



THE MAURITIUS COMMERCIAL BANK LIMITED
Abridged Unaudited Interim Financial Statements - 31st March 2014

Statements of financial position

	GROUP			BANK		
	31-Mar-14 Rs'000	31-Mar-13 Rs'000 (Restated)	30-Jun-13 Rs'000 (Restated)	31-Mar-14 Rs'000	31-Mar-13 Rs'000 (Restated)	30-Jun-13 Rs'000 (Restated)
ASSETS						
Cash and cash equivalents	19,164,209	13,885,737	15,394,108	17,180,881	12,763,807	14,614,633
Mandatory balances with Central Banks	11,140,945	9,387,771	9,882,327	9,446,137	8,024,119	8,039,278
Derivative financial instruments	183,742	116,129	120,955	130,681	116,129	120,955
Loans to and placements with banks	8,209,179	4,471,137	3,789,813	8,069,903	4,463,280	3,659,498
Loans and advances to customers	150,577,118	150,311,034	148,034,666	141,085,351	141,399,387	138,981,434
Investment securities	32,128,659	20,120,934	22,446,957	27,027,059	15,468,361	17,274,855
Investments in associates	6,900,738	6,225,908	6,377,033	885,395	870,604	876,156
Investments in subsidiaries	-	-	-	3,663,066	3,680,802	3,679,902
Goodwill and other intangible assets	832,178	956,315	977,813	564,321	704,031	691,896
Property, plant and equipment	6,068,014	6,422,482	6,312,841	5,236,926	5,506,514	5,442,042
Deferred tax assets	128,670	95,749	129,320	122,664	76,144	113,786
Other assets	3,507,992	3,479,460	2,967,191	3,131,969	2,507,753	2,699,903
Total assets	238,841,444	215,472,656	216,433,024	216,544,353	195,580,931	196,194,338
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits from banks	2,766,516	3,716,587	1,737,230	4,754,986	4,361,627	3,408,512
Deposits from customers	181,178,566	160,784,523	164,376,019	167,248,259	148,536,911	150,918,634
Derivative financial instruments	157,567	260,481	167,297	104,597	260,481	167,297
Other borrowed funds	9,241,396	14,682,889	13,392,661	8,566,549	14,441,554	13,103,722
Subordinated liabilities	5,404,557	-	-	5,404,557	-	-
Current tax liabilities	293,083	165,596	249,552	258,264	148,759	241,946
Deferred tax liabilities	42,767	39,297	42,149	-	-	-
Other liabilities	6,728,668	5,989,664	6,340,678	5,525,311	5,206,101	5,661,058
Total liabilities	205,813,120	185,639,037	186,305,586	191,862,523	172,955,433	173,501,169
Shareholders' Equity						
Share capital and share premium	2,379,603	2,611,108	2,615,838	2,379,603	2,611,108	2,615,838
Retained earnings	23,820,781	21,307,657	21,485,646	18,297,976	16,573,102	16,585,299
Other components of equity	5,102,045	4,674,677	4,764,255	4,004,251	3,802,244	3,852,089
	31,302,429	28,593,442	28,865,739	24,681,830	22,986,454	23,053,226
Less treasury shares	-	(360,956)	(360,057)	-	(360,956)	(360,057)
Equity attributable to the ordinary equity holders of the parent	31,302,429	28,232,486	28,505,682	24,681,830	22,625,498	22,693,169
Non-controlling interests	1,725,895	1,601,133	1,621,756	-	-	-
Total equity	33,028,324	29,833,619	30,127,438	24,681,830	22,625,498	22,693,169
Total equity and liabilities	238,841,444	215,472,656	216,433,024	216,544,353	195,580,931	196,194,338
CONTINGENT LIABILITIES						
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	51,162,411	50,517,023	48,028,454	49,323,797	49,022,856	46,549,986
Commitments	4,539,586	5,607,874	5,237,848	4,313,449	5,347,915	5,022,227
Tax assessments	269,900	141,406	121,584	269,900	141,406	121,584
Other	1,419,442	1,444,726	1,702,432	1,386,738	1,370,212	1,632,122
	57,391,339	57,711,029	55,090,318	55,293,884	55,882,389	53,325,919



