



THE MAURITIUS COMMERCIAL BANK LIMITED

Unaudited Interim Financial Statements - 30th Sep 2012

Statements of financial position

	GROUP			BANK		
	30-Sep-12 Rs'000	30-Sep-11 Rs'000	30-Jun-12 Rs'000	30-Sep-12 Rs'000	30-Sep-11 Rs'000	30-Jun-12 Rs'000
ASSETS						
Cash and cash equivalents	14,801,271	11,779,861	11,071,228	13,939,414	10,313,041	9,762,837
Mandatory balances with Central Banks	9,678,782	7,808,134	9,089,260	7,673,216	6,575,810	7,588,498
Derivative financial instruments	524,469	38,296	32,057	524,469	38,296	32,057
Loans and advances to banks	3,320,545	3,030,567	2,457,646	3,227,224	3,020,653	2,287,026
Loans and advances to customers	135,919,385	125,809,065	135,183,050	127,983,024	118,136,912	127,396,940
Investment securities	15,440,017	15,058,668	16,873,501	10,754,862	11,188,398	12,385,486
Investments in associates	5,975,467	6,527,611	6,713,495	862,690	861,464	1,644,074
Investments in subsidiaries	-	-	-	3,537,307	3,480,486	3,537,307
Goodwill and other intangible assets	946,802	1,066,390	976,858	786,937	909,496	818,676
Property, plant and equipment	6,253,141	6,204,924	6,316,085	5,485,968	5,435,812	5,543,947
Deferred tax assets	15,393	20,206	14,877	-	-	-
Other assets	2,903,237	2,962,978	2,682,362	2,483,338	2,546,864	2,599,599
Total assets	195,778,509	180,306,700	191,410,419	177,258,449	162,507,232	173,596,447
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits from banks	2,567,402	1,594,099	1,319,030	4,109,384	2,930,341	2,776,618
Deposits from customers	151,600,328	137,437,613	149,558,227	139,269,604	126,965,377	138,032,675
Derivative financial instruments	89,743	296,055	274,868	89,743	296,055	274,868
Other borrowed funds	7,515,731	8,721,127	7,434,431	7,087,252	8,190,366	7,008,400
Subordinated liabilities	-	1,315,166	-	-	1,315,166	-
Current tax liabilities	381,326	484,274	240,364	370,997	455,485	202,738
Deferred tax liabilities	101,321	52,421	97,868	66,298	18,878	63,836
Other liabilities	4,828,119	4,427,119	4,796,441	4,175,602	3,594,332	4,138,499
Total liabilities	167,083,970	154,327,874	163,721,229	155,168,880	143,766,000	152,497,634
Shareholders' Equity						
Share capital and share premium	2,593,840	2,583,522	2,593,395	2,593,840	2,583,522	2,593,395
Retained earnings	20,708,751	17,961,002	19,565,121	16,189,382	13,055,174	15,221,962
Other components of equity	4,234,357	4,280,592	4,342,410	3,671,017	3,469,386	3,648,221
	27,536,948	24,825,116	26,500,926	22,454,239	19,108,082	21,463,578
Less treasury shares	(364,670)	(366,850)	(364,765)	(364,670)	(366,850)	(364,765)
Equity attributable to the ordinary equity holders of the parent	27,172,278	24,458,266	26,136,161	22,089,569	18,741,232	21,098,813
Non-controlling interests	1,522,261	1,520,560	1,553,029	-	-	-
Total equity	28,694,539	25,978,826	27,689,190	22,089,569	18,741,232	21,098,813
Total equity and liabilities	195,778,509	180,306,700	191,410,419	177,258,449	162,507,232	173,596,447
CONTINGENT LIABILITIES						
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	37,749,512	31,748,066	39,134,200	36,288,807	30,236,460	37,482,964
Commitments	4,940,588	5,480,794	4,741,781	4,752,267	5,386,110	4,519,999
Tax assessments	68,042	316,210	68,042	68,042	316,210	68,042
Other	1,455,212	1,073,977	1,416,011	1,340,345	1,064,336	1,289,436
	44,213,354	38,619,047	45,360,034	42,449,461	37,003,116	43,360,441



