



**THE MAURITIUS COMMERCIAL BANK LIMITED**  
Abridged Unaudited Interim Financial Statements - 31<sup>st</sup> December 2015

**Statement of financial position**

	31-Dec-15 Rs'000	31-Dec-14 Rs'000	30-Jun-15 Rs'000
<b>ASSETS</b>			
Cash and cash equivalents	37,679,158	29,313,977	22,999,839
Mandatory balances with Central Bank	12,786,709	11,161,446	12,252,565
Derivative financial instruments	133,900	76,613	264,725
Loans to and placements with banks	11,133,263	5,180,637	9,446,866
Loans and advances to customers	152,764,520	145,129,937	152,098,856
Investment securities	45,346,118	37,993,845	44,675,336
Investment in associates	1,336,824	-	-
Intangible assets	410,047	449,478	385,453
Property, plant and equipment	4,950,195	5,088,645	5,030,443
Deferred tax assets	231,594	197,313	222,519
Other assets	3,875,428	2,910,229	3,230,068
	<b>270,647,756</b>	<b>237,502,120</b>	<b>250,606,670</b>
Non-current assets held for distribution	-	1,331,216	1,331,216
<b>Total assets</b>	<b>270,647,756</b>	<b>238,833,336</b>	<b>251,937,886</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits from banks	4,482,740	7,009,889	4,504,425
Deposits from customers	223,091,726	189,897,500	202,713,585
Derivative financial instruments	294,444	443,623	108,997
Other borrowed funds	5,455,673	6,726,159	6,915,825
Subordinated liabilities	1,076,718	5,452,053	1,055,697
Current tax liabilities	304,979	289,497	448,835
Other liabilities	4,253,020	5,116,123	5,901,642
<b>Total liabilities</b>	<b>238,959,300</b>	<b>214,934,844</b>	<b>221,649,006</b>
<b>Shareholders' Equity</b>			
Stated capital	6,879,602	2,379,602	6,879,602
Retained earnings	19,967,914	17,772,642	18,705,062
Other components of equity	4,840,940	3,746,248	4,704,216
<b>Equity attributable to the ordinary equity holders of the bank</b>	<b>31,688,456</b>	<b>23,898,492</b>	<b>30,288,880</b>
<b>Total equity and liabilities</b>	<b>270,647,756</b>	<b>238,833,336</b>	<b>251,937,886</b>
<b>CONTINGENT LIABILITIES</b>			
Guarantees, letters of credit, endorsements and other obligations on account of customers	42,778,032	60,941,791	43,322,427
Commitments	2,965,880	3,889,682	4,380,241
Tax assessments	808,143	403,068	797,225
Other	1,236,056	1,370,811	1,184,265
	<b>47,788,111</b>	<b>66,605,352</b>	<b>49,684,158</b>



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**Statement of profit or loss**

	Quarter to 31-Dec-15 Rs'000	Quarter to 31-Dec-14 Rs'000	6 mths to 31-Dec-15 Rs'000	6 mths to 31-Dec-14 Rs'000	Year to 30-Jun-15 Rs'000
<b>Continuing operations</b>					
Interest income	3,022,596	2,899,079	6,116,818	5,751,290	11,632,970
Interest expense	(1,011,838)	(1,064,348)	(2,056,638)	(2,130,648)	(4,284,673)
<b>Net interest income</b>	<b>2,010,758</b>	<b>1,834,731</b>	<b>4,060,180</b>	<b>3,620,642</b>	<b>7,348,297</b>
Fee and commission income	891,228	817,668	1,705,280	1,626,825	3,403,343
Fee and commission expense	(161,934)	(156,448)	(310,077)	(291,863)	(586,930)
<b>Net fee and commission income</b>	<b>729,294</b>	<b>661,220</b>	<b>1,395,203</b>	<b>1,334,962</b>	<b>2,816,413</b>
Other income	359,470	304,558	651,266	562,220	996,390
<b>Operating income</b>	<b>3,099,522</b>	<b>2,800,509</b>	<b>6,106,649</b>	<b>5,517,824</b>	<b>11,161,100</b>
Non-interest expense	(1,201,244)	(1,142,090)	(2,428,496)	(2,269,364)	(4,461,083)
<b>Operating profit before impairment</b>	<b>1,898,278</b>	<b>1,658,419</b>	<b>3,678,153</b>	<b>3,248,460</b>	<b>6,700,017</b>
Net impairment of financial assets	(290,350)	(189,700)	(460,424)	(318,612)	(897,173)
<b>Profit before tax</b>	<b>1,607,928</b>	<b>1,468,719</b>	<b>3,217,729</b>	<b>2,929,848</b>	<b>5,802,844</b>
Income tax expense	(349,979)	(277,423)	(625,543)	(547,698)	(960,290)
<b>Profit for the period from continuing operations</b>	<b>1,257,949</b>	<b>1,191,296</b>	<b>2,592,186</b>	<b>2,382,150</b>	<b>4,842,554</b>
<b>Discontinuing operations</b>					
<b>Profit for the period from discontinuing operations</b>	-	-	-	-	161,746
<b>Profit for the period attributable to the owners of the bank</b>	<b>1,257,949</b>	<b>1,191,296</b>	<b>2,592,186</b>	<b>2,382,150</b>	<b>5,004,300</b>

