



Abridged Unaudited Interim Financial Statements

for the Nine Months Ended
31 March 2021



Le partenaire de votre progrès!



Management Discussion & Analysis

MauBank Ltd (“the bank”) is pleased to present the abridged unaudited interim financial statements of the Group and the bank for the nine months ended 31 March 2021.

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 2020, and in accordance with the Bank of Mauritius Guidelines on Public Disclosure of Information and IAS 34.

Below are the highlights of the key financial and operational performance for the period ended 31 March 2021:

- I. The bank recorded a profit of Rs 50.02 Mn for the nine months ended 31 March 2021 against a profit of Rs 20.95 Mn for the same period last year.
- II. Total Operating Income was higher for the nine months ended 31 March 2021 at Rs 814.63 Mn compared to Rs 782.95 Mn for the same period last year, mainly attributed to a sustained level of business operations despite the challenges of the difficult environment attributed to the covid outbreak.
- III. The bank’s cost to income ratio improved from 93.60% for the period ended 31 March 2020 to 89.42% for the period ended 31 March 2021, mainly attributed to the cost containment measures in line with the strategies by the Board to reduce overall operating costs while identifying sustainable areas of growth in revenue.
- IV. The Capital Adequacy Ratio (CAR) of the bank stood comfortably at 14.82% as at 31 March 2021, well above the regulatory minimum of 11.875%, which includes a capital conservation buffer of 1.875%.
- V. The bank’s total liquid assets represented 37.17% of the bank’s assets, or 42.62% of the bank’s deposit base, as the bank continues to monitor prudentially a sound approach towards liquidity management.

The bank actively monitors its assets and liabilities maturity mismatch and also ensures that it has a relatively large stable deposit base, in keeping with sufficient liquid assets to meet any unforeseen liquidity requirements.

Impact of Covid-19

It has been just over a year now that the world suffered the effects of the COVID-19 pandemic, culminating in a significant drop in global economic activity in the first two quarters of 2020 as the world rallied to halt the proliferation of the virus. However, there have been signs of slight recovery in global economy since the third quarter of 2020 and as such, the International Monetary Fund had, in its January 2021 World Economic Outlook Update, revised the global growth projections and is forecasting global output to grow by 5.5 per cent in 2021 and by 4.2 per cent in 2022. However, global economic recovery remains highly dependent on the effectiveness of the vaccination campaigns to restrict the proliferation of the COVID-19 virus.

Mauritius started showing better resilience in the third quarter of 2020 as both consumer expenditure and investment improved during the quarter. The policies and emergency measures introduced by the Government of Mauritius and the Bank of Mauritius curtailed the effect of COVID-19 on the domestic economy. By proposing various moratoriums and financial aids to local operators, the Bank of Mauritius has successfully managed to keep the economy flowing whilst safeguarding employment in most major sectors of the economy. As Mauritius entered into its second lock down in March 2021, the country is today better equipped to navigate the current pandemic. The mass vaccination program initiated by the Government of Mauritius has also been positively welcomed and there’s a renewed belief that the country is continuing its upward trajectory to economic recovery.

MauBank Ltd continues to roll out its “MAUCOMBAT” scheme, aimed at providing further assistance to various eligible lenders to complement the relief programs proposed by the Bank of Mauritius. Under this scheme, the Bank provides further financial assistance to SMEs in need of capital to maintain the continuity of their business.



Management Discussion & Analysis

Outlook

Despite the ongoing economic challenges, the bank continued its diversification strategy for new products and markets; with an accent on international front and cross border financing. The bank simultaneously continues its quest for cross border investment to consolidate its presence on the internal front and identifying opportunities for further expansion. As one of the largest contributors to the Small and Medium Enterprises, MauBank Ltd remains equally focused on the growth of this sector. The recent restructuring of our branches into a “One Stop Shop” Business Centre re-iterated the commitment of the bank to be closer to its customers and to accompany local businesses in their growth and expansion. The bank recently rolled out its “Lokal Boost” scheme aimed at accompanying budding SMEs as they embark on their entrepreneurial journey. Despite being in an infancy stage, the scheme has already gathered wide interest from members of public. The bank remains equally committed to contribute to a “Greener Mauritius” by identifying areas of sustainable growth and reduced wastage. Furthermore, the bank is continuously improving its online platforms to encourage people to use cashless transactions as it remains a safer and more secured option.

