



THE MAURITIUS COMMERCIAL BANK LIMITED
Abridged Unaudited Interim Financial Statements - 30th September 2016

Statement of financial position as at 30th September 2016

	<u>30-Sep-16</u> Rs'000	30-Sep-15 Rs'000	30-Jun-16 Rs'000
ASSETS			
Cash and cash equivalents	31,776,227	27,153,203	31,975,711
Mandatory balances with Central Bank	14,386,632	12,348,648	13,688,608
Derivative financial instruments	240,556	105,872	175,771
Loans to and placements with banks	28,220,920	10,407,732	22,485,623
Loans and advances to customers	153,523,664	150,202,337	153,002,181
Investment securities	57,633,999	46,854,286	56,241,340
Investments in associates	1,161,559	-	1,161,063
Intangible assets	484,188	365,907	473,162
Property, plant and equipment	4,960,790	4,980,106	4,952,603
Deferred tax assets	198,988	232,897	193,960
Other assets	2,511,715	2,197,963	2,581,496
	<u>295,099,238</u>	254,848,951	286,931,518
Non-current assets held for distribution	-	1,331,216	-
Total assets	<u>295,099,238</u>	<u>256,180,167</u>	<u>286,931,518</u>
LIABILITIES AND SHAREHOLDER'S EQUITY			
Deposits from banks	5,523,728	4,974,530	4,712,603
Deposits from customers	244,876,048	208,010,724	238,311,493
Derivative financial instruments	122,843	114,187	122,353
Other borrowed funds	4,691,072	5,929,835	4,865,908
Subordinated liabilities	1,062,690	1,065,459	1,082,289
Current tax liabilities	933,558	678,115	578,996
Other liabilities	4,612,217	4,947,066	4,302,453
Total liabilities	<u>261,822,156</u>	<u>225,719,916</u>	<u>253,976,095</u>
Shareholder's Equity			
Stated capital	6,879,602	6,879,602	6,879,602
Retained earnings	20,608,384	18,700,563	20,435,491
Other components of equity	5,789,096	4,880,086	5,640,330
Equity attributable to the ordinary equity holder of the bank	<u>33,277,082</u>	<u>30,460,251</u>	<u>32,955,423</u>
Total equity and liabilities	<u>295,099,238</u>	<u>256,180,167</u>	<u>286,931,518</u>
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers	30,754,680	51,521,504	30,129,810
Commitments	2,227,531	3,350,828	2,600,154
Tax assessments	842,851	802,783	836,868
Other	1,313,789	1,170,947	1,427,519
	<u>35,138,851</u>	<u>56,846,062</u>	<u>34,994,351</u>



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Statement of profit or loss for the period ended 30th September 2016

	3 mths to 30-Sep-16 Rs'000	3 mths to 30-Sep-15 Rs'000	Year to 30-Jun-16 Rs'000
Interest income	3,131,469	3,094,222	12,299,102
Interest expense	(979,877)	(1,044,800)	(4,101,325)
Net interest income	2,151,592	2,049,422	8,197,777
Fee and commission income	821,928	814,052	3,280,209
Fee and commission expense	(154,549)	(148,143)	(628,354)
Net fee and commission income	667,379	665,909	2,651,855
Other income	431,111	291,796	1,613,466
Operating income	3,250,082	3,007,127	12,463,098
Non-interest expense	(1,249,839)	(1,227,252)	(4,639,820)
Operating profit before impairment	2,000,243	1,779,875	7,823,278
Net impairment of financial assets	(202,566)	(170,074)	(907,021)
Profit before tax	1,797,677	1,609,801	6,916,257
Income tax expense	(354,597)	(275,564)	(1,296,094)
Profit for the period attributable to the owner of the bank	1,443,080	1,334,237	5,620,163

Statement of comprehensive income for the period ended 30th September 2016

Profit for the period	1,443,080	1,334,237	5,620,163
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit pension plan, net of deferred tax	-	-	(173,765)
Items that may be reclassified subsequently to profit or loss:			
Reclassification adjustments on disposal of available-for-sale investments	(5,113)	-	(60,243)
Net fair value gain/(loss) on available-for-sale investments	156,418	(62,130)	(46,491)
Other comprehensive income/(expense) for the period	151,305	(62,130)	(280,499)
Total comprehensive income for the period	1,594,385	1,272,107	5,339,664
Total comprehensive income attributable to the owner of the bank	1,594,385	1,272,107	5,339,664
Earnings per share (Rs)	2.10	1.94	8.17
Weighted average number of shares (thousands)	687,960	687,960	687,960



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Statement of changes in equity for the period ended 30th September 2016

