



Summary statement of financial position as at 31 March 2021

	31-Mar-21	31-Mar-20	30-Jun-20
	Rs'M	Rs'M	Rs'M
		(Restated)	
ASSETS			
Cash and cash equivalents	86,467	56,254	68,128
Mandatory balances with Central Bank	21,118	18,738	19,821
Derivative financial instruments	1,673	798	997
Loans to and placements with banks	35,314	14,591	19,353
Loans and advances to customers	260,897	227,143	226,777
Investment securities	159,857	141,909	135,915
Investment in subsidiary	118	118	118
Investments in associates	5,516	4,636	4,984
Intangible assets	1,247	951	1,014
Property, plant and equipment	5,045	5,010	5,219
Deferred tax assets	1,445	654	1,009
Other assets	4,612	2,691	2,538
Total assets	583,309	473,493	485,873
LIABILITIES AND SHAREHOLDER'S EQUITY			
Deposits from banks	21,990	8,069	7,600
Deposits from customers	418,221	361,384	364,008
Derivative financial instruments	1,409	956	961
Other borrowed funds	72,462	42,783	50,817
Subordinated liability	824	978	1,013
Current tax liabilities	1,604	1,189	1,270
Post employee benefit liability	1,170	360	1,170
Other liabilities	7,161	5,630	5,821
Total liabilities	524,841	421,349	432,660
Shareholder's equity			
Stated capital	6,880	6,880	6,880
Retained earnings	44,929	37,994	38,949
Other components of equity	6,659	7,270	7,384
Total equity	58,468	52,144	53,213
Total equity and liabilities	583,309	473,493	485,873
CONTINGENT LIABILITIES			
	112,620	96,872	68,496



THE MAURITIUS COMMERCIAL BANK LIMITED

Unaudited Interim Summary Financial Statements – 31 March 2021

Summary statement of profit or loss for the period ended 31 March 2021

	Quarter to 31-Mar-21 Rs'M	Quarter to 31-Mar-20 Rs'M (Restated)	9 mths to 31-Mar-21 Rs'M	9 mths to 31-Mar-20 Rs'M (Restated)	Year to 30-Jun-20 Rs'M
Interest income	4,006	4,599	11,872	14,150	18,348
Interest expense	(532)	(1,307)	(1,569)	(4,162)	(4,884)
Net interest income	3,474	3,292	10,303	9,988	13,464
Fee and commission income	1,245	1,187	3,618	3,478	4,421
Fee and commission expense	(195)	(298)	(744)	(861)	(1,077)
Net fee and commission income	1,050	889	2,874	2,617	3,344
Other income	648	338	1,922	1,407	2,465
Operating income	5,172	4,519	15,099	14,012	19,273
Non-interest expense	(1,746)	(1,578)	(5,023)	(4,779)	(6,260)
Operating profit before impairment	3,426	2,941	10,076	9,233	13,013
Net impairment of financial assets	(1,009)	(1,792)	(3,300)	(2,621)	(4,818)
Operating profit	2,417	1,149	6,776	6,612	8,195
Share of profit of associates	71	49	265	348	444
Profit before tax	2,488	1,198	7,041	6,960	8,639
Income tax expense	(340)	(235)	(1,061)	(1,177)	(1,230)
Profit for the period	2,148	963	5,980	5,783	7,409

Summary statement of comprehensive income for the period ended 31 March 2021

Profit for the period	2,148	963	5,980	5,783	7,409
Other comprehensive (expense)/income:					
Items that will not be reclassified to profit or loss:					
Net fair value gain/(loss) on equity investments	2	(232)	3	(248)	(191)
Remeasurement of defined benefit pension plan, net of deferred tax	-	-	-	-	(671)
	2	(232)	3	(248)	(862)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	(43)	178	238	186	368
Net fair value (loss)/gain on debt instruments	(907)	112	(966)	130	5
	(950)	290	(728)	316	373
Other comprehensive (expense)/income for the period	(948)	58	(725)	68	(489)
Total comprehensive income for the period	1,200	1,021	5,255	5,851	6,920
Earnings per share (Rs)	3.12	1.40	8.69	8.41	10.77
Weighted average number of shares (thousands)	687,960	687,960	687,960	687,960	687,960



