THE MAURITIUS COMMERCIAL BANK LIMITED

Abridged Unaudited Interim Financial Statements - 31st March 2013

Statements of financial position

	GROUP			BANK		
	31-Mar-13	31-Mar-12	30-Jun-12	**31-Mar-13**	31-Mar-12	30-Jun-12
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
ASSETS						
Cash and cash equivalents	**14,685,775**	12,500,166	11,071,228	**13,563,845**	11,298,155	9,762,837
Mandatory balances with Central Banks	**9,387,771**	9,136,199	9,089,260	**8,024,119**	7,613,545	7,588,498
Derivative financial instruments	**116,129**	183,359	32,057	**116,129**	183,359	32,057
Loans and advances to banks	**506,320**	364,806	2,457,646	**498,463**	234,263	2,287,026
Loans and advances to customers	**153,475,813**	129,400,737	135,183,050	**144,564,166**	121,826,416	127,396,940
Investment securities	**20,120,934**	17,284,468	16,873,501	**15,468,361**	13,481,629	12,385,486
Investments in associates	**6,226,636**	6,652,096	6,713,495	**870,604**	857,927	1,644,074
Investments in subsidiaries	**-**	-	-	**3,680,802**	3,537,307	3,537,307
Goodwill and other intangible assets	**956,315**	999,942	976,858	**704,031**	845,950	818,676
Property, plant and equipment	**6,422,482**	6,299,791	6,316,085	**5,506,514**	5,547,159	5,543,947
Deferred tax assets	**19,605**	15,574	14,877	**-**	-	-
Other assets	**3,786,360**	3,148,552	2,682,362	**2,814,653**	2,380,189	2,599,599
Total assets	**215,704,140**	185,985,690	191,410,419	**195,811,687**	167,805,899	173,596,447
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits from banks	**3,716,587**	1,084,076	1,319,030	**4,361,627**	2,362,375	2,776,618
Deposits from customers	**160,784,523**	146,185,497	149,558,227	**148,536,911**	135,546,921	138,032,675
Derivative financial instruments	**260,481**	39,048	274,868	**260,481**	39,048	274,868
Other borrowed funds	**14,682,889**	6,286,928	7,434,431	**14,441,554**	5,869,573	7,008,400
Current tax liabilities	**165,596**	172,455	240,364	**148,759**	126,531	202,738
Deferred tax liabilities	**108,007**	92,148	97,868	**68,710**	61,519	63,836
Other liabilities	**5,330,869**	4,964,971	4,796,441	**4,547,306**	3,859,213	4,138,499
Total liabilities	**185,048,952**	158,825,123	163,721,229	**172,365,348**	147,865,180	152,497,634
Shareholders' Equity						
Share capital and share premium	**2,611,108**	2,593,395	2,593,395	**2,611,108**	2,593,395	2,593,395
Retained earnings	**22,128,917**	19,312,349	19,565,121	**17,393,943**	14,126,137	15,221,962
Other components of equity	**4,674,677**	4,055,418	4,342,410	**3,802,244**	3,585,952	3,648,221
	29,414,702	25,961,162	26,500,926	**23,807,295**	20,305,484	21,463,578
Less treasury shares	**(360,956)**	(364,765)	(364,765)	**(360,956)**	(364,765)	(364,765)
Equity attributable to the ordinary equity holders of the parent	**29,053,746**	25,596,397	26,136,161	**23,446,339**	19,940,719	21,098,813
Non-controlling interests	**1,601,442**	1,564,170	1,553,029	**-**	-	-
Total equity	**30,655,188**	27,160,567	27,689,190	**23,446,339**	19,940,719	21,098,813
Total equity and liabilities	**215,704,140**	185,985,690	191,410,419	**195,811,687**	167,805,899	173,596,447
CONTINGENT LIABILITIES						
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	**50,517,023**	35,077,672	39,134,200	**49,022,856**	33,584,841	37,482,964
Commitments	**5,607,874**	5,105,415	4,741,781	**5,347,915**	4,966,023	4,519,999
Tax assessments	**141,406**	42,633	68,042	**141,406**	42,633	68,042
Other	**1,444,726**	1,382,663	1,416,011	**1,370,212**	1,266,324	1,289,436
	57,711,029	41,608,383	45,360,034	**55,882,389**	39,859,821	43,360,441

