



THE MAURITIUS COMMERCIAL BANK LIMITED
Unaudited Interim Financial Statements - 30th September 2011

Statements of financial position

	GROUP			BANK		
	30-Sep-11 Rs'000	30-Sep-10 Rs'000	30-Jun-11 Rs'000	30-Sep-11 Rs'000	30-Sep-10 Rs'000	30-Jun-11 Rs'000
ASSETS						
Cash and cash equivalents	11,779,861	13,182,452	9,211,566	10,313,041	12,237,172	8,257,202
Mandatory balances with Central Banks	7,808,134	6,163,839	7,475,414	6,575,810	5,086,717	6,262,909
Derivative financial instruments	38,296	274,629	55,357	38,296	274,629	55,357
Loans and advances to banks	3,030,567	2,966,612	2,538,727	3,020,653	2,726,329	2,268,761
Loans and advances to customers	125,809,065	109,126,042	119,901,032	118,136,912	102,981,354	112,345,481
Investment securities	15,058,668	17,737,856	17,555,272	11,188,398	14,120,273	13,617,560
Investments in associates	6,527,611	6,549,437	6,740,979	861,464	883,233	879,012
Investments in subsidiaries	-	-	-	3,480,486	3,241,991	3,447,710
Goodwill and other intangible assets	1,066,390	827,920	1,079,472	909,496	685,124	919,264
Property, plant and equipment	6,204,924	4,964,187	5,918,072	5,435,812	4,197,816	5,147,598
Deferred tax assets	20,206	33,965	18,944	-	10,582	-
Other assets	2,962,978	2,101,789	2,194,644	2,546,864	1,800,978	2,096,442
Total assets	180,306,700	163,928,728	172,689,479	162,507,232	148,246,198	155,297,296
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits from banks	1,594,099	1,925,757	1,711,987	2,930,341	3,717,548	2,829,395
Deposits from customers	137,437,613	130,167,987	134,497,780	126,965,377	120,854,107	124,849,823
Derivative financial instruments	296,055	35,983	41,619	296,055	35,983	41,619
Other borrowed funds	8,721,127	3,195,273	5,153,730	8,190,366	2,709,600	4,499,307
Subordinated liabilities	1,315,166	1,371,012	1,278,856	1,315,166	1,371,012	1,278,856
Current tax liabilities	484,274	458,291	323,105	455,485	422,085	297,809
Deferred tax liabilities	52,421	32,153	46,212	18,878	-	13,095
Other liabilities	4,427,119	3,796,494	4,335,680	3,594,332	3,129,179	3,660,851
Total liabilities	154,327,874	140,982,950	147,388,969	143,766,000	132,239,514	137,470,755
Shareholders' Equity						
Share capital and share premium	2,583,522	2,555,427	2,581,709	2,583,522	2,555,427	2,581,709
Retained earnings	17,961,002	14,724,850	16,898,668	13,055,174	10,492,445	12,164,060
Other components of equity	4,280,592	4,465,539	4,615,779	3,469,386	3,331,885	3,447,955
	24,825,116	21,745,816	24,096,156	19,108,082	16,379,757	18,193,724
Less treasury shares	(366,850)	(373,073)	(367,183)	(366,850)	(373,073)	(367,183)
Equity attributable to the ordinary equity holders of the parent	24,458,266	21,372,743	23,728,973	18,741,232	16,006,684	17,826,541
Non-controlling interests	1,520,560	1,573,035	1,571,537	-	-	-
Total equity	25,978,826	22,945,778	25,300,510	18,741,232	16,006,684	17,826,541
Total equity and liabilities	180,306,700	163,928,728	172,689,479	162,507,232	148,246,198	155,297,296
CONTINGENT LIABILITIES						
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	31,748,066	24,703,668	33,143,144	30,236,460	23,533,415	31,627,552
Commitments	5,480,794	6,011,185	3,922,272	5,386,110	5,848,538	3,832,368
Tax assessments	316,210	325,372	315,356	316,210	325,372	315,356
Other	1,073,977	702,848	1,000,997	1,064,336	702,848	987,508
	38,619,047	31,743,073	38,381,769	37,003,116	30,410,173	36,762,784