Summary statement of changes in equity for the period ended 31 March 2021

	Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	General Banking Reserve	Total Equity
	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M
At 01 July 2019, as restated	6,880	33,819	233	89	6,880	249	48,150
Profit for the period	-	5,783	-	-	-	-	5,783
Other comprehensive (expense)/income for the period	-	-	(118)	186	-	-	68
Total comprehensive income/(expense) for the period	-	5,783	(118)	186	-	-	5,851
Dividends	-	(1,857)	-	-	-	-	(1,857)
Transactions with owner in his capacity as owner	-	(1,857)	-	-	-	-	(1,857)
Transfer from general banking reserve	-	249	-	-	-	(249)	-
At 31 March 2020	6,880	37,994	115	275	6,880	-	52,144
At 01 July 2019, as restated	6,880	33,819	233	89	6,880	249	48,150
Profit for the year	-	7,409	-	-	-	-	7,409
Other comprehensive (expense)/income for the year	-	(671)	(186)	368	-	-	(489)
Total comprehensive income/(expense) for the year	-	6,738	(186)	368	-	-	6,920
Dividends	-	(1,857)	-	-	-	-	(1,857)
Transactions with owner in his capacity as owner	-	(1,857)	-	-	-	-	(1,857)
Transfer from general banking reserve	-	249	-	-	-	(249)	-
At 30 June 2020	6,880	38,949	47	457	6,880	-	53,213
Profit for the period	-	5,980	-	-	-	-	5,980
Other comprehensive (expense)/income for the period	-	-	(963)	238	-	-	(725)
Total comprehensive income/(expense) for the period	-	5,980	(963)	238	-	-	5,255
At 31 March 2021	6,880	44,929	(916)	695	6,880	-	58,468

**Summary statement of cash flows for the period ended 31 March 2021**

	9 mths to 31-Mar-21 Rs'M	9 mths to 31-Mar-20 Rs'M (Restated)	Year to 30-Jun-20 Rs'M
Operating activities			
Net cash flows from trading activities	11,444	3,711	13,430
Net cash flows from other operating activities	9,580	12,783	15,029
Dividends paid	-	(3,405)	(3,405)
Income tax paid	(1,163)	(1,201)	(1,418)
Net cash flows from operating activities	19,861	11,888	23,636
Net cash flows from investing activities	(866)	(865)	(1,155)
Net cash flows from financing activities	(214)	(137)	(179)
Increase in cash and cash equivalents	18,781	10,886	22,302
Net cash and cash equivalents brought forward	67,696	45,394	45,394
Net cash and cash equivalents carried forward	86,477	56,280	67,696

COMMENTS ON RESULTS

Profit after tax for the nine months ended 31 March 2021 improved by 3.4% compared to the same period last year to reach Rs5,980 million. Profits increased significantly in the third quarter of the current financial year, up from Rs963 million for the three months to 31 March 2020 to Rs2,148 million for the three months to 31 March 2021. This contributed to a reversal of the 20.5% contraction in profits recorded for the six months to 31 December 2020. The outbreak of the Covid-19 pandemic in March 2020 significantly impacted the third quarter results of the previous financial year as a result of the high Expected Credit Losses ('ECL') and fair value losses on the Bank's equity investments during that same period.

Net interest income rose by 3.2% and reached Rs10,303 million. This was mainly driven by higher investment in Government securities as well as an expansion in the international loan book offset by lower margins.

Net fee and commission income rose by 9.8% to Rs2,874 million. This was due to a strong performance in fees from regional trade financing and wealth management activities offsetting the drop in cards fees from the tourism and hospitality sector.

In addition, Other income increased significantly by 36.6% to reach Rs1,922 million on account of fair value gains on financial instruments in foreign currencies amidst volatile markets.

Overall, Operating income increased by 7.8% to reach Rs15,099 million whilst Non-interest expense increased by 5.1% to Rs5,023 million, giving rise to a cost to income ratio of 33.3%.

Net impairment of financial assets during the quarter was Rs1,009 million to reach Rs3,300 million for the nine months ended 31 March 2021. The annualised cost of risk at the end of the nine months was 1.4% with the cumulative ECL reaching nearly Rs7.9 billion as at 31 March 2021. Gross Non Performing Loans ratio declined further to 3.1% as at 31 March 2021.

As at the end of the period, Loans and advances to customers rose by 14.9% to Rs 260.9 billion whilst Total deposits from customers rose by 15.7% to Rs418.2 billion and Other borrowed funds increased by Rs29.7 billion to reach Rs72.5 billion. These trends comforted the Bank's liquidity position.

Shareholder's equity went up by 12.1% to reach Rs58.5 billion as at 31 March 2021 and the Bank's BIS and Tier 1 ratios stood at 15.8% and 14.8% respectively, comfortably above regulatory norms.

Looking ahead, we expect our international operations to continue to be resilient and well positioned to benefit from the improved global economic conditions. The operating context locally is, however, likely to remain challenging despite the moderate impact of the recent lockdown. The pace of the recovery will hinge on the easing of travel and border restrictions, which remains dependent on the rapid implementation of the vaccination programme.

No dividends having been declared for the financial year ended 30 June 2020, the current interim dividend of Rs2.0 billion has been determined taking into consideration both the actual profits for the financial year ended 30 June 2020 and the forecast for the financial year ending 30 June 2021. Overall pay-out was however reduced in view of the still ongoing pandemic. The Board also approved a rights issue of Rs2.0 billion to be subscribed by its sole shareholder with the view to support the Bank's international expansion.

By order of the Board

12 May 2021

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 2020. All amounts are in million, except as otherwise stated.

Where necessary, comparative figures have been amended to conform with changes in presentation or in accounting policies and restatements made.

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

The Board of Directors of The Mauritius Commercial Bank Limited accepts full responsibility for the accuracy of the information contained in this communiqué.