



THE MAURITIUS COMMERCIAL BANK LIMITED

Unaudited Interim Financial Statements - 31st Dec 2012

Statements of financial position

ASSETS

	GROUP			BANK		
	31-Dec-12 Rs'000	31-Dec-11 Rs'000	30-Jun-12 Rs'000	31-Dec-12 Rs'000	31-Dec-11 Rs'000	30-Jun-12 Rs'000
Cash and cash equivalents	13,628,533	12,906,789	11,071,228	12,141,611	11,307,616	9,762,837
Mandatory balances with Central Banks	9,576,293	8,716,373	9,089,260	7,959,280	7,550,928	7,588,498
Derivative financial instruments	462,857	42,867	32,057	462,857	42,867	32,057
Loans and advances to banks	1,733,291	572,481	2,457,646	1,722,916	478,702	2,287,026
Loans and advances to customers	140,666,117	126,223,613	135,183,050	132,559,753	118,638,842	127,396,940
Investment securities	18,051,993	16,310,358	16,873,501	13,334,411	12,196,816	12,385,486
Investments in associates	6,137,720	6,582,906	6,713,495	874,434	850,927	1,644,074
Investments in subsidiaries	-	-	-	3,677,816	3,537,307	3,537,307
Goodwill and other intangible assets	1,012,255	1,037,716	976,858	747,769	882,523	818,676
Property, plant and equipment	6,374,355	6,357,838	6,316,085	5,495,433	5,578,221	5,543,947
Deferred tax assets	15,798	19,940	14,877	-	-	-
Other assets	3,228,246	2,995,045	2,682,362	2,964,593	2,382,147	2,599,599
Total assets	200,887,458	181,765,926	191,410,419	181,940,873	163,446,896	173,596,447

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits from banks	1,743,436	1,145,496	1,319,030	3,307,263	2,581,271	2,776,618
Deposits from customers	158,622,887	144,098,741	149,558,227	146,035,280	133,277,851	138,032,675
Derivative financial instruments	57,512	528,481	274,868	55,101	528,481	274,868
Other borrowed funds	6,460,021	4,696,310	7,434,431	6,168,873	4,268,546	7,008,400
Current tax liabilities	119,282	167,241	240,364	112,414	116,675	202,738
Deferred tax liabilities	106,047	83,650	97,868	69,080	47,049	63,836
Other liabilities	4,439,880	4,633,613	4,796,441	3,740,825	3,620,515	4,138,499
Total liabilities	171,549,065	155,353,532	163,721,229	159,488,836	144,440,388	152,497,634

Shareholders' Equity

Share capital and share premium	2,594,869	2,585,339	2,593,395	2,594,869	2,585,339	2,593,395
Retained earnings	21,151,225	18,295,374	19,565,121	16,494,515	13,253,639	15,221,962
Other components of equity	4,407,435	4,317,209	4,342,410	3,727,093	3,533,997	3,648,221
	28,153,529	25,197,922	26,500,926	22,816,477	19,372,975	21,463,578
Less treasury shares	(364,440)	(366,467)	(364,765)	(364,440)	(366,467)	(364,765)
Equity attributable to the ordinary equity holders of the parent	27,789,089	24,831,455	26,136,161	22,452,037	19,006,508	21,098,813
Non-controlling interests	1,549,304	1,580,939	1,553,029	-	-	-
Total equity	29,338,393	26,412,394	27,689,190	22,452,037	19,006,508	21,098,813
Total equity and liabilities	200,887,458	181,765,926	191,410,419	181,940,873	163,446,896	173,596,447

CONTINGENT LIABILITIES

Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	48,812,433	33,416,187	39,134,200	47,701,176	31,844,988	37,482,964
Commitments	3,891,906	5,416,397	4,741,781	3,578,668	5,306,074	4,519,999
Tax assessments	132,369	376,946	68,042	132,369	376,946	68,042
Other	1,368,571	1,023,690	1,416,011	1,328,066	1,006,137	1,289,436
	54,205,279	40,233,220	45,360,034	52,740,279	38,534,145	43,360,441