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Income statements

	GROUP			BANK		
	3 mths to 30-Sep-11 Rs'000	3 mths to 30-Sep-10 Rs'000	Year to 30-Jun-11 Rs'000	3 mths to 30-Sep-11 Rs'000	3 mths to 30-Sep-10 Rs'000	Year to 30-Jun-11 Rs'000
Interest income	2,769,968	2,507,093	9,924,655	2,503,377	2,275,001	8,995,292
Interest expense	(1,201,727)	(1,112,083)	(4,038,370)	(1,083,514)	(1,016,332)	(3,643,407)
Net interest income	1,568,241	1,395,010	5,886,285	1,419,863	1,258,669	5,351,885
Fee and commission income	643,648	556,399	2,225,100	526,559	448,881	1,852,414
Fee and commission expense	(93,650)	(72,039)	(343,537)	(71,304)	(55,363)	(263,212)
Net fee and commission income	549,998	484,360	1,881,563	455,255	393,518	1,589,202
Other income	372,363	335,461	1,425,345	237,400	260,702	1,175,379
Income from out-of-court settlement	-	-	250,000	-	-	250,000
Operating income	2,490,602	2,214,831	9,443,193	2,112,518	1,912,889	8,366,466
Non-interest expense	(1,164,255)	(1,010,905)	(4,021,671)	(970,683)	(850,207)	(3,405,636)
Operating profit before impairment	1,326,347	1,203,926	5,421,522	1,141,835	1,062,682	4,960,830
Allowance for credit impairment	(90,784)	(68,624)	(315,089)	(87,262)	(68,220)	(305,405)
Impairment of intangible assets	-	-	(24,428)	-	-	(24,428)
Operating profit	1,235,563	1,135,302	5,082,005	1,054,573	994,462	4,630,997
Share of profit of associates	42,856	11,931	288,020	-	-	-
Profit before tax	1,278,419	1,147,233	5,370,025	1,054,573	994,462	4,630,997
Income tax expense	(202,960)	(192,067)	(853,365)	(163,459)	(153,966)	(726,653)
Profit for the period	1,075,459	955,166	4,516,660	891,114	840,496	3,904,344
Profit for the period attributable to :-						
Ordinary equity holders of the parent	1,063,175	945,774	4,491,121	891,114	840,496	3,904,344
Non-controlling interests	12,284	9,392	25,539	-	-	-
	1,075,459	955,166	4,516,660	891,114	840,496	3,904,344
Profit for the period	1,075,459	955,166	4,516,660	891,114	840,496	3,904,344
Other comprehensive (expense)/income:						
Exchange differences on translating foreign operations	(37,248)	(76,984)	(68,303)	-	-	-
Reclassification adjustments	(33,880)	-	(2,787)	-	-	-
Net fair value (loss)/gain on available-for-sale investments	(91,483)	45,858	236,202	21,431	6,908	96,239
Share of other comprehensive (expense)/income of associates	(230,119)	140,747	76,289	-	-	-
Other comprehensive (expense)/income for the period	(392,730)	109,621	241,401	21,431	6,908	96,239
Total comprehensive income for the period	682,729	1,064,787	4,758,061	912,545	847,404	4,000,583
Total comprehensive income attributable to :-						
Ordinary equity holders of the parent	725,873	1,047,957	4,735,144	912,545	847,404	4,000,583
Non-controlling interests	(43,144)	16,830	22,917	-	-	-
	682,729	1,064,787	4,758,061	912,545	847,404	4,000,583
Earnings per share:						
Basic (Rs)	4.48	3.98	18.91			
Diluted (Rs)	4.47	3.98	18.90			
Basic weighted average number of shares (thousands)	237,568	237,352	237,460			
Diluted weighted average number of shares (thousands)	237,660	237,416	237,585			



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Statements of changes in equity

