



**THE MAURITIUS COMMERCIAL BANK LIMITED**  
Unaudited Interim Summary Financial Statements - 30 September 2019

**Summary statement of financial position as at 30 September 2019**

	30-Sep-19 Rs'000	30-Sep-18 Rs'000	30-Jun-19 Rs'000
<b>ASSETS</b>			
Cash and cash equivalents	47,940,880	34,364,552	45,398,059
Mandatory balances with Central Bank	18,895,932	17,416,359	18,608,534
Derivative financial instruments	194,150	126,141	269,295
Loans to and placements with banks	16,077,564	18,718,476	20,754,084
Loans and advances to customers	216,509,028	202,305,195	213,398,224
Investment securities	120,138,928	89,009,172	116,397,500
Investment in subsidiary	117,570	117,570	117,570
Investments in associates	4,147,324	3,931,003	4,078,542
Intangible assets	808,718	541,017	805,494
Property, plant and equipment	4,918,099	4,791,075	4,964,461
Deferred tax assets	179,174	129,369	110,064
Other assets	2,959,629	1,758,248	3,368,885
<b>Total assets</b>	<b>432,886,996</b>	<b>373,208,177</b>	<b>428,270,712</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
Deposits from banks	6,143,885	6,615,547	7,375,969
Deposits from customers	320,570,543	283,468,601	307,000,545
Derivative financial instruments	232,702	99,184	508,808
Other borrowed funds	45,940,312	31,339,285	55,405,740
Subordinated liability	994,386	1,039,012	1,040,100
Current tax liabilities	1,418,726	1,197,762	898,811
Other liabilities	9,305,822	6,466,136	8,121,146
<b>Total liabilities</b>	<b>384,606,376</b>	<b>330,225,527</b>	<b>380,351,119</b>
<b>Shareholder's equity</b>			
Stated capital	6,879,602	6,879,602	6,879,602
Retained earnings	34,064,839	29,952,980	33,588,912
Other components of equity	7,336,179	6,150,068	7,451,079
<b>Total equity</b>	<b>48,280,620</b>	<b>42,982,650</b>	<b>47,919,593</b>
<b>Total equity and liabilities</b>	<b>432,886,996</b>	<b>373,208,177</b>	<b>428,270,712</b>
<b>CONTINGENT LIABILITIES</b>			
Guarantees, letters of credit and other obligations on account of customers	56,878,635	54,048,733	66,527,909
Commitments	5,235,123	5,936,785	5,140,426
Tax assessments	75,676	539,790	89,715
Other	1,700,435	1,430,059	1,659,453
	<b>63,889,869</b>	<b>61,955,367</b>	<b>73,417,503</b>



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**Summary statement of profit or loss for the period ended 30 September 2019**

	<b>3 mths to 30-Sep-19 Rs'000</b>	3 mths to 30-Sep-18 Rs'000	Year to 30-Jun-19 Rs'000
Interest income	4,773,213	4,049,291	17,449,219
Interest expense	<b>(1,481,944)</b>	(1,081,231)	(5,196,422)
<b>Net interest income</b>	<b>3,291,269</b>	2,968,060	12,252,797
Fee and commission income	1,005,007	884,265	4,087,395
Fee and commission expense	<b>(281,229)</b>	(224,953)	(1,069,983)
<b>Net fee and commission income</b>	<b>723,778</b>	659,312	3,017,412
Other income	526,701	507,591	2,312,667
<b>Operating income</b>	<b>4,541,748</b>	4,134,963	17,582,876
Non-interest expense	<b>(1,582,595)</b>	(1,505,034)	(5,925,617)
<b>Operating profit before impairment</b>	<b>2,959,153</b>	2,629,929	11,657,259
Net impairment of financial assets	<b>(379,899)</b>	(342,498)	(1,455,649)
<b>Operating profit</b>	<b>2,579,254</b>	2,287,431	10,201,610
Share of profit of associates	149,444	104,836	241,860
<b>Profit before tax</b>	<b>2,728,698</b>	2,392,267	10,443,470
Income tax expense	<b>(451,387)</b>	(370,176)	(1,629,862)
<b>Profit for the period</b>	<b>2,277,311</b>	2,022,091	8,813,608

**Summary statement of comprehensive income for the period ended 30 September 2019**

<b>Profit for the period</b>	<b>2,277,311</b>	2,022,091	8,813,608
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Net fair value (loss)/gain on equity investments	(18,334)	2,720	(68,733)
Remeasurement of defined benefit pension plan, net of deferred tax	-	-	(404,477)
	<b>(18,334)</b>	2,720	(473,210)
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations	(71,161)	(62,512)	22,839
Reclassification adjustments on disposal of investments at fair value through other comprehensive income	-	(5,195)	(25,320)
Net fair value gain on debt instruments	30,704	(22,310)	81,731
	<b>(40,457)</b>	(90,017)	79,250
<b>Other comprehensive expense for the period</b>	<b>(58,791)</b>	(87,297)	(393,960)
<b>Total comprehensive income for the period</b>	<b>2,218,520</b>	1,934,794	8,419,648
<b>Earnings per share (Rs)</b>	<b>3.31</b>	2.94	12.81
<b>Weighted average number of shares (thousands)</b>	<b>687,960</b>	687,960	687,960



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Unaudited Interim Summary Financial Statements - 30 September 2019