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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-12	31-Dec-11	31-Dec-12	31-Dec-11	30-Jun-12	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11	30-Jun-12
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	2,982,264	2,883,765	5,877,426	5,653,733	11,140,000	2,678,207	2,592,067	5,306,666	5,095,444	10,067,396
Interest expense	(1,161,868)	(1,249,423)	(2,305,785)	(2,451,150)	(4,755,245)	(1,048,761)	(1,118,659)	(2,088,508)	(2,202,173)	(4,321,466)
Net interest income	1,820,396	1,634,342	3,571,641	3,202,583	6,384,755	1,629,446	1,473,408	3,218,158	2,893,271	5,745,930
Fee and commission income	791,700	646,724	1,478,035	1,290,372	2,684,133	628,671	515,473	1,168,289	1,042,032	2,204,326
Fee and commission expense	(140,171)	(126,570)	(246,114)	(220,220)	(456,891)	(108,690)	(96,283)	(184,670)	(167,587)	(342,108)
Net fee and commission income	651,529	520,154	1,231,921	1,070,152	2,227,242	519,981	419,190	983,619	874,445	1,862,218
Other income	416,948	350,248	697,094	722,611	1,396,214	298,213	223,836	524,723	461,236	1,906,123
Operating income	2,888,873	2,504,744	5,500,656	4,995,346	10,008,211	2,447,640	2,116,434	4,726,500	4,228,952	9,514,271
Non-interest expense	(1,369,377)	(1,262,431)	(2,608,907)	(2,426,686)	(4,615,501)	(1,093,824)	(1,040,085)	(2,134,773)	(2,010,768)	(3,874,680)
Operating profit before impairment	1,519,496	1,242,313	2,891,749	2,568,660	5,392,710	1,353,816	1,076,349	2,591,727	2,218,184	5,639,591
Allowance for credit impairment	(236,510)	(109,252)	(342,448)	(200,036)	(518,809)	(225,953)	(110,451)	(325,723)	(197,713)	(509,241)
Impairment of intangible assets	-	-	-	-	(1,206)	-	-	-	-	(1,206)
Operating profit	1,282,986	1,133,061	2,549,301	2,368,624	4,872,695	1,127,863	965,898	2,266,004	2,020,471	5,129,144
Share of profit of associates	35,423	20,315	116,789	63,171	162,391	-	-	-	-	-
Profit before tax	1,318,409	1,153,376	2,666,090	2,431,795	5,035,086	1,127,863	965,898	2,266,004	2,020,471	5,129,144
Income tax expense	(213,255)	(201,194)	(420,575)	(404,154)	(888,111)	(169,179)	(149,714)	(339,900)	(313,173)	(669,495)
Profit for the period	1,105,154	952,182	2,245,515	2,027,641	4,146,975	958,684	816,184	1,926,104	1,707,298	4,459,649
Profit for the period attributable to :-										
Ordinary equity holders of the parent	1,096,814	944,650	2,233,064	2,007,825	4,114,563	958,684	816,184	1,926,104	1,707,298	4,459,649
Non-controlling interests	8,340	7,532	12,451	19,816	32,412	-	-	-	-	-
	1,105,154	952,182	2,245,515	2,027,641	4,146,975	958,684	816,184	1,926,104	1,707,298	4,459,649
Statements of comprehensive income										
Profit for the period	1,105,154	952,182	2,245,515	2,027,641	4,146,975	958,684	816,184	1,926,104	1,707,298	4,459,649
Other comprehensive income/(expense):										
Exchange differences on translating foreign operations	42,626	(132,198)	39,178	(291,498)	(154,708)	-	-	-	-	-
Reclassification adjustments	-	(569)	-	(34,449)	(21,491)	-	-	-	-	-
Net fair value gain/(loss) on available-for-sale investments	98,481	111,860	4,072	20,377	(92,198)	56,076	64,611	78,872	86,042	188,580
Share of other comprehensive income/(expense) of associates	51,419	119,796	21,616	11,729	(14,066)	-	-	-	-	-
Other comprehensive income/(expense) for the period	192,526	98,889	64,866	(293,841)	(282,463)	56,076	64,611	78,872	86,042	188,580
Total comprehensive income for the period	1,297,680	1,051,071	2,310,381	1,733,800	3,864,512	1,014,760	880,795	2,004,976	1,793,340	4,648,229
Total comprehensive income attributable to :-										
Ordinary equity holders of the parent	1,269,104	988,148	2,302,912	1,714,021	3,837,338	1,014,760	880,795	2,004,976	1,793,340	4,648,229
Non-controlling interests	28,576	62,923	7,469	19,779	27,174	-	-	-	-	-
	1,297,680	1,051,071	2,310,381	1,733,800	3,864,512	1,014,760	880,795	2,004,976	1,793,340	4,648,229
Earnings per share:										
Basic (Rs)	4.62	3.98	9.40	8.45	17.32					
Diluted (Rs)	4.61	3.98	9.40	8.45	17.31					
Basic weighted average number of shares (thousands)	237,653	237,582	237,650	237,575	237,606					
Diluted weighted average number of shares (thousands)	237,681	237,627	237,678	237,620	237,650					



