



Abridged Unaudited Interim Financial Statements

for the Six Months Ended

31 December 2019



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Management Discussion & Analysis

MauBank Ltd (“the Bank”) presents the abridged unaudited interim financial statements of the Group and the Bank for the six months ended 31 December 2019.

The abridged unaudited interim financial statements have been prepared using the same accounting policies as those adopted in the audited financial statements for the year ended 30 June 2019, and in accordance with the Bank of Mauritius Guidelines on Public Disclosure of Information and IAS 34.

The Bank has recorded a profit of Rs 5.5 Mn for the six months ended 31 December 2019 compared to a loss of Rs 52.1 Mn for the same period last year.

Total operating income stood at Rs 522.1 Mn for the six months ended 31 December 2019 from Rs 457.7 Mn last year. The sustained level of income was mainly attributed to an increase in net interest income as the Bank continues its quest for cross-border investment, coupled with a marked improvement in the fee and commission income from Rs 76.8 Mn last year to Rs 141.0 Mn this year, representing an increase of 83%.

The Bank’s cost to income ratio significantly improved from 113.7% last year to 93.92% for the period under review attributed to the relentless effort for an optimum balance towards reducing overall operating cost while maintaining a sustained growth in revenue.

Trading and other income continues on a positive trend from Rs 94.8 Mn last year to Rs 96.4 Mn for the period ended 31 December 2019 and further improvement are expected with the unfolding of new products.

The Capital Adequacy Ratio of the Bank stood comfortably at 13.55% as at 31 December 2019 well above the regulatory minimum of 11.875%.

The Bank’s total liquid assets represented 41% of the Bank’s assets, or 48% of the Bank’s deposit base, as the Bank continues to monitor prudentially a sound approach towards liquidity management.

Other than actively monitoring its assets and liabilities maturity mismatch, the Bank also ensures that it has a relatively large stable deposit base, in keeping with sufficient liquid assets to meet any unforeseen liquidity requirements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD/YEAR ENDED

	Group				Bank			
	Unaudited Quarter Ended	Unaudited Quarter Ended	Unaudited Six Months Ended	Audited Year Ended	Unaudited Quarter Ended	Unaudited Quarter Ended	Unaudited Six Months Ended	Audited Year Ended
	31 Dec 2019	31-Dec-2018	31-Dec-2019	30-Jun-2019	31-Dec-2019	31-Dec-2018	31-Dec-2019	30-Jun-2019
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Interest Income	300,816,252	266,013,783	561,338,085	1,042,446,380	304,026,661	269,571,134	567,834,459	1,056,574,734
Interest Expense	(140,626,682)	(113,298,814)	(260,081,554)	(458,530,017)	(140,626,682)	(113,298,814)	(260,081,554)	(458,530,017)
Net interest income	160,189,570	152,714,969	301,256,531	583,916,363	163,399,979	156,272,320	307,752,905	598,044,717
Fees and Commissions income	79,419,238	41,341,244	140,965,416	247,563,800	79,419,238	41,341,244	140,965,416	247,563,800
Fees and Commissions expense	(11,446,240)	(9,918,558)	(23,056,348)	(42,882,639)	(11,446,240)	(9,918,558)	(23,056,348)	(42,882,639)
Net fee and commission income	67,972,998	31,422,686	117,909,068	204,681,161	67,972,998	31,422,686	117,909,068	204,681,161
Net trading income	40,372,985	42,658,601	81,168,890	176,188,288	40,372,985	42,658,601	81,168,890	176,188,288
Net gain from derecognition of financial assets measured at FVTOCI	300,460	688,665	558,908	63,243,771	300,460	688,665	558,908	63,243,771
Other income	6,445,259	6,221,842	14,664,656	25,956,727	6,445,259	6,221,842	14,664,656	25,956,727
	47,118,704	49,569,108	96,392,454	265,388,786	47,118,704	49,569,108	96,392,454	265,388,786
Operating Income	275,281,272	233,706,763	515,558,053	1,053,986,310	278,491,681	237,264,114	522,054,427	1,068,114,664
Non-interest expense	(240,024,955)	(265,233,958)	(479,780,741)	(1,041,477,248)	(245,319,887)	(270,393,503)	(490,301,724)	(1,061,086,505)
Profit/(loss) before net impairment (loss)/reversal on financial assets and income tax	35,256,317	(31,527,195)	35,777,312	12,509,062	33,171,794	(33,129,389)	31,752,703	7,028,159
Net impairment (loss)/reversal on financial assets	(31,408,593)	4,961,680	(26,294,474)	(732,062)	(31,408,593)	4,961,680	(26,294,474)	(732,062)
Profit/(loss) after net impairment (loss)/reversal on financial assets but before income tax	3,847,724	(26,565,515)	9,482,838	11,777,000	1,763,201	(28,167,709)	5,458,229	6,296,097
Income tax credit/(expense)	-	-	-	(354,581,772)	-	-	-	(352,833,568)
Profit/(loss) for the period/year attributable to equity holders of the parent	3,847,724	(26,565,515)	9,482,838	(342,804,772)	1,763,201	(28,167,709)	5,458,229	(346,537,471)
Other comprehensive income/(loss)								
<i>Items that will not be reclassified subsequently to profit or loss</i>								
Gain on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-
Deferred tax on revaluation of property, plant and equipment	-	-	-	45,278,393	-	-	-	45,278,393
Actuarial loss	-	-	-	(34,294,652)	-	-	-	(34,294,652)
Deferred tax on actuarial loss	-	-	-	1,714,733	-	-	-	1,714,733
<i>Items that may be classified subsequently to profit or loss</i>								
Change in fair value of financial assets at FVTOCI	15,468,238	-	34,813,899	19,229,212	15,468,238	-	34,813,899	19,229,212
Change in fair value of available-for-sale financial assets	-	2,428,109	-	-	-	2,428,109	-	-
Credit impairment charge on financial assets at FVTOCI	-	-	-	-	-	-	-	-
Other comprehensive income/(loss) for the period/year, net of tax	15,468,238	2,428,109	34,813,899	36,063,536	15,468,238	2,428,109	34,813,899	36,063,536
Total comprehensive income/(loss) for the period/year attributable to equity holders of the parent	19,315,962	(24,137,406)	44,296,737	(306,741,236)	17,231,439	(25,739,600)	40,272,128	(310,473,935)