The bank’s financial ratios and results throughout the year upholds our commitment for a relentless effort to meet our customers’ expectations in an efficient and timely manner. This remains a key strength and undeniably provides a strong base for future growth whilst maintaining stakeholder’s confidence.

Despite the introduction of the COVID-19 vaccination, the current economic climate remains challenging, with little visibility on the evolution of the pandemic. Against this back drop, the bank continues to adopt a cautious approach to maintain financial soundness and to improve financial performance. Management and the Board of Directors remain firmly committed to the growth and sustainability of the bank, especially in these turbulent times and would like to thank all the stakeholders for their vote of continued confidence as we look forward to delivering another productive financial year 2020/2021.

Mr. Gooroodeo Sookun
Chairman
On behalf of Board of Directors

Mr. Premchand Mungar
Chief Executive & Executive Director
On behalf of Board of Directors

Mr. Muhammad Javed Codabux
Director & Chairman of
Audit Committee
On behalf of Board of Directors

Date: 11 MAY 2021

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD/YEAR ENDED**

	Group				Bank				
	Unaudited Quarter Ended 31-Mar-2021	Unaudited Quarter Ended 31-Mar-2020	Unaudited Nine Months Ended 31-Mar-2021	Unaudited Nine Months Ended 31-Mar-2020	Unaudited Quarter Ended 31-Mar-2021	Unaudited Quarter Ended 31-Mar-2020	Unaudited Nine Months Ended 31-Mar-2021	Unaudited Nine Months Ended 31-Mar-2020	Audited Year Ended 30-Jun-2020
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Interest Income	226,038,766	297,103,472	677,062,860	858,441,557	228,206,832	300,236,684	683,754,846	868,071,143	1,034,815,135
Interest Expense	(46,223,851)	(148,762,886)	(162,978,070)	(408,844,440)	(46,945,221)	(148,762,886)	(165,302,851)	(408,844,440)	(447,614,361)
Net interest income	179,814,915	148,340,586	514,084,790	449,597,117	181,261,611	151,473,798	518,451,995	459,226,703	587,200,774
Fees and Commissions income	51,616,001	53,710,534	165,751,041	194,675,950	51,616,001	53,710,534	165,751,041	194,675,950	245,444,634
Fees and Commissions expense	(9,034,609)	(11,056,640)	(46,220,979)	(34,112,988)	(9,034,609)	(11,056,640)	(46,220,979)	(34,112,988)	(46,381,840)
Net fee and commission income	42,581,392	42,653,894	119,530,062	160,562,962	42,581,392	42,653,894	119,530,062	160,562,962	199,062,794
Net trading income	36,123,333	60,114,956	136,127,703	141,283,846	36,123,333	60,114,956	136,127,703	141,283,846	253,953,093
Net gain from derecognition of financial assets measured at FVTOCI	13,928,547	-	20,568,596	558,908	13,928,547	-	20,568,596	558,908	76,513,331
Other income	6,687,617	6,657,598	19,954,961	21,322,254	6,687,617	6,657,598	19,954,961	21,322,254	40,859,821
	56,739,497	66,772,554	176,651,260	163,165,008	56,739,497	66,772,554	176,651,260	163,165,008	371,326,245
Operating income	279,135,804	257,767,034	810,266,112	773,325,087	280,582,500	260,900,246	814,633,317	782,954,673	1,157,589,813
Non-interest expense	(242,553,912)	(237,060,761)	(716,413,897)	(716,841,502)	(246,622,797)	(242,356,008)	(728,461,180)	(732,657,732)	(973,455,407)
Profit before net impairment loss on financial assets and income tax	36,581,892	20,706,273	93,852,215	56,483,585	33,959,703	18,544,238	86,172,137	50,296,941	184,134,406
Net impairment loss on financial assets	(31,491,051)	(3,048,240)	(36,155,023)	(29,342,714)	(31,491,051)	(3,048,240)	(36,155,023)	(29,342,714)	(56,354,532)
Profit after net impairment loss on financial assets but before income tax	5,090,841	17,658,033	57,697,192	27,140,871	2,468,652	15,495,998	50,017,114	20,954,227	127,779,874
Income tax expense	-	-	-	-	-	-	-	-	(19,575,949)
Profit for the period/year attributable to equity holders of the parent	5,090,841	17,658,033	57,697,192	27,140,871	2,468,652	15,495,998	50,017,114	20,954,227	108,203,925
Other comprehensive income									
<i>Items that will not be reclassified subsequently to profit or loss</i>									
Gain on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	34,589,069
Deferred tax on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	(2,583,955)
Gain on revaluation of right-of-use assets	-	-	-	-	-	-	-	-	12,811,074
Actuarial loss	-	-	-	(3,721,441)	-	-	-	-	(3,721,441)
Deferred tax on actuarial loss	-	-	-	-	-	-	-	-	186,072
<i>Items that may be classified subsequently to profit or loss</i>									
Change in fair value of financial assets at FVTOCI	(9,173,687)	(93,179,523)	74,313,421	(58,365,624)	(9,173,687)	(93,179,523)	74,313,421	(58,365,624)	(18,656,641)
Change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	-	-
Credit impairment charge on financial assets at FVTOCI	-	-	-	-	-	-	-	-	-
Other comprehensive (loss)/income for the period/year, net of tax	(9,173,687)	(93,179,523)	74,313,421	(58,365,624)	(9,173,687)	(93,179,523)	74,313,421	(58,365,624)	6,831,165
Total comprehensive (loss)/income for the period/year attributable to equity holders of the parent	(4,082,846)	(75,521,490)	132,010,613	(31,224,753)	(6,705,035)	(77,683,525)	124,330,535	(37,411,397)	137,659,268