THE MAURITIUS COMMERCIAL BANK LIMITED
Abridged Unaudited Interim Financial Statements - 31st March 2014

Income statements

	GROUP					BANK				
	Quarter to 31-Mar-14 Rs'000	Quarter to 31-Mar-13 Rs'000	9 mths to 31-Mar-14 Rs'000	9 mths to 31-Mar-13 Rs'000	Year to 30-Jun-13 Rs'000 (Restated)	Quarter to 31-Mar-14 Rs'000	Quarter to 31-Mar-13 Rs'000	9 mths to 31-Mar-14 Rs'000	9 mths to 31-Mar-13 Rs'000	Year to 30-Jun-13 Rs'000 (Restated)
Interest income	2,954,565	2,873,326	9,088,170	8,750,752	11,686,394	2,692,243	2,583,872	8,253,564	7,890,538	10,544,759
Interest expense	(1,191,767)	(1,148,447)	(3,573,670)	(3,454,232)	(4,639,343)	(1,096,287)	(1,044,633)	(3,275,775)	(3,133,141)	(4,211,344)
Net interest income	1,762,798	1,724,879	5,514,500	5,296,520	7,047,051	1,595,956	1,539,239	4,977,789	4,757,397	6,333,415
Fee and commission income	880,450	872,738	2,571,655	2,350,773	3,193,627	708,080	718,795	2,081,745	1,887,084	2,601,828
Fee and commission expense	(215,213)	(185,523)	(559,507)	(431,637)	(564,158)	(164,576)	(135,401)	(421,005)	(320,071)	(411,373)
Net fee and commission income	665,237	687,215	2,012,148	1,919,136	2,629,469	543,504	583,394	1,660,740	1,567,013	2,190,455
Other income	390,310	301,850	1,165,667	998,944	1,346,926	255,987	278,095	788,632	802,818	1,147,801
Operating income	2,818,345	2,713,944	8,692,315	8,214,600	11,023,446	2,395,447	2,400,728	7,427,161	7,127,228	9,671,671
Non-interest expense	(1,327,623)	(1,258,826)	(4,099,195)	(3,867,733)	(4,996,431)	(1,088,049)	(1,047,304)	(3,420,163)	(3,182,077)	(4,158,744)
Operating profit before impairment	1,490,722	1,455,118	4,593,120	4,346,867	6,027,015	1,307,398	1,353,424	4,006,998	3,945,151	5,512,927
Allowance for credit impairment	(615,504)	(296,934)	(970,187)	(639,382)	(1,081,027)	(561,188)	(295,273)	(880,957)	(620,996)	(1,055,277)
Impairment of available-for-sale investment	(50,057)	-	(50,057)	-	-	-	-	-	-	-
Operating profit	825,161	1,158,184	3,572,876	3,707,485	4,945,988	746,210	1,058,151	3,126,041	3,324,155	4,457,650
Share of profit of associates	131,060	1,822	383,308	118,611	257,262	-	-	-	-	-
Profit before tax	956,221	1,160,006	3,956,184	3,826,096	5,203,250	746,210	1,058,151	3,126,041	3,324,155	4,457,650
Income tax expense	(232,167)	(187,913)	(745,045)	(608,488)	(853,582)	(178,127)	(158,723)	(606,497)	(498,623)	(695,502)
