

FINANCIAL HIGHLIGHTS

The total assets of the bank closed at Rs44.1b contracting marginally by 4% compared to December 2021.

Gross loans and advances grew by 2% during the nine months, contributed by both onshore and offshore business. The impairment ratio improved from 3.23% as at December 2021 to 2.80% in September 2022.

The overall deposit book went down by 5% closing at Rs35.8 compared to Rs37.9 at December 2021. Some high cost deposits were deliberately allowed to run off upon maturity.

The bank reported a profit after tax of Rs 265m for the nine months compared to Rs 307m (one-off exceptional gains included) for the same period last year. A net impairment recovery of Rs 20m contributed to the profit during the nine months of the year.

The Capital Adequacy Ratio stood at 19.76% as at September 2022 (September 2021: 21.12% and December 2021: 20.89%) against a regulatory limit of 12.50%.

On the liquidity front, the consolidated LCR closed at 400% at end of September 2022 reflecting the strong liquidity position of the bank.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	Unaudited 30 September 2022	Audited 31 December 2021
	Rs 000	Rs 000
ASSETS		
Cash and cash equivalents	6,813,471	10,449,280
Derivative assets held for risk management	29,378	42,826
Loans and advances to banks	3,194,613	3,336,245
Loans and advances to customers	18,229,424	17,474,549
Investments in financial instruments measured at FVTOCI	1,493,803	2,083,101
Investments in financial instruments measured at amortised cost	12,226,466	10,320,960
Right-of-use assets	82,587	89,359
Property and equipment	400,312	435,830
Intangible assets	139,957	130,666
Deferred tax assets	45,653	45,936
Other assets	1,489,263	1,387,575
Total Assets	44,144,927	45,796,327
LIABILITIES		
Deposits from customers	35,847,875	37,915,989
Derivative liabilities held for risk management	46,087	3,112
Other borrowed funds	2,445,270	2,055,978
Subordinated liabilities	1,269,403	1,396,543
Pension obligations	80,128	60,810
Current tax liabilities	31,861	27,553
Other liabilities	557,233	528,230
Lease liabilities	90,230	96,615
Total Liabilities	40,368,087	42,084,830
EQUITY		
Stated capital	1,456,456	1,456,456
Retained earnings	1,816,384	1,725,369
Other reserves	504,000	529,672
Total Equity	3,776,840	3,711,497
Total Equity and Liabilities	44,144,927	45,796,327

This interim condensed financial information was approved and authorised for issue by the Board of Directors on 12 November 2022.

Director Director

INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

	Unaudited Nine months ended 30 September 2022	Unaudited Nine months ended 30 September 2021
	Rs 000	Rs 000
Cash and cash equivalents at beginning of period	10,449,280	12,176,779
Net cash used in operating activities	(2,309,422)	(10,741,341)
Net cash (used in)/from investing activities	(1,397,973)	9,570,784
Net cash from/(used in) financing activities	71,586	(1,566,947)
Net decrease in cash and cash equivalents	(3,635,809)	(2,737,504)
Cash and cash equivalents at end of period	6,813,471	9,439,275

