



THE MAURITIUS COMMERCIAL BANK LIMITED
Unaudited Interim Summary Financial Statements - 31 December 2021

Summary statement of financial position as at 31 December 2021

	31-Dec-21	31-Dec-20	30-Jun-21
	Rs'M	Rs'M	Rs'M
ASSETS			
Cash and cash equivalents	88,479	60,153	101,154
Mandatory balances with Central Bank	23,295	20,665	21,990
Derivative financial instruments	342	925	1,035
Loans to and placements with banks	19,100	36,185	40,869
Loans and advances to customers	274,722	237,350	256,750
Investment securities	212,766	156,886	183,560
Investment in subsidiary	118	118	118
Investments in associates	5,993	5,497	5,820
Intangible assets	1,688	1,185	1,462
Property, plant and equipment	5,007	5,125	5,211
Deferred tax assets	1,437	1,307	1,189
Post employee benefit asset	1,218	-	1,218
Other assets	6,741	3,948	5,165
Total assets	640,906	529,344	625,541
LIABILITIES AND SHAREHOLDER'S EQUITY			
Deposits from banks	7,788	16,288	21,656
Deposits from customers	467,674	389,644	453,828
Derivative financial instruments	288	950	1,406
Other borrowed funds	92,016	56,027	74,626
Subordinated liability	789	900	875
Current tax liabilities	870	1,133	1,031
Post employee benefit liability	-	1,170	-
Other liabilities	5,984	5,964	8,823
Total liabilities	575,409	472,076	562,245
Shareholder's equity			
Stated capital	8,880	6,880	8,880
Retained earnings	47,636	42,781	45,343
Other components of equity	8,981	7,607	9,073
Total equity	65,497	57,268	63,296
Total equity and liabilities	640,906	529,344	625,541
CONTINGENT LIABILITIES	173,562	105,532	128,548



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

	Quarter to 31-Dec-21 Rs'M	Quarter to 31-Dec-20 Rs'M	6 mths to 31-Dec-21 Rs'M	6 mths to 31-Dec-20 Rs'M	Year to 30-Jun-21 Rs'M
Interest income calculated using the effective interest method	3,945	3,874	7,962	7,725	15,628
Interest income - others	18	74	91	141	280
Interest expense	(559)	(496)	(1,097)	(1,037)	(2,072)
Net interest income	3,404	3,452	6,956	6,829	13,836
Fee and commission income	1,974	1,197	3,505	2,373	4,934
Fee and commission expense	(597)	(305)	(997)	(549)	(1,068)
Net fee and commission income	1,377	892	2,508	1,824	3,866
Other income	680	619	1,058	1,274	2,041
Operating income	5,461	4,963	10,522	9,927	19,743
Non-interest expense	(1,845)	(1,669)	(3,686)	(3,277)	(6,728)
Operating profit before impairment	3,616	3,294	6,836	6,650	13,015
Net impairment of financial assets	(1,040)	(1,076)	(1,850)	(2,291)	(4,601)
Operating profit	2,576	2,218	4,986	4,359	8,414
Share of profit of associates	147	96	287	194	337
Profit before tax	2,723	2,314	5,273	4,553	8,751
Income tax expense	(378)	(375)	(804)	(721)	(1,355)
Profit for the period	2,345	1,939	4,469	3,832	7,396

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

Profit for the period	2,345	1,939	4,469	3,832	7,396
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Net fair value gain on equity instruments	83	48	124	1	111
Reclassification adjustments on disposal of investments at fair value	-	-	-	-	(1)
Share of other comprehensive income from associates	24	-	24	-	-
Remeasurement of defined benefit pension plan, net of deferred tax	-	-	-	-	2,108
	107	48	148	1	2,218
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	(24)	145	(158)	280	576
Net fair value loss on debt instruments	(54)	(165)	(58)	(59)	(108)
	(78)	(20)	(216)	221	468
Other comprehensive income/(expense) for the period	29	28	(68)	222	2,686
Total comprehensive income for the period	2,374	1,967	4,401	4,054	10,082
Earnings per share (Rs)	2.64	2.82	5.03	5.57	10.73
Weighted average number of shares (thousands)	887,960	687,960	887,960	687,960	689,056