	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 2015	6,879,602	18,705,062	882,117	3,130,602	691,497	30,288,880
Profit for the period	-	1,334,237	-	-	-	1,334,237
Other comprehensive expense for the period	-	-	(62,130)	-	-	(62,130)
Total comprehensive income/(expense) for the period	-	1,334,237	(62,130)	-	-	1,272,107
Dividends in cash	-	(1,100,736)	-	-	-	(1,100,736)
Transactions with owner in his capacity as owner	-	(1,100,736)	-	-	-	(1,100,736)
Transfer to general banking reserve	-	(238,000)	-	-	238,000	-
At 30th September 2015	6,879,602	18,700,563	819,987	3,130,602	929,497	30,460,251
At 1st July 2015	6,879,602	18,705,062	882,117	3,130,602	691,497	30,288,880
Profit for the year	-	5,620,163	-	-	-	5,620,163
Other comprehensive expense for the year	-	(173,765)	(106,734)	-	-	(280,499)
Total comprehensive income/(expense) for the year	-	5,446,398	(106,734)	-	-	5,339,664
Dividends in cash	-	(2,132,676)	-	-	-	(2,132,676)
Dividends in specie	-	(540,445)	-	-	-	(540,445)
Transactions with owner in his capacity as owner	-	2,773,277	(106,734)	-	-	2,666,543
Transfer to statutory reserve	-	(844,000)	-	844,000	-	-
Transfer to general banking reserve	-	(198,848)	-	-	198,848	-
At 30th June 2016	6,879,602	20,435,491	775,383	3,974,602	890,345	32,955,423
Profit for the period	-	1,443,080	-	-	-	1,443,080
Other comprehensive income for the period	-	-	151,305	-	-	151,305
Total comprehensive income for the period	-	1,443,080	151,305	-	-	1,594,385
Dividends in cash	-	(1,272,726)	-	-	-	(1,272,726)
Transactions with owner in his capacity as owner	-	(1,272,726)	-	-	-	(1,272,726)
Transfer from general banking reserve	-	2,539	-	-	(2,539)	-
At 30th September 2016	6,879,602	20,608,384	926,688	3,974,602	887,806	33,277,082



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Statement of cash flows for the period ended 30th September 2016

	3 mths to 30-Sep-16 Rs'000	3 mths to 30-Sep-15 Rs'000	Year to 30-Jun-16 Rs'000
Operating activities			
Net cash flows from trading activities	2,037,763	1,711,035	5,094,910
Net cash flows from other operating activities	(1,066,970)	4,996,761	8,732,789
Dividends paid	(1,031,940)	(1,023,229)	(2,123,965)
Income tax paid	(5,063)	(56,662)	(1,107,371)
Net cash flows from operating activities	(66,210)	5,627,905	10,596,363
Investing activities	(126,887)	(254,195)	(586,838)
Net cash flows before financing activities	(193,097)	5,373,710	10,009,525
Financing activities			
Net refund of subordinated loan	-	-	199,354
Net cash flows from financing activities	-	-	199,354
(Decrease)/increase in cash and cash equivalents	(193,097)	5,373,710	10,208,879
Net cash and cash equivalents brought forward	31,969,261	21,760,382	21,760,382
Net cash and cash equivalents carried forward	31,776,164	27,134,092	31,969,261



RESULTS

For the quarter ended 30th September 2016, Operating Income rose by 8.1% to reach Rs 3,250 million, contributing to a growth of 11.7% in Profit before Tax to Rs 1,798 million.

Net Interest Income rose by 5.0% to reach Rs 2,152 million with the additional contribution being generated mainly from the deployment of our Rupee and Foreign currency excess liquidity albeit at low yields.

Solid growth of 35.6% in Profit arising from dealing in foreign currencies to Rs 382 million continued to support the Bank's performance.

Net fee and commission income was relatively flat at Rs 667 million as the continued growth in our wealth management and global business activities offset subdued trade financing activities with oil prices remaining low.

Operating Expenses growth was contained at 1.8% to reach Rs 1,250 million, leading to a cost to income ratio of 38.4%, lower than the first quarter of last year.

Allowance for impairment charges, although higher than the same quarter of last year at Rs 203 million, remained at manageable levels with a Non-Performing Loans to Gross Loans ratio below the 6% level.

Profit for the year to date increased by 8.2% to reach Rs 1,443 million as our tax expense increased by 28.7% to Rs 355 million, largely impacted by a lower mix of Segment B (foreign-sourced) contribution.

As we gradually begin to see some pick up in our pipeline of projects, the timing and extent of which will be dependent on our customer appetite and the implications of global economic developments, the Bank's results for the next period are expected to show respectable growth.

By order of the Board

14th November 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 2016 and comply with IAS 34.

Where necessary, comparative figures have been amended to conform with changes in presentation or in accounting policies.

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.