Statements of financial position

	GROUP			BANK		
	31-Dec-12	31-Dec-11	30-Jun-12	**31-Dec-12**	31-Dec-11	30-Jun-12
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
ASSETS						
Cash and cash equivalents	**13,628,533**	12,906,789	11,071,228	**12,141,611**	11,307,616	9,762,837
Mandatory balances with Central Banks	**9,576,293**	8,716,373	9,089,260	**7,959,280**	7,550,928	7,588,498
Derivative financial instruments	**462,857**	42,867	32,057	**462,857**	42,867	32,057
Loans and advances to banks	**1,733,291**	572,481	2,457,646	**1,722,916**	478,702	2,287,026
Loans and advances to customers	**140,666,117**	126,223,613	135,183,050	**132,559,753**	118,638,842	127,396,940
Investment securities	**18,051,993**	16,310,358	16,873,501	**13,334,411**	12,196,816	12,385,486
Investments in associates	**6,137,720**	6,582,906	6,713,495	**874,434**	850,927	1,644,074
Investments in subsidiaries	**-**	-	-	**3,677,816**	3,537,307	3,537,307
Goodwill and other intangible assets	**1,012,255**	1,037,716	976,858	**747,769**	882,523	818,676
Property, plant and equipment	**6,374,355**	6,357,838	6,316,085	**5,495,433**	5,578,221	5,543,947
Deferred tax assets	**15,798**	19,940	14,877	**-**	-	-
Other assets	**3,228,246**	2,995,045	2,682,362	**2,964,593**	2,382,147	2,599,599
Total assets	**200,887,458**	181,765,926	191,410,419	**181,940,873**	163,446,896	173,596,447
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits from banks	**1,743,436**	1,145,496	1,319,030	**3,307,263**	2,581,271	2,776,618
Deposits from customers	**158,622,887**	144,098,741	149,558,227	**146,035,280**	133,277,851	138,032,675
Derivative financial instruments	**57,512**	528,481	274,868	**55,101**	528,481	274,868
Other borrowed funds	**6,460,021**	4,696,310	7,434,431	**6,168,873**	4,268,546	7,008,400
Current tax liabilities	**119,282**	167,241	240,364	**112,414**	116,675	202,738
Deferred tax liabilities	**106,047**	83,650	97,868	**69,080**	47,049	63,836
Other liabilities	**4,439,880**	4,633,613	4,796,441	**3,740,825**	3,620,515	4,138,499
Total liabilities	**171,549,065**	155,353,532	163,721,229	**159,488,836**	144,440,388	152,497,634
Shareholders' Equity						
Share capital and share premium	**2,594,869**	2,585,339	2,593,395	**2,594,869**	2,585,339	2,593,395
Retained earnings	**21,151,225**	18,295,374	19,565,121	**16,494,515**	13,253,639	15,221,962
Other components of equity	**4,407,435**	4,317,209	4,342,410	**3,727,093**	3,533,997	3,648,221
	28,153,529	25,197,922	26,500,926	**22,816,477**	19,372,975	21,463,578
Less treasury shares	**(364,440)**	(366,467)	(364,765)	**(364,440)**	(366,467)	(364,765)
Equity attributable to the ordinary equity holders of the parent	**27,789,089**	24,831,455	26,136,161	**22,452,037**	19,006,508	21,098,813
Non-controlling interests	**1,549,304**	1,580,939	1,553,029	**-**	-	-
Total equity	**29,338,393**	26,412,394	27,689,190	**22,452,037**	19,006,508	21,098,813
Total equity and liabilities	**200,887,458**	181,765,926	191,410,419	**181,940,873**	163,446,896	173,596,447
CONTINGENT LIABILITIES						
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	**48,812,433**	33,416,187	39,134,200	**47,701,176**	31,844,988	37,482,964
Commitments	**3,891,906**	5,416,397	4,741,781	**3,578,668**	5,306,074	4,519,999
Tax assessments	**132,369**	376,946	68,042	**132,369**	376,946	68,042
Other	**1,368,571**	1,023,690	1,416,011	**1,328,066**	1,006,137	1,289,436
	54,205,279	40,233,220	45,360,034	**52,740,279**	38,534,145	43,360,441

