



THE MAURITIUS COMMERCIAL BANK LIMITED
Abridged Unaudited Interim Financial Statements - 31st December 2015

Statement of financial position

| | 31-Dec-15 Rs'000 | 31-Dec-14 Rs'000 | 30-Jun-15 Rs'000 |
|---|---------------------|---------------------|---------------------|
| ASSETS | | | |
| Cash and cash equivalents | 37,679,158 | 29,313,977 | 22,999,839 |
| Mandatory balances with Central Bank | 12,786,709 | 11,161,446 | 12,252,565 |
| Derivative financial instruments | 133,900 | 76,613 | 264,725 |
| Loans to and placements with banks | 11,133,263 | 5,180,637 | 9,446,866 |
| Loans and advances to customers | 152,764,520 | 145,129,937 | 152,098,856 |
| Investment securities | 45,346,118 | 37,993,845 | 44,675,336 |
| Investment in associates | 1,336,824 | - | - |
| Intangible assets | 410,047 | 449,478 | 385,453 |
| Property, plant and equipment | 4,950,195 | 5,088,645 | 5,030,443 |
| Deferred tax assets | 231,594 | 197,313 | 222,519 |
| Other assets | 3,875,428 | 2,910,229 | 3,230,068 |
| | 270,647,756 | 237,502,120 | 250,606,670 |
| Non-current assets held for distribution | - | 1,331,216 | 1,331,216 |
| Total assets | 270,647,756 | 238,833,336 | 251,937,886 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Deposits from banks | 4,482,740 | 7,009,889 | 4,504,425 |
| Deposits from customers | 223,091,726 | 189,897,500 | 202,713,585 |
| Derivative financial instruments | 294,444 | 443,623 | 108,997 |
| Other borrowed funds | 5,455,673 | 6,726,159 | 6,915,825 |
| Subordinated liabilities | 1,076,718 | 5,452,053 | 1,055,697 |
| Current tax liabilities | 304,979 | 289,497 | 448,835 |
| Other liabilities | 4,253,020 | 5,116,123 | 5,901,642 |
| Total liabilities | 238,959,300 | 214,934,844 | 221,649,006 |
| Shareholders' Equity | | | |
| Stated capital | 6,879,602 | 2,379,602 | 6,879,602 |
| Retained earnings | 19,967,914 | 17,772,642 | 18,705,062 |
| Other components of equity | 4,840,940 | 3,746,248 | 4,704,216 |
| Equity attributable to the ordinary equity holders of the bank | 31,688,456 | 23,898,492 | 30,288,880 |
| Total equity and liabilities | 270,647,756 | 238,833,336 | 251,937,886 |
| CONTINGENT LIABILITIES | | | |
| Guarantees, letters of credit, endorsements and other obligations on account of customers | 42,778,032 | 60,941,791 | 43,322,427 |
| Commitments | 2,965,880 | 3,889,682 | 4,380,241 |
| Tax assessments | 808,143 | 403,068 | 797,225 |
| Other | 1,236,056 | 1,370,811 | 1,184,265 |
| | 47,788,111 | 66,605,352 | 49,684,158 |



THE MAURITIUS COMMERCIAL BANK LIMITED
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Statement of profit or loss