Profit for the period	724,054	972,093	3,211,139	3,217,608	4,349,668	568,083	899,428	2,519,544	2,825,532	3,762,148
Profit for the period attributable to :-										
Ordinary equity holders of the parent	692,532	974,389	3,147,292	3,207,453	4,315,438	568,083	899,428	2,519,544	2,825,532	3,762,148
Non-controlling interests	31,522	(2,296)	63,847	10,155	34,230	-	-	-	-	-
	724,054	972,093	3,211,139	3,217,608	4,349,668	568,083	899,428	2,519,544	2,825,532	3,762,148
Statements of comprehensive income										
Profit for the period	724,054	972,093	3,211,139	3,217,608	4,349,668	568,083	899,428	2,519,544	2,825,532	3,762,148
Other comprehensive (expense)/income:										
Items that will not be reclassified to income statement:										
Remeasurement of defined benefit pension plan	-	-	-	-	(105,319)	-	-	-	-	(105,319)
Items that may be reclassified subsequently to income statement:										
Exchange differences on translating foreign operations	(57,881)	82,369	(97,125)	121,547	151,229	-	-	-	-	-
Reclassification adjustments	(2,795)	-	(9,211)	-	(3,517)	-	-	-	-	(3,206)
Net fair value (loss)/gain on available-for-sale investments	(1,332)	118,804	385,686	122,876	187,475	(66,340)	75,151	152,162	154,023	184,631
Share of other comprehensive (expense)/income of associates	(55,993)	125,177	106,368	146,793	117,024	-	-	-	-	-
	(118,001)	326,350	385,718	391,216	452,211	(66,340)	75,151	152,162	154,023	181,425
Other comprehensive (expense)/income for the period	(118,001)	326,350	385,718	391,216	346,892	(66,340)	75,151	152,162	154,023	76,106
Total comprehensive income for the period	606,053	1,298,443	3,596,857	3,608,824	4,696,560	501,743	974,579	2,671,706	2,979,555	3,838,254
Total comprehensive income attributable to :-										
Ordinary equity holders of the parent	595,570	1,245,724	3,479,565	3,548,636	4,612,016	501,743	974,579	2,671,706	2,979,555	3,838,254
Non-controlling interests	10,483	52,719	117,292	60,188	84,544	-	-	-	-	-
	606,053	1,298,443	3,596,857	3,608,824	4,696,560	501,743	974,579	2,671,706	2,979,555	3,838,254
Earnings per share:										
Basic & Diluted (Rs)	2.91	4.10	13.23	13.49	18.15					
Basic weighted average number of shares (thousands)	237,960	237,764	237,870	237,687	237,718					
Diluted weighted average number of shares (thousands)	238,056	237,810	237,966	237,733	237,808					



