



THE MAURITIUS COMMERCIAL BANK LIMITED

Unaudited Interim Summary Financial Statements - 31 March 2019

Summary statement of financial position as at 31 March 2019

	31-Mar-19 Rs'000	31-Mar-18 Rs'000	30-Jun-18 Rs'000 (Restated)
ASSETS			
Cash and cash equivalents	44,305,421	29,758,785	34,087,944
Mandatory balances with Central Bank	18,300,589	17,151,043	17,196,714
Derivative financial instruments	143,278	263,486	95,817
Loans to and placements with banks	15,735,777	17,937,788	19,265,587
Loans and advances to customers	211,501,113	176,297,344	188,569,042
Investment securities	101,800,480	88,759,952	81,884,347
Investment in subsidiary	117,570	252,139	117,570
Investments in associates	3,979,639	4,414,091	4,054,371
Intangible assets	651,293	525,356	544,602
Property, plant and equipment	4,754,964	4,829,961	4,841,797
Deferred tax assets	265,078	175,435	104,365
Other assets	3,502,710	1,994,104	1,689,646
Total assets	405,057,912	342,359,484	352,451,802
LIABILITIES AND SHAREHOLDER'S EQUITY			
Deposits from banks	7,940,359	6,823,420	6,588,686
Deposits from customers	297,052,277	276,428,807	278,943,186
Derivative financial instruments	196,531	257,184	407,024
Other borrowed funds	43,895,930	10,132,671	14,188,543
Subordinated liability	1,000,355	1,015,388	1,060,181
Current tax liabilities	965,405	579,777	872,964
Other liabilities	6,710,706	3,328,272	6,407,271
Total liabilities	357,761,563	298,565,519	308,467,855
Shareholder's equity			
Stated capital	6,879,602	6,879,602	6,879,602
Retained earnings	34,309,633	29,526,755	28,596,833
Other components of equity	6,107,114	7,387,608	8,507,512
Total equity	47,296,349	43,793,965	43,983,947
Total equity and liabilities	405,057,912	342,359,484	352,451,802
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers	62,260,616	59,456,723	57,851,972
Commitments	5,829,109	8,887,080	6,077,554
Tax assessments	157,085	1,014,261	537,147
Other	1,607,400	1,452,047	1,396,653
	69,854,210	70,810,111	65,863,326



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Summary statement of profit or loss for the period ended 31 March 2019

	Quarter to 31-Mar-19 Rs'000	Quarter to 31-Mar-18 Rs'000 (Restated)	9 mths to 31-Mar-19 Rs'000	9 mths to 31-Mar-18 Rs'000 (Restated)	Year to 30-Jun-18 Rs'000 (Restated)
Interest income	4,364,437	3,423,621	12,754,586	10,108,528	13,903,688
Interest expense	(1,322,139)	(911,828)	(3,639,173)	(2,748,863)	(3,794,901)
Net interest income	3,042,298	2,511,793	9,115,413	7,359,665	10,108,787
Fee and commission income	984,797	1,019,222	2,972,130	2,743,376	3,644,356
Fee and commission expense	(308,667)	(231,331)	(802,033)	(628,854)	(867,748)
Net fee and commission income	676,130	787,891	2,170,097	2,114,522	2,776,608
Other income	637,738	490,774	1,548,267	1,369,465	1,870,650
Operating income	4,356,166	3,790,458	12,833,777	10,843,652	14,756,045
Non-interest expense	(1,476,720)	(1,321,425)	(4,532,422)	(4,120,608)	(5,455,314)
Operating profit before impairment	2,879,446	2,469,033	8,301,355	6,723,044	9,300,731
Net impairment of financial assets	(281,484)	(350,709)	(1,016,714)	(941,729)	(1,228,932)
Operating profit	2,597,962	2,118,324	7,284,641	5,781,315	8,071,799
Share of profit of associates	25,744	71,254	211,927	300,992	341,468
Profit before tax	2,623,706	2,189,578	7,496,568	6,082,307	8,413,267
Income tax expense	(384,186)	(413,547)	(1,117,824)	(995,127)	(1,627,703)
Profit for the period	2,239,520	1,776,031	6,378,744	5,087,180	6,785,564