**Statement of profit or loss and other comprehensive income**

<b>Profit for the period</b>	<b>1,257,949</b>	<b>1,191,296</b>	<b>2,592,186</b>	<b>2,382,150</b>	<b>5,004,300</b>
<b>Other comprehensive (expense)/income:</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Remeasurement of defined benefit pension plan net of deferred tax	-	-	-	-	95,215
<b>Items that are or may be reclassified subsequently to profit or loss:</b>					
Reclassification adjustment	(54,627)	-	(54,627)	-	-
Net fair value gain/(loss) on available-for-sale investments	24,883	51,771	(37,247)	202,545	398,796
<b>Other comprehensive (expense)/income for the period</b>	<b>(29,744)</b>	<b>51,771</b>	<b>(91,874)</b>	<b>202,545</b>	<b>494,011</b>
<b>Total comprehensive income for the period</b>	<b>1,228,205</b>	<b>1,243,067</b>	<b>2,500,312</b>	<b>2,584,695</b>	<b>5,498,311</b>
<b>Total comprehensive income attributable to the owners of the bank:</b>					
Continuing operations	1,228,205	1,243,067	2,500,312	2,584,695	5,336,565
Discontinuing operations	-	-	-	-	161,746
	<b>1,228,205</b>	<b>1,243,067</b>	<b>2,500,312</b>	<b>2,584,695</b>	<b>5,498,311</b>
<b>Earnings per share (Rs):</b>					
Continuing operations	1.83	1.73	3.77	3.46	19.84
Discontinuing operations	-	-	-	-	0.66
Weighted average number of shares (thousands)	687,960	687,960	687,960	687,960	244,124



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***Statement of changes in equity***

	Stated Capital	Retained Earnings	Capital Reserve	Statutory Reserve	General Banking Reserve	Total Equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>At 1st July 2014</b>	2,379,602	16,322,961	483,321	2,379,602	533,580	22,099,066
Profit for the period	-	2,382,150	-	-	-	2,382,150
Other comprehensive income for the period	-	-	202,545	-	-	202,545
Total comprehensive income for the period	-	2,382,150	202,545	-	-	2,584,695
Dividends	-	(785,269)	-	-	-	(785,269)
Transfer to general banking reserve	-	(147,200)	-	-	147,200	-
<b>At 31st December 2014</b>	<b>2,379,602</b>	<b>17,772,642</b>	<b>685,866</b>	<b>2,379,602</b>	<b>680,780</b>	<b>23,898,492</b>
<b>At 1st July 2014</b>	2,379,602	16,322,961	483,321	2,379,602	533,580	22,099,066
Profit for the year	-	5,004,300	-	-	-	5,004,300
Other comprehensive income for the year	-	95,215	398,796	-	-	494,011
Total comprehensive income for the year	-	5,099,515	398,796	-	-	5,498,311
Rights issue	4,500,000	-	-	-	-	4,500,000
Dividends	-	(1,808,497)	-	-	-	(1,808,497)
Transfer to statutory reserve	-	(751,000)	-	751,000	-	-
Transfer to general banking reserve	-	(157,917)	-	-	157,917	-
<b>At 30th June 2015</b>	<b>6,879,602</b>	<b>18,705,062</b>	<b>882,117</b>	<b>3,130,602</b>	<b>691,497</b>	<b>30,288,880</b>
Profit for the period	-	2,592,186	-	-	-	2,592,186
Other comprehensive expense for the period	-	-	(91,874)	-	-	(91,874)
Total comprehensive income/(expense) for the period	-	2,592,186	(91,874)	-	-	2,500,312
Dividends	-	(1,100,736)	-	-	-	(1,100,736)
Transfer to general banking reserve	-	(228,598)	-	-	228,598	-
<b>At 31st December 2015</b>	<b>6,879,602</b>	<b>19,967,914</b>	<b>790,243</b>	<b>3,130,602</b>	<b>920,095</b>	<b>31,688,456</b>



