



**THE MAURITIUS COMMERCIAL BANK LIMITED**  
Unaudited Interim Summary Financial Statements - 30 September 2021

**Summary statement of financial position as at 30 September 2021**

	<b>30-Sep-21</b>	30-Sep-20	30-Jun-21
	<b>RS'M</b>	RS'M	RS'M
<b>ASSETS</b>			
Cash and cash equivalents	<b>58,518</b>	54,309	101,154
Mandatory balances with Central Bank	<b>22,135</b>	19,910	21,990
Derivative financial instruments	<b>380</b>	1,036	1,035
Loans to and placements with banks	<b>42,926</b>	37,781	40,869
Loans and advances to customers	<b>260,335</b>	225,064	256,750
Investment securities	<b>204,630</b>	149,144	183,560
Investment in subsidiary	<b>118</b>	118	118
Investments in associates	<b>5,850</b>	5,237	5,820
Intangible assets	<b>1,607</b>	1,079	1,462
Property, plant and equipment	<b>5,084</b>	5,132	5,211
Deferred tax assets	<b>1,301</b>	1,043	1,189
Post employee benefit asset	<b>1,218</b>	-	1,218
Other assets	<b>6,540</b>	2,411	5,165
<b>Total assets</b>	<b>610,642</b>	502,264	625,541
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
Deposits from banks	<b>19,782</b>	9,046	21,656
Deposits from customers	<b>450,651</b>	369,647	453,828
Derivative financial instruments	<b>532</b>	869	1,406
Other borrowed funds	<b>65,877</b>	56,709	74,626
Subordinated liability	<b>771</b>	902	875
Current tax liabilities	<b>1,568</b>	1,649	1,031
Post employee benefit liability	<b>-</b>	1,170	-
Other liabilities	<b>8,338</b>	6,971	8,823
<b>Total liabilities</b>	<b>547,519</b>	446,963	562,245
<b>Shareholder's equity</b>			
Stated capital	<b>8,880</b>	6,880	8,880
Retained earnings	<b>44,948</b>	40,842	45,343
Other components of equity	<b>9,295</b>	7,579	9,073
<b>Total equity</b>	<b>63,123</b>	55,301	63,296
<b>Total equity and liabilities</b>	<b>610,642</b>	502,264	625,541
<b>CONTINGENT LIABILITIES</b>	<b>158,088</b>	81,005	128,548



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**Summary statement of profit or loss for the period ended 30 September 2021**

	<b>3 mths to 30-Sep-21 RS'M</b>	3 mths to 30-Sep-20 RS'M	Year to 30-Jun-21 RS'M
Interest income	3,997	3,918	15,908
Interest expense	(445)	(541)	(2,072)
<b>Net interest income</b>	<b>3,552</b>	<b>3,377</b>	<b>13,836</b>
Fee and commission income	1,531	1,176	4,934
Fee and commission expense	(400)	(244)	(1,068)
<b>Net fee and commission income</b>	<b>1,131</b>	<b>932</b>	<b>3,866</b>
Other income	378	655	2,041
<b>Operating income</b>	<b>5,061</b>	<b>4,964</b>	<b>19,743</b>
Non-interest expense	(1,841)	(1,608)	(6,728)
<b>Operating profit before impairment</b>	<b>3,220</b>	<b>3,356</b>	<b>13,015</b>
Net impairment of financial assets	(810)	(1,215)	(4,601)
<b>Operating profit</b>	<b>2,410</b>	<b>2,141</b>	<b>8,414</b>
Share of profit of associates	140	98	337
<b>Profit before tax</b>	<b>2,550</b>	<b>2,239</b>	<b>8,751</b>
Income tax expense	(426)	(346)	(1,355)
<b>Profit for the period</b>	<b>2,124</b>	<b>1,893</b>	<b>7,396</b>

**Summary statement of comprehensive income for the period ended 30 September 2021**

<b>Profit for the period</b>	<b>2,124</b>	<b>1,893</b>	<b>7,396</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Net fair value gain/(loss) on equity investments	41	(47)	111
Reclassification adjustments on disposal of investments at fair value	-	-	(1)
Remeasurement of defined benefit pension plan, net of deferred tax	-	-	2,108
	<b>41</b>	<b>(47)</b>	<b>2,218</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations	(134)	135	576
Net fair value (loss)/gain on debt instruments	(4)	106	(108)
	<b>(138)</b>	<b>241</b>	<b>468</b>
<b>Other comprehensive (expense)/income for the period</b>	<b>(97)</b>	<b>194</b>	<b>2,686</b>
<b>Total comprehensive income for the period</b>	<b>2,027</b>	<b>2,087</b>	<b>10,082</b>
<b>Earnings per share (Rs)</b>	<b>2.39</b>	<b>2.75</b>	<b>10.73</b>
<b>Weighted average number of shares (thousands)</b>	<b>887,960</b>	<b>687,960</b>	<b>689,056</b>



