

FINANCIAL HIGHLIGHTS

Total assets grew by 11% from Rs40bn as at December 2018 to Rs44.3bn as at September 2019.

Gross Loans and advances book improved by 10% during the year to close at Rs27bn as at September 2019.

Total Deposits base went up by 13% in 2019 with commendable contribution of the Private Banking clients.

The Bank reported profit after tax of Rs138m for the quarter under review compared to Rs97m for same period last year—a growth of 42%.

The Bank Capital Adequacy Ratio closed at 13.42% as at September 2019 (13.14% in Q3 2018 and 12.99% in Dec 2018) against a regulatory limit of 11.875%.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	Unaudited 30 September 2019	Audited 31 December 2018
	Rs 000	Rs 000
ASSETS		
Cash and cash equivalents	4,650,197	7,685,450
Derivative assets held for risk management	6,549	8,275
Loans and advances to banks	3,181,499	2,943,988
Loans and advances to customers	22,699,364	20,668,902
Investment securities at Fair value through other comprehensive income	4,079,256	2,044,702
Investment securities at amortised cost	7,583,215	4,687,679
Property and equipment	379,674	394,301
Right-Of-Use asset	73,975	-
Intangible assets	129,188	156,539
Deferred tax assets	50,293	46,980
Other assets	1,489,265	1,368,775
Total Assets	44,322,475	40,005,591
LIABILITIES		
Deposits from customers	37,894,511	33,431,831
Derivative liabilities held for risk management	17,608	1,538
Other borrowed funds	1,085,564	2,690,235
Subordinated liabilities	695,548	699,636
Current tax liabilities	14,144	14,616
Other liabilities	1,340,046	433,558
Leased liabilities	74,951	-
Total Liabilities	41,122,372	37,271,414
EQUITY		
Stated capital	856,456	856,456
Share application monies	150,000	-
Retained earnings	1,761,520	1,488,632
Other reserves	432,127	389,089
Total Equity	3,200,103	2,734,177
Total Equity and Liabilities	44,322,475	40,005,591

This condensed interim financial information was approved and authorised for issue by the board of directors on 12.11.2019.

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

	Unaudited Nine months ended 30 September 2019	Unaudited Nine months ended 30 September 2018
	Rs 000	Rs 000
Cash and cash equivalents at beginning of period	6,648,888	4,691,359
Net cash generated from/(used in) operating activities	3,511,392	(1,531,312)
Net cash used in investing activities	(5,096,019)	(635,107)
Net cash used in financing activities	(77,692)	(121,797)
Net decrease in cash and cash equivalents	(1,662,319)	(2,288,216)
Cash and cash equivalents at end of period	4,986,569	2,403,143

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

	Unaudited Three months ended 30 September 2019	Unaudited Nine months ended 30 September 2019	Unaudited Three months ended 30 September 2018	Unaudited Nine months ended 30 September 2018
	Rs 000	Rs 000	Rs 000	Rs 000
Interest income	410,168	1,222,879	350,979	997,516
Interest expense	(146,099)	(436,892)	(116,881)	(310,046)
Net interest income	264,069	785,987	234,098	687,470
Fee and commission income	165,000	495,893	132,979	332,500
Fee and commission expense	(97,811)	(286,487)	(74,503)	(184,201)
Net fee and commission income	67,189	209,406	58,476	148,299
Net gain on dealing in foreign currencies and derivatives	29,317	89,442	27,802	79,329
Other operating income	2,816	4,542	1,014	140,815
Operating income	363,391	1,089,377	321,390	1,055,913
Personnel expenses	(109,910)	(325,110)	(99,692)	(295,588)
Depreciation and amortisation	(19,932)	(58,866)	(12,279)	(36,320)
Other expenses	(58,134)	(167,821)	(43,850)	(130,508)
Profit before impairment	175,415	537,580	165,569	593,497
Net impairment loss on financial assets	(25,506)	(103,870)	(24,548)	(106,938)
Profit before income tax	149,909	433,710	141,021	486,559
Income tax expense	(11,829)	(19,073)	(43,772)	(56,369)
Profit for the period	138,080	414,637	97,249	430,190
Other Comprehensive income :				
<i>Items that will not be classified subsequently to profit or loss:</i>				
Deferred tax on remeasurement of defined benefit obligation	-	-	(4,609)	(4,609)
Deferred tax on revaluation of building	-	-	876	876
Fair value gain on investments in equity instruments designated at FVOCI	1,120	1,120	1,537	1,537
<i>Items that may be classified subsequently to profit or loss:</i>				
Unrealised losses on FVOCI investment recycled to profit or loss	(17,278)	(18,755)	-	-
Net fair value gain/(loss) on FVOCI investment securities net of tax	33,830	56,924	(1,100)	(25,822)
Other Comprehensive Income for the period	17,672	39,289	437	(24,285)
Total Comprehensive Income for the period	155,752	453,926	97,686	405,905