STATEMENTS OF FINANCIAL POSITION AS AT

	Group			Bank		
	Unaudited 31-Mar-2021	Unaudited 31-Mar-2020	Audited 30-Jun-2020	Unaudited 31-Mar-2021	Unaudited 31-Mar-2020	Audited 30-Jun-2020
	Rs	Rs	Rs	Rs	Rs	Rs
ASSETS						
Cash and cash equivalents	5,727,494,530	4,654,938,310	4,287,385,039	5,727,494,530	4,654,938,310	4,287,385,039
Loans to and placements with banks	-	75,020,940	2,447,872	-	75,020,940	2,447,872
Derivative assets	2,927,815	79,694,502	45,718,645	2,927,815	79,694,502	45,718,645
Trading assets	2,421,659,662	3,943,906,826	3,637,975,739	2,421,659,662	3,943,906,826	3,637,975,739
Investment securities	4,069,856,649	2,791,384,477	3,568,483,878	4,069,856,649	2,791,384,477	3,568,483,878
Loans and advances to customers	16,153,069,795	15,395,187,844	15,406,607,530	16,329,122,688	15,590,584,124	15,597,383,181
Property, plant and equipment	1,728,549,593	1,695,225,419	1,782,530,259	1,433,017,678	1,460,731,762	1,479,141,150
Intangible assets	170,884,262	201,355,684	196,854,243	170,884,262	201,355,684	196,854,243
Right-of-use	91,874,681	-	112,090,590	168,765,360	-	212,919,603
Investment properties	79,300,000	66,460,000	79,300,000	79,300,000	66,460,000	79,300,000
Investment in subsidiary	-	-	-	100,000	100,000	100,000
Current tax assets	5,081,483	6,920,067	5,613,241	5,081,483	6,293,906	5,081,483
Deferred tax assets	44,034,415	77,699,730	44,034,416	54,366,696	76,340,528	54,366,696
Other assets	2,375,118,622	2,371,995,580	2,294,404,529	2,410,544,448	2,408,117,469	2,332,427,701
Total assets	32,869,851,507	31,359,789,379	31,463,445,981	32,873,121,271	31,354,928,528	31,499,585,230
LIABILITIES						
Deposits from customers	28,670,329,172	26,748,267,767	26,313,109,402	28,670,890,548	26,750,139,514	26,314,518,873
Derivative liabilities	324,432,843	267,224,976	289,498,366	324,432,843	267,224,976	289,498,366
Other borrowed funds	-	1,019,010,813	1,089,390,019	-	1,019,010,813	1,089,390,019
Lease liabilities	59,032,998	-	74,526,375	163,529,798	-	203,309,885
Payable to fellow subsidiary	19,770,698	5,521,825	10,141,366	19,770,698	5,521,825	10,141,366
Other liabilities	551,698,792	477,556,881	564,861,615	551,039,020	476,864,162	564,256,445
Retirement benefits obligations	117,692,680	109,812,754	127,035,127	117,692,680	109,812,754	127,035,127
Total liabilities	29,742,957,183	28,627,395,016	28,468,562,270	29,847,355,587	28,628,564,044	28,598,150,081
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
Accumulated losses	(100,605,270)	(243,925,558)	(158,302,462)	(125,255,987)	(258,987,430)	(175,273,101)
Net owned funds	2,367,435,681	2,224,115,393	2,309,738,489	2,342,784,964	2,209,053,521	2,292,767,850