THE MAURITIUS COMMERCIAL BANK LIMITED

Unaudited Interim Financial Statements - 31st Dec 2012

Income statements

	GROUP					BANK				
	Quarter to	Quarter to	**6 mths to**	6 mths to	Year to	**Quarter to**	Quarter to	**6 mths to**	6 mths to	Year to
	31-Dec-12	31-Dec-11	**31-Dec-12**	31-Dec-11	30-Jun-12	**31-Dec-12**	31-Dec-11	**31-Dec-12**	31-Dec-11	30-Jun-12
	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000	Rs'000
Interest income	**2,982,264**	2,883,765	**5,877,426**	5,653,733	11,140,000	**2,678,207**	2,592,067	**5,306,666**	5,095,444	10,067,396
Interest expense	**(1,161,868)**	(1,249,423)	**(2,305,785)**	(2,451,150)	(4,755,245)	**(1,048,761)**	(1,118,659)	**(2,088,508)**	(2,202,173)	(4,321,466)
Net interest income	**1,820,396**	1,634,342	**3,571,641**	3,202,583	6,384,755	**1,629,446**	1,473,408	**3,218,158**	2,893,271	5,745,930
Fee and commission income	**791,700**	646,724	**1,478,035**	1,290,372	2,684,133	**628,671**	515,473	**1,168,289**	1,042,032	2,204,326
Fee and commission expense	**(140,171)**	(126,570)	**(246,114)**	(220,220)	(456,891)	**(108,690)**	(96,283)	**(184,670)**	(167,587)	(342,108)
Net fee and commission income	**651,529**	520,154	**1,231,921**	1,070,152	2,227,242	**519,981**	419,190	**983,619**	874,445	1,862,218
Other income	**416,948**	350,248	**697,094**	722,611	1,396,214	**298,213**	223,836	**524,723**	461,236	1,906,123
Operating income	**2,888,873**	2,504,744	**5,500,656**	4,995,346	10,008,211	**2,447,640**	2,116,434	**4,726,500**	4,228,952	9,514,271
Non-interest expense	**(1,369,377)**	(1,262,431)	**(2,608,907)**	(2,426,686)	(4,615,501)	**(1,093,824)**	(1,040,085)	**(2,134,773)**	(2,010,768)	(3,874,680)
Operating profit before impairment	**1,519,496**	1,242,313	**2,891,749**	2,568,660	5,392,710	**1,353,816**	1,076,349	**2,591,727**	2,218,184	5,639,591
Allowance for credit impairment	**(236,510)**	(109,252)	**(342,448)**	(200,036)	(518,809)	**(225,953)**	(110,451)	**(325,723)**	(197,713)	(509,241)
Impairment of intangible assets	**-**	-	**-**	-	(1,206)	**-**	-	**-**	-	(1,206)
Operating profit	**1,282,986**	1,133,061	**2,549,301**	2,368,624	4,872,695	**1,127,863**	965,898	**2,266,004**	2,020,471	5,129,144
Share of profit of associates	**35,423**	20,315	**116,789**	63,171	162,391	**-**	-	**-**	-	-
Profit before tax	**1,318,409**	1,153,376	**2,666,090**	2,431,795	5,035,086	**1,127,863**	965,898	**2,266,004**	2,020,471	5,129,144
Income tax expense	**(213,255)**	(201,194)	**(420,575)**	(404,154)	(888,111)	**(169,179)**	(149,714)	**(339,900)**	(313,173)	(669,495)
Profit for the period	**1,105,154**	952,182	**2,245,515**	2,027,641	4,146,975	**958,684**	816,184	**1,926,104**	1,707,298	4,459,649
Profit for the period attributable to :-										
Ordinary equity holders of the parent	**1,096,814**	944,650	**2,233,064**	2,007,825	4,114,563	**958,684**	816,184	**1,926,104**	1,707,298	4,459,649
Non-controlling interests	**8,340**	7,532	**12,451**	19,816	32,412	**-**	-	**-**	-	-
	1,105,154	952,182	**2,245,515**	2,027,641	4,146,975	**958,684**	816,184	**1,926,104**	1,707,298	4,459,649

