

FINANCIAL HIGHLIGHTS

The overall assets of the bank stood at Rs44.5b contracting marginally by 3% compared to December 2021.

The loans book went down by a marginal 3% compared to December 2021 level on account of some prepayments during the first semester this year. Furthermore, disbursements were lower than expected. However, the impairment ratio improved from 3.23% as at December 2021 to 3.02% in June 2022.

Similarly, the strategy to exit some high-cost deposits resulted in a decline in the deposit book by 3% as compared to December 2021.

The Bank reported profits after tax of Rs160m for the six months ended June 2022 compared to Rs198m for the same period in 2021 which included some one-off impairment write backs.

The Capital Adequacy Ratio remain at a comfortable 20.19% as at June 2022 (June 2021:19.20% and December 2021:20.89%) against a regulatory limit of 12.50%.

The consolidated LCR of 397% at end of June 2022 reflects the strong liquidity position of the bank.

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS STATEMENT AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2022

	Unaudited Three months ended 30 June 2022	Unaudited Six months ended 30 June 2022	Unaudited Three months ended 30 June 2021	Unaudited Six months ended 30 June 2021
	Rs 000	Rs 000	Rs 000	Rs 000
Interest income	294,342	579,882	283,835	567,033
Interest expense	(80,543)	(152,186)	(82,459)	(171,497)
Net interest income	213,799	427,696	201,376	395,536
Fee and commission income	85,449	180,096	182,224	359,699
Fee and commission expense	(33,692)	(64,514)	(108,035)	(234,542)
Net fee and commission income	51,757	115,582	74,189	125,157
Net gain on dealing in foreign currencies and derivatives	56,857	91,144	33,533	68,447
Net gain from derecognition of financial assets measured at fair value through other comprehensive income (FVTOCI)	321	2,923	78,117	91,810
Other operating profit	2	(28)	(13)	(13)
Operating income	322,736	637,317	387,202	680,937
Personnel expenses	(144,947)	(284,673)	(126,823)	(242,472)
Depreciation and amortisation	(24,062)	(48,043)	(17,790)	(36,260)
Other expenses	(67,771)	(138,258)	(105,420)	(176,993)
Non-interest expenses	(236,780)	(470,974)	(250,033)	(455,725)
Profit before impairment and income tax	85,956	166,343	137,169	225,212
Net impairment (loss)/reversal on financial assets	(10,450)	16,656	58,897	41,612
Profit before income tax	75,506	182,999	196,066	266,824
Income tax expense	(9,962)	(23,021)	(60,031)	(69,074)
Profit for the period	65,544	159,978	136,035	197,750
Other Comprehensive income :				
<i>Items that will not be classified subsequently to profit or loss:</i>				
Remeasurement of defined pension obligation, net of tax	-	-	20,835	20,835
Movement in fair value reserve for equity instruments at FVTOCI	7,493	7,509	57	685
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Reclassification of gain on disposal of FVTOCI debt instruments during the period	(321)	(2,923)	(78,117)	(91,810)
Loss/(credit) allowance on debt instruments held at FVTOCI	1,084	(169)	(2,240)	(1,165)
Loss on FVTOCI debt instruments during the period	(24,018)	(18,005)	(31,657)	(41,866)
Other comprehensive income for the period	(15,762)	(13,588)	(91,122)	(113,321)
Total comprehensive income for the period	49,782	146,390	44,913	84,429

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Unaudited 30 June 2022	Audited 31 December 2021
	Rs 000	Rs 000
ASSETS		
Cash and cash equivalents	8,038,923	10,449,280
Derivative assets held for risk management	25,681	42,826
Loans and advances to banks	2,682,443	3,336,245
Loans and advances to customers	17,411,639	17,474,549
Investment in financial instruments measured at fair value through other comprehensive income (FVTOCI)	1,511,041	2,083,101
Investment in financial instruments measured at amortised cost	12,744,805	10,320,960
Right-of-use asset	86,448	89,359
Property and equipment	422,214	435,830
Intangible assets	133,840	130,666
Deferred tax assets	44,831	45,936
Other assets	1,426,375	1,387,575
Total Assets	44,528,240	45,796,327
LIABILITIES		
Deposits from customers	36,769,982	37,915,989
Derivative liabilities held for risk management	4,597	3,112
Other borrowed funds	1,962,031	2,055,978
Subordinated liabilities	1,340,964	1,396,543
Pension obligations	60,810	60,810
Current tax liabilities	22,276	27,553
Other liabilities	584,283	528,230
Lease liabilities	93,410	96,615
Total Liabilities	40,838,353	42,084,830
EQUITY		
Stated capital	1,456,456	1,456,456
Retained earnings	1,713,347	1,725,369
Other reserves	520,084	529,672
Total Equity	3,689,887	3,711,497
Total Equity and Liabilities	44,528,240	45,796,327

This interim condensed financial information was approved and authorised for issue by the Board of Directors on 11 August 2022.

