



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

Summary statement of financial position as at 30 September 2021

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



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

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

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

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



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Summary statement of changes in equity for the period ended 30 September 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 | - | 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 |
| At 30 September 2020 | 6,880 | 40,842 | 107 | 592 | 6,880 | 55,301 |
| 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 | - | 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 | - |
| At 30 September 2021 | 8,880 | 44,948 | 88 | 899 | 8,308 | 63,123 |



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

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

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