General banking reserve	90,709,840	90,709,840	90,709,840	90,709,840	90,709,840	90,709,840
Fair value reserve	53,146,330	(60,876,074)	(21,167,091)	53,146,330	(60,876,074)	(21,167,091)
Other reserve	12,809,247	5,978,082	12,809,247	12,809,247	5,978,082	12,809,247
Revaluation Reserve	602,793,226	472,467,122	602,793,226	526,315,303	481,499,115	526,315,303
Total equity attributable to equity holders of the parent	3,126,894,324	2,732,394,363	2,994,883,711	3,025,765,684	2,726,364,484	2,901,435,149
Total liabilities and equity	32,869,851,507	31,359,789,379	31,463,445,981	32,873,121,271	31,354,928,528	31,499,585,230
CONTINGENT LIABILITIES AND COMMITMENTS						
Letters of credit, guarantees, acceptances, endorsements and other obligations on account of customers	1,353,858,221	2,145,561,403	1,981,028,082	1,353,858,221	2,145,561,403	1,981,028,082
Credit commitments	1,763,658,458	2,094,313,627	1,908,076,512	1,763,658,458	2,094,313,627	1,908,076,512

**STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD/YEAR ENDED**

The Group

	Stated capital		Statutory Reserve		Retained earnings/ Accumulated losses		General Banking Reserve		Fair Value Reserve		Other Reserve		Revaluation Reserve	
	Rs		Rs		Rs		Rs		Rs		Rs		Rs	
At 01 July 2020	2,466,420,956		1,619,995		(158,302,462)		90,709,840		(21,167,091)		12,809,247		602,793,226	
Profit for the period	-		-		57,697,192		-		-		-		-	
Change in fair value of financial assets held at FVTOCI	-		-		-		-		74,313,421		-		-	
At 31 March 2021	2,466,420,956		1,619,995		(100,605,270)		90,709,840		53,146,330		12,809,247		602,793,226	
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	
Profit for the period	-		-		27,140,871		-		-		-		-	
Change in fair value of available-for-sale financial assets	-		-		-		-		(58,365,624)		-		-	
At 31 March 2020	2,466,420,956		1,619,995		(243,925,558)		90,709,840		(60,876,074)		5,978,082		472,467,122	
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	
Profit for the year	-		-		116,299,336		-		-		-		-	
Gain on revaluation of property, plant and equipment	-		-		-		-		-		-		105,778,447	
Deferred tax on revaluation of property, plant and equipment	-		-		-		-		-		-		(14,686,149)	
Gain on revaluation of right-of-use assets	-		-		-		-		-		-		39,233,806	
Change in fair value of financial assets held at FVTOCI	-		-		-		-		(18,656,641)		6,831,165		-	
Credit impairment charge on financial assets at FVTOCI	-		-		-		-		-		-		-	
Actuarial loss for the year	-		-		(3,721,441)		-		-		-		-	
Deferred tax on actuarial loss	-		-		186,072		-		-		-		-	
At 30 June 2020	2,466,420,956		1,619,995		(158,302,462)		90,709,840		(21,167,091)		12,809,247		602,793,226	