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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 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 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
At 1st July 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 for the year	-	-	-	4,114,563	(121,980)	(155,245)	-	-	3,837,338	27,174	3,864,512
Transfer on disposal of interest in joint venture	-	-	-	3,029	-	(2,468)	-	-	561	(561)	-
Effect of shares bought back and cancelled by subsidiary	-	-	-	(12,333)	-	-	-	-	(12,333)	(17,833)	(30,166)
Acquisition of non-controlling interest by local subsidiary	-	-	-	(43,694)	-	-	-	-	(43,694)	(8,628)	(52,322)
Increase in effective shareholding of associate	-	-	-	1,273	-	-	-	-	1,273	939	2,212
Dividends	-	-	-	(1,390,061)	-	-	-	-	(1,390,061)	(19,599)	(1,409,660)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	11,571	(11,571)	-	-	-	-	-	-
Transfer to general banking reserve	-	-	-	(760)	-	-	-	760	-	-	-
Transfer to statutory reserve	-	-	-	(17,135)	-	-	17,135	-	-	-	-
Employee share options exercised	-	11,686	2,418	-	-	-	-	-	14,104	-	14,104
At 30th June 2012	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
Total comprehensive income for the period	-	-	-	2,233,064	24,480	45,368	-	-	2,302,912	7,469	2,310,381
Increase in effective shareholding of associate	-	-	-	1,768	-	-	-	-	1,768	1,303	3,071
Dividends	-	-	-	(653,551)	-	-	-	-	(653,551)	(12,497)	(666,048)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	4,400	(4,400)	-	-	-	-	-	-
Transfer from general banking reserve	-	-	-	423	-	-	-	(423)	-	-	-
Employee share options exercised	-	1,474	325	-	-	-	-	-	1,799	-	1,799
At 31st December 2012	2,503,756	91,113	(364,440)	21,151,225	1,402,984	(207,941)	2,614,782	597,610	27,789,089	1,549,304	29,338,393
BANK											
At 1st July 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
At 1st July 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 year	-	-	-	4,459,649	188,580	-	-	-	4,648,229	-	4,648,229
Dividends	-	-	-	(1,390,061)	-	-	-	-	(1,390,061)	-	(1,390,061)
Transfer to statutory reserve	-	-	-	(11,686)	-	-	11,686	-	-	-	-
Employee share options exercised	-	11,686	2,418	-	-	-	-	-	14,104	-	14,104
At 30th June 2012	2,503,756	89,639	(364,765)	15,221,962	521,246	-	2,593,395	533,580	21,098,813	-	21,098,813
Total comprehensive income for the period	-	-	-	1,926,104	78,872	-	-	-	2,004,976	-	2,004,976
Dividends	-	-	-	(653,551)	-	-	-	-	(653,551)	-	(653,551)
Employee share options exercised	-	1,474	325	-	-	-	-	-	1,799	-	1,799
At 31st December 2012	2,503,756	91,113	(364,440)	16,494,515	600,118	-	2,593,395	533,580	22,452,037	-	22,452,037