THE MAURITIUS COMMERCIAL BANK LIMITED

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Statements of changes in equity

GROUP	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
	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 2012											
As previously stated	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
Effect of adopting IAS 19 (revised)	-	-	-	(821,260)	-	-	-	-	(821,260)	(309)	(821,569)
As restated	<u>2,503,756</u>	<u>89,639</u>	<u>(364,765)</u>	<u>18,743,861</u>	<u>1,382,904</u>	<u>(253,309)</u>	<u>2,614,782</u>	<u>598,033</u>	<u>25,314,901</u>	<u>1,552,720</u>	<u>26,867,621</u>
Profit for the period	-	-	-	3,207,453	-	-	-	-	3,207,453	10,155	3,217,608
Other comprehensive income for the period	-	-	-	-	215,873	125,310	-	-	341,183	50,033	391,216
Total comprehensive income for the period	-	-	-	3,207,453	215,873	125,310	-	-	3,548,636	60,188	3,608,824
Increase in effective shareholding of associate	-	-	-	1,767	-	-	-	-	1,767	1,303	3,070
Dividends	-	-	-	(653,551)	-	-	-	-	(653,551)	(12,497)	(666,048)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	11,100	(11,100)	-	-	-	-	-	-
Transfer to general banking reserve	-	-	-	(2,973)	-	-	-	2,973	-	-	-
Effect of employee share options exercised in associate	-	-	-	-	(789)	-	-	-	(789)	(581)	(1,370)
Employee share options exercised	-	17,713	3,809	-	-	-	-	-	21,522	-	21,522
At 31st March 2013	<u>2,503,756</u>	<u>107,352</u>	<u>(360,956)</u>	<u>21,307,657</u>	<u>1,586,888</u>	<u>(127,999)</u>	<u>2,614,782</u>	<u>601,006</u>	<u>28,232,486</u>	<u>1,601,133</u>	<u>29,833,619</u>
At 1st July 2012											
As previously stated	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
Effect of adopting IAS 19 (revised)	-	-	-	(821,260)	-	-	-	-	(821,260)	(309)	(821,569)
As restated	<u>2,503,756</u>	<u>89,639</u>	<u>(364,765)</u>	<u>18,743,861</u>	<u>1,382,904</u>	<u>(253,309)</u>	<u>2,614,782</u>	<u>598,033</u>	<u>25,314,901</u>	<u>1,552,720</u>	<u>26,867,621</u>
Profit for the year	-	-	-	4,315,438	-	-	-	-	4,315,438	34,230	4,349,668
Other comprehensive (expense)/income for the year	-	-	-	(105,319)	248,603	153,294	-	-	296,578	50,314	346,892
Total comprehensive income for the year	-	-	-	4,210,119	248,603	153,294	-	-	4,612,016	84,544	4,696,560
Increase in effective shareholding of associate	-	-	-	1,822	-	-	-	-	1,822	1,343	3,165
Dividends	-	-	-	(1,450,208)	-	-	-	-	(1,450,208)	(16,851)	(1,467,059)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	15,585	(15,585)	-	-	-	-	-	-
Transfer to general banking reserve	-	-	-	(6,638)	-	-	-	6,638	-	-	-
Transfer to statutory reserve	-	-	-	(28,895)	-	-	-	28,895	-	-	-
Employee share options exercised	-	22,443	4,708	-	-	-	-	-	27,151	-	27,151
At 30th June 2013	<u>2,503,756</u>	<u>112,082</u>	<u>(360,057)</u>	<u>21,485,646</u>	<u>1,615,922</u>	<u>(100,015)</u>	<u>2,643,677</u>	<u>604,671</u>	<u>28,505,682</u>	<u>1,621,756</u>	<u>30,127,438</u>
Profit for the period	-	-	-	3,147,292	-	-	-	-	3,147,292	63,847	3,211,139
Other comprehensive (expense)/income for the period	-	-	-	(1,355)	421,206	(87,578)	-	-	332,273	53,445	385,718
Total comprehensive income/(expense) for the period	-	-	-	3,145,937	421,206	(87,578)	-	-	3,479,565	117,292	3,596,857
Increase in effective shareholding of associate	-	-	-	227	-	-	-	-	227	7	234
