



**THE MAURITIUS COMMERCIAL BANK LIMITED**  
Unaudited Interim Summary Financial Statements - 30 September 2018

**Summary statement of financial position as at 30 September 2018**

	<b>30-Sep-18</b>	30-Sep-17	30-Jun-18
	<b>Rs'000</b>	Rs'000	Rs'000
		(Restated)	(Restated)
<b>ASSETS</b>			
Cash and cash equivalents	<b>34,364,552</b>	34,435,003	34,087,944
Mandatory balances with Central Bank	<b>17,416,359</b>	16,116,663	17,196,714
Derivative financial instruments	<b>126,141</b>	209,106	95,817
Loans to and placements with banks	<b>18,718,476</b>	23,942,953	19,265,587
Loans and advances to customers	<b>202,305,195</b>	162,067,738	188,569,042
Investment securities	<b>89,009,172</b>	77,418,915	81,884,347
Investment in subsidiary	<b>117,570</b>	64,322	117,570
Investments in associates	<b>3,931,003</b>	3,875,704	4,054,371
Intangible assets	<b>541,017</b>	573,687	544,602
Property, plant and equipment	<b>4,791,075</b>	4,875,338	4,841,797
Deferred tax assets	<b>129,369</b>	174,744	104,365
Other assets	<b>1,758,248</b>	4,192,278	1,689,646
<b>Total assets</b>	<b>373,208,177</b>	327,946,451	352,451,802
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
Deposits from banks	<b>6,615,547</b>	5,373,305	6,588,686
Deposits from customers	<b>283,468,601</b>	268,460,111	278,943,186
Derivative financial instruments	<b>99,184</b>	186,478	407,024
Other borrowed funds	<b>31,339,285</b>	5,588,357	14,188,543
Subordinated liability	<b>1,039,012</b>	1,026,223	1,060,181
Current tax liabilities	<b>1,197,762</b>	1,105,421	872,964
Other liabilities	<b>6,466,136</b>	5,956,855	6,407,271
<b>Total liabilities</b>	<b>330,225,527</b>	287,696,750	308,467,855
<b>Shareholder's equity</b>			
Stated capital	<b>6,879,602</b>	6,879,602	6,879,602
Retained earnings	<b>29,952,980</b>	26,223,890	28,596,833
Other components of equity	<b>6,150,068</b>	7,146,209	8,507,512
<b>Total equity</b>	<b>42,982,650</b>	40,249,701	43,983,947
<b>Total equity and liabilities</b>	<b>373,208,177</b>	327,946,451	352,451,802
<b>CONTINGENT LIABILITIES</b>			
Guarantees, letters of credit, endorsements and other obligations on account of customers	<b>54,048,733</b>	47,561,039	57,851,972
Commitments	<b>5,936,785</b>	5,768,646	6,077,554
Tax assessments	<b>539,790</b>	1,000,017	537,147
Other	<b>1,430,059</b>	1,267,551	1,396,653
	<b>61,955,367</b>	55,597,253	65,863,326



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**Summary statement of profit or loss for the period ended 30 September 2018**

	<b>3 mths to 30-Sep-18 Rs'000</b>	3 mths to 30-Sep-17 Rs'000 (Restated)	Year to 30-Jun-18 Rs'000 (Restated)
Interest income	4,049,291	3,305,379	13,903,688
Interest expense	<b>(1,081,231)</b>	<b>(976,050)</b>	<b>(3,794,901)</b>
<b>Net interest income</b>	<b>2,968,060</b>	<b>2,329,329</b>	<b>10,108,787</b>
Fee and commission income	884,265	852,820	3,644,356
Fee and commission expense	<b>(224,953)</b>	<b>(191,566)</b>	<b>(867,748)</b>
<b>Net fee and commission income</b>	<b>659,312</b>	<b>661,254</b>	<b>2,776,608</b>
Other income	<b>507,591</b>	<b>457,477</b>	<b>1,870,650</b>
<b>Operating income</b>	<b>4,134,963</b>	<b>3,448,060</b>	<b>14,756,045</b>
Non-interest expense	<b>(1,505,034)</b>	<b>(1,341,113)</b>	<b>(5,455,314)</b>
<b>Operating profit before impairment</b>	<b>2,629,929</b>	<b>2,106,947</b>	<b>9,300,731</b>
Net impairment of financial assets	<b>(342,498)</b>	<b>(250,889)</b>	<b>(1,228,932)</b>
<b>Operating profit</b>	<b>2,287,431</b>	<b>1,856,058</b>	<b>8,071,799</b>
Share of profit of associates	<b>104,836</b>	<b>68,441</b>	<b>341,468</b>
<b>Profit before tax</b>	<b>2,392,267</b>	<b>1,924,499</b>	<b>8,413,267</b>
Income tax expense	<b>(370,176)</b>	<b>(313,908)</b>	<b>(1,627,703)</b>
<b>Profit for the period</b>	<b>2,022,091</b>	<b>1,610,591</b>	<b>6,785,564</b>



