



UNAUDITED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Unaudited Sep-21 Rs 000	Unaudited Sep-20 Rs 000	Audited Dec-20 Rs 000
ASSETS			
Cash and cash equivalents	5,105,364	4,158,727	6,297,870
Loans and advances to banks	2,524,913	1,483,389	1,630,634
Loans and advances to customers	13,640,492	13,517,789	12,155,672
Investment securities	2,257,974	2,432,635	2,335,212
Derivative financial instruments	100	4,066	-
Investment in subsidiary	-	64,971	62,653
Investment held for sale	24,934	-	-
Property and equipment	98,252	151,673	141,382
Intangible assets	29,832	30,074	37,284
Deferred tax asset	92,459	88,707	92,459
Other assets	2,511,055	1,744,632	1,398,492
Total assets	26,285,375	23,676,663	24,151,658
LIABILITIES			
Deposits from banks	2,867,470	1,670,210	2,565,666
Deposits from customers	14,971,699	13,560,951	14,000,570
Borrowed funds	4,325,474	4,811,215	4,424,459
Derivative financial instruments	-	-	475
Other liabilities	1,984,311	1,452,719	982,522
Total liabilities	24,148,954	21,495,095	21,973,692
Equity			
Stated capital	2,218,065	2,218,065	2,218,065
Retained earnings	(245,585)	(224,525)	(238,559)
Reserves	163,941	188,028	198,460
Total equity	2,136,421	2,181,568	2,177,966
Total liabilities and equity	26,285,375	23,676,663	24,151,658

These financial statements have been approved by the Board of Directors and authorised on 15 November 2021.



Abdelwafi ATIF
Chief Executive Officer



Kamal MOKDAD
Chairperson



Jean-Louis VINCIGUERRA
Chairperson, Audit Committee



UNAUDITED INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the quarter and nine months ended 30 September 2021

	Unaudited Quarter ended Sep-21 Rs 000	Unaudited Quarter ended Sep-20 Rs 000	Unaudited Period ended Sep-21 Rs 000	Unaudited Period ended Sep-20 Rs 000	Audited Year ended Dec-20 Rs 000
Interest income	138,176	152,437	397,927	489,911	610,606
Interest expense	(44,301)	(49,444)	(127,722)	(200,591)	(244,577)
Net interest income	93,875	102,993	270,205	289,320	366,029
Fee and commission income	24,193	20,605	66,957	56,976	78,779
Fee and commission expense	(4,746)	(7,128)	(16,691)	(15,851)	(22,155)
Net fee and commission income	19,447	13,477	50,266	41,125	56,624
Net trading income	19,111	17,705	56,142	49,298	63,376
Net income/(loss) from other financial instruments carried at fair value through profit or loss	2,773	(8,681)	22,480	(4,425)	(6,742)
Net gain from sale of securities	-	-	-	-	97
Other revenue	169	5,333	1,199	15,419	17,974
	41,500	27,834	130,087	101,417	131,329
Revenue	135,375	130,827	400,292	390,737	497,358
Personnel expenses	(56,097)	(51,903)	(168,013)	(174,942)	(228,350)
Operating lease expenses	(2,501)	(2,167)	(7,353)	(6,426)	(9,967)
Depreciation and amortisation	(16,869)	(22,991)	(57,290)	(68,171)	(94,269)
Other expenses	(43,666)	(41,366)	(101,184)	(116,256)	(148,497)
	(119,133)	(118,427)	(333,840)	(365,795)	(481,083)
Operating profit	16,242	12,400	66,452	24,942	16,275
Net impairment loss on financial assets	(1,367)	(76,016)	(84,402)	(263,475)	(280,704)
Profit/(loss) before tax	14,875	(63,616)	(17,950)	(238,533)	(264,429)
Income tax credit	-	-	-	-	3,752
Profit/(loss) after tax	14,875	(63,616)	(17,950)	(238,533)	(260,677)
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of retirement benefit obligations	-	-	10,924	(12,336)	(4,226)
<i>Items that may be reclassified to profit or loss</i>					
Net change in fair value of financial assets through other comprehensive income	7,033	(12,115)	(34,519)	32,893	43,325
Other comprehensive income/(loss)	7,033	(12,115)	(23,595)	20,557	39,099
Total comprehensive income/(loss)	21,908	(75,731)	(41,545)	(217,976)	(221,578)



UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2021

	Stated Capital	Statutory Reserve	General Banking Reserve	Fair value reserve	Foreign Currency Translation Reserve	Retained Earnings	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Balance at 01 January 2020	2,218,065	104,294	-	22,746	28,095	26,344	2,399,544
Total comprehensive income/(loss)							
Loss for the period	-	-	-	-	-	(238,533)	(238,533)
Other comprehensive income/(loss)	-	-	-	32,893	-	(12,336)	20,557
Total comprehensive income/(loss)	-	-	-	32,893	-	(250,869)	(217,976)
Balance at 30 September 2020	2,218,065	104,294	-	55,639	28,095	(224,525)	2,181,568
Balance at 01 January 2021	2,218,065	104,294	-	66,071	28,095	(238,559)	2,177,966
Total comprehensive loss							
Loss for the period	-	-	-	-	-	(17,950)	(17,950)
Other comprehensive (loss)/income	-	-	-	(34,519)	-	10,924	(23,595)
Total comprehensive loss	-	-	-	(34,519)	-	(7,026)	(41,545)
Balance at 30 September 2021	2,218,065	104,294	-	31,552	28,095	(245,585)	2,136,421

