



Growth

Abridged Unaudited Interim Financial Statements

for the six months ended
31 December 2022



Le partenaire de votre progrès!

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Management Discussion & Analysis

MauBank Ltd (“Bank”) is pleased to present the abridged unaudited interim financial statements of the Group and the Bank for the six months ended 31 December 2022.

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 2022, 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 December 2022:

- I. The Bank recorded a post-tax profit of Rs 263.65 Mn for the six months ended 31 December 2022 against Rs 122.89 Mn for the same period last year, representing an increase of 114.5%.
- II. Total Operating Income was higher for the six months ended 31 December 2022 at Rs 768.90 Mn compared to Rs 650.88 Mn for the period ended 31 December 2021. The sustained level of income was mainly attributed to a higher net interest income and an increase in net fee and commission income.
- III. The Bank’s cost to income ratio improved from 74.22% for period ended 31 December 2021 to 62.76% for period ended 31 December 2022, mainly attributable to an improvement in the operating income base coupled with the cost optimisation initiatives initiated a few years back.
- IV. On 30 December 2022, the shareholders made a capital injection of Rs 250.0 Mn to support the strategic objectives of the Bank. The Capital Adequacy Ratio (CAR) of the Bank stood at 14.15% as at 31 December 2022, well above the regulatory minimum of 12.5%, which includes a capital conservation buffer of 2.5%.
- V. The Bank’s total liquid assets represented 27.72 % of the Bank’s assets, or 33.19 % of the Bank’s deposit base, as the Bank continues to monitor prudentially a sound approach towards liquidity management.

Following receipt of all regulatory approvals in December 2022, the bank has approved a dividend of Rs 40 Mn for payment to its shareholders representing 15.11% of its profit after tax the financial year ended 30 June 2022.

GLOBAL ECONOMY

Global economic activity is decelerating as a result of tightening global monetary policy in order to contain very high inflation, less favorable financial conditions, and disruptions from the Russian’s invasion of Ukraine.

According to the latest Global Economic Prospects report, global growth will slow from 2.9 percent in 2022 to 1.7 percent in 2023. The outlook has several downside risks, including the possibility of higher inflation, even tighter monetary policy, financial stress, and rising geopolitical tensions.

Growth has slowed to the extent that the global economy is perilously close to falling into recession, defined as a contraction in annual global per capita income. Major economies are undergoing a period of pronounced weakness, and the resulting spillovers are exacerbating other headwinds faced by emerging market and developing economies. (EMDEs).

MAURITIAN ECONOMY

The recovery process of the domestic economy is underway and supported by greater dynamism across major sectors of the economy, including tourism. The Bank projects real GDP growth at above 7.0 per cent for 2022 and at around 5.0 per cent for 2023.

With inflation in Mauritius, however, still remaining at high levels, the Monetary Policy Committee of the Central Bank further raised the key repo rate by 50 basis points to reach 4.5% per annum at its last meeting held on 14 December 2022.

MauBank Ltd, other than actively monitoring its assets and liabilities maturity mismatch, also ensures that it has a relatively large stable deposit base, in keeping with sufficient liquid assets to meet any unforeseen liquidity requirements. The Banks’ diversification strategy for new products and markets has started to significantly contribute to our revenue stream. Our diversification in the international front and cross-border lending has seen a major increase as the Bank continues to invest in high quality international products whilst continuing to cooperate with international institutions in order to become a key banking player on the African continent.



Management Discussion & Analysis

It is to be noted that the bank registered a growth of 11.16% in the net loans and advances portfolio, from Rs 18.81 Bn as at 31 December 2021 to Rs 20.91 Bn as at 31 December 2022.

In its budget speech 2021/2022, the Government of Mauritius had announced the introduction of a special zero interest loan scheme for patients who wish to undergo or undergoing treatment in private hospitals and clinics in Mauritius. A Memorandum of Understanding was signed on 16 December 2022 between MauBank and the Ministry of Health & Wellness over the implementation of the Zero Interest Medical Scheme (ZIMS). With MauBank as one of the main lending institutions, and some 15 private clinics having entered the MoU, the objective of ZIMS is to promote access to private health care in Mauritius by providing financial assistance.