Statements of comprehensive income

	GROUP					BANK				
Profit for the period	**1,105,154**	952,182	**2,245,515**	2,027,641	4,146,975	**958,684**	816,184	**1,926,104**	1,707,298	4,459,649
Other comprehensive income/(expense):										
Exchange differences on translating foreign operations	**42,626**	(132,198)	**39,178**	(291,498)	(154,708)	**-**	-	**-**	-	-
Reclassification adjustments	**-**	(569)	**-**	(34,449)	(21,491)	**-**	-	**-**	-	-
Net fair value gain/(loss) on available-for-sale investments	**98,481**	111,860	**4,072**	20,377	(92,198)	**56,076**	64,611	**78,872**	86,042	188,580
Share of other comprehensive income/(expense) of associates	**51,419**	119,796	**21,616**	11,729	(14,066)	**-**	-	**-**	-	-
Other comprehensive income/(expense) for the period	**192,526**	98,889	**64,866**	(293,841)	(282,463)	**56,076**	64,611	**78,872**	86,042	188,580
Total comprehensive income for the period	**1,297,680**	1,051,071	**2,310,381**	1,733,800	3,864,512	**1,014,760**	880,795	**2,004,976**	1,793,340	4,648,229
Total comprehensive income attributable to :-										
Ordinary equity holders of the parent	**1,269,104**	988,148	**2,302,912**	1,714,021	3,837,338	**1,014,760**	880,795	**2,004,976**	1,793,340	4,648,229
Non-controlling interests	**28,576**	62,923	**7,469**	19,779	27,174	**-**	-	**-**	-	-
	1,297,680	1,051,071	**2,310,381**	1,733,800	3,864,512	**1,014,760**	880,795	**2,004,976**	1,793,340	4,648,229
Earnings per share:										
Basic (Rs)	**4.62**	3.98	**9.40**	8.45	17.32					
Diluted (Rs)	**4.61**	3.98	**9.40**	8.45	17.31					
Basic weighted average number of shares (thousands)	**237,653**	237,582	**237,650**	237,575	237,606					
Diluted weighted average number of shares (thousands)	**237,681**	237,627	**237,678**	237,620	237,650					

Statements of changes in equity

	Attributable to ordinary equity holders of the parent										
	Share Capital	Share Premium	Treasury Shares	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	General Banking Reserve	Total	Non-controlling Interests	Total Equity
GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1st July 2011	**2,503,756**	**77,953**	**(367,183)**	**16,898,668**	**1,516,455**	**(95,596)**	**2,597,647**	**597,273**	**23,728,973**	**1,571,537**	**25,300,510**
Total comprehensive income for the period	-	-	-	2,007,825	(8,360)	(285,444)	-	-	1,714,021	19,779	1,733,800
Transfer on disposal of interests in joint venture	-	-	-	3,029	-	(2,468)	-	-	561	(561)	-
Increase in effective shareholding of associate	-	-	-	1,273	-	-	-	-	1,273	939	2,212
Dividends	-	-	-	(617,719)	-	-	-	-	(617,719)	(10,755)	(628,474)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	2,408	(2,408)	-	-	-	-	-	-
Transfer to general banking reserve	-	-	-	(110)	-	-	-	110	-	-	-
Employee share options exercised	-	3,630	716	-	-	-	-	-	4,346	-	4,346
At 31st December 2011	**2,503,756**	**81,583**	**(366,467)**	**18,295,374**	**1,505,687**	**(383,508)**	**2,597,647**	**597,383**	**24,831,455**	**1,580,939**	**26,412,394**
At 1st July 2011	**2,503,756**	**77,953**	**(367,183)**	**16,898,668**	**1,516,455**	**(95,596)**	**2,597,647**	**597,273**	**23,728,973**	**1,571,537**	**25,300,510**
Total comprehensive income for the year	-	-	-	4,114,563	(121,980)	(155,245)	-	-	3,837,338	27,174	3,864,512
Transfer on disposal of interest in joint venture	-	-	-	3,029	-	(2,468)	-	-	561	(561)	-
Effect of shares bought back and cancelled by subsidiary	-	-	-	(12,333)	-	-	-	-	(12,333)	(17,833)	(30,166)
Acquisition of non-controlling interest by local subsidiary	-	-	-	(43,694)	-	-	-	-	(43,694)	(8,628)	(52,322)
Increase in effective shareholding of associate	-	-	-	1,273	-	-	-	-	1,273	939	2,212
Dividends	-	-	-	(1,390,061)	-	-	-	-	(1,390,061)	(19,599)	(1,409,660)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	11,571	(11,571)	-	-	-	-	-	-
Transfer to general banking reserve	-	-	-	(760)	-	-	-	760	-	-	-
Transfer to statutory reserve	-	-	-	(17,135)	-	-	17,135	-	-	-	-
Employee share options exercised	-	11,686	2,418	-	-	-	-	-	14,104	-	14,104
At 30th June 2012	**2,503,756**	**89,639**	**(364,765)**	**19,565,121**	**1,382,904**	**(253,309)**	**2,614,782**	**598,033**	**26,136,161**	**1,553,029**	**27,689,190**
Total comprehensive income for the period	-	-	-	2,233,064	24,480	45,368	-	-	2,302,912	7,469	2,310,381
Increase in effective shareholding of associate	-	-	-	1,768	-	-	-	-	1,768	1,303	3,071
Dividends	-	-	-	(653,551)	-	-	-	-	(653,551)	(12,497)	(666,048)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	4,400	(4,400)	-	-	-	-	-	-
Transfer from general banking reserve	-	-	-	423	-	-	-	(423)	-	-	-
Employee share options exercised	-	1,474	325	-	-	-	-	-	1,799	-	1,799
At 31st December 2012	**2,503,756**	**91,113**	**(364,440)**	**21,151,225**	**1,402,984**	**(207,941)**	**2,614,782**	**597,610**	**27,789,089**	**1,549,304**	**29,338,393**

