



**THE MAURITIUS COMMERCIAL BANK LIMITED**  
Unaudited Interim Summary Financial Statements - 31 December 2019

**Summary statement of financial position as at 31 December 2019**

	<b>31-Dec-19</b>	31-Dec-18	30-Jun-19
	<b>Rs'000</b>	Rs'000	Rs'000
<b>ASSETS</b>			
Cash and cash equivalents	55,011,333	28,537,026	45,398,059
Mandatory balances with Central Bank	19,789,861	17,798,730	18,608,534
Derivative financial instruments	424,253	137,693	269,295
Loans to and placements with banks	15,476,041	17,444,042	20,754,084
Loans and advances to customers	216,395,626	211,587,822	213,398,224
Investment securities	120,862,242	92,315,058	116,397,500
Investment in subsidiary	117,570	117,570	117,570
Investments in associates	4,387,670	3,971,812	4,078,542
Intangible assets	900,162	564,918	805,494
Property, plant and equipment	5,050,199	4,755,253	4,964,461
Deferred tax assets	183,776	179,470	110,064
Other assets	2,834,025	3,757,184	3,368,885
<b>Total assets</b>	<b>441,432,758</b>	<b>381,166,578</b>	<b>428,270,712</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
Deposits from banks	7,986,899	7,028,212	7,375,969
Deposits from customers	329,924,173	290,175,057	307,000,545
Derivative financial instruments	357,478	171,239	508,808
Other borrowed funds	44,002,893	30,127,205	55,405,740
Subordinated liability	1,005,272	1,056,481	1,040,100
Current tax liabilities	906,796	703,524	898,811
Other liabilities	6,332,169	6,802,209	8,121,146
<b>Total liabilities</b>	<b>390,515,680</b>	<b>336,063,927</b>	<b>380,351,119</b>
<b>Shareholder's equity</b>			
Stated capital	6,879,602	6,879,602	6,879,602
Retained earnings	36,596,994	32,070,113	33,588,912
Other components of equity	7,440,482	6,152,936	7,451,079
<b>Total equity</b>	<b>50,917,078</b>	<b>45,102,651</b>	<b>47,919,593</b>
<b>Total equity and liabilities</b>	<b>441,432,758</b>	<b>381,166,578</b>	<b>428,270,712</b>
<b>CONTINGENT LIABILITIES</b>			
Guarantees, letters of credit and other obligations on account of customers	70,755,665	59,331,470	66,527,909
Commitments	6,168,113	7,962,641	5,140,426
Tax assessments	95,634	542,691	89,715
Other	1,771,751	1,432,454	1,659,453
	<b>78,791,163</b>	<b>69,269,256</b>	<b>73,417,503</b>



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

	Quarter to 31-Dec-19 Rs'000	Quarter to 31-Dec-18 Rs'000	6 mths to 31-Dec-19 Rs'000	6 mths to 31-Dec-18 Rs'000	Year to 30-Jun-19 Rs'000
Interest income	4,777,859	4,340,858	9,551,072	8,390,149	17,449,219
Interest expense	(1,373,330)	(1,235,803)	(2,855,274)	(2,317,034)	(5,196,422)
<b>Net interest income</b>	<b>3,404,529</b>	<b>3,105,055</b>	<b>6,695,798</b>	<b>6,073,115</b>	<b>12,252,797</b>
Fee and commission income	1,101,914	1,103,068	2,106,921	1,987,333	4,087,395
Fee and commission expense	(281,983)	(268,413)	(563,212)	(493,366)	(1,069,983)
<b>Net fee and commission income</b>	<b>819,931</b>	<b>834,655</b>	<b>1,543,709</b>	<b>1,493,967</b>	<b>3,017,412</b>
Other income	726,908	402,938	1,253,609	910,529	2,312,667
<b>Operating income</b>	<b>4,951,368</b>	<b>4,342,648</b>	<b>9,493,116</b>	<b>8,477,611</b>	<b>17,582,876</b>
Non-interest expense	(1,618,505)	(1,550,668)	(3,201,100)	(3,055,702)	(5,925,617)
<b>Operating profit before impairment</b>	<b>3,332,863</b>	<b>2,791,980</b>	<b>6,292,016</b>	<b>5,421,909</b>	<b>11,657,259</b>
Net impairment of financial assets	(449,511)	(392,732)	(829,410)	(735,230)	(1,455,649)
<b>Operating profit</b>	<b>2,883,352</b>	<b>2,399,248</b>	<b>5,462,606</b>	<b>4,686,679</b>	<b>10,201,610</b>
Share of profit of associates	149,425	81,347	298,869	186,183	241,860
<b>Profit before tax</b>	<b>3,032,777</b>	<b>2,480,595</b>	<b>5,761,475</b>	<b>4,872,862</b>	<b>10,443,470</b>
Income tax expense	(466,220)	(363,462)	(917,607)	(733,638)	(1,629,862)
<b>Profit for the period</b>	<b>2,566,557</b>	<b>2,117,133</b>	<b>4,843,868</b>	<b>4,139,224</b>	<b>8,813,608</b>