The Bank's financial ratios and performance demonstrate its dedication to meeting its clients' expectations in a timely and effective manner and provides a solid foundation for future progress.

Management and the Board of Directors remain dedicated to the Bank's long-term stability and growth, particularly in these challenging circumstances, and acknowledges the support of all stakeholders.

Mr. Gooroodeo Sookun
Chairperson – Board of Directors

Mr. Premchand Mungar
Chief Executive & Executive Director

Mr. Anil Kumar Kokil
Chairperson – Audit Committee

25 JAN 2023

Date:

Ebène 72201, Republic of Mauritius

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

	Group					Bank				
	Unaudited Quarter Ended	Unaudited Quarter Ended	Unaudited Six Months Ended	Unaudited Six Months Ended	Audited Year Ended	Unaudited Quarter Ended	Unaudited Quarter Ended	Unaudited Six Months Ended	Unaudited Six Months Ended	Audited Year Ended
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021	30-Jun-2022	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021	30-Jun-2022
Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Interest Income	380,558,477	254,657,433	680,238,500	511,226,482	1,052,904,548	382,946,647	256,665,491	684,658,631	515,280,619	1,060,946,862
Interest Expense	(93,774,327)	(42,463,902)	(146,049,833)	(83,866,871)	(163,929,142)	(94,113,039)	(43,023,635)	(146,783,444)	(85,041,073)	(166,057,158)
Net interest income	286,784,150	212,193,531	534,188,667	427,359,611	888,975,406	288,833,608	213,641,856	537,875,187	430,239,546	894,889,704
Fees and Commissions income	72,772,358	72,555,835	145,774,454	138,308,188	262,787,207	72,772,358	72,555,835	145,774,454	138,308,184	262,787,207
Fees and Commissions expense	(12,151,318)	(8,100,939)	(24,104,628)	(18,038,640)	(40,639,242)	(12,151,318)	(8,100,939)	(24,104,628)	(18,038,640)	(40,639,242)
Net fee and commission income	60,621,040	64,454,896	121,669,826	120,269,548	222,147,965	60,621,040	64,454,896	121,669,826	120,269,544	222,147,965
Net trading income	51,072,180	34,857,547	96,516,262	76,230,140	142,288,576	51,072,180	34,857,547	96,516,262	76,230,140	142,288,576
Net gain from derecognition of financial assets measured at FVTOCI	25,541	-	25,541	11,768,972	12,389,795	25,541	-	25,541	11,768,976	12,389,795
Other income	6,465,369	6,078,428	12,816,806	12,374,334	27,419,215	6,465,369	6,078,428	12,816,806	12,374,334	27,419,215
	57,563,090	40,935,975	109,358,609	100,373,446	182,097,586	57,563,090	40,935,975	109,358,609	100,373,450	182,097,586
Operating Income	404,968,280	317,584,402	765,217,102	648,002,605	1,293,220,957	407,017,738	319,032,727	768,903,622	650,882,540	1,299,135,255
Non-interest expense	(240,819,252)	(241,431,406)	(472,533,964)	(474,362,304)	(954,949,261)	(245,851,559)	(245,822,215)	(482,568,317)	(483,061,795)	(973,305,532)
Profit before net impairment loss on financial assets and income tax	164,149,028	76,152,996	292,683,138	173,640,301	338,271,696	161,166,179	73,210,512	286,335,305	167,820,745	325,829,723
Net impairment loss on financial assets	(13,012,789)	(15,297,848)	(22,688,987)	(24,038,390)	(56,862,079)	(13,012,789)	(15,297,848)	(22,688,987)	(24,038,390)	(56,862,079)
Profit after net impairment loss on financial assets but before income tax	151,136,239	60,855,148	269,994,151	149,601,911	281,409,617	148,153,390	57,912,664	263,646,318	143,782,355	268,967,644
Income tax expense	-	(10,447,597)	-	(20,895,195)	(7,806,944)	-	(10,447,597)	-	(20,895,195)	(4,339,030)
Profit for the period/year	151,136,239	50,407,551	269,994,151	128,706,716	273,602,673	148,153,390	47,465,067	263,646,318	122,887,160	264,628,614
Other comprehensive income:										
<i>Items that will not be reclassified subsequently to profit or loss</i>										
Actuarial loss	-	-	-	-	(10,842,601)	-	-	-	-	(10,842,601)
Deferred tax credit on actuarial loss	-	-	-	-	542,130	-	-	-	-	542,130
<i>Items that may be classified subsequently to profit or loss</i>										
Change in fair value of financial assets at FVTOCI	(99,881,527)	(9,501,532)	(147,782,873)	10,449,057	(158,883,151)	(99,881,527)	(9,501,532)	(147,782,873)	10,449,057	(158,883,151)
Credit impairment charge/(reversal) on financial assets at FVTOCI	7,448,462	-	16,528,406	(2,622,834)	(7,018,875)	7,448,462	-	16,528,406	(2,622,834)	(7,018,875)
Other comprehensive income for the period/year, net of tax	(92,433,065)	(9,501,532)	(131,254,467)	7,826,223	(176,202,497)	(92,433,065)	(9,501,532)	(131,254,467)	7,826,223	(176,202,497)
Total comprehensive income for the period/year attributable to equity holders of the parent	58,703,174	40,906,019	138,739,684	136,532,939	97,400,176	55,720,325	37,963,535	132,391,851	130,713,383	88,426,117
Transfer to Statutory Reserve	-	-	-	-	39,694,292	-	-	-	-	39,694,292