Income statements

	GROUP					BANK				
	Quarter to 31-Mar-13 Rs'000	Quarter to 31-Mar-12 Rs'000	9 mths to 31-Mar-13 Rs'000	9 mths to 31-Mar-12 Rs'000	Year to 30-Jun-12 Rs'000	Quarter to 31-Mar-13 Rs'000	Quarter to 31-Mar-12 Rs'000	9 mths to 31-Mar-13 Rs'000	9 mths to 31-Mar-12 Rs'000	Year to 30-Jun-12 Rs'000
Interest income	2,873,326	2,892,059	8,750,752	8,545,792	11,140,000	2,583,872	2,600,280	7,890,538	7,695,724	10,067,396
Interest expense	(1,148,447)	(1,253,208)	(3,454,232)	(3,704,358)	(4,755,245)	(1,044,633)	(1,127,707)	(3,133,141)	(3,329,880)	(4,321,466)
Net interest income	1,724,879	1,638,851	5,296,520	4,841,434	6,384,755	1,539,239	1,472,573	4,757,397	4,365,844	5,745,930
Fee and commission income	872,738	632,740	2,350,773	1,923,112	2,684,133	718,795	510,869	1,887,084	1,552,901	2,204,326
Fee and commission expense	(185,523)	(116,711)	(431,637)	(336,931)	(456,891)	(135,401)	(88,077)	(320,071)	(255,664)	(342,108)
Net fee and commission income	687,215	516,029	1,919,136	1,586,181	2,227,242	583,394	422,792	1,567,013	1,297,237	1,862,218
Other income	301,850	367,006	998,944	1,089,617	1,396,214	278,095	286,356	802,818	747,592	1,906,123
Operating income	2,713,944	2,521,886	8,214,600	7,517,232	10,008,211	2,400,728	2,181,721	7,127,228	6,410,673	9,514,271
Non-interest expense	(1,258,826)	(1,162,771)	(3,867,733)	(3,589,457)	(4,615,501)	(1,047,304)	(977,504)	(3,182,077)	(2,988,272)	(3,874,680)
Operating profit before impairment	1,455,118	1,359,115	4,346,867	3,927,775	5,392,710	1,353,424	1,204,217	3,945,151	3,422,401	5,639,591
Allowance for credit impairment	(296,934)	(173,635)	(639,382)	(373,671)	(518,809)	(295,273)	(170,469)	(620,996)	(368,182)	(509,241)
Impairment of intangible assets	-	(1,205)	-	(1,205)	(1,206)	-	(1,205)	-	(1,205)	(1,206)
Operating profit	1,158,184	1,184,275	3,707,485	3,552,899	4,872,695	1,058,151	1,032,543	3,324,155	3,053,014	5,129,144
Share of profit of associates	1,822	40,193	118,611	103,364	162,391	-	-	-	-	-
Profit before tax	1,160,006	1,224,468	3,826,096	3,656,263	5,035,086	1,058,151	1,032,543	3,324,155	3,053,014	5,129,144
Income tax expense	(187,913)	(194,925)	(608,488)	(599,079)	(888,111)	(158,723)	(160,045)	(498,623)	(473,218)	(669,495)
Profit for the period	972,093	1,029,543	3,217,608	3,057,184	4,146,975	899,428	872,498	2,825,532	2,579,796	4,459,649
Profit for the period attributable to :-										
Ordinary equity holders of the parent	974,389	1,022,051	3,207,453	3,029,876	4,114,563	899,428	872,498	2,825,532	2,579,796	4,459,649
Non-controlling interests	(2,296)	7,492	10,155	27,308	32,412	-	-	-	-	-
	972,093	1,029,543	3,217,608	3,057,184	4,146,975	899,428	872,498	2,825,532	2,579,796	4,459,649

