



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 Rs'M | 31-Dec-20 Rs'M | 30-Jun-21 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 |



THE MAURITIUS COMMERCIAL BANK LIMITED
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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.