



# Abridged Unaudited Interim Financial Statements

for the Three Months Ended

**30 September 2019**



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 three months ended 30 September 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 3.7 Mn for the three months ended 30 September 2019 against a loss of Rs 14.1 Mn for the same period last year.

Total operating income remains comparable, though slightly lower, compared to the corresponding period for the previous year at Rs 243.6 Mn (Rs 244.1 Mn - period ended 30 September 2018). The sustained level of income was mainly attributed to a marked improvement in the fee and commission income representing an increase of 62% at Rs 61.5Mn from Rs 37.9 Mn for the corresponding period last year.

In addition, interest expense improved to Rs 119.5 Mn from Rs 122.0 Mn last year as the bank continues to shed away high priced deposits.

The bank’s cost to income ratio also has improved from 105.8% last year to 100.58% for the period under review. The bank continues its relentless effort for a reduction of its operating cost with a sustained growth in its revenue.

Trading and other income also improved from Rs 45.3 Mn last year to Rs 49.3 Mn for the period 30 September 2019. Overall performance has been satisfactory for the quarter under review and is expected to improve further.

The Capital Adequacy Ratio of the Bank was 14.56% as at 30 September 2019 and remains comfortably above the regulatory minimum of 11.875%.

At this same date, 34% of the Bank’s assets, or 39% of the bank’s deposit base, was invested in liquid assets as the Bank continues to adopt a prudent 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.



# Management Discussion & Analysis

## Outlook

The Bank continues with its key strategies on primary targets and objectives for cost optimization while ensuring a sustainable growth in different business segments of the economy, with key focus on the SME sector.

The improvement in financial ratios of the bank provides significant potential for future growth and positions itself to improve on its profitability.

Further development and initiatives are being implemented by keeping focus on its human capital to ensure efficiency of its operations for a better responsiveness in delivering on its customers' expectations in an efficient and timely manner.

With the relentless effort in re-engineering and adopting sustainable strategies, the Management and Board is improving confidence and ensuring future sustainable growth and profit while positioning a stronger Bank in the local market.

*Director*

*Director*

*Chief Executive*

Date: 23 October 2019

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

	Group			Bank		
	Unaudited Quarter Ended 30-Sep-2019	Unaudited Quarter Ended 30-Sep-2018	Audited Year Ended 30-Jun-2019	Unaudited Quarter Ended 30-Sep-2019	Unaudited Quarter Ended 30-Sep-2018	Audited Year Ended 30-Jun-2019
	Rs	Rs	Rs	Rs	Rs	Rs
Interest Income	260,521,833	279,500,569	1,042,446,380	263,807,798	283,082,179	1,056,574,734
Interest Expense	(119,454,872)	(122,019,566)	(458,530,017)	(119,454,872)	(122,019,566)	(458,530,017)
<b>Net interest income</b>	<b>141,066,961</b>	<b>157,481,003</b>	<b>583,916,363</b>	<b>144,352,926</b>	<b>161,062,613</b>	<b>598,044,717</b>
Fees and Commissions income	61,546,178	37,951,676	247,563,800	61,546,178	37,951,676	247,563,800
Fees and Commissions expense	(11,610,108)	(146,356)	(42,882,639)	(11,610,108)	(146,356)	(42,882,639)
<b>Net fee and commission income</b>	<b>49,936,070</b>	<b>37,805,320</b>	<b>204,681,161</b>	<b>49,936,070</b>	<b>37,805,320</b>	<b>204,681,161</b>
Net trading income	40,795,905	37,606,326	176,188,288	40,795,905	37,606,326	176,188,288
Net gain from derecognition of financial assets measured at FVTOCI						
Other income	258,448	517,317	63,243,771	258,448	517,317	63,243,771
	8,219,397	7,135,965	25,956,727	8,219,397	7,135,965	25,956,727
	49,273,750	45,259,608	265,388,786	49,273,750	45,259,608	265,388,786
<b>Operating Income</b>	<b>240,276,781</b>	<b>240,545,931</b>	<b>1,053,986,310</b>	<b>243,562,746</b>	<b>244,127,541</b>	<b>1,068,114,664</b>
Non-interest expense	(239,755,786)	(253,131,890)	(1,041,477,248)	(244,981,837)	(258,256,059)	(1,061,086,505)
<b>Profit/(loss) before net impairment (loss)/reversal on financial assets and income tax</b>	<b>520,995</b>	<b>(12,585,959)</b>	<b>12,509,062</b>	<b>(1,419,091)</b>	<b>(14,128,518)</b>	<b>7,028,159</b>
Net impairment reversal/(loss) on financial assets	5,114,119	35,000	(732,062)	5,114,119	35,000	(732,062)
<b>Profit/(loss) after net impairment (loss)/reversal on financial assets but before income tax</b>	<b>5,635,114</b>	<b>(12,550,959)</b>	<b>11,777,000</b>	<b>3,695,028</b>	<b>(14,093,518)</b>	<b>6,296,097</b>
Income tax credit/(expense)	-	-	(354,581,772)	-	-	(352,833,568)
<b>Profit/(loss) for the period/year attributable to equity holders of the parent</b>	<b>5,635,114</b>	<b>(12,550,959)</b>	<b>(342,804,772)</b>	<b>3,695,028</b>	<b>(14,093,518)</b>	<b>(346,537,471)</b>
<b>Other comprehensive income/(loss)</b>						
<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	19,345,661	-	19,229,212	19,345,661	-	19,229,212
Change in fair value of available-for-sale financial assets	-	12,994,214	-	-	12,994,214	-
Credit impairment charge on financial assets at FVTOCI	-	-	4,135,850	-	-	4,135,850
<b>Other comprehensive income/(loss) for the period/year, net of tax</b>	<b>19,345,661</b>	<b>12,994,214</b>	<b>36,063,536</b>	<b>19,345,661</b>	<b>12,994,214</b>	<b>36,063,536</b>
<b>Total comprehensive income/(loss) for the period/year attributable to equity holders of the parent</b>	<b>24,980,775</b>	<b>443,255</b>	<b>(306,741,236)</b>	<b>23,040,689</b>	<b>(1,099,304)</b>	<b>(310,473,935)</b>