| | Quarter to 31-Dec-15 Rs'000 | Quarter to 31-Dec-14 Rs'000 | 6 mths to 31-Dec-15 Rs'000 | 6 mths to 31-Dec-14 Rs'000 | Year to 30-Jun-15 Rs'000 |
|---|-----------------------------------|-----------------------------------|----------------------------------|----------------------------------|--------------------------------|
| Continuing operations | | | | | |
| Interest income | 3,022,596 | 2,899,079 | 6,116,818 | 5,751,290 | 11,632,970 |
| Interest expense | (1,011,838) | (1,064,348) | (2,056,638) | (2,130,648) | (4,284,673) |
| Net interest income | 2,010,758 | 1,834,731 | 4,060,180 | 3,620,642 | 7,348,297 |
| Fee and commission income | 891,228 | 817,668 | 1,705,280 | 1,626,825 | 3,403,343 |
| Fee and commission expense | (161,934) | (156,448) | (310,077) | (291,863) | (586,930) |
| Net fee and commission income | 729,294 | 661,220 | 1,395,203 | 1,334,962 | 2,816,413 |
| Other income | 359,470 | 304,558 | 651,266 | 562,220 | 996,390 |
| Operating income | 3,099,522 | 2,800,509 | 6,106,649 | 5,517,824 | 11,161,100 |
| Non-interest expense | (1,201,244) | (1,142,090) | (2,428,496) | (2,269,364) | (4,461,083) |
| Operating profit before impairment | 1,898,278 | 1,658,419 | 3,678,153 | 3,248,460 | 6,700,017 |
| Net impairment of financial assets | (290,350) | (189,700) | (460,424) | (318,612) | (897,173) |
| Profit before tax | 1,607,928 | 1,468,719 | 3,217,729 | 2,929,848 | 5,802,844 |
| Income tax expense | (349,979) | (277,423) | (625,543) | (547,698) | (960,290) |
| Profit for the period from continuing operations | 1,257,949 | 1,191,296 | 2,592,186 | 2,382,150 | 4,842,554 |
| Discontinuing operations | | | | | |
| Profit for the period from discontinuing operations | - | - | - | - | 161,746 |
| Profit for the period attributable to the owners of the bank | 1,257,949 | 1,191,296 | 2,592,186 | 2,382,150 | 5,004,300 |

Statement of profit or loss and other comprehensive income

| | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| Profit for the period | 1,257,949 | 1,191,296 | 2,592,186 | 2,382,150 | 5,004,300 |
| Other comprehensive (expense)/income: | | | | | |
| Items that will not be reclassified to profit or loss: | | | | | |
| Remeasurement of defined benefit pension plan net of deferred tax | - | - | - | - | 95,215 |
| Items that are or may be reclassified subsequently to profit or loss: | | | | | |
| Reclassification adjustment | (54,627) | - | (54,627) | - | - |
| Net fair value gain/(loss) on available-for-sale investments | 24,883 | 51,771 | (37,247) | 202,545 | 398,796 |
| Other comprehensive (expense)/income for the period | (29,744) | 51,771 | (91,874) | 202,545 | 494,011 |
| Total comprehensive income for the period | 1,228,205 | 1,243,067 | 2,500,312 | 2,584,695 | 5,498,311 |
| Total comprehensive income attributable to the owners of the bank: | | | | | |
| Continuing operations | 1,228,205 | 1,243,067 | 2,500,312 | 2,584,695 | 5,336,565 |
| Discontinuing operations | - | - | - | - | 161,746 |
| | 1,228,205 | 1,243,067 | 2,500,312 | 2,584,695 | 5,498,311 |
| Earnings per share (Rs): | | | | | |
| Continuing operations | 1.83 | 1.73 | 3.77 | 3.46 | 19.84 |
| Discontinuing operations | - | - | - | - | 0.66 |
| Weighted average number of shares (thousands) | 687,960 | 687,960 | 687,960 | 687,960 | 244,124 |



THE MAURITIUS COMMERCIAL BANK LIMITED
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Statement of changes in equity