The Bank

	Stated capital		Statutory Reserve		Retained earnings/ Accumulated losses		General Banking Reserve		Fair Value Reserve		Other Reserve		Revaluation Reserve	
	Rs		Rs		Rs		Rs		Rs		Rs		Rs	
At 01 July 2020	2,466,420,956		1,619,995		(175,273,101)		90,709,840		(21,167,091)		12,809,247		526,315,303	
Profit for the period	-		-		50,017,114		-		-		-		-	
Change in fair value of financial assets held at FVTOCI	-		-		-		-		74,313,421		-		-	
At 31 March 2021	2,466,420,956		1,619,995		(125,255,987)		90,709,840		53,146,330		12,809,247		526,315,303	
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	
Profit for the period	-		-		20,954,227		-		-		-		-	
Change in fair value of available-for-sale financial assets	-		-		-		-		(58,365,624)		-		-	
At 31 March 2020	2,466,420,956		1,619,995		(258,987,430)		90,709,840		(60,876,074)		5,978,082		481,499,115	
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	
Profit for the year	-		-		108,203,925		-		-		-		-	
Gain on revaluation of property, plant and equipment	-		-		-		-		-		-		34,589,069	
Deferred tax on revaluation of property, plant and equipment	-		-		-		-		-		-		(2,583,955)	
Gain on revaluation of Right-of-use assets	-		-		-		-		-		-		12,811,074	
Change in fair value of financial assets held at FVTOCI	-		-		-		-		(18,656,641)		6,831,165		-	
Credit impairment charge on financial assets at FVTOCI	-		-		-		-		-		-		-	
Actuarial loss for the year	-		-		(3,721,441)		-		-		-		-	
Deferred tax on actuarial loss	-		-		186,072		-		-		-		-	
At 30 June 2020	2,466,420,956		1,619,995		(175,273,101)		90,709,840		(21,167,091)		12,809,247		526,315,303	