**STATEMENT OF FINANCIAL POSITION AS AT**

	Group			Bank		
	Unaudited 30-Sep-2019	Unaudited 30-Sep-2018	Audited 30-Jun-2019	Unaudited 30-Sep-2019	Unaudited 30-Sep-2018	Audited 30-Jun-2019
	Rs	Rs	Rs	Rs	Rs	Rs
<b>ASSETS</b>						
Cash and cash equivalents	2,127,399,109	851,138,485	4,117,331,280	2,127,399,109	851,138,485	4,117,331,280
Loans to and placements with banks	74,189,982	312,976,181	73,722,466	74,189,982	312,976,181	73,722,466
Derivative assets	19,911,648	3,152,086	2,830,728	19,911,648	3,152,086	2,830,728
Trading assets	3,010,144,437	1,730,781,273	1,620,255,263	3,010,144,437	1,730,781,273	1,620,255,263
Investment securities	2,092,723,388	3,008,741,120	1,927,225,589	2,092,723,388	3,008,741,120	1,927,225,589
Loans and advances to customers	15,829,746,712	10,281,501,555	14,935,784,208	16,033,951,307	10,502,338,420	15,146,836,349
Property, plant and equipment	1,713,501,444	1,787,251,149	1,723,756,990	1,476,239,608	1,539,463,371	1,484,210,276
Intangible assets	209,466,362	208,487,906	215,650,705	209,466,362	208,487,906	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	-	5,043,671,463	-	-	5,043,671,463	-
Other assets	2,174,842,234	2,069,335,825	2,048,901,636	2,211,999,014	2,106,564,573	2,086,924,806
<b>Total assets</b>	<b>27,403,005,113</b>	<b>25,746,060,093</b>	<b>26,816,538,660</b>	<b>27,405,219,289</b>	<b>25,754,840,562</b>	<b>26,824,181,896</b>
<b>LIABILITIES</b>						
Deposits from customers	23,807,833,335	21,654,112,592	23,056,443,423	23,812,441,750	21,661,134,270	23,064,500,010
Derivative liabilities	297,487	2,440,312	2,382,221	297,487	2,440,312	2,382,221
Other borrowed funds	37,635,650	245,656,649	198,345,266	37,635,650	245,656,649	198,345,266
Payable to fellow subsidiary	69,109,464	-	38,180,968	69,109,464	-	38,180,968
Other liabilities	589,716,532	678,874,752	647,754,912	589,105,614	678,286,638	647,184,796
Retirement benefits obligations	109,812,754	65,214,969	109,812,754	109,812,754	65,214,969	109,812,754
<b>Total liabilities</b>	<b>24,614,405,222</b>	<b>22,646,299,274</b>	<b>24,052,919,544</b>	<b>24,618,402,719</b>	<b>22,652,732,838</b>	<b>24,060,406,015</b>
<b>SHAREHOLDERS' EQUITY</b>						
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)	(265,431,315)	123,385,282	(271,066,429)	(276,246,629)	116,700,194	(279,941,657)
Net owned funds	2,202,609,636	2,591,426,233	2,196,974,522	2,191,794,322	2,584,741,145	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	16,835,211	(8,745,448)	(2,510,450)	16,835,211	(8,745,448)	(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
<b>Total equity attributable to equity holders of the parent</b>	<b>2,788,599,891</b>	<b>3,099,760,819</b>	<b>2,763,619,116</b>	<b>2,786,816,570</b>	<b>3,102,107,724</b>	<b>2,763,775,881</b>
<b>Total liabilities and equity</b>	<b>27,403,005,113</b>	<b>25,746,060,093</b>	<b>26,816,538,660</b>	<b>27,405,219,289</b>	<b>25,754,840,562</b>	<b>26,824,181,896</b>
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>						
Letters of credit, guarantees, acceptances, endorsements and other obligations on account of customers	1,981,437,594	1,736,560,913	1,300,989,705	1,981,437,594	1,578,695,517	1,300,989,705
Credit commitments	2,200,309,310	2,411,258,462	2,260,463,823	2,200,309,310	2,411,258,462	2,260,463,823

