



THE MAURITIUS COMMERCIAL BANK LIMITED
Abridged Unaudited Interim Financial Statements - 31st December 2016

Statement of financial position as at 31st December 2016

	<u>31-Dec-16</u>	<u>31-Dec-15</u>	<u>30-Jun-16</u>
	Rs'000	Rs'000	Rs'000
ASSETS			
Cash and cash equivalents	33,238,236	37,679,158	31,975,711
Mandatory balances with Central Bank	15,101,770	12,786,709	13,688,608
Derivative financial instruments	364,163	133,900	175,771
Loans to and placements with banks	30,480,593	11,133,263	22,485,623
Loans and advances to customers	155,178,159	152,626,434	153,002,181
Investment securities	60,364,356	45,346,118	56,241,340
Investment in associates	1,145,428	1,336,824	1,161,063
Intangible assets	523,284	410,047	473,162
Property and equipment	4,950,402	4,950,195	4,952,603
Deferred tax assets	185,411	231,594	193,960
Other assets	2,327,203	4,013,514	2,581,496
Total assets	303,859,005	270,647,756	286,931,518
LIABILITIES AND SHAREHOLDER'S EQUITY			
Deposits from banks	5,005,187	4,482,740	4,712,603
Deposits from customers	249,670,752	223,622,710	238,311,493
Derivative financial instruments	222,667	294,444	122,353
Other borrowed funds	9,167,204	5,455,673	4,865,908
Subordinated liabilities	1,080,141	1,076,718	1,082,289
Current tax liabilities	477,175	304,979	578,996
Other liabilities	3,479,115	3,722,036	4,302,453
Total liabilities	269,102,241	238,959,300	253,976,095
Shareholder's Equity			
Stated capital	6,879,602	6,879,602	6,879,602
Retained earnings	22,182,861	19,967,914	20,435,491
Other components of equity	5,694,301	4,840,940	5,640,330
Equity attributable to the ordinary equity holder of the bank	34,756,764	31,688,456	32,955,423
Total equity and liabilities	303,859,005	270,647,756	286,931,518
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers	31,801,070	42,778,032	30,129,810
Commitments	3,216,802	2,965,880	2,600,154
Tax assessments	848,834	808,143	836,868
Other	1,390,184	1,236,056	1,427,519
	37,256,890	47,788,111	34,994,351



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Statement of profit or loss for the period ended 31st December 2016

	Quarter to 31-Dec-16 Rs'000	Quarter to 31-Dec-15 Rs'000	6 mths to 31-Dec-16 Rs'000	6 mths to 31-Dec-15 Rs'000	Year to 30-Jun-16 Rs'000
Interest income	3,197,110	3,022,596	6,328,579	6,116,818	12,299,102
Interest expense	(950,981)	(1,011,838)	(1,930,858)	(2,056,638)	(4,101,325)
Net interest income	2,246,129	2,010,758	4,397,721	4,060,180	8,197,777
Fee and commission income	894,647	891,228	1,716,575	1,705,280	3,280,209
Fee and commission expense	(189,861)	(161,934)	(344,410)	(310,077)	(628,354)
Net fee and commission income	704,786	729,294	1,372,165	1,395,203	2,651,855
Other income	509,917	359,470	941,028	651,266	1,613,466
Operating income	3,460,832	3,099,522	6,710,914	6,106,649	12,463,098
Non-interest expense	(1,298,235)	(1,201,244)	(2,548,074)	(2,428,496)	(4,639,820)
Operating profit before impairment	2,162,597	1,898,278	4,162,840	3,678,153	7,823,278
Net impairment of financial assets	(279,831)	(290,350)	(482,397)	(460,424)	(907,021)
Profit before tax	1,882,766	1,607,928	3,680,443	3,217,729	6,916,257
Income tax expense	(364,742)	(349,979)	(719,339)	(625,543)	(1,296,094)
Profit for the period attributable to the owner of the bank	1,518,024	1,257,949	2,961,104	2,592,186	5,620,163

Statement of other comprehensive income for the period ended 31st December 2016

Profit for the period	1,518,024	1,257,949	2,961,104	2,592,186	5,620,163
Other comprehensive (expense)/income:					
Item that will not be reclassified to profit or loss:					
Remeasurement of defined benefit pension plan net of deferred tax	-	-	-	-	(173,765)
Items that are or may be reclassified subsequently to profit or loss:					
Reclassification adjustment	-	(54,627)	(5,113)	(54,627)	(60,243)
Net fair value (loss)/gain on available-for-sale investments	(38,342)	24,883	118,076	(37,247)	(46,491)
	(38,342)	(29,744)	112,963	(91,874)	(106,734)
Other comprehensive (expense)/income for the period	(38,342)	(29,744)	112,963	(91,874)	(280,499)
Total comprehensive income for the period	1,479,682	1,228,205	3,074,067	2,500,312	5,339,664
Total comprehensive income attributable to the owner of the bank:	1,479,682	1,228,205	3,074,067	2,500,312	5,339,664
Earnings per share (Rs):	2.21	1.83	4.30	3.77	8.17
Weighted average number of shares (thousands)	687,960	687,960	687,960	687,960	687,960