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Income statements

	GROUP			BANK		
	3 mths to 30-Sep-12 Rs'000	3 mths to 30-Sep-11 Rs'000	Year to 30-Jun-12 Rs'000	3 mths to 30-Sep-12 Rs'000	3 mths to 30-Sep-11 Rs'000	Year to 30-Jun-12 Rs'000
Interest income	2,895,162	2,769,968	11,140,000	2,628,459	2,503,377	10,067,396
Interest expense	(1,143,917)	(1,201,727)	(4,755,245)	(1,039,747)	(1,083,514)	(4,321,466)
Net interest income	1,751,245	1,568,241	6,384,755	1,588,712	1,419,863	5,745,930
Fee and commission income	686,335	643,648	2,684,133	539,618	526,559	2,204,326
Fee and commission expense	(105,943)	(93,650)	(456,891)	(75,980)	(71,304)	(342,108)
Net fee and commission income	580,392	549,998	2,227,242	463,638	455,255	1,862,218
Other income	280,146	372,363	1,396,214	226,510	237,400	1,906,123
Operating income	2,611,783	2,490,602	10,008,211	2,278,860	2,112,518	9,514,271
Non-interest expense	(1,239,530)	(1,164,255)	(4,615,501)	(1,040,949)	(970,683)	(3,874,680)
Operating profit before impairment	1,372,253	1,326,347	5,392,710	1,237,911	1,141,835	5,639,591
Allowance for credit impairment	(105,938)	(90,784)	(518,809)	(99,770)	(87,262)	(509,241)
Impairment of intangible assets	-	-	(1,206)	-	-	(1,206)
Operating profit	1,266,315	1,235,563	4,872,695	1,138,141	1,054,573	5,129,144
Share of profit of associates	81,366	42,856	162,391	-	-	-
Profit before tax	1,347,681	1,278,419	5,035,086	1,138,141	1,054,573	5,129,144
Income tax expense	(207,320)	(202,960)	(888,111)	(170,721)	(163,459)	(669,495)
Profit for the period	1,140,361	1,075,459	4,146,975	967,420	891,114	4,459,649
Profit for the period attributable to :-						
Ordinary equity holders of the parent	1,136,250	1,063,175	4,114,563	967,420	891,114	4,459,649
Non-controlling interests	4,111	12,284	32,412	-	-	-
	1,140,361	1,075,459	4,146,975	967,420	891,114	4,459,649
Statements of comprehensive income						
Profit for the period	1,140,361	1,075,459	4,146,975	967,420	891,114	4,459,649
Other comprehensive (expense)/income:						
Exchange differences on translating foreign operations	(3,448)	(37,248)	(154,708)	-	-	-
Reclassification adjustments	-	(33,880)	(21,491)	-	-	-
Net fair value (loss)/gain on available-for-sale investments	(94,409)	(91,483)	(92,198)	22,796	21,431	188,580
Share of other comprehensive expense of associates	(29,803)	(230,119)	(14,066)	-	-	-
Other comprehensive (expense)/income for the period	(127,660)	(392,730)	(282,463)	22,796	21,431	188,580
Total comprehensive income for the period	1,012,701	682,729	3,864,512	990,216	912,545	4,648,229
Total comprehensive income attributable to :-						
Ordinary equity holders of the parent	1,033,808	725,873	3,837,338	990,216	912,545	4,648,229
Non-controlling interests	(21,107)	(43,144)	27,174	-	-	-
	1,012,701	682,729	3,864,512	990,216	912,545	4,648,229
Earnings per share:						
Basic (Rs)	4.78	4.48	17.32			
Diluted (Rs)	4.78	4.47	17.31			
Basic weighted average number of shares (thousands)	237,646	237,568	237,606			
Diluted weighted average number of shares (thousands)	237,684	237,660	237,650			



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Statements of changes in equity