## STATEMENT OF CHANGES IN EQUITY

### The Group

**At 01 July 2019**  
Loss for the period  
Change in fair value of financial assets held at FVTOCI  
**At 30 September 2019**

**At 01 July 2018**  
Loss for the period  
Change in fair value of available-for-sale financial assets  
**At 30 September 2018**

**At 01 July 2018**  
Impact of transition to IFRS 9

Loss for the year  
Transfer from revaluation reserve to retained earnings  
Effect of tax rate change on deferred tax arising on revaluation of property, plant and equipment  
Change in fair value of financial assets held at FVTOCI  
Credit impairment charge on financial assets at FVTOCI  
Actuarial loss for the year  
Deferred tax on actuarial loss  
**At 30 June 2019**

## STATEMENT OF CHANGES IN EQUITY

### The Bank

**At 01 July 2019**  
Loss for the period  
Change in fair value of financial assets held at FVTOCI  
**At 30 September 2019**

**At 01 July 2018**  
Loss for the period  
Change in fair value of available-for-sale financial assets  
**At 30 September 2018**

**At 01 July 2018**  
Impact of transition to IFRS 9

Loss for the year  
Transfer from revaluation reserve to retained earnings  
Effect of tax rate change on deferred tax arising on revaluation of property, plant and equipment  
Change in fair value of financial assets held at FVTOCI  
Credit impairment charge on financial assets at FVTOCI  
Actuarial loss for the year  
Deferred tax on actuarial loss  
**At 30 June 2019**

Stated capital	Statutory Reserve	Retained earnings/ (Accumulated losses)		General Banking Reserve		Fair Value Reserve	Other Reserve	Revaluation Reserve	Total equity attributable to holders of the parent
		Rs	Rs	Rs	Rs				
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	5,635,114	19,345,661
2,466,420,956	1,619,995	(265,431,315)	90,709,840	16,835,211	5,978,082	472,467,122	2,768,599,891		
2,466,420,956	1,619,995	135,936,241	90,709,840	(21,739,662)	-	426,370,194	3,099,317,564	(12,550,959)	12,994,214
2,466,420,956	1,619,995	(12,550,959)	-	12,994,214	-	426,370,194	3,099,760,819		
2,466,420,956	1,619,995	123,385,282	90,709,840	(8,745,448)	-	426,370,194	3,099,317,564		
2,466,420,956	1,619,995	135,936,241	90,709,840	(21,739,662)	-	426,370,194	3,099,317,564		
-	-	(30,799,444)	-	-	1,842,232	-	(28,957,212)		
2,466,420,956	1,619,995	105,136,797	90,709,840	(21,739,662)	1,842,232	426,370,194	3,070,360,352		
-	-	(342,804,772)	-	-	-	-	(342,804,772)		
-	-	(818,535)	-	-	-	818,535	-		
-	-	-	-	-	-	45,278,393	45,278,393		
-	-	-	-	19,229,212	-	-	19,229,212		
-	-	-	-	-	4,135,850	-	4,135,850		
-	-	(34,294,652)	-	-	-	-	(34,294,652)		
-	-	1,714,733	-	-	-	-	1,714,733		
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		

