



THE MAURITIUS COMMERCIAL BANK LIMITED
Abridged Unaudited Interim Financial Statements - 30th September 2014

Statement of financial position

	30-Sep-14 Rs'000	30-Sep-13 Rs'000 (Restated)	30-Jun-14 Rs'000
ASSETS			
Cash and cash equivalents	15,198,346	12,490,862	17,703,617
Mandatory balances with Central Bank	10,746,666	8,063,372	10,646,314
Derivative financial instruments	100,893	266,135	121,901
Loans to and placements with banks	6,405,508	5,942,195	6,534,225
Loans and advances to customers	145,432,599	142,665,562	140,369,013
Investment securities	33,206,098	22,924,611	30,614,589
Investments in associates	-	883,696	-
Investments in subsidiaries	-	3,677,729	-
Intangible assets	481,456	650,316	523,084
Property, plant and equipment	5,140,545	5,378,708	5,202,509
Deferred tax assets	193,089	116,860	194,292
Non-current assets held for distribution	1,331,216	-	1,331,216
Other assets	3,404,603	2,900,180	3,391,216
Total assets	<u>221,641,019</u>	<u>205,960,226</u>	<u>216,631,976</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from banks	5,716,467	3,543,595	3,698,038
Deposits from customers	172,216,399	150,571,488	171,021,910
Derivative financial instruments	1,017,951	478,210	528,795
Other borrowed funds	7,481,524	17,275,586	7,565,608
Subordinated liabilities	5,442,456	4,500,000	5,409,081
Current tax liabilities	621,706	470,313	368,440
Other liabilities	5,703,822	5,326,836	5,941,038
Total liabilities	<u>198,200,325</u>	<u>182,166,028</u>	<u>194,532,910</u>
Shareholders' Equity			
Stated capital	2,379,602	2,617,619	2,379,602
Retained earnings	17,366,615	17,611,636	16,322,961
Other components of equity	3,694,477	3,924,661	3,396,503
	23,440,694	24,153,916	22,099,066
Less treasury shares	-	(359,718)	-
Equity attributable to the ordinary equity holders of the bank	<u>23,440,694</u>	<u>23,794,198</u>	<u>22,099,066</u>
Total equity and liabilities	<u>221,641,019</u>	<u>205,960,226</u>	<u>216,631,976</u>
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers	60,603,446	48,104,946	62,112,445
Commitments	3,990,314	6,455,879	4,355,291
Tax assessments	274,312	122,569	272,057
Other	1,503,692	1,291,646	1,504,788
	<u>66,371,764</u>	<u>55,975,040</u>	<u>68,244,581</u>

Statement of profit or loss

	3 mths to 30-Sep-14 Rs'000	3 mths to 30-Sep-13 Rs'000 (Restated)	Year to 30-Jun-14 Rs'000
Continuing operations			
Interest income	2,852,211	2,778,514	10,865,841
Interest expense	(1,066,300)	(1,047,618)	(4,319,193)
Net interest income	1,785,911	1,730,896	6,546,648
Fee and commission income	809,157	682,835	2,949,355
Fee and commission expense	(135,415)	(123,699)	(550,459)
Net fee and commission income	673,742	559,136	2,398,896
Other income	285,993	251,853	1,503,085
Operating income	2,745,646	2,541,885	10,448,629
Non-interest expense	(1,142,961)	(1,134,263)	(4,452,705)
Operating profit before impairment	1,602,685	1,407,622	5,995,924
Allowance for credit impairment	(157,243)	(155,992)	(1,843,056)
Profit before tax	1,445,442	1,251,630	4,152,868
Income tax expense	(254,588)	(225,293)	(811,771)
Profit for the period from continuing operations	1,190,854	1,026,337	3,341,097
Discontinuing operations			
Profit for the period from discontinuing operations	-	-	345,484
Profit for the period attributable to the owners of the bank	1,190,854	1,026,337	3,686,581

Statement of profit or loss and other comprehensive income

Profit for the period	1,190,854	1,026,337	3,686,581
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit pension plan net of deferred tax	-	-	(229,412)
Items that may be reclassified subsequently to profit or loss:			
Reclassification adjustments	-	-	(320,766)
Net fair value gain on available-for-sale investments	150,774	72,572	101,416
	150,774	72,572	(219,350)
Other comprehensive income/(expense) for the period	150,774	72,572	(448,762)
Total comprehensive income for the period	1,341,628	1,098,909	3,237,819
Total comprehensive income attributable to the owners of the bank:			
Continuing operations	1,341,628	1,098,909	2,892,335
Discontinuing operations	-	-	345,484
	1,341,628	1,098,909	3,237,819
Earnings per share (Rs):			
Continuing operations	5.00	4.32	14.04
Discontinuing operations	-	-	1.45
Weighted average number of shares (thousands)	237,960	237,817	237,887



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Statement of changes in equity