Dividends	-	-	-	(713,508)	-	-	-	-	(713,508)	(13,160)	(726,668)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	1,343	(1,343)	-	-	-	-	-	-
Share of other movements in reserves of associate	-	-	-	(43)	43	-	-	-	-	-	-
Transfer to general banking reserve	-	-	-	(5,514)	-	-	-	5,514	-	-	-
Transfer from statutory reserve	-	-	-	52	-	-	-	(52)	-	-	-
Employee share options exercised	-	26,101	4,362	-	-	-	-	-	30,463	-	30,463
Cancellation of treasury shares	(124,153)	(138,183)	355,695	(93,359)	-	-	-	-	-	-	-
At 31st March 2014	<u>2,379,603</u>	<u>-</u>	<u>-</u>	<u>23,820,781</u>	<u>2,035,828</u>	<u>(187,593)</u>	<u>2,643,625</u>	<u>610,185</u>	<u>31,302,429</u>	<u>1,725,895</u>	<u>33,028,324</u>
BANK											
At 1st July 2012											
As previously stated	2,503,756	89,639	(364,765)	15,221,962	521,246	-	2,593,395	533,580	21,098,813	-	21,098,813
Effect of adopting IAS 19 (revised)	-	-	-	(820,841)	-	-	-	-	(820,841)	-	(820,841)
As restated	<u>2,503,756</u>	<u>89,639</u>	<u>(364,765)</u>	<u>14,401,121</u>	<u>521,246</u>	<u>-</u>	<u>2,593,395</u>	<u>533,580</u>	<u>20,277,972</u>	<u>-</u>	<u>20,277,972</u>
Profit for the period	-	-	-	2,825,532	-	-	-	-	2,825,532	-	2,825,532
Other comprehensive income for the period	-	-	-	-	154,023	-	-	-	154,023	-	154,023
Total comprehensive income for the period	-	-	-	2,825,532	154,023	-	-	-	2,979,555	-	2,979,555
Dividends	-	-	-	3,656,829	-	-	-	-	(653,551)	-	(653,551)
Employee share options exercised	-	17,713	3,809	-	-	-	-	-	21,522	-	21,522
At 31st March 2013	<u>2,503,756</u>	<u>107,352</u>	<u>(360,956)</u>	<u>16,573,102</u>	<u>675,269</u>	<u>-</u>	<u>2,593,395</u>	<u>533,580</u>	<u>22,625,498</u>	<u>-</u>	<u>22,625,498</u>
At 1st July 2012											
As previously stated	2,503,756	89,639	(364,765)	15,221,962	521,246	-	2,593,395	533,580	21,098,813	-	21,098,813
Effect of adopting IAS 19 (revised)	-	-	-	(820,841)	-	-	-	-	(820,841)	-	(820,841)
As restated	<u>2,503,756</u>	<u>89,639</u>	<u>(364,765)</u>	<u>14,401,121</u>	<u>521,246</u>	<u>-</u>	<u>2,593,395</u>	<u>533,580</u>	<u>20,277,972</u>	<u>-</u>	<u>20,277,972</u>
Profit for the year	-	-	-	3,762,148	-	-	-	-	3,762,148	-	3,762,148
Other comprehensive (expense)/income for the year	-	-	-	(105,319)	181,425	-	-	-	76,106	-	76,106
Total comprehensive income for the year	-	-	-	3,656,829	181,425	-	-	-	3,838,254	-	3,838,254
Dividends	-	-	-	(1,450,208)	-	-	-	-	(1,450,208)	-	(1,450,208)
Transfer to statutory reserve	-	-	-	(22,443)	-	-	-	22,443	-	-	-
Employee share options exercised	-	22,443	4,708	-	-	-	-	-	27,151	-	27,151
At 30th June 2013	<u>2,503,756</u>	<u>112,082</u>	<u>(360,057)</u>	<u>16,585,299</u>	<u>702,671</u>	<u>-</u>	<u>2,615,838</u>	<u>533,580</u>	<u>22,693,169</u>	<u>-</u>	<u>22,693,169</u>
Profit for the period	-	-	-	2,519,544	-	-	-	-	2,519,544	-	2,519,544
Other comprehensive income for the period	-	-	-	-	152,162	-	-	-	152,162	-	152,162
Total comprehensive income for the period	-	-	-	2,519,544	152,162	-	-	-	2,671,706	-	2,671,706
Dividends	-	-	-	(713,508)	-	-	-	-	(713,508)	-	(713,508)
Employee share options exercised	-	26,101	4,362	-	-	-	-	-	30,463	-	30,463
Cancellation of treasury shares	(124,153)	(138,183)	355,695	(93,359)	-	-	-	-	-	-	-
At 31st March 2014	<u>2,379,603</u>	<u>-</u>	<u>-</u>	<u>18,297,976</u>	<u>854,833</u>	<u>-</u>	<u>2,615,838</u>	<u>533,580</u>	<u>24,681,830</u>	<u>-</u>	<u>24,681,830</u>



