

FINANCIAL HIGHLIGHTS

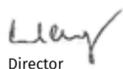
Gross Loans and advances figures slightly below December 2018 numbers as a result of delayed disbursements. Total bank's deposits base improved by 9% during the half year (contributed by both local and offshore segments).

The Bank reported profit after tax of Rs83m for the quarter ended 30 June 2019 compared to Rs253m for same period in 2018, which also included an exceptional income of Rs140m. The results for Q2 2019 were impacted by net impairment changes of Rs70m compared to Rs35m for same period last year. The Bank Capital Adequacy Ratio closed at 13.95% as at June 2019 (13.32% in Q2 2018) against regulatory limit of 11.875%.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Unaudited 30 June 2019	Audited 31 December 2018
	Rs 000	Rs 000
ASSETS		
Cash and cash equivalents	6,936,448	7,685,450
Derivative assets held for risk management	7,362	8,275
Loans and advances to banks	3,399,220	2,943,988
Loans and advances to customers	20,029,546	20,668,902
Investment securities at Fair value through other comprehensive income	3,682,546	2,044,702
Investment securities at amortised cost	5,400,702	4,687,679
Property and equipment	380,901	394,301
Right-Of-Use asset	75,588	-
Intangible assets	177,197	156,539
Deferred tax assets	49,289	46,980
Other assets	1,480,689	1,368,775
Total Assets	41,619,488	40,005,591
LIABILITIES		
Deposits from customers	36,446,935	33,431,831
Derivative liabilities held for risk management	14,833	1,538
Other borrowed funds	1,072,653	2,690,235
Subordinated liabilities	709,406	699,636
Current tax liabilities	5,682	14,616
Other liabilities	400,608	433,558
Leased liabilities	75,021	-
Total liabilities	38,725,138	37,271,414
EQUITY		
Stated capital	856,456	856,456
Retained earnings	1,627,188	1,488,632
Other reserves	410,706	389,089
Total Equity	2,894,350	2,734,177
Total Equity and Liabilities	41,619,488	40,005,591

This condensed interim financial information was approved and authorised for issue by the Board of Directors on 13.08.2019

 Director

 Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019

	Unaudited Six months ended 30 June 2019	Unaudited Six months ended 30 June 2018
	Rs 000	Rs 000
Cash and cash equivalents at beginning of period	6,648,888	4,691,359
Net cash from/ (used in) operating activities	3,649,680	(1,526,554)
Net cash (used in)/ generated from investing activities	(2,556,586)	367,109
Net cash used in financing activities	(224,220)	(42,697)
Net increase/(decrease) in cash and cash equivalents	868,874	(1,202,142)
Cash and cash equivalents at end of period	7,517,762	3,489,217

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2019

	Unaudited Three months ended 30 June 2019	Unaudited Six months ended 30 June 2019	Unaudited Three months ended 30 June 2018	Unaudited Six months ended 30 June 2018
	Rs 000	Rs 000	Rs 000	Rs 000
Interest income	401,264	812,711	335,310	646,537
Interest expense	(148,906)	(290,793)	(98,277)	(193,166)
Net interest income	252,358	521,918	237,033	453,371
Fee and commission income	167,072	330,893	124,012	199,521
Fee and commission expense	(101,030)	(188,676)	(68,819)	(109,698)
Net fee and commission income	66,042	142,217	55,193	89,823
Net gain on dealing in foreign currencies and derivatives	30,388	60,125	31,435	51,526
Other operating income	957	1,726	139,918	139,801
	31,345	61,851	171,353	191,327
Operating income	349,745	725,986	463,579	734,521
Personnel expenses	(111,519)	(215,200)	(102,147)	(195,894)
Depreciation and amortisation	(18,727)	(38,934)	(12,226)	(24,041)
Other expenses	(66,871)	(109,688)	(46,635)	(86,659)
Profit before impairment	152,628	362,164	302,571	427,927
Net impairment loss on financial assets	(69,978)	(78,364)	(34,633)	(82,390)
Profit before income tax	82,650	283,800	267,938	345,537
Income tax credit / (expense)	108	(7,244)	(15,339)	(12,597)
Profit for the period	82,758	276,556	252,599	332,940
Other Comprehensive income :				
<i>Items that may be classified subsequently to profit or loss:</i>				
Unrealised losses on FVOCI investment securities recycled to profit or loss	-	(1,477)	-	-
Net fair value gain/(loss) on FVOCI investment securities net of tax	7,581	23,094	(3,968)	(24,722)
Other Comprehensive Income/(loss) for the period	7,581	21,617	(3,968)	(24,722)
Total Comprehensive Income for the period	90,339	298,173	248,631	308,218

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019

	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 2018	856,456	92,268	247,950	32,016	8,537	(58,355)	1,238,306	2,417,178
Profit for the period	-	-	-	-	-	-	332,940	332,940
Other comprehensive loss	-	-	-	-	(24,722)	-	-	(24,722)
Total comprehensive (loss)/income	-	-	-	-	(24,722)	-	332,940	308,218
Transfer to general banking reserve	-	-	-	362	-	-	(362)	-
Dividend declared	-	-	-	-	-	-	(79,100)	(79,100)
Balance as at 30 June 2018	856,456	92,268	247,950	32,378	(16,185)	(58,355)	1,491,784	2,646,296
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	-	-	-	-	-	-	276,556	276,556
Other comprehensive income	-	-	-	-	21,617	-	-	21,617
Total comprehensive income	-	-	-	-	21,617	-	276,556	298,173
Dividend paid	-	-	-	-	-	-	(138,000)	(138,000)
Balance as at 30 June 2019	856,456	97,313	306,969	37,030	17,146	(47,752)	1,627,188	2,894,350

Liquidity Coverage Ratio - Quarter ending June 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) 5,116,983 5,116,983

CASH OUTFLOWS

2. Retail deposits and deposits from small business customers, of which:

3. Less stable deposits 13,825,960 1,382,596

4. Unsecured wholesale funding, of which:

5. Non-operational deposits (all counterparties) 12,026,730 4,810,692

6. Unsecured debt 1,695,616 1,695,616

7. Additional requirements, of which:

8. Credit and liquidity facilities 550,982 471,480

9. Other contractual funding obligations 728,026 728,026

10. Other contingent funding obligations 701,611 35,081

11. TOTAL CASH OUTFLOWS 1,980,618 1,234,586

CASH INFLOWS

12. Secured funding 8,269,763 8,269,763

13. Inflows from fully performing exposures 2,539,456 1,269,728

14. Other cash inflows 142,051 142,051

15. TOTAL CASH INFLOWS 10,951,270 9,681,542

TOTAL ADJUSTED VALUE

16. TOTAL HQLA 5,116,983

17. TOTAL NET CASH OUTFLOWS 2,420,386

18. LIQUIDITY COVERAGE RATIO (%) 211%

Notes: The reported values for 'quarterly average of monthly observations' are based on April, May and June 2019 month end figures.

Comments: As at end of June 2019, the bank's quarterly average LCR stood at 211%, 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 March 2019 to June 2019 showed a slight growth and this has reflected in the quarterly average LCR from 226% to 211%.

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.