Statements of comprehensive income

	Quarter to 31-Mar-13	Quarter to 31-Mar-12	9 mths to 31-Mar-13	9 mths to 31-Mar-12	Year to 30-Jun-12	Quarter to 31-Mar-13	Quarter to 31-Mar-12	9 mths to 31-Mar-13	9 mths to 31-Mar-12	Year to 30-Jun-12
Profit for the period	972,093	1,029,543	3,217,608	3,057,184	4,146,975	899,428	872,498	2,825,532	2,579,796	4,459,649
Other comprehensive income/(expense):										
Exchange differences on translating foreign operations	82,369	35,174	121,547	(256,324)	(154,708)	-	-	-	-	-
Reclassification adjustments	-	13,962	-	(20,487)	(21,491)	-	-	-	-	-
Net fair value gain/(loss) on available-for-sale investments	118,804	(291,841)	122,876	(271,464)	(92,198)	75,151	51,955	154,023	137,997	188,580
Share of other comprehensive income/(expense) of associates	125,177	(18,257)	146,793	(6,528)	(14,066)	-	-	-	-	-
Other comprehensive income/(expense) for the period	326,350	(260,962)	391,216	(554,803)	(282,463)	75,151	51,955	154,023	137,997	188,580
Total comprehensive income for the period	1,298,443	768,581	3,608,824	2,502,381	3,864,512	974,579	924,453	2,979,555	2,717,793	4,648,229
Total comprehensive income attributable to :-										
Ordinary equity holders of the parent	1,245,724	767,517	3,548,636	2,481,538	3,837,338	974,579	924,453	2,979,555	2,717,793	4,648,229
Non-controlling interests	52,719	1,064	60,188	20,843	27,174	-	-	-	-	-
	1,298,443	768,581	3,608,824	2,502,381	3,864,512	974,579	924,453	2,979,555	2,717,793	4,648,229
Earnings per share:										
Basic (Rs)	4.10	4.30	13.49	12.75	17.32					
Diluted (Rs)	4.10	4.30	13.49	12.75	17.31					
Basic weighted average number of shares (thousands)	237,764	237,632	237,687	237,594	237,606					
Diluted weighted average number of shares (thousands)	237,810	237,666	237,733	237,629	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	-	-	-	3,029,876	(294,893)	(253,445)	-	-	2,481,538	20,843	2,502,381
Transfer on disposal of interests 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)
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	-	-	-	6,706	(6,706)	-	-	-	-	-	-
Transfer from general banking reserve	-	-	-	2,849	-	-	-	(2,849)	-	-	-
Employee share options exercised	-	11,686	2,418	-	-	-	-	-	14,104	-	14,104
At 31st March 2012	**2,503,756**	**89,639**	**(364,765)**	**19,312,349**	**1,214,856**	**(351,509)**	**2,597,647**	**594,424**	**25,596,397**	**1,564,170**	**27,160,567**
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	-	-	-	3,207,453	215,873	125,310	-	-	3,548,636	60,188	3,608,824
Increase in effective shareholding of associate	-	-	-	1,767	-	-	-	-	1,767	1,303	3,070
Dividends	-	-	-	(653,551)	-	-	-	-	(653,551)	(12,497)	(666,048)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	11,100	(11,100)	-	-	-	-	-	-
Transfer to general banking reserve	-	-	-	(2,973)	-	-	-	2,973	-	-	-
Effect of employee share options exercised in associate	-	-	-	-	(789)	-	-	-	(789)	(581)	(1,370)
Employee share options exercised	-	17,713	3,809	-	-	-	-	-	21,522	-	21,522
At 31st March 2013	**2,503,756**	**107,352**	**(360,956)**	**22,128,917**	**1,586,888**	**(127,999)**	**2,614,782**	**601,006**	**29,053,746**	**1,601,442**	**30,655,188**
BANK											
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	-	-	-	2,579,796	137,997	-	-	-	2,717,793	-	2,717,793
Dividends	-	-	-	(617,719)	-	-	-	-	(617,719)	-	(617,719)
Employee share options exercised	-	11,686	2,418	-	-	-	-	-	14,104	-	14,104
At 31st March 2012	**2,503,756**	**89,639**	**(364,765)**	**14,126,137**	**470,663**	**-**	**2,581,709**	**533,580**	**19,940,719**	**-**	**19,940,719**
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	-	-	-	2,825,532	154,023	-	-	-	2,979,555	-	2,979,555
Dividends	-	-	-	(653,551)	-	-	-	-	(653,551)	-	(653,551)
Employee share options exercised	-	17,713	3,809	-	-	-	-	-	21,522	-	21,522
At 31st March 2013	**2,503,756**	**107,352**	**(360,956)**	**17,393,943**	**675,269**	**-**	**2,593,395**	**533,580**	**23,446,339**	**-**	**23,446,339**