| | Stated Capital | Retained Earnings | Capital Reserve | Statutory Reserve | General Banking Reserve | Total Equity |
|---|-------------------|----------------------|--------------------|----------------------|-------------------------------|-------------------|
| | Rs '000 | Rs '000 | Rs '000 | Rs '000 | Rs '000 | Rs '000 |
| At 1st July 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 | - | (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 |
| At 1st July 2014 | 2,379,602 | 16,322,961 | 483,321 | 2,379,602 | 533,580 | 22,099,066 |
| Profit for the year | - | 5,004,300 | - | - | - | 5,004,300 |
| Other comprehensive income for the year | - | 95,215 | 398,796 | - | - | 494,011 |
| Total comprehensive income for the year | - | 5,099,515 | 398,796 | - | - | 5,498,311 |
| Rights issue | 4,500,000 | - | - | - | - | 4,500,000 |
| Dividends | - | (1,808,497) | - | - | - | (1,808,497) |
| Transfer to statutory reserve | - | (751,000) | - | 751,000 | - | - |
| Transfer to general banking reserve | - | (157,917) | - | - | 157,917 | - |
| At 30th June 2015 | 6,879,602 | 18,705,062 | 882,117 | 3,130,602 | 691,497 | 30,288,880 |
| Profit for the period | - | 2,592,186 | - | - | - | 2,592,186 |
| Other comprehensive expense for the period | - | - | (91,874) | - | - | (91,874) |
| Total comprehensive income/(expense) for the period | - | 2,592,186 | (91,874) | - | - | 2,500,312 |
| Dividends | - | (1,100,736) | - | - | - | (1,100,736) |
| Transfer to general banking reserve | - | (228,598) | - | - | 228,598 | - |
| At 31st December 2015 | 6,879,602 | 19,967,914 | 790,243 | 3,130,602 | 920,095 | 31,688,456 |



THE MAURITIUS COMMERCIAL BANK LIMITED
Abridged Unaudited Interim Financial Statements - 31st December 2015

Statement of cash flows

| | 6 mths to 31-Dec-15 Rs'000 | 6 mths to 31-Dec-14 Rs'000 | Year to 30-Jun-15 Rs'000 |
|---|---|---|---|
| Net cash flows from trading activities | 2,160,710 | 2,906,741 | 5,294,795 |
| Net cash flows from other operating activities | 16,692,823 | 13,421,537 | 4,998,373 |
| Dividends paid | (2,123,964) | (1,594,333) | (1,594,333) |
| Income tax paid | (778,474) | (598,162) | (921,438) |
| Net cash flows from operating activities | 15,951,095 | 14,135,783 | 7,777,397 |
| Investing activities | (32,595) | (1,285,820) | (1,922,029) |
| Net cash flows before financing activities | 15,918,500 | 12,849,963 | 5,855,368 |
| Financing activities | | | |
| Rights issue | - | - | 4,500,000 |
| Subordinated liabilities transferred | - | - | (4,500,000) |
| Net debt securities matured | - | (1,234,050) | (1,793,050) |
| Net cash flows from financing activities | - | (1,234,050) | (1,793,050) |
| Increase in cash and cash equivalents | 15,918,500 | 11,615,913 | 4,062,318 |
| Net cash and cash equivalents brought forward | 21,760,382 | 17,698,064 | 17,698,064 |
| Net cash and cash equivalents carried forward | 37,678,882 | 29,313,977 | 21,760,382 |

COMMENTS ON RESULTS TO 31ST DECEMBER 2015

For the half year ended 31st December 2015, Operating Income rose by nearly 11% to reach Rs 6,107 million, similar to the growth rate seen in the previous quarter and Profits after Tax increased by 8.8% to reach Rs 2,592 million.

This performance was mainly driven by a rise of 12% in the bank's Net Interest Income which reached Rs 4,060 million reflecting a small rise in average customer balances, the impact of the transfer of the bank's Subordinated Notes to its ultimate holding company, MCB Group Ltd, and the continued improvement in the bank's MUR excess liquidity situation. Net fee and commission income rose by 4.5% notwithstanding the fall in oil prices adversely impacting trade finance activities.

The bank continues to monitor closely its Non MUR excess liquidity situation in light of falling European interest rates as well as the longer term impact of projected low oil prices.

Operating expenses growth for the period was contained to 7%, resulting in a fall in the bank's cost to income ratio to 39.8%.

The allowance for credit impairment was Rs 460 million, an increase over the corresponding period last year.

Looking forward it is to be noted that, although both the domestic and international economic and business context that the bank operates in continues to be quite challenging, on current trends the bank's results for the full year are expected to maintain a reasonable growth.

By order of the Board

11th February 2016

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 2015 and comply with IAS 34.

Copies of the abridged unaudited interim financial statements can be obtained, 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 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.