STATEMENTS OF FINANCIAL POSITION AS AT

	Group			Bank		
	Unaudited 31-Dec-2022	Unaudited 31-Dec-2021	Audited 30-Jun-2022	Unaudited 31-Dec-2022	Unaudited 31-Dec-2021	Audited 30-Jun-2022
	Rs	Rs	Rs	Rs	Rs	Rs
ASSETS						
Cash and cash equivalents	4,927,098,768	5,309,488,763	4,251,247,756	4,927,098,768	5,309,488,763	4,251,247,756
Derivative assets	6,404,009	8,402,713	3,366,270	6,404,009	8,402,713	3,366,270
Trading assets	772,667,184	219,230,597	687,904,980	772,667,184	219,230,597	687,904,980
Investment securities	3,977,425,832	6,771,940,007	6,714,208,205	3,977,425,832	6,771,940,007	6,714,208,205
Loans and advances to banks and customers	20,758,423,639	18,650,779,325	17,642,471,428	20,910,225,430	18,811,670,128	17,798,778,186
Property, plant and equipment	1,212,773,261	1,249,813,796	1,233,184,116	931,092,093	961,219,853	948,193,855
Intangible assets	113,367,072	142,915,608	138,327,935	113,367,072	142,915,608	138,327,935
Right-of-use	48,391,313	76,263,655	61,953,710	69,425,877	129,215,999	98,947,164
Investment properties	519,300,000	519,300,000	519,300,000	519,300,000	519,300,000	519,300,000
Investment in subsidiary	-	-	-	100,000	100,000	100,000
Current tax assets	6,515,111	6,146,240	6,515,111	6,047,358	5,905,506	6,047,358
Deferred tax assets	28,216,797	10,989,891	28,216,798	37,993,490	20,895,195	37,993,490
Other assets	2,605,192,735	2,543,931,434	2,312,148,538	2,642,629,418	2,581,008,066	2,351,088,889
Total assets	34,975,775,721	35,509,202,029	33,598,844,847	34,913,776,531	35,481,292,435	33,555,504,088
LIABILITIES						
Deposits from customers	29,149,334,492	30,921,387,724	28,787,422,901	29,158,435,581	30,923,991,733	28,791,972,474
Derivative liabilities	685,645,881	583,902,286	804,853,718	685,645,881	583,902,286	804,853,718
Other borrowed funds	838,935,905	-	-	838,935,905	-	-
Lease liabilities	25,049,306	47,724,140	36,601,939	70,922,027	127,485,962	99,317,576
Payable to fellow subsidiary	13,905,869	41,815,671	16,617,253	13,905,869	41,815,671	16,617,253
Other liabilities	544,151,677	527,432,644	583,245,420	543,447,348	523,923,554	582,560,289
Retirement benefits obligations	139,602,373	117,305,558	139,602,373	139,602,373	117,305,558	139,602,373
Total liabilities	31,396,625,503	32,239,568,023	30,368,343,604	31,450,894,984	32,318,424,764	30,434,923,683
SHAREHOLDERS' EQUITY						
Stated capital	2,716,330,247	2,466,420,956	2,466,420,956	2,716,330,247	2,466,420,956	2,466,420,956
Statutory reserve	58,574,633	18,880,341	58,574,633	58,574,633	18,880,341	58,574,633
Retained earnings	503,361,009	178,465,664	273,366,858	463,570,261	148,177,252	239,923,943
Fair value reserve	(338,718,014)	(21,602,933)	(190,935,141)	(338,718,014)	(21,602,933)	(190,935,141)
Other reserve	36,809,117	24,676,752	20,280,711	36,809,117	24,676,752	20,280,711
Revaluation Reserve	602,793,226	602,793,226	602,793,226	526,315,303	526,315,303	526,315,303
Total equity	3,579,150,218	3,269,634,006	3,230,501,243	3,462,881,547	3,162,867,671	3,120,580,405
Total liabilities and equity	34,975,775,721	35,509,202,029	33,598,844,847	34,913,776,531	35,481,292,435	33,555,504,088
CONTINGENT LIABILITIES AND COMMITMENTS						
Letters of credit, guarantees, acceptances, endorsements and other obligations on account of customers	1,552,602,820	1,257,793,447	1,388,448,331	1,552,602,820	1,257,793,447	1,388,448,331
Credit commitments	1,059,111,770	1,897,519,164	1,600,018,622	1,059,111,770	1,897,519,164	1,600,018,622