Stated capital	Statutory Reserve	Retained earnings/ (Accumulated losses)		General Banking Reserve		Fair Value Reserve	Other Reserve	Revaluation Reserve	Total equity attributable to holders of the parent
		Rs	Rs	Rs	Rs				
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	3,695,028	19,345,661
2,466,420,956	1,619,995	(276,246,629)	90,709,840	16,835,211	5,978,082	481,499,115	2,786,816,570		
2,466,420,956	1,619,995	130,793,712	90,709,840	(21,739,662)	-	435,402,187	3,103,207,028	(14,093,518)	12,994,214
2,466,420,956	1,619,995	(14,093,518)	-	12,994,214	-	435,402,187	3,102,107,724		
2,466,420,956	1,619,995	116,700,194	90,709,840	(8,745,448)	-	435,402,187	3,102,107,724		
2,466,420,956	1,619,995	130,793,712	90,709,840	(21,739,662)	-	435,402,187	3,103,207,028		
-	-	(30,799,444)	-	-	1,842,232	-	(28,957,212)		
2,466,420,956	1,619,995	99,994,268	90,709,840	(21,739,662)	1,842,232	435,402,187	3,074,249,816		
-	-	(346,537,471)	-	-	-	-	(346,537,471)		
-	-	(818,535)	-	-	-	818,535	-		
-	-	-	-	-	-	45,278,393	45,278,393		
-	-	-	-	19,229,212	-	-	19,229,212		
-	-	-	-	-	4,135,850	-	4,135,850		
-	-	(34,294,652)	-	-	-	-	(34,294,652)		
-	-	1,714,733	-	-	-	-	1,714,733		
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 Quarter Ended 30-Sep-2019	Unaudited Quarter Ended 30-Sep-2018	Unaudited Quarter Ended 30-Sep-2019	Unaudited Quarter Ended 30-Sep-2018
	Rs	Rs	Rs	Rs
<b>Cash flow from operating activities</b>				
Profit/(Loss) for the period/year before income tax	5,635,114	(12,550,958)	3,695,028	(14,093,517)
<b>Adjustments for :</b>				
Impairment losses on loans and advances	4,543,777	-	4,543,777	-
Depreciation	20,680,852	26,847,965	18,395,977	24,418,793
Amortisation	10,408,272	12,748,708	10,408,272	12,748,708
Profit on disposal of property, plant and equipment	-	403,760	-	403,760
Profit on revaluation of trading assets	(740,996)	(1,253,275)	(740,996)	(1,253,275)
Retirement benefit obligations	-	-	-	-
	40,527,019	26,196,200	36,302,058	22,224,469
		187,414,136		171,262,994
<b>Changes in operating assets and liabilities</b>				
(Increase)/decrease in trading assets	(1,389,148,179)	(536,852,544)	(1,389,148,179)	(536,852,544)
(Increase)/decrease in derivative	(19,165,654)	(236,943)	(19,165,654)	(236,943)
(Increase)/decrease in loans and advances to customers	(898,506,280)	895,608,283	(891,658,733)	902,192,618
Decrease in receivable from fellow subsidiary	-	53,906,266	-	53,906,266
Increase in payable to fellow subsidiary	30,928,495	-	30,928,495	-
Increase/(decrease) in deposits from customers	751,389,912	(682,001,909)	747,941,739	(685,366,931)
(Increase)/decrease in other assets	(125,940,592)	6,119,249	(125,074,204)	6,913,668
(Decrease)/increase in other liabilities	(58,038,386)	2,329,479	(58,079,187)	2,287,477
<b>Cash (used in)/generated from operations</b>	(1,667,953,665)	(234,931,919)	(1,667,953,665)	(234,931,920)
Tax paid	-	-	-	-
Tax refund received	-	-	-	-
<b>Net cash (used in)/generated from operating activities</b>	(1,667,953,665)	(234,931,919)	(1,667,953,665)	(234,931,920)
		1,799,180,158		1,799,180,158
<b>Cash flow from investing activities</b>				
(Increase)/decrease in securities	(146,152,138)	(67,710,667)	(146,152,138)	(67,710,667)
(Increase)/decrease in placements with banks	(467,516)	1,491,533	(467,516)	1,491,533
Acquisition of property, plant and equipment	(10,425,310)	(23,304,471)	(10,425,310)	(23,304,471)
Acquisition of intangibles	(4,223,929)	(628,113)	(4,223,929)	(628,113)
Proceeds from disposal of property, plant and equipment	-	791,261	-	791,261
<b>Net cash (used in)/from investing activities</b>	(161,268,893)	(89,360,457)	(161,268,893)	(89,360,457)
		1,190,041,728		1,190,041,728
<b>Cash flows from financing activities</b>				
Decrease in other borrowed funds	(160,709,616)	(153,775,090)	(160,709,616)	(153,775,090)
<b>Net cash (used in)/generated from financing activities</b>	(160,709,616)	(153,775,090)	(160,709,616)	(153,775,090)
		(201,086,473)		(201,086,473)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,989,932,174)	(478,067,466)	(1,989,932,174)	(478,067,467)
Cash and cash equivalents at the beginning of the period/year	4,117,341,365	1,329,205,951	4,117,341,365	1,329,205,952
<b>Cash and cash equivalents at the end of the period/year</b>	2,127,409,191	851,138,485	2,127,409,191	851,138,485
		4,117,341,365		4,117,341,365