	Group			Bank		
	Unaudited 31-Dec-2019	Unaudited 31-Dec-2018	Audited 30-Jun-2019	Unaudited 31-Dec-2019	Unaudited 31-Dec-2018	Audited 30-Jun-2019
	Rs	Rs	Rs	Rs	Rs	Rs
ASSETS						
Cash and cash equivalents	3,042,928,785	930,082,324	4,117,331,280	3,042,928,785	930,082,324	4,117,331,280
Loans to and placements with banks	74,924,946	107,055,976	73,722,466	74,924,946	107,055,976	73,722,466
Derivative assets	12,622,206	105,803	2,830,728	12,622,206	105,803	2,830,728
Trading assets	4,781,611,316	2,779,014,296	1,620,255,263	4,781,611,316	2,779,014,296	1,620,255,263
Investment securities	2,556,367,882	2,641,887,006	1,927,225,589	2,556,367,882	2,641,887,006	1,927,225,589
Loans and advances to customers	15,561,199,639	14,499,400,514	14,935,784,208	15,761,038,674	14,716,170,430	15,146,836,349
Property, plant and equipment	1,694,266,495	1,762,016,437	1,723,756,990	1,457,478,912	1,516,657,832	1,484,210,276
Intangible assets	201,666,738	210,230,451	215,650,705	201,666,738	210,230,451	215,650,705
Investment properties	66,460,000	66,460,000	66,460,000	66,460,000	66,460,000	66,460,000
Investment in subsidiary	-	-	-	100,000	100,000	100,000
Current tax assets	6,920,067	1,621,968	6,920,064	6,293,906	836,872	6,293,906
Deferred tax assets	77,699,730	380,941,082	77,699,731	76,340,528	380,128,812	76,340,528
Receivable from fellow subsidiary	-	-	-	-	-	-
Other assets	2,318,494,528	2,220,695,076	2,048,901,636	2,354,849,360	2,257,214,866	2,086,924,806
Total assets	30,395,162,332	25,599,510,933	26,816,538,660	30,392,683,253	25,605,944,668	26,824,181,896
LIABILITIES						
Deposits from customers	25,915,268,663	21,380,392,287	23,056,443,423	25,917,043,251	21,386,709,626	23,064,500,010
Derivative liabilities	16,657,218	271,724	2,382,221	16,657,218	271,724	2,382,221
Other borrowed funds	1,018,638,463	217,501,463	198,345,266	1,018,638,463	217,501,463	198,345,266
Payable to fellow subsidiary	22,547,798	277,882,785	38,180,968	22,547,798	277,882,785	38,180,968
Other liabilities	504,321,563	592,460,751	647,754,912	503,935,760	591,832,436	647,184,796
Retirement benefits obligations	109,812,754	65,214,969	109,812,754	109,812,754	65,214,969	109,812,754
Total liabilities	27,587,246,479	22,533,723,979	24,052,919,544	27,588,635,244	22,539,413,003	24,060,406,015
SHAREHOLDERS' EQUITY						
Stated capital	2,466,420,956	2,466,420,956	2,466,420,956	2,466,420,956	2,466,420,956	2,466,420,956
Statutory reserve	1,619,995	1,619,995	1,619,995	1,619,995	1,619,995	1,619,995
Retained earnings/(accumulated losses)	(261,583,591)	86,983,308	(271,066,429)	(274,483,428)	78,696,026	(279,941,657)
Net owned funds	2,206,457,360	2,555,024,259	2,196,974,522	2,193,557,523	2,546,736,977	2,188,099,294
General banking reserve	90,709,840	90,709,840	90,709,840	90,709,840	90,709,840	90,709,840
Fair value reserve	32,303,449	(6,317,339)	(2,510,450)	32,303,449	(6,317,339)	(2,510,450)
Other reserve	5,978,082	-	5,978,082	5,978,082	-	5,978,082
Revaluation Reserve	472,467,122	426,370,194	472,467,122	481,499,115	435,402,187	481,499,115
Total equity attributable to equity holders of the parent	2,807,915,853	3,065,786,954	2,763,619,116	2,804,048,009	3,066,531,665	2,763,775,881
Total liabilities and equity	30,395,162,332	25,599,510,933	26,816,538,660	30,392,683,253	25,605,944,668	26,824,181,896
CONTINGENT LIABILITIES AND COMMITMENTS						
Letters of credit, guarantees, acceptances, endorsements and other obligations on account of customers	2,421,285,324	1,401,895,744	1,300,989,705	2,421,285,324	1,401,895,744	1,300,989,705
Credit commitments	2,286,980,608	2,791,446,503	2,260,463,823	2,286,980,608	2,791,446,503	2,260,463,823

