972</b>	<b>-</b>	<b>20,277,972</b>
Profit for the period	-	-	-	967,420	-	-	-	-	967,420	-	967,420
Other comprehensive income for the period	-	-	-	-	22,796	-	-	-	22,796	-	22,796
Total comprehensive income for the period	-	-	-	967,420	22,796	-	-	-	990,216	-	990,216
Employee share options exercised	-	445	95	-	-	-	-	-	540	-	540
<b>At 30th September 2012</b>	<b>2,503,756</b>	<b>90,084</b>	<b>(364,670)</b>	<b>15,368,541</b>	<b>544,042</b>	<b>-</b>	<b>2,593,395</b>	<b>533,580</b>	<b>21,268,728</b>	<b>-</b>	<b>21,268,728</b>
<b>At 1st July 2012</b>											
As previously stated	2,503,756	89,639	(364,765)	15,221,962	521,246	-	2,593,395	533,580	21,098,813	-	21,098,813
Effect of adopting IAS 19 (revised)	-	-	-	(820,841)	-	-	-	-	(820,841)	-	(820,841)
As restated	<b>2,503,756</b>	<b>89,639</b>	<b>(364,765)</b>	<b>14,401,121</b>	<b>521,246</b>	<b>-</b>	<b>2,593,395</b>	<b>533,580</b>	<b>20,277,972</b>	<b>-</b>	<b>20,277,972</b>
Profit for the year	-	-	-	3,762,148	-	-	-	-	3,762,148	-	3,762,148
Other comprehensive (expense)/income for the year	-	-	-	(105,319)	181,425	-	-	-	76,106	-	76,106
Total comprehensive income for the year	-	-	-	3,656,829	181,425	-	-	-	3,838,254	-	3,838,254
Dividends	-	-	-	(1,450,208)	-	-	-	-	(1,450,208)	-	(1,450,208)
Transfer to statutory reserve	-	-	-	(22,443)	-	-	22,443	-	-	-	-
Employee share options exercised	-	22,443	4,708	-	-	-	-	-	27,151	-	27,151
<b>At 30th June 2013</b>	<b>2,503,756</b>	<b>112,082</b>	<b>(360,057)</b>	<b>16,585,299</b>	<b>702,671</b>	<b>-</b>	<b>2,615,838</b>	<b>533,580</b>	<b>22,693,169</b>	<b>-</b>	<b>22,693,169</b>
Profit for the period	-	-	-	1,026,337	-	-	-	-	1,026,337	-	1,026,337
Other comprehensive income for the period	-	-	-	-	72,572	-	-	-	72,572	-	72,572
Total comprehensive income for the period	-	-	-	1,026,337	72,572	-	-	-	1,098,909	-	1,098,909
Employee share options exercised	-	1,781	339	-	-	-	-	-	2,120	-	2,120
<b>At 30th September 2013</b>	<b>2,503,756</b>	<b>113,863</b>	<b>(359,718)</b>	<b>17,611,636</b>	<b>775,243</b>	<b>-</b>	<b>2,615,838</b>	<b>533,580</b>	<b>23,794,198</b>	<b>-</b>	<b>23,794,198</b>



# THE MAURITIUS COMMERCIAL BANK LIMITED

Unaudited Interim Financial Statements - 30th September 2013

## Statements of cash flows

	GROUP			BANK		
	3 mths to 30-Sep-13 Rs'000	3 mths to 30-Sep-12 Rs'000	Year to 30-Jun-13 Rs'000	3 mths to 30-Sep-13 Rs'000	3 mths to 30-Sep-12 Rs'000	Year to 30-Jun-13 Rs'000
Net cash flows from trading activities	2,139,023	831,353	5,603,623	1,937,818	1,503,813	5,333,790
Net cash flows from other operating activities	(9,941,533)	5,796,107	(3,070,715)	(9,996,087)	5,449,718	(2,629,665)
Dividends received from associates	19,794	19,794	28,816	-	-	-
Dividends paid	(796,657)	(772,342)	(1,425,893)	(796,657)	(772,342)	(1,425,893)
Dividends paid to non-controlling interests in subsidiaries	(13,160)	(10,963)	(16,851)	-	-	-
Income tax paid	(49,380)	(60,231)	(845,645)	-	-	(670,476)
<b>Net cash flows from operating activities</b>	<b>(8,641,913)</b>	<b>5,803,718</b>	<b>273,335</b>	<b>(8,854,926)</b>	<b>6,181,189</b>	<b>607,756</b>
Investing activities	(93,747)	174,202	(357,958)	(60,918)	214,915	39,204
<b>Net cash flows before financing</b>	<b>(8,735,660)</b>	<b>5,977,920</b>	<b>(84,623)</b>	<b>(8,915,844)</b>	<b>6,396,104</b>	<b>646,960</b>
Employee share options exercised	1,778	498	25,509	1,778	498	25,509
Floating rate subordinated notes issued	4,500,000	-	-	4,500,000	-	-
Net debt securities issued	-	-	354,900	-	-	354,900
Net refund of subordinated loan from associate/subsidiaries	-	784,512	784,512	-	784,512	642,199
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(4,233,882)</b>	<b>6,762,930</b>	<b>1,080,298</b>	<b>(4,414,066)</b>	<b>7,181,114</b>	<b>1,669,568</b>
Net cash and cash equivalents brought forward	8,442,869	7,102,361	7,102,361	7,850,594	6,181,026	6,181,026
Effect of foreign exchange rate changes	(48,345)	5,928	260,210	-	-	-
<b>Net cash and cash equivalents carried forward</b>	<b>4,160,642</b>	<b>13,871,219</b>	<b>8,442,869</b>	<b>3,436,528</b>	<b>13,362,140</b>	<b>7,850,594</b>



## **COMMENTS ON RESULTS TO 30TH SEPTEMBER 2013**

### RESULTS

Group profits for the three months to September 2013 grew by 12.9% to reach Rs 1,283 million, boosted by a strong contribution from subsidiaries and associates. At Bank level, a corresponding increase of 6.1% was recorded in spite of a higher effective tax rate being provided for in the wake of the rise in the special levy on banks.

An expansion in the loan portfolio across main business segments, notably buoyed by international activities, continued to underpin growth in net interest income which increased by 9.5% to Rs 1.9 billion. Net fee and commission income rose by 19.1% to reach Rs 691 million, supported by growth in revenues linked to loan financing, particularly outside Mauritius, regional trade finance and card related activities.

Whilst growth in operating expenses was contained to 7.7% for the quarter, allowance for credit impairment rose by around Rs 77 million to stand at Rs 183 million.

### OUTLOOK

On current trends, and in view of the sustained development of our international business, the Group should achieve a satisfactory growth in its results for the half year to 31st December 2013.

### DIVIDENDS

The Board has declared an interim dividend of Rs 3.00 per share for the financial year 2013/14.

By order of the Board

14th November 2013

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 2013 and comply with IAS 34.

As at 1st July 2013, the Group adopted the revised IAS 19, Employee Benefits and has reflected its retrospective application in the unaudited interim financial statements.

Copies of the unaudited interim financial statements are available to the public, free of charge, upon request to the Company Secretary at the registered office of the Company, 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 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.*