

Company profile

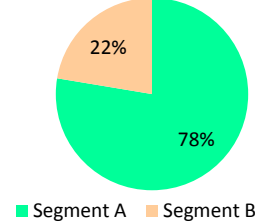
Incorporated in 1838, MCB Limited is the leading bank in Mauritius while being an increasingly prominent player in the region. Backed by modern and adapted channel capabilities, high quality service, an innovative culture and a sound business model, MCB Limited has, throughout its history, been true to its guiding principle of assisting in the advancement of individuals, corporates and the country at large, in the process playing a key role in the development of the Mauritian economy.

CEO profile- Pierre Guy Noel

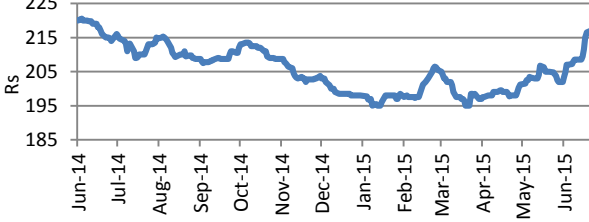
Mr Noel holds a BSc (Honours) in Economics from the London School of Economics and is a Fellow of the Institute of Chartered Accountants in England & Wales. He joined MCB as Planning & Development Consultant in 1992 before being appointed General Manager of the bank in 1996 and became Chief Executive of the group in 2005.



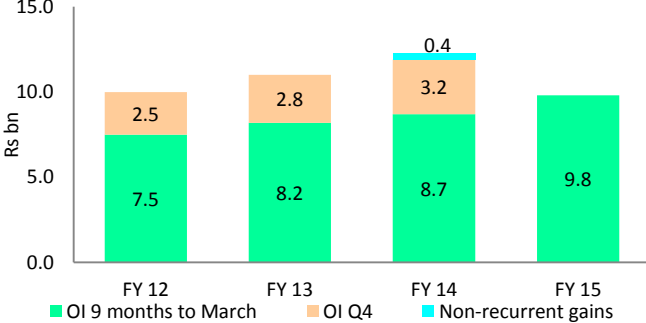
Segmental Revenue



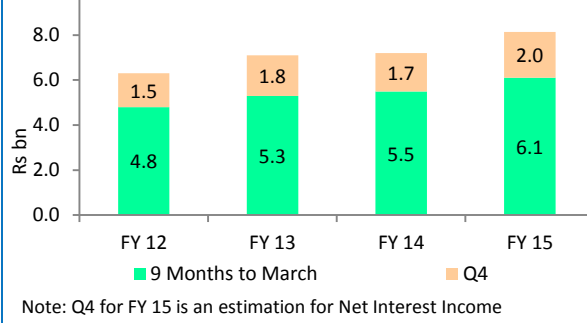
Share price



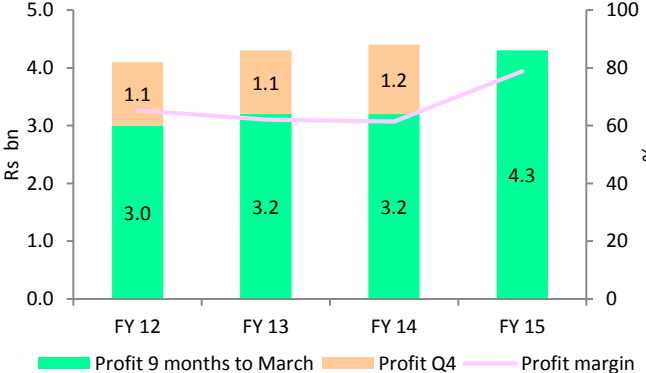
Operating Income



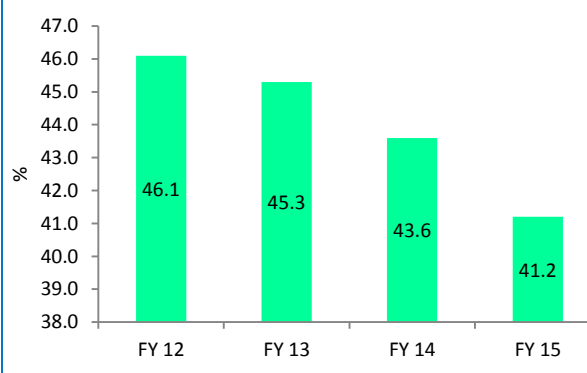
Net Interest Income



Profit after tax



Cost to income ratio



Sector: 30th June 2015

Type:	Banks, Insurance and Other Finance
Market:	Mauritius
Bloomberg Ticker:	MCB MP
Share statistics:	
Market capitalisation	Rs 51.7 bn
Weight in Semdex	23.5%
Avg. daily value traded	Rs 16.0 M
52-wk range:	Rs 195 – 218

Fundamentals:

Price earning ratio	11.8
Dividend yield (%)	3.0
Price/nav ratio	1.7
Earnings per share (Rs)	18.3
Dividend per share (Rs)	6.5
Net assets value (Rs)	130.1

Rationale:

- Foreign-sourced banking and non-banking transactions account for more than 50% of Group's profit;
- Cost-to-income ratio on the decrease to 43.6% in 2014 after peaking at 46.0% in 2012;
- Unbundling done for banking and non-banking financial activities and other investments;
- Tier 1 capital at 12.9% at 30th June 2013, then went down to 11.0% after the reorganisation but moved up to 11.5% at 31st December 2014.
- The accounts were hit by increased loan impairments in 2014, the allowance for loan impairment is back on track for the 9 months ended 31st March 2015;
- Moody's maintained its ratings in the last review but mentioned that there should be pressure for an upward review.

Valuation and Recommendation:

The bank has delivered solid results for the first 9 months of the current financial year. The Group is generating significant income from overseas market. On the domestic front, we expect improved margins with increased penetration and adoption of technology and internet/mobile-enabled banking. We maintain a **BUY** recommendation on MCB and forecast that the Bank will sustain its financial performance over the coming quarters.