STATEMENT OF CHANGES IN EQUITY

The Group

	Stated capital		Statutory Reserve		Retained earnings/ Accumulated losses		General Banking Reserve		Fair Value Reserve		Other Reserve		Revaluation Reserve		Total equity attributable to the parent	
	Rs		Rs		Rs		Rs		Rs		Rs		Rs		Rs	
At 01 July 2019	2,466,420,956		1,619,995		(271,066,429)		90,709,840		(2,510,450)		5,978,082		472,467,122		2,763,619,116	
Profit for the period	-		-		9,482,838		-		-		-		-		9,482,838	
Change in fair value of financial assets held at FVTOCI	-		-		-		-		34,813,899		-		-		34,813,899	
At 31 December 2019	2,466,420,956		1,619,995		(261,583,591)		90,709,840		32,303,449		5,978,082		472,467,122		2,807,915,853	
At 01 July 2018	2,466,420,956		1,619,995		135,936,241		90,709,840		(21,739,662)		-		426,370,194		3,099,317,564	
Loss for the period	-		-		(48,952,933)		-		15,422,323		-		-		(48,952,933)	
Change in fair value of available-for-sale financial assets	-		-		-		-		-		-		-		15,422,323	
At 31 December 2018	2,466,420,956		1,619,995		86,983,308		90,709,840		(6,317,339)		-		426,370,194		3,065,786,954	
At 01 July 2018	2,466,420,956		1,619,995		135,936,241		90,709,840		(21,739,662)		-		426,370,194		3,099,317,564	
Impact of transition to IFRS 9	-		-		(30,799,444)		-		1,842,232		-		-		(28,957,212)	
Loss for the year	-		-		105,136,797		90,709,840		(21,739,662)		1,842,232		426,370,194		3,070,360,352	
Transfer from revaluation reserve to retained earnings	-		-		(342,804,772)		-		-		-		-		(342,804,772)	
Effect of tax rate change on deferred tax arising on revaluation of property, plant and equipment	-		-		(818,535)		-		-		-		818,535		-	
Change in fair value of financial assets held at FVTOCI	-		-		-		-		19,229,212		-		45,278,393		45,278,393	
Credit impairment charge on financial assets at FVTOCI	-		-		-		-		-		4,135,850		-		4,135,850	
Actuarial loss for the year	-		-		(34,294,652)		-		-		-		-		(34,294,652)	
Deferred tax on actuarial loss	-		-		1,714,733		-		-		-		-		1,714,733	
At 30 June 2019	2,466,420,956		1,619,995		(271,066,429)		90,709,840		(2,510,450)		5,978,082		472,467,122		2,763,619,116	