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

The Group

At 01 July 2022

	Stated capital	Statutory Reserve	Retained earnings	Fair Value Reserve	Other Reserve	Revaluation Reserve	Total Equity
	Rs	Rs	Rs	Rs		Rs	Rs
Issue of shares	2,466,420,956	58,574,633	273,366,858	(190,935,141)	20,280,711	602,793,226	3,230,501,243
Profit for the period	249,909,291	-	-	-	-	-	249,909,291
Dividends	-	-	269,994,151	-	-	-	269,994,151
Change in fair value of financial assets held at FVTOCI	-	-	(40,000,000)	(147,782,873)	-	-	(40,000,000)
Credit impairment charge on financial assets at FVTOCI	-	-	-	-	16,528,406	-	(147,782,873)

At 31 December 2022

	2,716,330,247	58,574,633	503,361,009	(338,718,014)	36,809,117	602,793,226	3,579,150,218
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At 01 July 2021

Profit for the period	2,466,420,956	18,880,341	49,758,948	(32,051,990)	27,299,586	602,793,226	3,133,101,067
Change in fair value of financial assets held at FVTOCI	-	-	128,706,716	-	-	-	128,706,716
Credit impairment reversal on financial assets at FVTOCI	-	-	-	10,449,057	-	-	10,449,057
	-	-	-	-	(2,622,834)	-	(2,622,834)

At 31 December 2021

	2,466,420,956	18,880,341	178,465,664	(21,602,933)	24,676,752	602,793,226	3,269,634,006
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At 01 July 2021

Profit for the year	2,466,420,956	18,880,341	49,758,948	(32,051,990)	27,299,586	602,793,226	3,133,101,067
Transfer to statutory reserve	-	-	273,602,673	-	-	-	273,602,673
Change in fair value of financial assets held at FVTOCI	-	39,694,292	(39,694,292)	-	-	-	-
Credit impairment reversal on financial assets at FVTOCI	-	-	-	(158,883,151)	-	-	(158,883,151)
Actuarial loss for the year	-	-	-	-	(7,018,875)	-	(7,018,875)
Deferred tax credit on actuarial loss	-	-	(10,842,601)	-	-	-	(10,842,601)
	-	-	542,130	-	-	-	542,130