**THE MAURITIUS COMMERCIAL BANK LIMITED**  
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**Summary statement of comprehensive income for the period ended 30 September 2018**

<b>Profit for the period</b>	<b><u>2,022,091</u></b>	<b><u>1,610,591</u></b>	<b><u>6,785,564</u></b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Net fair value loss on equity investments	(19,590)	-	-
Remeasurement of defined benefit pension plan, net of deferred tax	-	-	(235,146)
	<b><u>(19,590)</u></b>	<b><u>-</u></b>	<b><u>(235,146)</u></b>
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange difference on translating foreign operations	(62,512)	60,420	89,526
Reclassification adjustments on disposal of investments at fair value through other comprehensive income	(5,195)	-	-
Reclassification adjustments on disposal of available-for-sale investments	-	-	(227,304)
Net fair value gain on available-for-sale investments	-	164,410	471,373
	<b><u>(67,707)</u></b>	<b><u>224,830</u></b>	<b><u>333,595</u></b>
<b>Other comprehensive (expense)/income for the period</b>	<b><u>(87,297)</u></b>	<b><u>224,830</u></b>	<b><u>98,449</u></b>
<b>Total comprehensive income for the period</b>	<b><u>1,934,794</u></b>	<b><u>1,835,421</u></b>	<b><u>6,884,013</u></b>
<b>Earnings per share (Rs)</b>	<b><u>2.94</u></b>	<b><u>2.34</u></b>	<b><u>9.86</u></b>
<b>Weighted average number of shares (thousands)</b>	<b><u>687,960</u></b>	<b><u>687,960</u></b>	<b><u>687,960</u></b>



**THE MAURITIUS COMMERCIAL BANK LIMITED**  
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**Summary statement of changes in equity for the period ended 30 September 2018**

	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
<b>At 1 July 2017</b>	6,879,602	23,462,727	1,154,719	-	4,910,602	837,401	37,245,051
Impact of accounting for investments in associates using the equity method	-	2,578,924	-	(23,633)	-	24,257	2,579,548
<b>As restated</b>	6,879,602	26,041,651	1,154,719	(23,633)	4,910,602	861,658	39,824,599
Profit for the period	-	1,610,591	-	-	-	-	1,610,591
Other comprehensive income for the period	-	-	164,410	60,420	-	-	224,830
Total comprehensive income for the period	-	1,610,591	164,410	60,420	-	-	1,835,421
Dividends	-	(1,410,319)	-	-	-	-	(1,410,319)
Transactions with owner in his capacity as owner	-	(1,410,319)	-	-	-	-	(1,410,319)
Transfer to general banking reserve	-	(18,033)	-	-	-	18,033	-
<b>At 30 September 2017</b>	<b>6,879,602</b>	<b>26,223,890</b>	<b>1,319,129</b>	<b>36,787</b>	<b>4,910,602</b>	<b>879,691</b>	<b>40,249,701</b>
<b>At 1 July 2017</b>	6,879,602	23,462,727	1,154,719	-	4,910,602	837,401	37,245,051
Impact of accounting for investments in associates using the equity method	-	2,578,924	-	(23,633)	-	(24,257)	2,579,548
<b>As restated</b>	6,879,602	26,041,651	1,154,719	(23,633)	4,910,602	861,658	39,824,599
Profit for the year	-	6,785,564	-	-	-	-	6,785,564
Other comprehensive (expense)/income for the year	-	(235,146)	244,069	89,526	-	-	98,449
Total comprehensive income for the year	-	6,550,418	244,069	89,526	-	-	6,884,013
Dividends	-	(2,751,841)	-	-	-	-	(2,751,841)
Unclaimed dividends pertaining to previous years	-	27,176	-	-	-	-	27,176
Transactions with owner in his capacity as owner	-	(2,724,665)	-	-	-	-	(2,724,665)
Transfer to statutory reserve	-	(1,015,000)	-	-	1,015,000	-	-
Transfer to general banking reserve	-	(255,571)	-	-	-	255,571	-
<b>At 30 June 2018</b>	<b>6,879,602</b>	<b>28,596,833</b>	<b>1,398,788</b>	<b>65,893</b>	<b>5,925,602</b>	<b>(1,117,229)</b>	<b>43,983,947</b>
<b>Impact of adopting IFRS 9:</b>							
<b>Impairment on financial assets:</b>							
Reversal of portfolio provision	-	1,359,589	-	-	-	-	1,359,589
Reversal of general banking reserve	-	1,092,972	-	-	-	(1,092,972)	-
Expected credit losses	-	(2,746,190)	-	-	-	-	(2,746,190)
Expected credit losses on debt instruments at fair value through other comprehensive income	-	(17,089)	17,089	-	-	-	-
Share of expected credit losses of associates	-	(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)
<b>Classification and measurement of financial assets:</b>							
Fair value of financial assets	-	19,669	-	-	-	-	19,669
Reclassification of equity instruments	-	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)
<b>As restated</b>	<b>6,879,602</b>	<b>29,341,208</b>	<b>245,870</b>	<b>65,893</b>	<b>5,925,602</b>	<b>-</b>	<b>42,458,175</b>
Profit for the period	-	2,022,091	-	-	-	-	2,022,091
Other comprehensive expense for the period	-	-	(24,785)	(62,512)	-	-	(87,297)
Total comprehensive income/(expense) for the period	-	2,022,091	(24,785)	(62,512)	-	-	1,934,794
Dividends	-	(1,410,319)	-	-	-	-	(1,410,319)
Transactions with owner in his capacity as owner	-	(1,410,319)	-	-	-	-	(1,410,319)
<b>At 30 September 2018</b>	<b>6,879,602</b>	<b>29,952,980</b>	<b>221,085</b>	<b>3,381</b>	<b>5,925,602</b>	<b>-</b>	<b>42,982,650</b>