STATEMENT OF CHANGES IN EQUITY

The Bank

	Stated capital		Statutory Reserve		Retained earnings/ Accumulated losses		General Banking Reserve		Fair Value Reserve		Other Reserve		Revaluation Reserve		Total equity attributable to the parent	
	Rs		Rs		Rs		Rs		Rs		Rs		Rs		Rs	
At 01 July 2019	2,466,420,956		1,619,995		(279,941,657)		90,709,840		(2,510,450)		5,978,082		481,499,115		2,763,775,881	
Profit for the period	-		-		5,458,229		-		-		-		-		5,458,229	
Change in fair value of financial assets held at FVTOCI	-		-		-		-		34,813,899		-		-		34,813,899	
At 31 December 2019	2,466,420,956		1,619,995		(274,483,428)		90,709,840		32,303,449		5,978,082		481,499,115		2,804,048,009	
At 01 July 2018	2,466,420,956		1,619,995		130,793,712		90,709,840		(21,739,662)		-		435,402,187		3,103,207,028	
Loss for the period	-		-		(62,097,686)		-		15,422,323		-		-		(52,097,686)	
Change in fair value of available-for-sale financial assets	-		-		-		-		-		-		-		15,422,323	
At 31 December 2018	2,466,420,956		1,619,995		78,696,026		90,709,840		(6,317,339)		-		435,402,187		3,066,531,665	
At 01 July 2018	2,466,420,956		1,619,995		130,793,712		90,709,840		(21,739,662)		-		435,402,187		3,103,207,028	
Loss for the period	-		-		(30,799,444)		-		1,842,232		-		-		(28,957,212)	
Change in fair value of financial assets held at FVTOCI	-		-		99,994,268		90,709,840		(21,739,662)		1,842,232		435,402,187		3,074,249,816	
Transfer from revaluation reserve to retained earnings	-		-		(346,537,471)		-		-		-		-		(346,537,471)	
Effect of tax rate change on deferred tax arising on revaluation of property, plant and equipment	-		-		(818,535)		-		-		-		818,535		-	
Change in fair value of financial assets held at FVTOCI	-		-		-		-		19,229,212		-		45,278,393		45,278,393	
Credit impairment charge on financial assets at FVTOCI	-		-		-		-		-		4,135,850		-		4,135,850	
Actuarial loss for the year	-		-		(34,294,652)		-		-		-		-		(34,294,652)	
Deferred tax on actuarial loss	-		-		1,714,733		-		-		-		-		1,714,733	
At 30 June 2019	2,466,420,956		1,619,995		(279,941,657)		90,709,840		(2,510,450)		5,978,082		481,499,115		2,763,775,881	