**THE MAURITIUS COMMERCIAL BANK LIMITED**  
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**Statement of cash flows**

	<b>6 mths to 31-Dec-15 Rs'000</b>	<b>6 mths to 31-Dec-14 Rs'000</b>	<b>Year to 30-Jun-15 Rs'000</b>
<b>Net cash flows from trading activities</b>	<b>2,160,710</b>	2,906,741	5,294,795
<b>Net cash flows from other operating activities</b>	<b>16,692,823</b>	13,421,537	4,998,373
Dividends paid	<b>(2,123,964)</b>	(1,594,333)	(1,594,333)
Income tax paid	<b>(778,474)</b>	(598,162)	(921,438)
<b>Net cash flows from operating activities</b>	<b>15,951,095</b>	14,135,783	7,777,397
<b>Investing activities</b>	<b>(32,595)</b>	(1,285,820)	(1,922,029)
<b>Net cash flows before financing activities</b>	<b>15,918,500</b>	12,849,963	5,855,368
<b>Financing activities</b>			
Rights issue	-	-	4,500,000
Subordinated liabilities transferred	-	-	(4,500,000)
Net debt securities matured	-	(1,234,050)	(1,793,050)
<b>Net cash flows from financing activities</b>	<b>-</b>	(1,234,050)	(1,793,050)
<b>Increase in cash and cash equivalents</b>	<b>15,918,500</b>	11,615,913	4,062,318
Net cash and cash equivalents brought forward	<b>21,760,382</b>	17,698,064	17,698,064
<b>Net cash and cash equivalents carried forward</b>	<b>37,678,882</b>	29,313,977	21,760,382

**COMMENTS ON RESULTS TO 31<sup>ST</sup> DECEMBER 2015**

For the half year ended 31<sup>st</sup> December 2015, Operating Income rose by nearly 11% to reach Rs 6,107 million, similar to the growth rate seen in the previous quarter and Profits after Tax increased by 8.8% to reach Rs 2,592 million.

This performance was mainly driven by a rise of 12% in the bank's Net Interest Income which reached Rs 4,060 million reflecting a small rise in average customer balances, the impact of the transfer of the bank's Subordinated Notes to its ultimate holding company, MCB Group Ltd, and the continued improvement in the bank's MUR excess liquidity situation. Net fee and commission income rose by 4.5% notwithstanding the fall in oil prices adversely impacting trade finance activities.

The bank continues to monitor closely its Non MUR excess liquidity situation in light of falling European interest rates as well as the longer term impact of projected low oil prices.

Operating expenses growth for the period was contained to 7%, resulting in a fall in the bank's cost to income ratio to 39.8%.

The allowance for credit impairment was Rs 460 million, an increase over the corresponding period last year.

Looking forward it is to be noted that, although both the domestic and international economic and business context that the bank operates in continues to be quite challenging, on current trends the bank's results for the full year are expected to maintain a reasonable growth.

By order of the Board

11<sup>th</sup> February 2016

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 30<sup>th</sup> June 2015 and comply with IAS 34.

Copies of the abridged unaudited interim 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 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 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.*