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

At 1 July 2020

Profit for the period

Other comprehensive (expense)/income for the period

Total comprehensive income/(expense) for the period

At 31 December 2020

At 1 July 2020

Profit for the year

Other comprehensive income for the year

Total comprehensive income for the year

Rights issue

Dividends

Transactions with owner

Transfer to statutory reserve

At 30 June 2021

Profit for the period

Other comprehensive income/(expense) for the period

Total comprehensive income/(expense) for the period

Dividends

Transactions with owner

At 31 December 2021

	Stated Capital Rs 'M	Retained Earnings Rs 'M	Capital Reserve Rs 'M	Translation Reserve Rs 'M	Statutory Reserve Rs 'M	Total Equity Rs 'M
At 1 July 2020	6,880	38,949	48	457	6,880	53,214
Profit for the period	-	3,832	-	-	-	3,832
Other comprehensive (expense)/income for the period	-	-	(58)	280	-	222
Total comprehensive income/(expense) for the period	-	3,832	(58)	280	-	4,054
At 31 December 2020	6,880	42,781	(10)	737	6,880	57,268
At 1 July 2020	6,880	38,949	48	457	6,880	53,214
Profit for the year	-	7,396	-	-	-	7,396
Other comprehensive income for the year	-	2,107	3	576	-	2,686
Total comprehensive income for the year	-	9,503	3	576	-	10,082
Rights issue	2,000	-	-	-	-	2,000
Dividends	-	(2,000)	-	-	-	(2,000)
Transactions with owner	2,000	(2,000)	-	-	-	-
Transfer to statutory reserve	-	(1,109)	-	-	1,109	-
At 30 June 2021	8,880	45,343	51	1,033	7,989	63,296
Profit for the period	-	4,469	-	-	-	4,469
Other comprehensive income/(expense) for the period	-	24	66	(158)	-	(68)
Total comprehensive income/(expense) for the period	-	4,493	66	(158)	-	4,401
Dividends	-	(2,200)	-	-	-	(2,200)
Transactions with owner	-	(2,200)	-	-	-	(2,200)
At 31 December 2021	8,880	47,636	117	875	7,989	65,497



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Summary statement of cash flows for the period ended 31 December 2021

	6 mths to 31-Dec-21 Rs'M	6 mths to 31-Dec-20 Rs'M	Year to 30-Jun-21 Rs'M
Operating activities			
Net cash flows from trading activities	15,082	6,172	4,126
Net cash flows from other operating activities	(21,605)	(11,828)	30,725
Dividends received from associates	-	-	134
Dividends paid	(4,200)	-	-
Income tax paid	(1,213)	(1,156)	(2,080)
Net cash flows from operating activities	(11,936)	(6,812)	32,905
Net cash flows from investing activities	(653)	(599)	(1,153)
Net cash flows from financing activities	(96)	(114)	1,761
(Decrease)/Increase in cash and cash equivalents	(12,685)	(7,525)	33,513
Net cash and cash equivalents brought forward	101,209	67,696	67,696
Net cash and cash equivalents carried forward	88,524	60,171	101,209

COMMENTS ON RESULTS

The Bank reported strong results with Profit after tax for the half year ended 31 December 2021 growing by 16.6% to reach Rs 4.5 billion. The half-year performance continues to be sustained by both core operating performance and lower Net Impairment of financial assets.

Net interest income rose by 1.9% and reached nearly Rs 7.0 billion despite the significant expansion in the loan portfolio related to the short term advances and commodity trade finance loans which command lower interest margins. In addition, on the local currency side, the income from higher excess liquidity volumes was offset by lower re-investment yields.

On the other hand, Net fee and commission income rose significantly by 37.5% reaching Rs 2.5 billion with improvements in cross border trade finance and bank guarantee fees. Cards income was higher than the same semester last year, with improved acquiring fee income following the re-opening of borders as from 1 October 2021. In addition, there is an encouraging shift from cash to digital payments locally.

Other Income fell from Rs 1.3 billion to Rs 1.0 billion. The strong performance in profits generated from foreign exchange transactions were more than offset by the net loss in fair value of foreign equity instruments, amidst the volatile foreign stock markets.

Overall, operating income increased by 6.0% to reach Rs 10.5 billion whilst Non-interest expense increased by 12.5% to reach Rs 3.7 billion driven by planned investments in technology and human resources. This resulted in a rise in cost to income ratio to 35.0%.

Net impairment of financial assets during the half year fell to Rs 1.8 billion compared to Rs 2.3 billion for the same period last year representing an annualised cost of risk of 1.1%. Gross Non Performing Loans ratio stood at 3.5% and remains at a satisfactory level.

Shareholder's equity went up by 14.4% to reach Rs 65.5 billion. The Bank's BIS and Tier 1 ratios remained strong at 16.9% and 16.0% respectively.

Looking ahead, we expect the Bank's operations to remain resilient and well positioned to benefit from improved global economic conditions and the removal of Mauritius, in October 2021, from the FATF 'grey list'. The local operating context remains challenging whilst support measures are gradually phased out and the tourism and hospitality sector embarks on its recovery path.

By order of the Board

10 February 2022

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 2021.

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

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