

# INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Unaudited Mar-24 Rs 000	Unaudited Mar-23 Rs 000	Audited Dec-23 Rs 000
<b>ASSETS</b>			
Cash and cash equivalents	7,184,840	7,536,244	8,003,310
Loans and advances to banks	4,866,576	3,988,073	5,195,145
Loans and advances to customers	13,686,434	12,935,275	13,541,379
Investment securities	3,132,582	2,385,030	2,625,111
Property and equipment	30,454	46,744	36,429
Intangible assets	50,320	55,530	50,691
Deferred tax assets	68,581	63,364	64,979
Other assets	1,752,945	2,412,806	2,443,534
<b>Total assets</b>	<b>30,772,732</b>	<b>29,423,066</b>	<b>31,960,578</b>
<b>LIABILITIES</b>			
Deposits from banks	4,922,141	2,677,584	4,315,294
Deposits from customers	14,958,760	14,480,166	16,158,503
Borrowed funds	4,969,739	6,460,639	5,305,982
Derivatives financial instruments	-	7,501	746
Subordinated liability	900,586	484,348	854,208
Current tax liabilities	23,927	2,517	18,025
Provisions	101,162	106,957	93,204
Other liabilities	2,135,543	2,679,204	2,503,973
<b>Total liabilities</b>	<b>28,011,858</b>	<b>26,898,916</b>	<b>29,249,935</b>
<b>Equity</b>			
Share capital	2,398,825	2,398,825	2,398,825
Retained earnings	198,589	14,323	153,584
Reserves	163,460	111,002	158,234
<b>Total equity</b>	<b>2,760,874</b>	<b>2,524,150</b>	<b>2,710,643</b>
<b>Total liabilities and equity</b>	<b>30,772,732</b>	<b>29,423,066</b>	<b>31,960,578</b>

These financial statements were approved and authorised for issue by the Board of Directors on 14<sup>th</sup> May 2024.



Abdelwafi ATIF  
Chief Executive Officer



Kamal MOKDAD  
Chairperson



Jean-Louis VINCIGUERRA  
Chairperson, Audit Committee



# INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2024

	Unaudited Three months ended Mar-24 Rs 000	Unaudited Three months ended Mar-23 Rs 000	Audited Year ended Dec-23 Rs 000
Interest income	418,634	330,787	1,465,654
Interest expense	(240,538)	(159,537)	(793,910)
<b>Net interest income</b>	<b>178,096</b>	<b>171,250</b>	<b>671,744</b>
Fee and commission income	28,869	19,613	91,395
Fee and commission expense	(6,107)	(7,822)	(23,308)
<b>Net fee and commission income</b>	<b>22,762</b>	<b>11,791</b>	<b>68,087</b>
Net trading income	20,112	25,005	64,826
Net loss from financial derivatives at fair value through profit or loss	(2,810)	(7,634)	(879)
Other income	-	444	4,935
	<b>40,064</b>	<b>29,606</b>	<b>136,969</b>
<b>Revenue</b>	<b>218,160</b>	<b>200,856</b>	<b>808,713</b>
Personnel expenses	(64,218)	(54,108)	(236,441)
Operating lease expenses	(1,508)	(2,560)	(6,846)
Depreciation and amortisation	(8,346)	(9,095)	(36,433)
Other expenses	(42,189)	(41,827)	(164,702)
	<b>(116,261)</b>	<b>(107,590)</b>	<b>(444,422)</b>
<b>Operating profit</b>	<b>101,899</b>	<b>93,266</b>	<b>364,291</b>
Net (impairment)/reversal on financial assets	(54,595)	1,164	(68,998)
<b>Profit before tax</b>	<b>47,304</b>	<b>94,430</b>	<b>295,293</b>
Taxation charge	(2,299)	(5,799)	(20,941)
<b>Profit after tax for the period</b>	<b>45,005</b>	<b>88,631</b>	<b>274,352</b>
<b>Other comprehensive income, net of tax :</b>			
<i>Items that may be reclassified to profit or loss</i>			
Net change in fair value of financial assets through other comprehensive income	5,226	5,546	11,625
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of retirement benefit obligations	-	-	(5,307)
<b>Other comprehensive income for the period</b>	<b>5,226</b>	<b>5,546</b>	<b>6,318</b>
<b>Total comprehensive income for the period</b>	<b>50,231</b>	<b>94,177</b>	<b>280,670</b>

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**

*As at 31 March 2024*

	Share Capital	Statutory Reserve	General Banking Reserve	Fair Value Reserve	Retained Earnings	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
<b>Balance at 01 January 2023</b>	<b>2,398,825</b>	<b>128,853</b>	<b>-</b>	<b>(23,397)</b>	<b>(74,308)</b>	<b>2,429,973</b>
<b>Total comprehensive income</b>						
Profit for the year	-	-	-	-	274,352	274,352
Other comprehensive income for the year	-	-	-	11,625	(5,307)	6,318
Transfer to statutory reserve	-	41,153	-	-	(41,153)	-
Total comprehensive income for the year	-	41,153	-	11,625	227,892	280,670
<b>Balance at 31 December 2023</b>	<b>2,398,825</b>	<b>170,006</b>	<b>-</b>	<b>(11,772)</b>	<b>153,584</b>	<b>2,710,643</b>
<b>Balance at 01 January 2024</b>	<b>2,398,825</b>	<b>170,006</b>	<b>-</b>	<b>(11,772)</b>	<b>153,584</b>	<b>2,710,643</b>
<b>Total comprehensive income</b>						
Profit for the period	-	-	-	-	45,005	45,005
Other comprehensive income for the period	-	-	-	5,226	-	5,226
Transfer to statutory reserve	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	5,226	45,005	50,231
<b>Balance at 31 March 2024</b>	<b>2,398,825</b>	<b>170,006</b>	<b>-</b>	<b>(6,546)</b>	<b>198,589</b>	<b>2,760,874</b>

# INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2024

	Unaudited Three months ended Mar-24 Rs 000	Unaudited Three months ended Mar-23 Rs 000	Audited Year ended Dec-23 Rs 000
<b>Cash flows from operating activities</b>			
Profit before tax	47,304	94,430	295,293
Adjustments for :			
- Depreciation and amortisation	8,346	9,095	36,433
- Net impairment/(reversal) on financial assets	54,595	(1,164)	68,998
- Profit on sales of property and equipment	-	(103)	(3,873)
- Net interest income	(178,096)	(171,250)	(671,744)
- Unrealised foreign exchange loss/(gain)	14,605	4,041	(28,447)
	(53,246)	(64,951)	(303,340)
<b>Changes in:</b>			
- Loans and advances to banks	537,722	322,033	(1,002,947)
- Loans and advances to customers	153,743	762,640	(137,048)
- Investment securities	(209,985)	(694,951)	(958,040)
- Other assets	761,530	102,941	31,465
- Deposits from banks	391,651	(623,244)	1,126,319
- Deposits from customers	(1,660,766)	2,514,331	4,444,388
- Other liabilities	(489,839)	(17,331)	(215,423)
	(569,190)	2,301,468	2,985,374
Interest received	404,539	305,071	1,441,759
Interest paid	(169,865)	(109,426)	(678,778)
Income tax paid	-	-	(868)
<b>Net cash (used in)/generated from operating activities</b>	<b>(334,516)</b>	<b>2,497,113</b>	<b>3,747,487</b>
<b>Cash flows from investing activities</b>			
- Acquisitions of property and equipment	(138)	(2,017)	(8,701)
- Proceeds from sales of property and equipment	-	1,721	18,716
- Acquisitions of intangible assets	(1,862)	(2,589)	(37,832)
<b>Net cash used in investing activities</b>	<b>(2,000)</b>	<b>(2,885)</b>	<b>(27,817)</b>
<b>Cash flows from financing activities</b>			
- Proceeds from subordinated liability	92,756	39,387	384,696
- Proceeds from repayment of borrowed funds	(522,460)	(830,917)	(1,844,682)
- Payment on lease liabilities	(5,052)	(4,751)	(19,538)
- Interest paid on lease liabilities	(307)	(520)	(1,780)
<b>Net cash used in financing activities</b>	<b>(435,063)</b>	<b>(796,801)</b>	<b>(1,481,304)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(771,579)</b>	<b>1,697,427</b>	<b>2,238,366</b>
Cash and cash equivalents at 01 January	8,003,310	5,682,174	5,682,174
Effect of exchange rate fluctuations on cash and cash equivalents held	(46,891)	156,643	82,770
<b>Cash and cash equivalents at end of period</b>	<b>7,184,840</b>	<b>7,536,244</b>	<b>8,003,310</b>

**ACCOUNTING POLICIES**

The unaudited interim condensed financial statements have been prepared using the same accounting policies as those adopted in the audited financial statements for the year ended 31 December 2023, and in accordance with the Bank of Mauritius Guidelines on Public Disclosure of Information and IAS 34 'Interim Financial Reporting'. There have been no new standards or interpretations, which have been adopted in the first quarter ended 31 March 2024.

**FINANCIAL HIGHLIGHTS**

The financial year started on a positive note, with a healthy increase of 9% in Operating income, reaching Rs 102 million during the first quarter ended 31 March 2024, compared to the corresponding period of last year.

Net interest income grew by 4% to reach Rs 178 million, benefiting from the full impact of the previous year operational performance, and the growth in investment securities portfolio; net fee income demonstrated a strong increase of 93%, fuelled by higher revenues from cross-border financing activities; and in the current challenging local market environment, profit arising from forex transactions reached a honourable Rs17 million over the period ended 31 March 2024.

Overall, Revenue was up by 9% to attain Rs 218 million for the three months ended 31 March 2024, whilst operating expenses increased by 8% to reach Rs 116 million, driven by increases in staff expenses. This led to the cost-to income ratio to remain stable to 53.3% compared to the same period last year.

Net impairment on financial assets over the period stood at loss of Rs 55 million compared to a reversal of Rs 1 million during the same quarter of last year, on the back of the increase in provision of a cross-border asset. At the same time, the Gross Non performing loans ratio remained stable at 5.4% as at end of March 2024, and the specific provision coverage ratio improved to 82% as at end of March 2024, compared to 76% as end of December 2023.

The impairment loss booked over the first quarter 2024 negatively impacted the profit after tax which was lower by 49% compared to the same period of last year and amounted to Rs 45 million.

Gross loans and advances decreased marginally by 1% to reach Rs 19.7 billion as at 31 March 2024. On the liabilities side, the deposits base decreased by 3% to Rs 19.9 billion as at end of the first quarter 2024. As a result, the loans to deposits ratio slid to 99% compared to 98% as end of December 2023, while the total loans to funding base ratio stood at 77% compared to 75% as at end of December 2023.

The Bank closed the first quarter of its financial year with a sound liquidity position: the consolidated liquidity coverage ratio stood at 732%.

The Bank's Capital adequacy ratio remained strong at 17.03% (16.16% in December 2023), comfortably above the minimum regulatory requirement of 12.50%.