STATEMENTS OF CASH FLOWS FOR PERIOD/YEAR ENDED

	Group			Bank		
	Unaudited Nine Months Ended 31-Mar-2021	Unaudited Nine Months Ended 31-Mar-2020	Audited Year Ended 30-Jun-2020	Unaudited Nine Months Ended 31-Mar-2021	Unaudited Nine Months Ended 31-Mar-2020	Audited Year Ended 30-Jun-2020
	Rs	Rs	Rs	Rs	Rs	Rs
Cash from operating activities						
Profit for the period/year before income tax	57,697,192	27,140,871	138,205,058	50,017,114	20,954,227	127,779,874
Adjustments for :						
Finance charge	1,340,226	-	1,964,193	3,665,007	-	5,799,000
Impairment losses on loans and advances	38,591,225	40,477,628	70,597,541	38,591,225	40,477,628	70,597,541
Depreciation of property, plant and equipment	66,138,086	63,529,939	84,702,299	58,280,892	56,666,263	75,544,696
Amortisation of intangible assets	34,541,858	30,230,788	40,761,489	34,541,858	30,230,788	40,761,489
Depreciation of right-of-use assets	22,772,329	-	22,237,744	46,710,664	-	55,546,193
Profit on disposal of property, plant and equipment	(192,340)	-	-	(192,340)	-	-
Profit on revaluation of trading assets	(1,271,427)	(12,714,869)	(6,406,590)	(1,271,427)	(12,714,869)	(6,406,590)
Profit on revaluation of investment properties	-	-	(12,840,000)	-	-	(12,840,000)
Retirement benefit obligations	(9,342,447)	-	13,500,932	(9,342,447)	-	13,500,932
	210,274,702	148,664,357	352,722,666	221,000,546	135,614,037	370,283,135
Changes in operating assets and liabilities						
Decrease/(increase) in trading assets	1,217,587,505	(2,310,936,695)	(2,012,612,597)	1,217,587,505	(2,310,936,695)	(2,012,612,597)
Increase in net derivative liabilities	77,725,306	187,978,981	244,228,228	77,725,306	187,978,981	244,228,228
Increase in loans and advances to customers	(785,053,491)	(499,881,262)	(535,219,521)	(770,330,733)	(484,225,401)	(514,943,031)
Increase/(decrease) in payable to fellow subsidiary	9,629,332	(32,659,143)	(28,039,602)	9,629,332	(32,659,143)	(28,039,602)
Increase in deposits from customers	2,357,219,769	3,691,824,344	3,256,665,980	2,356,371,674	3,685,639,504	3,250,018,863
Increase in other assets	(80,714,088)	(323,093,945)	(245,502,893)	(78,116,745)	(321,192,665)	(245,502,894)
Decrease in other liabilities	(13,162,812)	(170,198,034)	(82,377,636)	(13,217,412)	(170,330,636)	(82,412,687)
Cash generated from operations	2,993,506,223	691,698,603	949,864,625	3,020,649,473	689,887,982	981,019,415
Tax paid	-	-	(8,368,692)	-	-	(5,096,451)
Tax refund received	531,758	-	6,935,034	-	-	6,308,873
Net cash from operating activities	2,994,037,981	691,698,603	948,430,967	3,020,649,473	689,887,982	982,231,837
Cash flow from investing activities						
Increase in securities	(427,059,351)	(922,524,511)	(1,658,616,219)	(427,059,351)	(922,524,511)	(1,658,616,219)
Net placements with banks	2,448,174	(1,298,474)	71,390,637	2,448,174	(1,298,474)	71,390,637
Acquisition of property, plant and equipment	(12,275,116)	(34,998,371)	(37,697,123)	(12,275,116)	(33,187,750)	(35,886,502)
Acquisition of intangibles	(8,571,877)	(15,935,767)	(21,965,027)	(8,571,877)	(15,935,767)	(21,965,027)
Proceeds from disposal of property, plant and equipment	310,036	-	-	310,036	-	-
Net cash used in investing activities	(445,148,134)	(974,757,123)	(1,646,887,732)	(445,148,134)	(972,946,502)	(1,645,077,111)
Cash flows from financing activities						
Net (Decrease)/increase in other borrowed funds	(1,089,390,029)	820,665,547	891,044,753	(1,089,390,029)	820,665,547	891,044,753
Decrease in lease liabilities	(19,390,023)	-	(22,532,346)	(46,001,515)	-	(68,143,837)
Net cash (used in)/generated from financing activities	(1,108,780,052)	820,665,547	868,512,407	(1,135,391,544)	820,665,547	832,900,916
Net increase in cash and cash equivalents	1,440,109,795	537,607,027	170,055,642	1,440,109,795	537,607,027	170,055,642
Cash and cash equivalents at the beginning of the period/year	4,287,397,007	4,117,341,365	4,117,341,365	4,287,397,007	4,117,341,365	4,117,341,365
Cash and cash equivalents at the end of the period/year	5,727,506,802	4,654,948,392	4,287,397,007	5,727,506,802	4,654,948,392	4,287,397,007