Summary statement of comprehensive income for the period ended 31 March 2019

Profit for the period	2,239,520	1,776,031	6,378,744	5,087,180	6,785,564
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Net fair value loss on equity investments	(25,027)	-	(51,305)	-	-
Remeasurement of defined benefit pension plan, net of deferred tax	-	-	-	-	(235,146)
	(25,027)	-	(51,305)	-	(235,146)
Items that may be reclassified subsequently to profit or loss:					
Exchange difference on translating foreign operations	(18,312)	88,426	(116,940)	161,887	89,526
Reclassification adjustments on disposal of investments at fair value through other comprehensive income	(19,811)	-	(25,320)	-	-
Reclassification adjustments on disposal of available-for-sale investments	-	280	-	(179,550)	(227,304)
Net fair value gain on available-for-sale investments	17,328	102,152	63,314	310,168	471,373
	(20,795)	190,858	(78,946)	292,505	333,595
Other comprehensive (expense)/income for the period	(45,822)	190,858	(130,251)	292,505	98,449
Total comprehensive income for the period	2,193,698	1,966,889	6,248,493	5,379,685	6,884,013
Earnings per share (Rs)	3.26	2.58	9.27	7.39	9.86
Weighted average number of shares (thousands)	687,960	687,960	687,960	687,960	687,960



THE MAURITIUS COMMERCIAL BANK LIMITED

Unaudited Interim Summary Financial Statements - 31 March 2019

Summary statement of changes in equity for the period ended 31 March 2019

At 1 July 2017

Impact of accounting for investments in associates using the equity method

As restated

Profit for the period

Other comprehensive income for the period

Total comprehensive income for the period

Dividends

Transactions with owner in his capacity as owner

Transfer to general banking reserve

At 31 March 2018

At 1 July 2017

Impact of accounting for investments in associates using the equity method

As restated

Profit for the year

Other comprehensive (expense)/income for the year

Total comprehensive income for the year

Dividends

Unclaimed dividends pertaining to previous years

Transactions with owner in his capacity as owner

Transfer to statutory reserve

Transfer to general banking reserve

At 30 June 2018

Impact of adopting IFRS 9:

Impairment on financial assets:

Reversal of portfolio provision

Reversal of general banking reserve

Expected credit losses

Expected credit losses on debt instruments at fair value through other comprehensive income

Share of expected credit losses of associates

Classification and measurement of financial assets:

Fair value of financial assets

Reclassification of equity instruments

Impact of adopting IFRS 9

As restated

Profit for the period

Other comprehensive expense for the period

Total comprehensive income/(expense) for the period

Dividends

Transactions with owner in his capacity as owner

At 31 March 2019

Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	General Banking Reserve	Total Equity
Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
6,879,602	23,462,727	1,154,719	-	4,910,602	837,401	37,245,051
-	2,578,924	-	(23,633)	-	24,257	2,579,548
6,879,602	26,041,651	1,154,719	(23,633)	4,910,602	861,658	39,824,599
-	5,087,180	-	-	-	-	5,087,180
-	-	130,618	161,887	-	-	292,505
-	5,087,180	130,618	161,887	-	-	5,379,685
-	(1,410,319)	-	-	-	-	(1,410,319)
-	(1,410,319)	-	-	-	-	(1,410,319)
-	(191,757)	-	-	-	191,757	-
6,879,602	29,526,755	1,285,337	138,254	4,910,602	1,053,415	43,793,965
6,879,602	23,462,727	1,154,719	-	4,910,602	837,401	37,245,051
-	2,578,924	-	(23,633)	-	24,257	2,579,548
6,879,602	26,041,651	1,154,719	(23,633)	4,910,602	861,658	39,824,599
-	6,785,564	-	-	-	-	6,785,564
-	(235,146)	244,069	89,526	-	-	98,449
-	6,550,418	244,069	89,526	-	-	6,884,013
-	(2,751,841)	-	-	-	-	(2,751,841)
-	27,176	-	-	-	-	27,176
-	(2,724,665)	-	-	-	-	(2,724,665)
-	(1,015,000)	-	-	1,015,000	-	-
-	(255,571)	-	-	-	255,571	-
6,879,602	28,596,833	1,398,788	65,893	5,925,602	1,117,229	43,983,947
-	1,359,589	-	-	-	-	1,359,589
-	1,092,972	-	-	-	(1,092,972)	-
-	(2,746,190)	-	-	-	-	(2,746,190)
-	(17,089)	17,089	-	-	-	-
-	(310,718)	17,089	-	-	(1,092,972)	(1,386,601)
-	(134,583)	-	-	-	(24,257)	(158,840)
-	(445,301)	17,089	-	-	(1,117,229)	(1,545,441)
-	19,669	-	-	-	-	19,669
-	1,170,007	(1,170,007)	-	-	-	-
-	1,189,676	(1,170,007)	-	-	-	19,669
-	744,375	(1,152,918)	-	-	(1,117,229)	(1,525,772)
6,879,602	29,341,208	245,870	65,893	5,925,602	-	42,458,175
-	6,378,744	-	-	-	-	6,378,744
-	-	(13,311)	(116,940)	-	-	(130,251)
-	6,378,744	(13,311)	(116,940)	-	-	6,248,493
-	(1,410,319)	-	-	-	-	(1,410,319)
-	(1,410,319)	-	-	-	-	(1,410,319)
6,879,602	34,309,633	232,559	(51,047)	5,925,602	-	47,296,349