At 30 June 2022

	2,466,420,956	58,574,633	273,366,858	(190,935,141)	20,280,711	602,793,226	3,230,501,243
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The Bank

At 01 July 2022

	Stated capital	Statutory Reserve	Retained earnings	Fair Value Reserve	Other Reserve	Revaluation Reserve	Total Equity
	Rs	Rs	Rs	Rs		Rs	Rs
Issue of shares	2,466,420,956	58,574,633	239,923,943	(190,935,141)	20,280,711	526,315,303	3,120,580,405
Profit for the period	249,909,291	-	-	-	-	-	249,909,291
Dividends	-	-	263,646,318	-	-	-	263,646,318
Change in fair value of financial assets held at FVTOCI	-	-	(40,000,000)	-	-	-	(40,000,000)
Credit impairment charge on financial assets at FVTOCI	-	-	-	(147,782,873)	-	-	(147,782,873)
	-	-	-	-	16,528,406	-	16,528,406

At 31 December 2022

	2,716,330,247	58,574,633	463,570,261	(338,718,014)	36,809,117	526,315,303	3,462,881,547
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At 01 July 2021

Profit for the period	2,466,420,956	18,880,341	25,290,092	(32,051,990)	27,299,586	526,315,303	3,032,154,288
Change in fair value of financial assets held at FVTOCI	-	-	122,887,160	-	-	-	122,887,160
Credit impairment reversal on financial assets at FVTOCI	-	-	-	10,449,057	-	-	10,449,057
	-	-	-	-	(2,622,834)	-	(2,622,834)

At 31 December 2021

	2,466,420,956	18,880,341	148,177,252	(21,602,933)	24,676,752	526,315,303	3,162,867,671
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At 01 July 2021

Profit for the year	2,466,420,956	18,880,341	25,290,092	(32,051,990)	27,299,586	526,315,303	3,032,154,288
Transfer to statutory reserve	-	-	264,628,614	-	-	-	264,628,614
Change in fair value of financial assets held at FVTOCI	-	39,694,292	(39,694,292)	-	-	-	-
Credit impairment reversal on financial assets at FVTOCI	-	-	-	(158,883,151)	-	-	(158,883,151)
Actuarial loss for the year	-	-	-	-	(7,018,875)	-	(7,018,875)
Deferred credit on actuarial loss	-	-	(10,842,601)	-	-	-	(10,842,601)
	-	-	542,130	-	-	-	542,130

At 30 June 2022

	2,466,420,956	58,574,633	239,923,943	(190,935,141)	20,280,711	526,315,303	3,120,580,405
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STATEMENTS OF CASH FLOWS FOR PERIOD/YEAR ENDED