	Share Capital	Share Premium	Treasury Shares	Retained Earnings	Capital Reserve	Statutory Reserve	General Banking Reserve	Total Equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
At 1st July 2013								
As previously stated	2,503,756	112,082	(360,057)	17,511,459	702,671	2,615,838	533,580	23,619,329
Effect of adopting IAS 19 (revised) net of deferred tax	-	-	-	(926,160)	-	-	-	(926,160)
As restated	2,503,756	112,082	(360,057)	16,585,299	702,671	2,615,838	533,580	22,693,169
Profit for the period	-	-	-	1,026,337	-	-	-	1,026,337
Other comprehensive income for the period	-	-	-	-	72,572	-	-	72,572
Total comprehensive income for the period	-	-	-	1,026,337	72,572	-	-	1,098,909
Employee share options exercised	-	1,781	339	-	-	-	-	2,120
At 30th September 2013	2,503,756	113,863	(359,718)	17,611,636	775,243	2,615,838	533,580	23,794,198
At 1st July 2013								
As previously stated	2,503,756	112,082	(360,057)	17,511,459	702,671	2,615,838	533,580	23,619,329
Effect of adopting IAS 19 (revised) net of deferred tax	-	-	-	(926,160)	-	-	-	(926,160)
As restated	2,503,756	112,082	(360,057)	16,585,299	702,671	2,615,838	533,580	22,693,169
Profit for the year	-	-	-	3,686,581	-	-	-	3,686,581
Other comprehensive expense for the year	-	-	-	(229,412)	(219,350)	-	-	(448,762)
Total comprehensive income/(expense) for the year	-	-	-	3,457,169	(219,350)	-	-	3,237,819
Dividends in cash	-	-	-	(1,522,573)	-	-	-	(1,522,573)
Dividends in specie	-	-	-	(2,339,812)	-	-	-	(2,339,812)
Transfer from statutory reserve	-	-	-	236,236	-	(236,236)	-	-
Employee share options exercised	-	26,101	4,362	-	-	-	-	30,463
Cancellation of treasury shares	(124,154)	(138,183)	355,695	(93,358)	-	-	-	-
At 30th June 2014	2,379,602	-	-	16,322,961	483,321	2,379,602	533,580	22,099,066
Profit for the period	-	-	-	1,190,854	-	-	-	1,190,854
Other comprehensive income for the period	-	-	-	-	150,774	-	-	150,774
Total comprehensive income for the period	-	-	-	1,190,854	150,774	-	-	1,341,628
Transfer to general banking reserve	-	-	-	(147,200)	-	-	147,200	-
At 30th September 2014	2,379,602	-	-	17,366,615	634,095	2,379,602	680,780	23,440,694

Statement of cash flows

	3 mths to 30-Sep-14 Rs'000	3 mths to 30-Sep-13 Rs'000	Year to 30-Jun-14 Rs'000
Net cash flows from trading activities	2,580,057	1,937,818	3,371,424
Net cash flows from other operating activities	(3,484,169)	(9,996,087)	3,450,043
Dividends paid	(809,065)	(796,657)	(1,510,165)
Income tax paid	-	-	(725,299)
Net cash flows from operating activities	(1,713,177)	(8,854,926)	4,586,003
Investing activities	(885,492)	(60,918)	(338,995)
Net cash flows before financing activities	(2,598,669)	(8,915,844)	4,247,008
Financing activities			
Employee share options exercised	-	1,778	26,595
Subordinated liabilities issued	-	4,500,000	5,415,567
Net debt securities issued	-	-	145,800
Refund of subordinated loan from subsidiary	-	-	12,500
Net cash flows from financing activities	-	4,501,778	5,600,462
(Decrease)/Increase in cash and cash equivalents	(2,598,669)	(4,414,066)	9,847,470
Net cash and cash equivalents brought forward	17,698,064	7,850,594	7,850,594
Net cash and cash equivalents carried forward	15,099,395	3,436,528	17,698,064

RESULTS

Profits for the quarter to 30th September 2014 reached Rs 1190 million, a very satisfactory growth of 16% over the corresponding period last year.

While net interest income increased marginally, on the back of a slight rise in the average loan book and with a persisting situation of excess liquidity, there was a strong growth in non-interest income for the quarter. Indeed, treasury profits increased by 13% to Rs 277 million and fee and commission income grew by more than 20% to Rs 674 million, boosted by revenues from our international trade finance operations, our cards business and portfolio management fees.

Operating expenses were very well managed, with an increase of less than 1% for the period. Allowances for credit impairment, while being at the same level as last year, were, on an annualised basis, substantially below those of FY 2013/14, reflecting the levelling trend in MCB's non-performing loans, which, in turn, lead to a drop in the NPL ratios as at 30th September 2014.

OUTLOOK

On current trends, results for the half year to 31st December should reflect a similar growth as that achieved for the first quarter.

DIVIDEND

The Board has declared a dividend of Rs 785 million, payable to its holding company, MCB Investment Holding Ltd.

By order of the Board

14th November 2014

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 2014 and comply with IAS 34.

Copies of the abridged unaudited interim financial statements are available to the public, 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 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.