GROUP	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			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
At 1st July 2010	2,503,756	51,214	(373,208)	13,774,324	1,317,398	(120,332)	2,567,170	599,058	20,319,380	1,557,042	21,876,422
Total comprehensive income for the period	-	-	-	945,774	59,641	42,542	-	-	1,047,957	16,830	1,064,787
Increase in effective shareholding of associate	-	-	-	4,814	-	-	-	-	4,814	3,550	8,364
Dividends	-	-	-	-	-	-	-	-	-	(4,387)	(4,387)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	1,990	(1,990)	-	-	-	-	-	-
Transfer to general banking reserve	-	-	-	(2,052)	-	-	-	2,052	-	-	-
Employee share options exercised	-	457	135	-	-	-	-	-	592	-	592
At 30th September 2010	2,503,756	51,671	(373,073)	14,724,850	1,375,049	(77,790)	2,567,170	601,110	21,372,743	1,573,035	22,945,778
At 1st July 2010	2,503,756	51,214	(373,208)	13,774,324	1,317,398	(120,332)	2,567,170	599,058	20,319,380	1,557,042	21,876,422
Total comprehensive income for the year	-	-	-	4,491,121	219,287	24,736	-	-	4,735,144	22,917	4,758,061
Changes in ownership interest in subsidiaries with no loss of control	-	-	-	2,365	-	-	-	-	2,365	6,425	8,790
Increase in effective shareholding of associate	-	-	-	4,814	-	-	-	-	4,814	3,550	8,364
Dividends	-	-	-	(1,365,494)	-	-	-	-	(1,365,494)	(18,397)	(1,383,891)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	20,230	(20,230)	-	-	-	-	-	-
Transfer from general banking reserve	-	-	-	1,785	-	-	-	(1,785)	-	-	-
Transfer to statutory reserve	-	-	-	(30,477)	-	-	30,477	-	-	-	-
Employee share options exercised	-	26,739	6,025	-	-	-	-	-	32,764	-	32,764
At 30th June 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/(expense) for the period	-	-	-	1,063,175	(178,754)	(158,548)	-	-	725,873	(43,144)	682,729
Increase in effective shareholding of associate	-	-	-	1,274	-	-	-	-	1,274	940	2,214
Dividends	-	-	-	-	-	-	-	-	-	(8,773)	(8,773)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	1,010	(1,010)	-	-	-	-	-	-
Transfer to general banking reserve	-	-	-	(3,125)	-	-	-	3,125	-	-	-
Employee share options exercised	-	1,813	333	-	-	-	-	-	2,146	-	2,146
At 30th September 2011	2,503,756	79,766	(366,850)	17,961,002	1,336,691	(254,144)	2,597,647	600,398	24,458,266	1,520,560	25,978,826
BANK											
At 1st July 2010	2,503,756	51,214	(373,208)	9,651,949	236,427	-	2,554,970	533,580	15,158,688	-	15,158,688
Total comprehensive income for the period	-	-	-	840,496	6,908	-	-	-	847,404	-	847,404
Employee share options exercised	-	457	135	-	-	-	-	-	592	-	592
At 30th September 2010	2,503,756	51,671	(373,073)	10,492,445	243,335	-	2,554,970	533,580	16,006,684	-	16,006,684
At 1st July 2010	2,503,756	51,214	(373,208)	9,651,949	236,427	-	2,554,970	533,580	15,158,688	-	15,158,688
Total comprehensive income for the year	-	-	-	3,904,344	96,239	-	-	-	4,000,583	-	4,000,583
Dividends	-	-	-	(1,365,494)	-	-	-	-	(1,365,494)	-	(1,365,494)
Transfer to statutory reserve	-	-	-	(26,739)	-	-	26,739	-	-	-	-
Employee share options exercised	-	26,739	6,025	-	-	-	-	-	32,764	-	32,764
At 30th June 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	-	-	-	891,114	21,431	-	-	-	912,545	-	912,545
Employee share options exercised	-	1,813	333	-	-	-	-	-	2,146	-	2,146
At 30th September 2011	2,503,756	79,766	(366,850)	13,055,174	354,097	-	2,581,709	533,580	18,741,232	-	18,741,232