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

	Stated capital	Shareholders' Contribution Pending allotment	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	Rs 000
Balance as at 1 January 2018	856,456	-	92,268	247,950	32,016	8,537	(58,355)	1,238,306	2,417,178
Profit for the period	-	-	-	-	-	-	-	430,190	430,190
Other comprehensive income	-	-	876	-	-	(24,285)	(4,609)	-	(28,018)
Total comprehensive income	-	-	876	-	-	(24,285)	(4,609)	430,190	402,172
Transfer to general banking reserve	-	-	-	-	1,299	-	-	(1,299)	-
Dividend declared	-	-	-	-	-	-	-	(79,100)	(79,100)
Balance as at 30 September 2018	856,456	-	93,144	247,950	33,315	(15,748)	(62,964)	1,588,097	2,740,250
Balance as at 1 January 2019	856,456	-	97,313	306,969	37,030	(4,471)	(47,752)	1,488,632	2,734,177
Profit for the period	-	-	-	-	-	-	-	414,637	414,637
Other comprehensive income	-	-	-	-	-	39,289	-	-	39,289
Total comprehensive income	-	-	-	-	-	39,289	-	414,637	453,926
Transfer to general banking reserve	-	-	-	-	3,749	-	-	(3,749)	-
Shares application monies	-	150,000	-	-	-	-	-	-	150,000
Dividend paid	-	-	-	-	-	-	-	(138,000)	(138,000)
Balance as at 30 September 2019	856,456	150,000	97,313	306,969	40,779	34,818	(47,752)	1,761,520	3,200,103

Liquidity Coverage Ratio - Quarter ending September 2019

(Consolidated in MUR'000s)	TOTAL UNWEIGHTED VALUE (quarterly average of monthly observations)	TOTAL WEIGHTED VALUE (quarterly average of monthly observations)
HIGH-QUALITY LIQUID ASSETS		
1. Total high-quality liquid assets (HQLA)	4,936,311	4,936,311
CASH OUTFLOWS		
2. Retail deposits and deposits from small business customers, of which:		
3. <i>Less stable deposits</i>	14,162,012	1,416,201
4. <i>Unsecured wholesale funding, of which:</i>		
5. <i>Non-operational deposits (all counterparties)</i>	11,498,185	4,599,274
6. <i>Unsecured debt</i>	1,866,145	1,866,145
7. <i>Additional requirements, of which:</i>		
8. <i>Credit and liquidity facilities</i>	813,962	589,074
9. Other contractual funding obligations	710,515	710,515
10. Other contingent funding obligations	741,036	37,052
11. TOTAL CASH OUTFLOWS	2,265,513	1,336,641
CASH INFLOWS		
12. Secured funding	6,165,635	6,165,635
13. Inflows from fully performing exposures	1,499,928	749,964
14. Other cash inflows	85,030	85,030
15. TOTAL CASH INFLOWS	7,750,593	7,000,629
		TOTAL ADJUSTED VALUE
16. TOTAL HQLA		4,936,311
17. TOTAL NET CASH OUTFLOWS		1,750,157
18. LIQUIDITY COVERAGE RATIO (%)		282%

Notes: The reported values for 'quarterly average of monthly observations' are based on July, August and September 2019 month end figures.

COMMENTS

As at end of September 2019, the bank's quarterly average LCR stood at 282%, indicating a healthy liquidity position significantly above 100%.

This is due to a rise in investment in eligible securities qualified as HQLA which is primarily made up of cash, unrestricted balances with Central Bank, Sovereign and Central Bank Securities. The Bank's Total Net Cash Outflow from July 2019 to September 2019 showed a slight regression and this has reflected in the quarterly average LCR from 211% to 282%.

The bank proactively managed the ratio by ongoing monitoring of the stock of High Quality Liquid Assets (HQLA) in order to meet liquidity and regulatory needs.