BANK	Share Capital	Share Premium	Treasury Shares	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	General Banking Reserve	Total	Non-controlling Interests	Total Equity
At 1st July 2011	**2,503,756**	**77,953**	**(367,183)**	**12,164,060**	**332,666**	**-**	**2,581,709**	**533,580**	**17,826,541**	**-**	**17,826,541**
Total comprehensive income for the period	-	-	-	1,707,298	86,042	-	-	-	1,793,340	-	1,793,340
Dividends	-	-	-	(617,719)	-	-	-	-	(617,719)	-	(617,719)
Employee share options exercised	-	3,630	716	-	-	-	-	-	4,346	-	4,346
At 31st December 2011	**2,503,756**	**81,583**	**(366,467)**	**13,253,639**	**418,708**	**-**	**2,581,709**	**533,580**	**19,006,508**	**-**	**19,006,508**
At 1st July 2011	**2,503,756**	**77,953**	**(367,183)**	**12,164,060**	**332,666**	**-**	**2,581,709**	**533,580**	**17,826,541**	**-**	**17,826,541**
Total comprehensive income for the year	-	-	-	4,459,649	188,580	-	-	-	4,648,229	-	4,648,229
Dividends	-	-	-	(1,390,061)	-	-	-	-	(1,390,061)	-	(1,390,061)
Transfer to statutory reserve	-	-	-	(11,686)	-	-	11,686	-	-	-	-
Employee share options exercised	-	11,686	2,418	-	-	-	-	-	14,104	-	14,104
At 30th June 2012	**2,503,756**	**89,639**	**(364,765)**	**15,221,962**	**521,246**	**-**	**2,593,395**	**533,580**	**21,098,813**	**-**	**21,098,813**
Total comprehensive income for the period	-	-	-	1,926,104	78,872	-	-	-	2,004,976	-	2,004,976
Dividends	-	-	-	(653,551)	-	-	-	-	(653,551)	-	(653,551)
Employee share options exercised	-	1,474	325	-	-	-	-	-	1,799	-	1,799
At 31st December 2012	**2,503,756**	**91,113**	**(364,440)**	**16,494,515**	**600,118**	**-**	**2,593,395**	**533,580**	**22,452,037**	**-**	**22,452,037**