STATEMENT OF CASH FLOWS FOR PERIOD/YEAR ENDED

	Group			Bank		
	Unaudited Six Months Ended 31-Dec-2019	Unaudited Six Months Ended 31-Dec-2018	Audited Year Ended 30-Jun-2019	Unaudited Six Months Ended 31-Dec-2019	Unaudited Six Months Ended 31-Dec-2018	Audited Year Ended 30-Jun-2019
	Rs	Rs	Rs	Rs	Rs	Rs
Cash flow from operating activities						
Profit/(Loss) for the period/year before income tax	9,482,838	(48,952,933)	11,777,000	5,458,229	(52,097,686)	6,296,097
Adjustments for :						
Impairment losses on loans and advances	36,575,055	(1,536,380)	13,270,754	36,575,055	(1,536,380)	13,270,754
Depreciation	42,462,077	54,333,704	112,735,865	37,892,328	49,475,358	102,065,626
Amortisation	20,292,782	25,478,517	44,440,351	20,292,782	25,478,517	44,440,351
Loss on disposal of property, plant and equipment	-	403,760	283,776	-	403,760	283,776
Profit on revaluation of trading assets	(2,426,849)	(2,235,569)	(5,396,743)	(2,426,849)	(2,235,569)	(5,396,743)
Retirement benefit obligations	-	-	10,303,133	-	-	10,303,133
	106,385,903	27,491,099	187,414,136	97,791,545	19,488,000	171,262,994
Changes in operating assets and liabilities						
Increase in trading assets	(3,158,929,205)	(1,584,103,274)	(423,578,399)	(3,158,929,205)	(1,584,103,274)	(423,578,399)
Increase in derivative	4,483,518	640,753	26,325	4,483,518	640,753	26,325
Increase in loans and advances to customers	(661,990,484)	(3,320,754,296)	(3,809,879,753)	(650,777,378)	(3,310,103,011)	(3,793,510,696)
Decrease in receivable from fellow subsidiary	-	5,375,460,515	5,135,758,698	-	5,375,460,515	5,135,758,698
Decrease in payable to fellow subsidiary	(15,633,170)	-	-	(15,633,170)	-	-
Increase/(decrease) in deposits from customers	2,858,825,240	(955,722,213)	720,328,923	2,852,543,241	(959,791,574)	717,998,810
(Increase)/decrease in other assets	(269,592,892)	(145,240,005)	26,553,434	(267,924,553)	(143,736,626)	26,553,434
Decrease in other liabilities	(143,433,330)	(84,084,521)	(29,849,972)	(143,249,039)	(84,166,725)	(29,873,974)
Cash (used in)/generated from operations	(1,279,884,420)	(686,311,942)	1,806,773,392	(1,281,695,041)	(686,311,942)	1,804,637,192
Tax paid	-	-	(8,378,332)	-	-	(5,457,034)
Tax refund received	-	-	785,098	-	-	-
Net cash (used in)/generated from operating activities	(1,279,884,420)	(686,311,942)	1,799,180,158	(1,281,695,041)	(686,311,942)	1,799,180,158
Cash flow from investing activities						
(Increase)/decrease in securities	(594,328,393)	301,571,556	1,033,682,343	(594,328,393)	301,571,556	1,033,682,343
(Increase)/decrease in placements with banks	(1,202,480)	207,411,738	240,628,904	(1,202,480)	207,411,738	240,628,904
Acquisition of property, plant and equipment	(12,971,586)	(25,555,497)	(63,035,735)	(11,160,965)	(25,555,497)	(63,035,735)
Acquisition of intangibles	(6,308,816)	(15,100,468)	(28,931,545)	(6,308,816)	(15,100,468)	(28,931,545)
Proceeds from disposal of property, plant and equipment	-	791,261	7,697,761	-	791,261	7,697,761
Net cash (used in)/from investing activities	(614,811,275)	469,118,590	1,190,041,728	(613,000,654)	469,118,590	1,190,041,728
Cash flows from financing activities						
Increase/(decrease) in other borrowed funds	820,293,197	(181,930,276)	(201,086,473)	820,293,197	(181,930,276)	(201,086,473)
Net cash generated from/(used in) financing activities	820,293,197	(181,930,276)	(201,086,473)	820,293,197	(181,930,276)	(201,086,473)
Net (decrease)/increase in cash and cash equivalents	(1,074,402,498)	(399,123,628)	2,788,135,413	(1,074,402,498)	(399,123,628)	2,788,135,413
Cash and cash equivalents at the beginning of the period/year	4,117,341,365	1,329,205,952	1,329,205,952	4,117,341,365	1,329,205,952	1,329,205,952
Cash and cash equivalents at the end of the period/year	3,042,938,867	930,082,324	4,117,341,365	3,042,938,867	930,082,324	4,117,341,365