THE MAURITIUS COMMERCIAL BANK LIMITED
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Statements of cash flows

	GROUP			BANK		
	3 mths to 30-Sep-11 Rs'000	3 mths to 30-Sep-10 Rs'000	Year to 30-Jun-11 Rs'000	3 mths to 30-Sep-11 Rs'000	3 mths to 30-Sep-10 Rs'000	Year to 30-Jun-11 Rs'000
Net cash flows from trading activities	1,540,288	(857,767)	2,101,764	1,567,264	(685,649)	1,855,053
Net cash flows from other operating activities	(1,486,697)	(1,519,936)	(7,029,581)	(2,110,233)	(1,457,948)	(6,580,033)
Dividends received from associates	10,772	20,669	38,713	-	-	-
Dividends paid	(772,068)	(712,047)	(1,305,473)	(772,068)	(712,047)	(1,305,473)
Dividends paid to non-controlling interests in subsidiaries	(8,773)	(6,292)	(20,302)	-	-	-
Income tax paid	(33,232)	(29,560)	(795,935)	-	-	(673,286)
Net cash flows from operating activities	(749,710)	(3,104,933)	(7,010,814)	(1,315,037)	(2,855,644)	(6,703,739)
Investing activities	(297,075)	(588,828)	(2,630,692)	(321,689)	(486,442)	(2,435,508)
Net cash flows before financing	(1,046,785)	(3,693,761)	(9,641,506)	(1,636,726)	(3,342,086)	(9,139,247)
Contribution of non-controlling interests in subsidiary	-	-	8,790	-	-	-
Employee share options exercised	1,506	592	28,076	1,506	592	28,076
Grant of subordinated loan to associate	-	(2,000)	(2,000)	-	(2,000)	(2,000)
Decrease in cash and cash equivalents	(1,045,279)	(3,695,169)	(9,606,640)	(1,635,220)	(3,343,494)	(9,113,171)
Net cash and cash equivalents brought forward	4,057,836	13,830,136	13,830,136	3,757,895	12,871,066	12,871,066
Effect of foreign exchange rate changes	46,177	(147,788)	(165,660)	-	-	-
Net cash and cash equivalents carried forward	3,058,734	9,987,179	4,057,836	2,122,675	9,527,572	3,757,895



THE MAURITIUS COMMERCIAL BANK LIMITED

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COMMENTS ON RESULTS TO 30TH SEPTEMBER 2011

RESULTS

Group results for the quarter to 30th September 2011 reached Rs 1063 million, up 12.4% on the corresponding period in FY 2010/11. This was an excellent performance, in view of the uncertain international economic environment.

Net interest income was up by 12.4%, achieved on the back of a better than expected growth in loan portfolio, boosted by international trade finance activity. The latter was also largely responsible for the increase in fee and commission income, which totalled Rs 550 million, up 13.5% for the Group, with trade finance revenue at bank level up 69% from the previous year.

Operating expenses were 15% up on last year, in line with expectations, and fuelled by increased costs linked to the large capital expenditure programme of the last 2 years.

Non-performing loans have stabilised at around 3.4% of the loan book and impairment costs, although up on last year, include a charge of Rs 30 million for portfolio provision, more than double that incurred for the quarter to 30th September 2010.

Contribution from our foreign banking subsidiaries and associate rose by 52% to Rs 116 million and that of non-banking operations nearly doubled to reach Rs 56 million.

OUTLOOK

Notwithstanding interesting opportunities prevailing, particularly in the region, the current uncertainties are likely to impact operations of the MCB Group, as a result of strains on the real economy and on financial markets.

Against this background, the MCB will remain vigilant but remains intent on pursuing its strategy of market and product diversification, notably on the African and Indian Ocean scenes, backed by its sound fundamentals and strategic positioning.

Six months results to 31st December 2011 are expected to be slightly up on those of the corresponding period in 2010.

DIVIDEND DECLARATION

The Board of Directors has declared an interim dividend of Rs 2.60 per share for FY 2011/12, an increase of 10 cents on that declared in December 2010.



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By order of the Board

15th November 2011

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 2011 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.