	Group			Bank		
	Unaudited Six Months Ended 31-Dec-2022	Unaudited Six Months Ended 31-Dec-2021	Audited Year Ended 30-Jun-2022	Unaudited Six Months Ended 31-Dec-2022	Unaudited Six Months Ended 31-Dec-2021	Audited Year Ended 30-Jun-2022
	Rs	Rs	Rs	Rs	Rs	Rs
Cash from operating activities						
Profit for the period/year before income tax	269,994,151	149,601,911	281,409,617	263,646,318	143,782,355	268,967,644
Adjustments for :						
Finance charge	463,074	712,322	1,285,778	1,196,685	1,886,524	3,413,794
Impairment losses on financial assets (excluding bad debts recovered)	24,083,900	25,340,806	60,319,348	24,083,900	25,340,806	60,319,348
Depreciation of property, plant and equipment	22,414,876	33,668,117	60,786,018	19,105,785	29,109,920	52,624,137
Amortisation of intangible assets	20,082,803	23,213,685	45,164,591	20,082,803	23,213,685	45,164,591
Depreciation of right-of-use assets	13,562,397	15,123,451	29,433,396	29,521,287	31,082,341	61,351,176
Loss/(profit) on disposal of property, plant and equipment	2,354	1,958	(270,777)	2,354	1,958	(270,777)
Profit on revaluation of investment securities at FVTPL	(7,338,673)	(801,630)	(5,192,015)	(7,338,673)	(801,630)	(5,192,015)
Retirement benefit obligations	-	-	11,454,214	-	-	11,454,214
	343,264,882	246,860,620	484,390,170	350,300,459	253,615,959	497,832,112
Changes in operating assets and liabilities						
(Increase)/decrease in trading assets	(77,423,531)	1,579,868,261	1,115,612,330	(77,423,531)	1,579,868,261	1,115,612,330
(Increase)/decrease in loans and advances to customers	(3,123,164,296)	(976,447,049)	(7,475,620)	(3,118,659,329)	(966,222,692)	7,332,781
(Decrease)/increase in payable to fellow subsidiary	(2,711,384)	1,756,308	(23,442,111)	(2,711,384)	1,756,308	(23,442,111)
Increase in deposits from customers	361,911,593	2,543,207,979	409,243,154	366,463,108	2,545,793,138	413,773,879
(Increase)/decrease in other assets	(261,674,106)	(127,247,356)	96,303,959	(260,170,438)	(126,282,118)	95,405,478
(Decrease)/increase in net derivative liabilities	(122,245,575)	68,559,055	294,546,929	(122,245,575)	68,559,055	294,546,929
Decrease in other liabilities	(79,437,156)	(116,107,787)	(60,333,125)	(79,456,358)	(119,061,356)	(60,462,730)
Cash (used in)/generated from operations	(2,961,479,573)	3,220,450,031	2,308,845,686	(2,943,903,048)	3,238,026,555	2,340,598,668
Tax paid	-	-	(10,121,690)	-	-	(6,057,413)
Tax refund received	-	-	6,156,295	-	-	5,915,561
Net cash (used in)/from operating activities	(2,961,479,573)	3,220,450,031	2,304,880,291	(2,943,903,048)	3,238,026,555	2,340,456,816
Cash flow from investing activities						
Decrease/(Increase) in securities	1,705,490,266	(2,234,993,260)	(1,481,024,710)	1,705,490,266	(2,234,993,260)	(1,481,024,710)
Acquisition of property, plant and equipment	(5,832,689)	(2,631,510)	(11,581,318)	(5,832,689)	(2,631,510)	(11,581,318)
Acquisition of intangibles	(4,769,199)	(3,128,479)	(13,843,309)	(4,769,199)	(3,128,479)	(13,843,309)
Proceeds from disposal of property, plant and equipment	15,697	13,043	330,543	15,697	13,043	330,543
Net cash from/(used in) investing activities	1,694,904,075	(2,240,740,206)	(1,506,118,794)	1,694,904,075	(2,240,740,206)	(1,506,118,794)
Cash flows from financing activities						
Net increase in other borrowed funds	838,935,905	-	-	838,935,905	-	-
Decrease in lease liabilities	(12,015,709)	(13,412,718)	(25,108,374)	(29,592,234)	(30,989,242)	(60,684,899)
Proceeds from share capital	249,909,291	-	-	249,909,291	-	-
Net cash from/(used) in financing activities	1,076,829,487	(13,412,718)	(25,108,374)	1,059,252,962	(30,989,242)	(60,684,899)
Net (decrease)/increase in cash and cash equivalents	(189,746,011)	966,297,107	773,653,123	(189,746,011)	966,297,107	773,653,123
Cash and cash equivalents at the beginning of the period/year	5,116,844,779	4,343,191,656	4,343,191,656	5,116,844,779	4,343,191,656	4,343,191,656
Cash and cash equivalents at the end of the period/year	4,927,098,768	5,309,488,763	5,116,844,779	4,927,098,768	5,309,488,763	5,116,844,779