**Summary statement of changes in equity for the period ended 30 September 2019**

	Stated Capital	Retained Earnings	Capital Reserve	Translation 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 July 2018</b>	6,879,602	29,341,208	245,870	65,893	5,925,602	-	42,458,175
Profit for the period	-	2,022,091	-	-	-	-	2,022,091
Other comprehensive expense for the period	-	-	(24,785)	(62,512)	-	-	(87,297)
Total comprehensive income/(expense) for the period	-	2,022,091	(24,785)	(62,512)	-	-	1,934,794
Dividends	-	(1,410,319)	-	-	-	-	(1,410,319)
Transactions with owner in his capacity as owner	-	(1,410,319)	-	-	-	-	(1,410,319)
<b>At 30 September 2018</b>	<b>6,879,602</b>	<b>29,952,980</b>	<b>221,085</b>	<b>3,381</b>	<b>5,925,602</b>	<b>-</b>	<b>42,982,650</b>
<b>At 1 July 2018</b>	6,879,602	29,341,208	245,870	65,893	5,925,602	-	42,458,175
Profit for the year	-	8,813,608	-	-	-	-	8,813,608
Other comprehensive (expense)/income for the year	-	(404,477)	(12,322)	22,839	-	-	(393,960)
Total comprehensive income/(expense) for the year	-	8,409,131	(12,322)	22,839	-	-	8,419,648
Dividends	-	(2,958,230)	-	-	-	-	(2,958,230)
Transactions with owner in his capacity as owner	-	(2,958,230)	-	-	-	-	(2,958,230)
Transfer to statutory reserve	-	(954,000)	-	-	954,000	-	-
Transfer to general banking reserve	-	(249,197)	-	-	-	249,197	-
<b>At 30 June 2019</b>	<b>6,879,602</b>	<b>33,588,912</b>	<b>233,548</b>	<b>88,732</b>	<b>6,879,602</b>	<b>249,197</b>	<b>47,919,593</b>
Profit for the period	-	2,277,311	-	-	-	-	2,277,311
Other comprehensive income/(expense) for the period	-	-	12,370	(71,161)	-	-	(58,791)
Total comprehensive income/(expense) for the period	-	2,277,311	12,370	(71,161)	-	-	2,218,520
Dividends	-	(1,857,493)	-	-	-	-	(1,857,493)
Transactions with owner in his capacity as owner	-	(1,857,493)	-	-	-	-	(1,857,493)
Transfer from general banking reserve	-	56,109	-	-	-	(56,109)	-
<b>At 30 September 2019</b>	<b>6,879,602</b>	<b>34,064,839</b>	<b>245,918</b>	<b>17,571</b>	<b>6,879,602</b>	<b>193,088</b>	<b>48,280,620</b>



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Unaudited Interim Summary Financial Statements - 30 September 2019

Summary statement of cash flows for the period ended 30 September 2019

	<b>3 mths to 30-Sep-19 Rs'000</b>	3 mths to 30-Sep-18 Rs'000	Year to 30-Jun-19 Rs'000
<b>Operating activities</b>			
<b>Net cash flows from trading activities</b>	<b>10,537,340</b>	1,708,844	16,380,613
<b>Net cash flows from other operating activities</b>	<b>6,227,385</b>	(5,384,619)	(11,724,945)
Dividends received from associates	-	-	173,499
Dividends paid	(1,547,911)	(1,341,522)	(2,751,841)
Income tax paid	(582)	(70,382)	(1,517,304)
<b>Net cash flows from operating activities</b>	<b>15,216,232</b>	(5,087,679)	560,022
<b>Net cash flows from investing activities</b>	<b>(202,117)</b>	(125,921)	(869,354)
<b>Net cash flows from financing activities</b>	<b>(54,475)</b>	-	(51,384)
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>14,959,640</b>	(5,213,600)	(360,716)
Net cash and cash equivalents brought forward	<b>31,894,234</b>	32,254,950	32,254,950
<b>Net cash and cash equivalents carried forward</b>	<b>46,853,874</b>	27,041,350	31,894,234



**COMMENTS ON RESULTS**

The Bank achieved a good performance for the first quarter driven by a positive performance noted across all our business activities. Operating income increased by 9.8% to reach Rs 4,542 million and contributed to a rise of 12.6% in profit after tax for the period, which stood at Rs 2,277 million.

Net interest income grew by 10.9% and reached Rs 3,291 million resulting from appreciable growth in the foreign currency and rupee loan books (including corporate notes) and higher yields in longer tenors of rupee investment securities.

Non-interest income rose by 7.2% to Rs 1,251 million. Net fee and commission income increased by 9.8% to reach Rs 724 million over the quarter. 'Other income' grew by 3.8% to reach Rs 527 million with a lower fair value gain on equity instruments compared to the same period last year.

Operating expenses increased by 5.2% to Rs 1,583 million leading to the Cost to Income ratio of the Bank reaching 34.8% and remaining within an acceptable level.

Net impairment of financial assets of Rs 380 million remained in line with our increasing credit portfolio. The Impairment charges to Total loans and the Non performing loans to Total loans ratios remained stable at 0.6% and 3.8% respectively.

Profit before tax on a comparable basis improved by 14.1% to reach Rs 2,729 million. The share of foreign-sourced contribution for the Bank (after tax), on a consolidated basis, was at 58% compared to 60% for the same quarter last year.

The BIS and Tier 1 capital adequacy ratios as at 30 September 2019 improved to 16.8% and 16.0% respectively.

Going forward, with challenging times ahead, the Bank remains confident that it will sustain a positive performance as it pursues its strategic ambitions.

By order of the Board  
12 November 2019

The unaudited interim summary financial statements comply with IAS 34 and have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 30 June 2019 .

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

Copies of the unaudited interim summary 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](http://www.mcb.mu)

*The Board of Directors of The Mauritius Commercial Bank Limited accepts full responsibility for the accuracy of the information contained in this communiqué.*