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**Summary statement of changes in equity for the period ended 30 September 2021**

	<b>Stated Capital RS'M</b>	<b>Retained Earnings RS'M</b>	<b>Capital Reserve RS'M</b>	<b>Translation Reserve RS'M</b>	<b>Statutory Reserve RS'M</b>	<b>Total Equity RS'M</b>
<b>At 1 July 2020</b>	6,880	38,949	48	457	6,880	53,214
Profit for the period	-	1,893	-	-	-	1,893
Other comprehensive income for the period	-	-	59	135	-	194
Total comprehensive income for the period	-	1,893	59	135	-	2,087
<b>At 30 September 2020</b>	<b>6,880</b>	<b>40,842</b>	<b>107</b>	<b>592</b>	<b>6,880</b>	<b>55,301</b>
<b>At 1 July 2020</b>	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	-
<b>At 30 June 2021</b>	<b>8,880</b>	<b>45,343</b>	<b>51</b>	<b>1,033</b>	<b>7,989</b>	<b>63,296</b>
Profit for the period	-	2,124	-	-	-	2,124
Other comprehensive income/(expense) for the period	-	-	37	(134)	-	(97)
Total comprehensive income/(expense) for the period	-	2,124	37	(134)	-	2,027
Dividends	-	(2,200)	-	-	-	(2,200)
Transactions with owner	-	(2,200)	-	-	-	(2,200)
Transfer to statutory reserve	-	(319)	-	-	319	-
<b>At 30 September 2021</b>	<b>8,880</b>	<b>44,948</b>	<b>88</b>	<b>899</b>	<b>8,308</b>	<b>63,123</b>



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**Summary statement of cash flows for the period ended 30 September 2021**

	<b>3 mths to 30-Sep-21 RS'M</b>	<b>3 mths to 30-Sep-20 RS'M</b>	<b>Year to 30-Jun-21 RS'M</b>
<b>Operating activities</b>			
<b>Net cash flows from trading activities</b>	<b>12,214</b>	4,427	4,126
<b>Net cash flows from other operating activities</b>	<b>(52,583)</b>	(17,472)	30,725
Dividends received from associates	-	-	134
Dividends paid	<b>(2,000)</b>	-	-
Income tax paid	<b>(1)</b>	(1)	(2,080)
<b>Net cash flows from operating activities</b>	<b>(42,370)</b>	(13,046)	32,905
<b>Net cash flows from investing activities</b>	<b>(364)</b>	(237)	(1,153)
<b>Net cash flows from financing activities</b>	<b>(96)</b>	(89)	1,761
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(42,830)</b>	(13,372)	33,513
Net cash and cash equivalents brought forward	<b>101,209</b>	67,696	67,696
<b>Net cash and cash equivalents carried forward</b>	<b>58,379</b>	54,324	101,209



**COMMENTS ON RESULTS**

Profit after tax for the quarter ended 30 September 2021 grew by 12.2% and reached Rs2.1 billion. This increase is due to an improvement in core operational performance coupled with a lower Net Impairment of financial assets in spite of some fair value losses on foreign equity instruments.

Net interest income rose by 5.2% and reached Rs3.6 billion. This was mainly driven by a strong performance in foreign currency lending despite pressures on margins. On the local currency side, the income from higher excess liquidity volumes were offset, as expected, by lower re-investment yields on investments.

Net fee and commission income rose by 21.4% reaching Rs1.1 billion with a strong performance from trade financing activities and cards issuing business.

Other Income totalling Rs0.4 billion was significantly lower than the same quarter last year, due to strong positive fair value movements in the quarter ended 30 September 2020, resulting from volatility in foreign equity instruments.

Overall, Operating income increased by 2.0% to reach Rs5.1 billion whilst Non-interest expense increased by 14.5% to reach Rs1.8 billion driven by investments in technology, human resources and the impact of the depreciation of the Rupee on the expenses denominated in foreign currencies. This led to a rise in cost to income ratio to 36.4%.

Net impairment of financial assets during the period fell to Rs0.8 billion compared to Rs1.2 billion last year, with a lower provision for expected credit losses ('ECL') during the quarter. Cumulative ECL amount reached Rs8.8 billion at 30 September 2021 with the annualised cost of risk falling to 1.0%. Gross Non Performing Loans ratio also declined further to 3.1%.

Shareholder's equity went up by 14.1% to reach Rs63.1 billion after providing for the final dividend distribution of Rs2.2 billion. The Bank's BIS and Tier 1 ratios remained strong at 17.9% and 16.9% respectively.

Looking ahead, we expect our international operations to continue to be resilient and well positioned to benefit from the improved global economic conditions. The local operating context is likely to remain challenging despite the easing of travel and border restrictions as from 1st October 2021, with the speed of recovery dependent upon the level of tourists arrivals and the containment of Covid-19 cases.

By order of the Board

11 Nov 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 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](http://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.*