THE MAURITIUS COMMERCIAL BANK LIMITED

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Statements of cash flows

	GROUP			BANK		
	6 mths to 31-Dec-12 Rs'000	6 mths to 31-Dec-11 Rs'000	Year to 30-Jun-12 Rs'000	6 mths to 31-Dec-12 Rs'000	6 mths to 31-Dec-11 Rs'000	Year to 30-Jun-12 Rs'000
Net cash flows from trading activities	2,061,487	1,795,465	4,637,125	1,907,013	1,630,394	5,105,161
Net cash flows from other operating activities	2,758,860	5,969,377	183,535	2,379,618	5,011,202	(775,002)
Dividends received from associates	19,794	10,772	775,394	-	-	-
Dividends paid	(1,425,893)	(772,068)	(1,389,787)	(1,425,893)	(772,068)	(1,389,787)
Dividends paid to non-controlling interests in subsidiaries	(12,497)	(10,755)	(19,599)	-	-	-
Income tax paid	(532,562)	(521,199)	(876,410)	(424,980)	(460,353)	(713,825)
Net cash flows from operating activities	2,869,189	6,471,592	3,310,258	2,435,758	5,409,175	2,226,547
Investing activities	(272,428)	(1,011,590)	(1,511,991)	59,593	(782,578)	(1,005,077)
Net cash flows before financing	2,596,761	5,460,002	1,798,267	2,495,351	4,626,597	1,221,470
Employee share options exercised	1,757	3,250	12,183	1,757	3,250	12,183
Refund of subordinated liabilities	-	(1,298,672)	(1,298,672)	-	(1,298,672)	(1,298,672)
Share buy back by subsidiary	-	-	(30,166)	-	-	-
Net debt securities issued	354,900	-	1,783,500	354,900	-	1,783,500
Refund/(Grant) of subordinated loan from/to associate/subsidiaries	784,512	-	(782,439)	642,193	(50,000)	(832,439)
Increase in cash and cash equivalents	3,737,930	4,164,580	1,482,673	3,494,201	3,281,175	886,042
Net cash and cash equivalents brought forward	5,526,297	4,057,836	4,057,836	4,643,937	3,757,895	3,757,895
Effect of foreign exchange rate changes	69,685	(11,937)	(14,212)	-	-	-
Net cash and cash equivalents carried forward	9,333,912	8,210,479	5,526,297	8,138,138	7,039,070	4,643,937



COMMENTS ON HALF YEAR RESULTS TO 31ST DECEMBER 2012

RESULTS

Group profits for the six months period to 31st December 2012 rose by 11.2% to reach Rs 2,233 million, with profits of the Bank rising by 12.8% to reach Rs 1,926 million, underpinned by a notable growth in foreign-sourced earnings.

An increase of 11.5% was registered in net interest income which reached Rs 3,571 million for the first semester of FY 2012/13, on the back of continued growth in the loan portfolio, more particularly with respect to our international operations.

Net Fee and commission income increased by an appreciable 15.1% for the period, boosted by strong performances in relation to regional trade financing and payment services.

Bearing in mind significant capacity-building outlays incurred in prior years and reflecting ongoing cost management initiatives, the growth of operating expenses has been contained to 7.5%.

In view of the difficult economic context, allowance for credit impairment increased by Rs 142 million to Rs 342 million over the period under review, representing less than 0.4% of gross loans and advances on an annualised basis.

PROSPECTS

Looking ahead, the operating environment is expected to remain quite challenging and economic growth in Mauritius is forecast to remain below-potential in the near term at least. Nevertheless, while being attentive to changes in its operational set-up, the Group remains intent on pursuing its broad-based strategic ambitions with particular focus on its regional involvement in view of the interesting economic prospects of sub-Saharan Africa. On current trends, the net profit of the MCB Group for FY 2012/13 is likely to improve from that of the previous year.



THE MAURITIUS COMMERCIAL BANK LIMITED

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By order of the Board

14th February 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 2012 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.