Statements of cash flows

	GROUP			BANK		
	9 mths to	9 mths to	Year to	**9 mths to**	9 mths to	Year to
	31-Mar-13	31-Mar-12	30-Jun-12	**31-Mar-13**	31-Mar-12	30-Jun-12
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
Net cash flows from trading activities	**4,808,560**	3,079,444	4,637,125	**4,812,650**	3,140,964	5,105,161
Net cash flows from other operating activities	**(7,383,959)**	3,652,462	183,535	**(7,420,553)**	2,722,939	(775,002)
Dividends received from associates	**28,816**	19,795	775,394	**-**	-	-
Dividends paid	**(1,425,893)**	(1,389,787)	(1,389,787)	**(1,425,893)**	(1,389,787)	(1,389,787)
Dividends paid to non-controlling interests in subsidiaries	**(12,497)**	(10,755)	(19,599)	**-**	-	-
Income tax paid	**(670,913)**	(698,372)	(876,410)	**(547,728)**	(596,072)	(713,825)
Net cash flows from operating activities	**(4,655,886)**	4,652,787	3,310,258	**(4,581,524)**	3,878,044	2,226,547
Investing activities	**(295,776)**	(1,126,293)	(1,511,991)	**70,722**	(870,868)	(1,005,077)
Net cash flows before financing	**(4,951,662)**	3,526,494	1,798,267	**(4,510,802)**	3,007,176	1,221,470
Employee share options exercised	**20,566**	12,183	12,183	**20,566**	12,183	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)	(30,166)	**-**	-	-
Net debt securities issued	**354,900**	-	1,783,500	**354,900**	-	1,783,500
Net refund/(grant) of subordinated loan from/to associate/subsidiaries	**784,512**	-	(782,439)	**641,690**	(50,000)	(832,439)
(Decrease)/Increase in cash and cash equivalents	**(3,791,684)**	2,209,839	1,482,673	**(3,493,646)**	1,670,687	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	**296,274**	(54,437)	(14,212)	**-**	-	-
Net cash and cash equivalents carried forward	**2,030,887**	6,213,238	5,526,297	**1,150,291**	5,428,582	4,643,937

COMMENTS ON RESULTS TO 31ST MARCH 2013

RESULTS

Group profits for the 9 months period ended 31st March 2013 increased by 5.9% to reach Rs 3.2 billion, driven by an increase of 9.5% in profit at Bank level with a notable performance recorded in terms of foreign-sourced earnings.
Net interest income was 9.4% up on last year, on the back of a sizeable expansion of the loan book, the latter having been boosted by short term financing of trade related operations in the region and in Africa.
Fee and Commission income increased by 21% from last year to reach Rs 1.9 billion, here again a result of the much increased trade finance activity outside Mauritius.
Operating expenses were well contained, with the major capacity building projects having been completed in 2012.

In view of the challenging operating context and after having taken into account increased credit risk on foreign sourced activities, group impairment charges increased by Rs 265 million to Rs 639 million for the nine months ending March 2013, which represented around 0.4% of gross loans and advances as at 31st March 2013.

PROSPECTS

Looking ahead, the business environment in which the MCB Group operates will remain delicate, with challenges on the economic and regulatory fronts amongst others. Nevertheless, backed by its sound fundamentals, reinforced internal capabilities and due focus on customer service quality, the MCB is well positioned to pursue actively its strategic orientations, notably in the regional and African context.
In line with the momentum gathered so far, MCB Group results for FY 2012/13 are likely to be better than those of the preceding financial year.

By order of the Board

14th May 2013

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 2012 and comply with IAS34.

Copies of the abridged unaudited interim financial statements can be obtained free of charge from the Company Secretary 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.