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Statements of cash flows

	GROUP			BANK		
	9 mths to 31-Mar-14 Rs'000	9 mths to 31-Mar-13 Rs'000 (Restated)	Year to 30-Jun-13 Rs'000	9 mths to 31-Mar-14 Rs'000	9 mths to 31-Mar-13 Rs'000 (Restated)	Year to 30-Jun-13 Rs'000
Net cash flows from trading activities	4,236,690	4,808,560	5,603,623	3,060,591	4,812,650	5,333,790
Net cash flows from other operating activities	2,864,146	(2,590,923)	(3,070,715)	2,975,870	(2,588,542)	(2,629,665)
Dividends received from associates	28,816	28,816	28,816	-	-	-
Dividends paid	(1,510,165)	(1,425,893)	(1,425,893)	(1,510,165)	(1,425,893)	(1,425,893)
Dividends paid to non-controlling interests in subsidiaries	(13,160)	(12,497)	(16,851)	-	-	-
Income tax paid	(698,403)	(670,913)	(845,645)	(599,056)	(547,728)	(670,476)
Net cash flows from operating activities	4,907,924	137,150	273,335	3,927,240	250,487	607,756
Investing activities	(322,718)	(295,776)	(357,958)	(197,415)	70,722	39,204
Net cash flows before financing	4,585,206	(158,626)	(84,623)	3,729,825	321,209	646,960
Employee share options exercised	26,595	20,566	25,509	26,595	20,566	25,509
Floating rate subordinated notes issued	5,415,567	-	-	5,415,567	-	-
Net debt securities issued	145,800	354,900	354,900	145,800	354,900	354,900
Net refund of subordinated loan from associate/subsidiaries	-	784,512	784,512	12,500	641,690	642,199
Increase in cash and cash equivalents	10,173,168	1,001,352	1,080,298	9,330,287	1,338,365	1,669,568
Net cash and cash equivalents brought forward	8,442,869	7,102,361	7,102,361	7,850,594	6,181,026	6,181,026
Effect of foreign exchange rate changes	(126,675)	296,274	260,210	-	-	-
Net cash and cash equivalents carried forward	18,489,362	8,399,987	8,442,869	17,180,881	7,519,391	7,850,594



COMMENTS ON RESULTS TO 31ST MARCH 2014

Accounts of MCB Group Ltd

The exchange of shares of MCB Ltd for those of MCB Group Ltd having been effected on the 2nd April 2014, the financial statements at 31st March 2014 reflect the pre-restructuring scenario, with MCB holding all the Group's investments. Post-restructuring, the accounts of MCB Group Ltd would have been identical to the Group accounts of MCB Ltd.

Results

Group profits for the nine months to March 2014 declined by 1.9% to Rs 3,147 million essentially due to an increase in impairment charges, primarily at the level of the Bank's Global Business loan portfolio.

Net interest income rose by 4.1% despite the testing economic environment and unfavourable conditions in the money market. Furthermore, net fee and commission income increased by nearly 5%.

Operating income grew by 5.8% on the back of sustained market development initiatives, while growth in operating expenses was contained at 6%, underpinned by efficiency gains.

The share of profit of associates improved significantly following enhanced performances of both BFCOI and PAD.

Prospects

Notwithstanding increasing signs of global recovery, MCB's operating environment is likely to remain challenging for some time yet. In particular, the evolution of domestic private investment is expected to be sluggish once again in 2014, while the high liquidity situation in the banking system will exert adverse pressures on revenue growth.

Against this backdrop, MCB will maintain its market vigilance and pursue its business development drive. With the restructuring exercise well under way, MCB seeks to further diversify its operations, a key axis of which is to deepen its involvement in the sub-Saharan African region.

On current trends and given difficult operating conditions, results for FY 2013/14 are anticipated to be similar to those registered in the previous year.

By order of the Board

13th May 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 2013 and comply with IAS 34.

As at 1st July 2013, the Group adopted the revised IAS 19, Employee Benefits and has reflected its retrospective application in the abridged unaudited interim financial statements.

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 Company, 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 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.