**Summary statement of comprehensive income for the period ended 31 December 2019**

<b>Profit for the period</b>	<b>2,566,557</b>	<b>2,117,133</b>	<b>4,843,868</b>	<b>4,139,224</b>	<b>8,813,608</b>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Net fair value gain/(loss) on equity investments	1,811	(3,969)	(16,523)	(26,278)	(68,733)
Remeasurement of defined benefit pension plan, net of deferred tax	-	-	-	-	(404,477)
	<b>1,811</b>	<b>(3,969)</b>	<b>(16,523)</b>	<b>(26,278)</b>	<b>(473,210)</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Exchange differences on translating foreign operations	80,727	(36,116)	9,566	(98,628)	22,839
Reclassification adjustments on disposal of investments at fair value through other comprehensive income	-	(314)	-	(5,509)	(25,320)
Net fair value (loss)/gain on debt instruments	(12,638)	43,267	18,066	45,986	81,731
	<b>68,089</b>	<b>6,837</b>	<b>27,632</b>	<b>(58,151)</b>	<b>79,250</b>
<b>Other comprehensive income/(expense) for the period</b>	<b>69,900</b>	<b>2,868</b>	<b>11,109</b>	<b>(84,429)</b>	<b>(393,960)</b>
<b>Total comprehensive income for the period</b>	<b>2,636,457</b>	<b>2,120,001</b>	<b>4,854,977</b>	<b>4,054,795</b>	<b>8,419,648</b>
<b>Earnings per share (Rs)</b>	<b>3.73</b>	<b>3.08</b>	<b>7.04</b>	<b>6.02</b>	<b>12.81</b>
<b>Weighted average number of shares (thousands)</b>	<b>687,960</b>	<b>687,960</b>	<b>687,960</b>	<b>687,960</b>	<b>687,960</b>



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**Summary statement of changes in equity for the period ended 31 December 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
<b>At 1 July 2018</b>	6,879,602	29,341,208	245,870	65,893	5,925,602	-	42,458,175
Profit for the period	-	4,139,224	-	-	-	-	4,139,224
Other comprehensive income/(expense) for the period	-	-	14,199	(98,628)	-	-	(84,429)
Total comprehensive income/(expense) for the period	-	4,139,224	14,199	(98,628)	-	-	4,054,795
Dividends	-	(1,410,319)	-	-	-	-	(1,410,319)
Transactions with owner in his capacity as owner	-	(1,410,319)	-	-	-	-	(1,410,319)
<b>At 31 December 2018</b>	<b>6,879,602</b>	<b>32,070,113</b>	<b>260,069</b>	<b>(32,735)</b>	<b>5,925,602</b>	<b>-</b>	<b>45,102,651</b>
<b>At 1 July 2018</b>	6,879,602	29,341,208	245,870	65,893	5,925,602	-	42,458,175
Profit for the year	-	8,813,608	-	-	-	-	8,813,608
Other comprehensive (expense)/income for the year	-	(404,477)	(12,322)	22,839	-	-	(393,960)
Total comprehensive income/(expense) for the year	-	8,409,131	(12,322)	22,839	-	-	8,419,648
Dividends	-	(2,958,230)	-	-	-	-	(2,958,230)
Transactions with owner in his capacity as owner	-	(2,958,230)	-	-	-	-	(2,958,230)
Transfer to statutory reserve	-	(954,000)	-	-	954,000	-	-
Transfer to general banking reserve	-	(249,197)	-	-	-	249,197	-
<b>At 30 June 2019</b>	<b>6,879,602</b>	<b>33,588,912</b>	<b>233,548</b>	<b>88,732</b>	<b>6,879,602</b>	<b>249,197</b>	<b>47,919,593</b>
Profit for the period	-	4,843,868	-	-	-	-	4,843,868
Other comprehensive income for the period	-	-	1,543	9,566	-	-	11,109
Total comprehensive income for the period	-	4,843,868	1,543	9,566	-	-	4,854,977
Dividends	-	(1,857,492)	-	-	-	-	(1,857,492)
Transactions with owner in his capacity as owner	-	(1,857,492)	-	-	-	-	(1,857,492)
Transfer from general banking reserve	-	21,706	-	-	-	(21,706)	-
<b>At 31 December 2019</b>	<b>6,879,602</b>	<b>36,596,994</b>	<b>235,091</b>	<b>98,298</b>	<b>6,879,602</b>	<b>227,491</b>	<b>50,917,078</b>