	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
GROUP	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	-	-	-	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
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	-	-	-	1,136,250	(102,629)	187	-	-	1,033,808	(21,107)	1,012,701
Increase in effective shareholding of associate	-	-	-	1,769	-	-	-	-	1,769	1,302	3,071
Dividends	-	-	-	-	-	-	-	-	-	(10,963)	(10,963)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	4,523	(4,523)	-	-	-	-	-	-
Transfer from general banking reserve	-	-	-	1,088	-	-	-	(1,088)	-	-	-
Employee share options exercised	-	445	95	-	-	-	-	-	540	-	540
At 30th September 2012	2,503,756	90,084	(364,670)	20,708,751	1,275,752	(253,122)	2,614,782	596,945	27,172,278	1,522,261	28,694,539
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	-	-	-	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
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	-	-	-	967,420	22,796	-	-	-	990,216	-	990,216
Employee share options exercised	-	445	95	-	-	-	-	-	540	-	540
At 30th September 2012	2,503,756	90,084	(364,670)	16,189,382	544,042	-	2,593,395	533,580	22,089,569	-	22,089,569



THE MAURITIUS COMMERCIAL BANK LIMITED

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Statements of cash flows

	GROUP			BANK		
	3 mths to 30-Sep-12 Rs'000	3 mths to 30-Sep-11 Rs'000	Year to 30-Jun-12 Rs'000	3 mths to 30-Sep-12 Rs'000	3 mths to 30-Sep-11 Rs'000	Year to 30-Jun-12 Rs'000
Net cash flows from trading activities	831,353	1,540,288	4,637,125	1,503,813	1,567,264	5,105,161
Net cash flows from other operating activities	2,623,491	(1,486,697)	183,535	2,313,828	(2,110,233)	(775,002)
Dividends received from associates	19,794	10,772	775,394	-	-	-
Dividends paid	(772,342)	(772,068)	(1,389,787)	(772,342)	(772,068)	(1,389,787)
Dividends paid to non-controlling interests in subsidiaries	(10,963)	(8,773)	(19,599)	-	-	-
Income tax paid	(60,231)	(33,232)	(876,410)	-	-	(713,825)
Net cash flows from operating activities	2,631,102	(749,710)	3,310,258	3,045,299	(1,315,037)	2,226,547
Investing activities	174,202	(297,075)	(1,511,991)	214,915	(321,689)	(1,005,077)
Net cash flows before financing	2,805,304	(1,046,785)	1,798,267	3,260,214	(1,636,726)	1,221,470
Employee share options exercised	498	1,506	12,183	498	1,506	12,183
Refund of subordinated liabilities	-	-	(1,298,672)	-	-	(1,298,672)
Share buy back by subsidiary	-	-	(30,166)	-	-	-
Debt securities issued	-	-	1,783,500	-	-	1,783,500
Refund/(Grant) of subordinated loan from/to associate/subsidiary	784,512	-	(782,439)	784,512	-	(832,439)
Increase/(Decrease) in cash and cash equivalents	3,590,314	(1,045,279)	1,482,673	4,045,224	(1,635,220)	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	5,928	46,177	(14,212)	-	-	-
Net cash and cash equivalents carried forward	9,122,539	3,058,734	5,526,297	8,689,161	2,122,675	4,643,937



COMMENTS ON RESULTS TO 30TH SEPTEMBER 2012

RESULTS

Group profits for the quarter to 30th September 2012 reached Rs 1136.3 million, a 6.9% increase from those of the corresponding period in FY 2011/12.

Considering the difficult operating context, this is a satisfactory performance, stemming from MCB's business development initiative aimed at diversifying its markets and continuously improving customer service.

Operating income increased by some 5% in spite of on-going strains in the money and foreign exchange markets and stiffer competition in specific segments. Group profitability was also helped by an upturn in the contribution from our associate, BFCOI, whilst the rise in expenses eased off from the previous year's high growth rate linked to significant capacity building endeavours. On the other hand, impairment charges remained at a higher level amidst the challenging economic environment.

PROSPECTS

Looking forward, the Group will be faced with the continuing challenges posed by a lower than expected GDP growth rate in Mauritius, characterised by subdued private investment initiatives. Nonetheless, the MCB will pursue its strategy to widen and deepen its operations, with a clear focus on reinforcing its involvement in the region on account of the encouraging prospects therein.

On that basis, results for the half year to 31st December 2012 are expected to reflect the trend shown in the first quarter.

DIVIDEND DECLARATION

The Board of Directors has declared an interim dividend of Rs 2.75 per share for the financial year 2012/13.



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By order of the Board

14 November 2012

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.