THE MAURITIUS COMMERCIAL BANK LIMITED  
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Summary statement of cash flows for the period ended 30 September 2018

	3 mths to 30-Sep-18 Rs'000	3 mths to 30-Sep-17 Rs'000	Year to 30-Jun-18 Rs'000
<b>Operating activities</b>			
Net cash flows from trading activities	1,708,844	(9,547,229)	(4,030,924)
Net cash flows from other operating activities	(5,384,619)	11,119,477	7,202,416
Dividends paid	(1,341,522)	(1,341,522)	(2,751,841)
Income tax paid	(70,382)	(18,433)	(1,430,223)
<b>Net cash flows from operating activities</b>	<b>(5,087,679)</b>	212,293	(1,010,572)
Net cash flows from investing activities	(125,921)	(116,644)	(731,785)
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(5,213,600)</b>	95,649	(1,742,357)
Net cash and cash equivalents brought forward	32,254,950	33,997,307	33,997,307
<b>Net cash and cash equivalents carried forward</b>	<b>27,041,350</b>	34,092,956	32,254,950



## THE MAURITIUS COMMERCIAL BANK LIMITED

### Unaudited Interim Summary Financial Statements - 30 September 2018

#### **COMMENTS ON RESULTS**

The Bank posted a strong performance for the first quarter driven by the sustained growth in its local and foreign currency loan portfolio since the latter part of the last financial year. As a result, operating income increased by 19.9% to reach Rs 4,135 million, contributing to a rise of 25.5% in profit after tax for the quarter, which stood at Rs 2,022 million.

Net interest income grew by 27.4% to reach Rs 2,968 million mainly on account of the double digit growth in the local and international loan books and the higher average yields on the investments in MUR Treasury Bills.

Non-interest income rose by 4.3% to Rs 1,167 million. Net fee and commission income was flat at Rs 659 million with the growth in cards and regional trade finance activities offset by lower portfolio management fees. Other income grew by 10.9% to reach Rs 508 million as the fair value gain on equity instruments is now being reflected in the Statement of profit or loss, with the implementation of IFRS 9.

Operating expenses increased by 12.2% to Rs 1,505 million resulting from capacity building endeavours to support the bank's strategic objectives and in line with the business development currently being undertaken. Our Cost to Income ratio fell from 38.9% to 36.4% over the period.

Impairment charges grew by 36.5% to reach Rs 342 million with the increased loan book. Impairment charges to total loans increased marginally to reach 0.61% whilst the non performing loans to total loans ratio dropped below the 4.0% level. As reported, in the Summary statement of changes in equity, the net effect of adopting IFRS 9 due to impairment and taking into account the latest regulatory requirements, was a reduction of Rs 445 million in opening retained earnings as at 1 July 2018.

Profit before tax on a comparable basis improved by 24.3% to reach Rs 2,392 million. The share of foreign-sourced earnings improved further to 52% in line with our international diversification strategy.

Despite the increase in customer exposures, the Total and Tier 1 Capital Adequacy ratios as at 30 September 2018 remained at comfortable levels.

Going forward, the Bank remains confident that its growth momentum will be sustained as it continues to execute its numerous initiatives in support of its strategic objectives within a favourable external environment.

By order of the Board  
12 November 2018

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](http://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.*