THE MAURITIUS COMMERCIAL BANK LIMITED
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Summary statement of cash flows for the period ended 31 March 2019

Operating activities

Net cash flows from trading activities

Net cash flows from other operating activities

Dividends paid

Income tax paid

Net cash flows from operating activities

Net cash flows from investing activities

Net cash flows from financing activities

Increase/(Decrease) in cash and cash equivalents

Net cash and cash equivalents brought forward

Net cash and cash equivalents carried forward

9 mths to	9 mths to	Year to
31-Mar-19	31-Mar-18	30-Jun-18
Rs'000	Rs'000	Rs'000
10,018,715	(10,215,031)	(4,030,924)
939,302	7,051,785	7,202,416
(2,751,841)	(2,751,841)	(2,751,841)
(1,186,096)	(1,225,987)	(1,430,223)
7,020,080	(7,141,074)	(1,010,572)
(514,718)	(577,506)	(731,785)
(51,384)	-	-
6,453,978	(7,718,580)	(1,742,357)
32,254,950	33,997,307	33,997,307
38,708,928	26,278,727	32,254,950

COMMENTS ON RESULTS

The Bank continued to maintain a strong performance for the nine months driven by a sustained growth in its foreign and local activities. Operating income increased by 18.4% to reach Rs 12,834 million and contributed to a rise of 25.4% in profit after tax for the nine months, which stood at Rs 6,379 million.

Net interest income grew by 23.9% and reached Rs 9,115 million mainly on account of the significant growth in the foreign currency loan book largely from Energy and Commodities and Structured financing activities, an appreciable growth in the local loan (including corporate notes) book and higher average yields on local investment securities.

Non-interest income rose by 6.7% to Rs 3,718 million. Net fee and commission income improved by 2.6% to reach Rs 2,170 million over the nine months. The robust performance from non-fund based activities linked to Energy and Commodities and the Cards activities were partially offset by the lower wealth management fees. 'Other income' grew by 13.0% to reach Rs 1,548 million due to the fair value movements on equity instruments.

Operating expenses increased by 10.0% to Rs 4,532 million as the Bank continued to build capacity to support its strategic objectives. The Cost to Income ratio of the Bank improved further to reach 35.3% compared to 38.0% over the same period last year.

Net impairment of financial assets of Rs 1,017 million remained in line with our increasing credit portfolio, with the ratio of Impairment charges to Total loans remaining stable at 0.6% and the Non performing loans to Total loans ratio at 3.7%.

Profit before tax on a comparable basis improved by 23.3% to reach Rs 7,497 million. The share of foreign-sourced contribution for the Bank, on a consolidated basis, improved further to 66% thanks to its successful international growth and diversification strategy. This helped improve our effective tax rate further.

The BIS and Tier 1 capital adequacy ratios as at 31 March 2019 improved to 16.5% and 15.7% respectively.

Going forward, the Bank remains confident that it will maintain this encouraging trend in view of the existing pipeline.

By order of the Board
13 May 2019

The unaudited interim summary financial statements comply with IAS 34 and have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 30 June 2018 except for a change in accounting policy with respect to investments in associates from cost to equity method as permitted under IAS 27 and IAS 28.

With the adoption of IFRS 9 effective on 1 July 2018, the opening balances have been adjusted with the new requirements for classification and measurement of financial assets and liabilities and impairments thereon.

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

Copies of the unaudited interim summary 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 Board of Directors of The Mauritius Commercial Bank Limited accepts full responsibility for the accuracy of the information contained in this communiqué.