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**Summary statement of cash flows for the period ended 31 December 2019**

	<b>6 mths to 31-Dec-19 Rs'000</b>	6 mths to 31-Dec-18 Rs'000	Year to 30-Jun-19 Rs'000
<b>Operating activities</b>			
<b>Net cash flows from trading activities</b>	<b>9,391,187</b>	7,943,421	16,380,613
<b>Net cash flows from other operating activities</b>	<b>16,575,577</b>	(7,841,460)	(11,724,945)
Dividends received from associates	-	-	173,499
Dividends paid	<b>(3,405,403)</b>	(2,751,841)	(2,751,841)
Income tax paid	<b>(983,334)</b>	(978,183)	(1,517,304)
<b>Net cash flows from operating activities</b>	<b>21,578,027</b>	(3,628,063)	560,022
<b>Net cash flows from investing activities</b>	<b>(651,748)</b>	(279,514)	(869,354)
<b>Net cash flows from financing activities</b>	<b>(54,475)</b>	-	(51,384)
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>20,871,804</b>	(3,907,577)	(360,716)
Net cash and cash equivalents brought forward	<b>31,894,234</b>	32,254,950	32,254,950
<b>Net cash and cash equivalents carried forward</b>	<b>52,766,038</b>	28,347,373	31,894,234

**COMMENTS ON RESULTS**

The Bank continues to achieve a good performance for the half year driven by the positive performance across all its major business activities. Operating income increased by 12.0% to reach Rs 9,493 million and this contributed to a strong rise of 17.0% in profit after tax for the period, which stood at Rs 4,844 million.

Net interest income grew by 10.3% and reached Rs 6,696 million resulting from an appreciable growth in the foreign currency and rupee loan books (including corporate notes) as well as the prevailing rupee liquidity situation.

Non-interest income rose by 16.3% to Rs 2,797 million. This was mainly due to Other income growing by 37.7% to reach Rs 1,254 million, with the strong rise in fair value gains on equity instruments in this period compared to a small loss over the same period last year. Net fee and commission income increased by 3.3% to reach Rs 1,544 million over the semester.

Operating expenses increased by 4.8% to Rs 3,201 million leading to its Cost to Income ratio falling to 33.7%.

Net impairment of financial assets of Rs 829 million remained in line with our increasing credit portfolio. The Impairment charges to Total loans and the Non performing loans to Total loans ratios were at 0.67% and 3.79% respectively.

Profit before tax improved by 18.2% to reach Rs 5,761 million. The share of foreign-sourced contribution for the Bank (after tax), on a consolidated basis, increased to 62% compared to 58% for the same period last year.

The BIS and Tier 1 capital adequacy ratios as at 31 December 2019 improved to 16.6% and 15.7% respectively.

Going forward, with challenging times ahead, the Bank remains confident to achieve a positive performance as it pursues its strategic ambitions and reinforces its commitment towards a sustainable local economy.

By order of the Board

12 February 2020

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 2019 .

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.*