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Statement of changes in equity for the period ended 31st December 2016

	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
At 1st July 2015	6,879,602	18,705,062	882,117	3,130,602	691,497	30,288,880
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)
Transactions with owner in his capacity as owner	-	(1,100,736)	-	-	-	(1,100,736)
Transfer to general banking reserve	-	(228,598)	-	-	228,598	-
At 31st December 2015	6,879,602	19,967,914	790,243	3,130,602	920,095	31,688,456
At 1st July 2015	6,879,602	18,705,062	882,117	3,130,602	691,497	30,288,880
Profit for the year	-	5,620,163	-	-	-	5,620,163
Other comprehensive expense for the year	-	(173,765)	(106,734)	-	-	(280,499)
Total comprehensive income/(expense) for the year	-	5,446,398	(106,734)	-	-	5,339,664
Dividends in cash	-	(2,132,676)	-	-	-	(2,132,676)
Dividends in specie	-	(540,445)	-	-	-	(540,445)
Transactions with owner in his capacity as owner	-	2,773,277	(106,734)	-	-	2,666,543
Transfer to statutory reserve	-	(844,000)	-	844,000	-	-
Transfer to general banking reserve	-	(198,848)	-	-	198,848	-
At 30th June 2016	6,879,602	20,435,491	775,383	3,974,602	890,345	32,955,423
Profit for the period	-	2,961,104	-	-	-	2,961,104
Other comprehensive income for the period	-	-	112,963	-	-	112,963
Total comprehensive income for the period	-	2,961,104	112,963	-	-	3,074,067
Dividends	-	(1,272,726)	-	-	-	(1,272,726)
Transactions with owner in his capacity as owner	-	(1,272,726)	-	-	-	(1,272,726)
Transfer from general banking reserve	-	58,992	-	-	(58,992)	-
At 31st December 2016	6,879,602	22,182,861	888,346	3,974,602	831,353	34,756,764



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Statement of cash flows for the period ended 31st December 2016

	6 mths to 31-Dec-16 Rs'000	6 mths to 31-Dec-15 Rs'000	Year to 30-Jun-16 Rs'000
Operating activities			
Net cash flows from trading activities	4,124,501	1,503,584	5,094,910
Net cash flows from other operating activities	(1,956,266)	17,349,950	8,732,789
Dividends paid	(2,304,666)	(2,123,965)	(2,123,965)
Income tax paid	(812,611)	(778,474)	(1,107,371)
Net cash flows from operating activities	(949,042)	15,951,095	10,596,363
Investing activities	(582,147)	(32,595)	(586,838)
Net cash flows before financing activities	(1,531,189)	15,918,500	10,009,525
Financing activities			
Net refund of subordinated loan	-	-	199,354
Net cash flows from financing activities	-	-	199,354
(Decrease)/Increase in cash and cash equivalents	(1,531,189)	15,918,500	10,208,879
Net cash and cash equivalents brought forward	31,969,261	21,760,382	21,760,382
Net cash and cash equivalents carried forward	30,438,072	37,678,882	31,969,261



COMMENTS ON RESULTS TO 31ST DECEMBER 2016

For the six months ended 31st December 2016, Operating Income rose by 9.9% to reach Rs 6,711 million, contributing to a growth of 14.2% in Profit after Tax amounting to Rs 2,961 million.

Net Interest Income rose by 8.3% to reach Rs 4,398 million thanks to the deployment of our Rupee and Foreign currency excess liquidity albeit at low yields.

Our Profit arising from dealing in foreign currencies and Net gain from financial instruments carried out at fair value increased by 38.6% to Rs 880 million resulting mainly from increased payment volumes.

Net fee and commission income was slightly lower at Rs 1,372 million with the continued growth in our wealth management, cards and global business activities offsetting the drop in trade finance fee income.

Operating Expenses growth was contained at 4.9% to reach Rs 2,548 million, leading to a cost to income ratio of 38.0%, maintaining a similar trend as the previous quarter.

Allowance for Credit impairment was 4.8% higher than the same semester last year reaching Rs 482 million, with our Non-Performing Loans to Gross Loans ratio reaching 5.7% compared to 5.9% over the last two financial years.

With the realisation of our pipeline of cross border projects and the forthcoming private and public sector development projects, the Bank's results for the current financial year are expected to show respectable growth.

By order of the Board

13th February 2017

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 2016 and comply with IAS 34.

Where necessary, comparative figures have been amended to conform with changes in presentation or in accounting policies.

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

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.