Statements of cash flows

	GROUP			BANK		
	6 mths to 31-Dec-12 Rs'000	6 mths to 31-Dec-11 Rs'000	Year to 30-Jun-12 Rs'000	**6 mths to 31-Dec-12** Rs'000	6 mths to 31-Dec-11 Rs'000	Year to 30-Jun-12 Rs'000
Net cash flows from trading activities	**2,061,487**	1,795,465	4,637,125	**1,907,013**	1,630,394	5,105,161
Net cash flows from other operating activities	**2,758,860**	5,969,377	183,535	**2,379,618**	5,011,202	(775,002)
Dividends received from associates	**19,794**	10,772	775,394	**-**	-	-
Dividends paid	**(1,425,893)**	(772,068)	(1,389,787)	**(1,425,893)**	(772,068)	(1,389,787)
Dividends paid to non-controlling interests in subsidiaries	**(12,497)**	(10,755)	(19,599)	**-**	-	-
Income tax paid	**(532,562)**	(521,199)	(876,410)	**(424,980)**	(460,353)	(713,825)
Net cash flows from operating activities	**2,869,189**	6,471,592	3,310,258	**2,435,758**	5,409,175	2,226,547
Investing activities	**(272,428)**	(1,011,590)	(1,511,991)	**59,593**	(782,578)	(1,005,077)
Net cash flows before financing	**2,596,761**	5,460,002	1,798,267	**2,495,351**	4,626,597	1,221,470
Employee share options exercised	**1,757**	3,250	12,183	**1,757**	3,250	12,183
Refund of subordinated liabilities	**-**	(1,298,672)	(1,298,672)	**-**	(1,298,672)	(1,298,672)
Share buy back by subsidiary	**-**	-	(30,166)	**-**	-	-
Net debt securities issued	**354,900**	-	1,783,500	**354,900**	-	1,783,500
Refund/(Grant) of subordinated loan from/to associate/subsidiaries	**784,512**	-	(782,439)	**642,193**	(50,000)	(832,439)
Increase in cash and cash equivalents	**3,737,930**	4,164,580	1,482,673	**3,494,201**	3,281,175	886,042
Net cash and cash equivalents brought forward	**5,526,297**	4,057,836	4,057,836	**4,643,937**	3,757,895	3,757,895
Effect of foreign exchange rate changes	**69,685**	(11,937)	(14,212)	**-**	-	-
Net cash and cash equivalents carried forward	**9,333,912**	8,210,479	5,526,297	**8,138,138**	7,039,070	4,643,937

COMMENTS ON HALF YEAR RESULTS TO 31ST DECEMBER 2012

RESULTS

Group profits for the six months period to 31st December 2012 rose by 11.2% to reach Rs 2,233 million, with profits of the Bank rising by 12.8% to reach Rs 1,926 million, underpinned by a notable growth in foreign-sourced earnings.

An increase of 11.5% was registered in net interest income which reached Rs 3,571 million for the first semester of FY 2012/13, on the back of continued growth in the loan portfolio, more particularly with respect to our international operations.

Net Fee and commission income increased by an appreciable 15.1% for the period, boosted by strong performances in relation to regional trade financing and payment services.

Bearing in mind significant capacity-building outlays incurred in prior years and reflecting ongoing cost management initiatives, the growth of operating expenses has been contained to 7.5%.

In view of the difficult economic context, allowance for credit impairment increased by Rs 142 million to Rs 342 million over the period under review, representing less than 0.4% of gross loans and advances on an annualised basis.

PROSPECTS

Looking ahead, the operating environment is expected to remain quite challenging and economic growth in Mauritius is forecast to remain below-potential in the near term at least. Nevertheless, while being attentive to changes in its operational set-up, the Group remains intent on pursuing its broad-based strategic ambitions with particular focus on its regional involvement in view of the interesting economic prospects of sub-Saharan Africa. On current trends, the net profit of the MCB Group for FY 2012/13 is likely to improve from that of the previous year.

By order of the Board

14th February 2013

The 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 2012 and comply with IAS34.

Copies of the unaudited interim financial statements can be obtained free of charge upon request at the registered office of the Company, 9-15, Sir William Newton Street, Port-Louis.

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 Company.

This communiqué is issued pursuant to Listing Rule 12.20 and 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.