Director Director

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Stated capital	Revaluation surplus	Statutory reserve	General Banking reserve	Fair value reserve	Retirement Benefit Plan Reserve	Retained earnings	Total equity
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Balance as at 1 January 2021	1,456,456	97,313	401,538	55,589	128,689	(97,165)	1,376,237	3,418,657
Profit for the period	-	-	-	-	-	-	197,750	197,750
Other comprehensive income	-	-	-	-	(134,156)	20,835	-	(113,321)
Total comprehensive income	-	-	-	-	(134,156)	20,835	197,750	84,429
Transfer to general banking reserve	-	-	-	2,279	-	-	(2,279)	-
Balance as at 30 June 2021	1,456,456	97,313	401,538	57,868	(5,467)	(76,330)	1,571,708	3,503,086
Balance as at 01 January 2022	1,456,456	97,313	463,551	57,868	(19,256)	(69,804)	1,725,369	3,711,497
Profit for the period	-	-	-	-	-	-	159,978	159,978
Other comprehensive income	-	-	-	-	(13,588)	-	-	(13,588)
Total comprehensive income for the period	-	-	-	-	(13,588)	-	159,978	146,390
Transfer to general banking reserve	-	-	-	4,000	-	-	(4,000)	-
Dividend	-	-	-	-	-	-	(168,000)	(168,000)
Balance as at 30 June 2022	1,456,456	97,313	463,551	61,868	(32,844)	(69,804)	1,713,347	3,689,887

Liquidity Coverage Ratio - Quarter ending June 2022

(Consolidated in MUR'000s)	TOTAL UNWEIGHTED VALUE (quarterly average of monthly observations)	TOTAL WEIGHTED VALUE (quarterly average of monthly observations)
High-quality liquid assets	6,789,516	6,789,516
Total high-quality liquid assets (HQLA)		
CASH OUTFLOWS		
Retail deposits and deposits from small business customers, of which:		
<i>Less stable deposits</i>	12,930,361	1,293,036
Unsecured wholesale funding, of which:		
<i>Non-operational deposits (all counterparties)</i>	11,301,784	4,520,714
<i>Unsecured debt</i>	1,824,942	1,824,942
Additional requirements, of which:		
<i>Credit and liquidity facilities</i>	439,382	93,738
Other contractual funding obligations	3,297	3,297
Other contingent funding obligations	822,020	41,101
TOTAL CASH OUTFLOWS	27,321,786	7,776,829
CASH INFLOWS		
Secured funding	6,508,404	6,508,404
Inflows from fully performing exposures	653,646	326,823
Other cash inflows	3,341	3,341
TOTAL CASH INFLOWS	7,165,391	6,838,568
		TOTAL ADJUSTED VALUE
TOTAL HQLA		6,789,516
TOTAL NET CASH OUTFLOWS		1,709,642
LIQUIDITY COVERAGE RATIO (%)		397%
QUARTERLY AVERAGE OF DAILY HQLA		6,722,385

Notes: The reported values for 'quarterly average of monthly observations' are based on April, May and June 2022 month end figures.

The reported values for 'quarterly average of daily HQLA' are based on business days figures over 1st April 2022 to 30th June 2022's period.

COMMENTS:

- As at the end of June 2022 the Bank's quarterly average LCR was 397%, significantly above the regulatory minimum of 100%.
- This is driven by an excess of MUR 5.08Bn of High Quality Liquid Assets (HQLA) over Net Cash Outflows (NCO).
- The bank's HQLA is primarily made up of cash, unrestricted balances with Central Bank, Sovereign and Central Bank Securities.
- The Bank's stock of High Quality Liquid Assets (HQLA) is proactively managed to ensure high levels of liquidity which are monitored on a daily basis.