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

	Unaudited Three months ended 30 September 2022	Unaudited Nine months ended 30 September 2022	Unaudited Three months ended 30 September 2021	Unaudited Nine months ended 30 September 2021
	Rs 000	Rs 000	Rs 000	Rs 000
Interest income	344,364	924,246	293,488	860,521
Interest expense	(98,039)	(250,225)	(84,072)	(255,569)
Net interest income	246,325	674,021	209,416	604,952
Fee and commission income	101,455	281,551	99,660	459,359
Fee and commission expense	(30,328)	(94,842)	(49,476)	(284,018)
Net fee and commission income	71,127	186,709	50,184	175,341
Net gain on dealing in foreign currencies and derivatives	37,228	128,372	49,945	118,392
Net gain from derecognition of financial assets measured at fair value through other comprehensive income (FVTOCI)	52	2,975	1,232	93,042
Net gain from derecognition of financial assets measured at amortised cost	-	-	28,808	28,808
Other operating profit/(loss)	25	(3)	276	263
Operating income	354,757	992,074	339,861	1,020,798
Personnel expenses	(146,005)	(430,678)	(128,455)	(370,927)
Depreciation and amortisation	(23,858)	(71,901)	(17,966)	(54,226)
Other expenses	(66,638)	(204,896)	(69,908)	(246,901)
Non-interest expenses	(236,501)	(707,475)	(216,329)	(672,054)
Profit before impairment and income tax	118,256	284,599	123,532	348,744
Net impairment reversal on financial assets	3,448	20,104	33,142	74,754
Profit before income tax	121,704	304,703	156,674	423,498
Income tax expense	(16,243)	(39,264)	(17,231)	(86,305)
Profit for the period	105,461	265,439	139,443	337,193
Other Comprehensive income :				
<i>Items that will not be classified subsequently to profit or loss:</i>				
Remeasurement of defined pension obligation, net of tax	(17,783)	(17,783)	-	20,835
Movement in fair value reserve for equity instruments at FVTOCI	(949)	6,560	100	785
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Reclassification of gain on disposal of FVTOCI debt instruments during the period	(52)	(2,975)	(1,232)	(93,042)
Loss allowance on debt instruments held at FVTOCI	585	416	1,289	124
Loss on FVTOCI debt instruments during the period	(309)	(18,314)	(8,155)	(50,021)
Other comprehensive income for the period	(18,508)	(32,096)	(7,998)	(121,319)
Total comprehensive income for the period	86,953	233,343	131,445	215,874

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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	-	-	-	-	-	-	337,193	337,193
Other comprehensive income for the period	-	-	-	-	(142,154)	20,835	-	(121,319)
Total comprehensive income	-	-	-	-	(142,154)	20,835	337,193	215,874
Transfer to general banking reserve	-	-	-	2,279	-	-	(2,279)	-
Balance as at 30 September 2021	1,456,456	97,313	401,538	57,868	(13,465)	(76,330)	1,711,151	3,634,531
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	-	-	-	-	-	-	265,439	265,439
Other comprehensive income	-	-	-	-	(14,313)	(17,783)	-	(32,096)
Total comprehensive income for the period	-	-	-	-	(14,313)	(17,783)	265,439	233,343
Transfer to general banking reserve	-	-	-	6,424	-	-	(6,424)	-
Dividend	-	-	-	-	-	-	(168,000)	(168,000)
Balance as at 30 September 2022	1,456,456	97,313	463,551	64,292	(33,569)	(87,587)	1,816,384	3,776,840

Liquidity Coverage Ratio - Quarter ending September 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	6,030,130	6,030,130
Total high-quality liquid assets (HQLA)		
CASH OUTFLOWS		
Retail deposits and deposits from small business customers, of which:		
Less stable deposits	13,323,430	1,332,343
Unsecured wholesale funding, of which:		
Non-operational deposits (all counterparties)	11,242,979	4,497,192
Unsecured debt	1,957,512	1,957,512
Additional requirements, of which:		
Credit and liquidity facilities	683,029	133,853
Other contractual funding obligations	5,402	5,402
Other contingent funding obligations	598,876	29,944
TOTAL CASH OUTFLOWS	27,811,228	7,956,245
CASH INFLOWS		
Secured funding	5,615,010	5,615,010
Inflows from fully performing exposures	820,499	410,250
Other cash inflows	5,924	5,924
TOTAL CASH INFLOWS	6,441,434	6,031,184
TOTAL HQLA		6,030,130
TOTAL NET CASH OUTFLOWS		1,507,796
LIQUIDITY COVERAGE RATIO (%)		400%
QUARTERLY AVERAGE OF DAILY HQLA		6,026,219

Notes: The reported values for 'quarterly average of monthly observations' are based on July, August and September 2022 month end figures.

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

COMMENTS:

- As at the end of September 2022 the Bank's quarterly average LCR was 400%, significantly above the regulatory minimum of 100%.
- This is driven by an excess of MUR 4.5Bn 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.
- The HQLA over the quarter on account of higher excess reserves with Central Bank, caused an increase in the quarterly average LCR from 397% (30 Jun 2022) to 400% (30 Sep 2022).