UNAUDITED INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 September 2021

	Unaudited Period ended Sep-21 Rs 000	Unaudited Period ended Sep-20 Rs 000	Audited Period ended Dec-20 Rs 000
Cash flows from operating activities			
Loss before tax	(17,950)	(238,533)	(264,429)
Adjustments for:			
Depreciation and amortisation	57,290	68,171	94,269
Net impairment loss on financial assets	84,402	263,475	280,704
Net (income)/loss from other financial instruments carried at fair value through profit or loss	(22,480)	-	6,742
Profit on sale of property and equipment	(230)	-	-
Net interest income	(270,205)	-	-
	(169,173)	93,113	117,286
Changes in:			
Loans and advances to banks	(901,049)	(157,762)	(307,513)
Loans and advances to customers	(1,561,997)	(353,051)	1,019,490
Other assets	(1,098,768)	(152,905)	193,235
Deposits from banks	301,804	1,083,637	1,979,093
Deposits from customers	971,129	(429,872)	9,747
Other liabilities	1,031,132	310,481	(187,539)
	(1,426,922)	393,641	2,823,799
Interest received	384,132	-	-
Interest paid	(139,481)	-	-
Income tax paid	-	-	-
Net cash (used in)/from operating activities	(1,182,271)	393,641	2,823,799
Cash flows from investing activities			
Acquisition of investment securities	(697,495)	(1,576,940)	(2,075,444)
Proceeds from sale of investment securities	728,900	1,581,600	2,181,600
Acquisition of property and equipment	(2,273)	(2,903)	(3,957)
Proceeds from sale of property and equipment	230	-	-
Acquisition of intangible assets	(11,604)	(4,378)	(25,493)
Net cash from/(used in) investing activities	17,758	(2,621)	76,706
Cash flows from financing activities			
Repayment of borrowed funds	(98,985)	(778,680)	(1,165,436)
Payment on lease liabilities	(21,840)	(22,347)	(29,031)
Net cash used in financing activities	(120,825)	(801,027)	(1,194,467)
Net increase in cash and cash equivalents	(1,285,338)	(410,007)	1,706,038
Cash and cash equivalents at beginning of period	6,297,870	4,601,319	4,601,319
Effect of exchange rate fluctuations on cash and cash equivalents held	92,832	(32,585)	(9,487)
Cash and cash equivalents at end of period	5,105,364	4,158,727	6,297,870

ACCOUNTING POLICIES

The unaudited condensed interim financial statements have been prepared using the same accounting policies as those adopted in the audited financial statements for the year ended 31 December 2020, 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 during the quarter and 9 months ended 30 September 2021.

FINANCIAL HIGHLIGHTS

The Bank's operating profit for the nine months ended 30 September 2021 increased significantly to Rs 66 million as compared to Rs 25 million for the nine months ended 30 September 2020, mainly on the account of an increase in total revenue and a substantial decrease in the operating expense. An impairment charge of Rs 84 million was recognised during the period under review, leading to a net loss of Rs 18 million, against a loss of Rs 239 million the same period a year ago.

With the generally low interest rate environment, the net interest income declined by 7% to Rs 270 million as compared to the corresponding period of 2020. The non-interest income amounting Rs 130 million for the nine months ended 30 September 2021, reported a growth of 28% compared to a year ago, largely driven by a gain of Rs 22 million, related to Banky First (formerly known as BM Madagascar). Noteworthy, the Bank is in process of transferring its 72.67% participation in Banky First to the Group; the transaction was partially completed in August 2021. 50.67% of the Bank's equity stake in Banky First has been transferred to BCP Morocco. The remaining stake is expected to be transferred to Atlantic Micro Finance for Africa ("AMIFA") by end of 2021. Net fee and commission income rose by 22% to stand at Rs 50 million in comparison to the same period in the prior year. An increase of 14% in net trading income was reported as compared to the same period for the financial year 2020, reaching at Rs 56 million.

Operating expenses witnessed a decrease of 9% against the previous corresponding period. Hence, the cost to income ratio improved from 94% a year ago to 83% for the period under review.

On the asset side, total gross loans and advances of the Bank reported a growth of 17% when compared to December 2020, to stand at Rs 17 billion as at end of September 2021. Our loans and advances portfolio to customers were 12% higher in contrast to end of 2020. Likewise, loans and advances to banks registered an expansion of 55% when compared to December 2020. These trends were mainly driven by the corporate and international business segments. Regarding the total deposits of the Bank, an increase of 8% was noted compared to December 2020, in particular in the corporate segment, to reach Rs 18 billion as at end of the third quarter of 2021.

Non-performing assets remained stable, standing at Rs 1.4 billion as at September 2021. As a result of the growth of the loan book, the asset quality of the Bank improved, with non-performing asset ratio dropping from 9.1% in December 2020 to 7.9% in September 2021. The specific provision coverage ratio increased from 64.2% in December 2020 to 66.8% in September 2021.

The Bank's Capital Adequacy Ratio stood at 12.350% as at end of September 2021, against a regulatory limit of 11.875% and the MUR and all-currency liquidity coverage ratios continue to remain above the respective regulatory requirement of 100%.