

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

| | Unaudited Jun-23 Rs 000 | Unaudited Jun-22 Rs 000 | Audited Dec-22 Rs 000 |
|-------------------------------------|--|-------------------------------|-----------------------------|
| ASSETS | | | |
| Cash and cash equivalents | 6,241,244 | 3,377,029 | 5,031,845 |
| Loans and advances to banks | 4,657,646 | 2,339,442 | 4,082,741 |
| Loans and advances to customers | 12,709,567 | 13,586,643 | 13,265,759 |
| Investment securities | 1,794,304 | 2,409,561 | 1,686,317 |
| Derivative financial instruments | 4,684 | - | 133 |
| Property and equipment | 45,063 | 78,228 | 51,202 |
| Intangible assets | 55,349 | 26,713 | 25,646 |
| Deferred tax assets | 67,865 | 95,983 | 67,514 |
| Other assets | 3,579,646 | 2,060,314 | 2,993,788 |
| Total assets | 29,155,368 | 23,973,913 | 27,204,945 |
| LIABILITIES | | | |
| Deposits from banks | 2,951,041 | 3,184,296 | 3,149,054 |
| Deposits from customers | 13,876,659 | 12,664,270 | 11,675,660 |
| Borrowed funds | 5,603,092 | 4,167,156 | 6,882,728 |
| Subordinated liability | 883,122 | - | 464,654 |
| Current tax liabilities | 5,430 | 869 | 868 |
| Provisions | 92,297 | 81,268 | 101,023 |
| Other liabilities | 3,224,417 | 1,632,794 | 2,500,985 |
| Total liabilities | 26,636,058 | 21,730,653 | 24,774,972 |
| Equity | | | |
| Share capital | 2,398,825 | 2,218,065 | 2,398,825 |
| Retained earnings | 6,494 | (96,306) | (74,308) |
| Reserves | 113,991 | 121,501 | 105,456 |
| Total equity | 2,519,310 | 2,243,260 | 2,429,973 |
| Total liabilities and equity | 29,155,368 | 23,973,913 | 27,204,945 |

These financial statements have been approved by the Board of Directors on 28th July 2023.


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 quarter and six months ended 30 June 2023

| | Unaudited Quarter ended Jun-23 Rs 000 | Unaudited Quarter ended Jun-22 Rs 000 | Unaudited Six months ended Jun-23 Rs 000 | Unaudited Six months ended Jun-22 Rs 000 | Audited Year ended Dec-22 Rs 000 |
|---|--|---|---|--|--|
| Interest income | 339,304 | 144,475 | 670,091 | 277,680 | 691,792 |
| Interest expense | (181,791) | (44,568) | (341,328) | (87,218) | (244,476) |
| Net interest income | 157,513 | 99,907 | 328,763 | 190,462 | 447,316 |
| Fee and commission income | 22,180 | 24,258 | 41,793 | 50,292 | 97,312 |
| Fee and commission expense | (3,145) | (6,868) | (10,967) | (11,373) | (29,956) |
| Net fee and commission income | 19,035 | 17,390 | 30,826 | 38,919 | 67,356 |
| Net trading income | 13,220 | 18,639 | 30,591 | 38,642 | 85,493 |
| Net gain from sale of securities | - | - | - | - | 3,104 |
| Other revenue | 1,629 | 109 | 2,073 | 443 | 2,427 |
| | 33,884 | 36,138 | 63,490 | 78,004 | 158,380 |
| Revenue | 191,397 | 136,045 | 392,253 | 268,466 | 605,696 |
| Personnel expenses | (58,757) | (56,719) | (112,865) | (111,740) | (257,730) |
| Operating lease expenses | (2,028) | (2,490) | (4,588) | (4,943) | (12,034) |
| Depreciation and amortisation | (8,738) | (15,388) | (17,833) | (30,795) | (58,570) |
| Other expenses | (35,799) | (39,530) | (77,626) | (73,212) | (160,524) |
| | (105,322) | (114,127) | (212,912) | (220,690) | (488,858) |
| Operating profit | 86,075 | 21,918 | 179,341 | 47,776 | 116,838 |
| Net impairment (loss)/gain on financial assets | (94,624) | 36,142 | (93,460) | 44,134 | 57,514 |
| (Loss)/profit before tax | (8,549) | 58,060 | 85,881 | 91,910 | 174,352 |
| Taxation credit/(charge) | 720 | - | (5,079) | - | (29,757) |
| (Loss)/profit for the period | (7,829) | 58,060 | 80,802 | 91,910 | 144,595 |
| Other comprehensive income, net of tax: | | | | | |
| <i>Items that may be reclassified to profit or loss</i> | | | | | |
| Net change in fair value of financial assets through other comprehensive income | 2,989 | (5,336) | 8,535 | (14,068) | (51,802) |
| <i>Items that will not be reclassified to profit or loss</i> | | | | | |
| Remeasurement of retirement benefit obligations | - | (552) | - | (552) | (9,550) |
| Other comprehensive income/(loss) for the period | 2,989 | (5,888) | 8,535 | (14,620) | (61,352) |
| Total comprehensive (loss)/income for the period | (4,840) | 52,172 | 89,337 | 77,290 | 83,243 |

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

As at 30 June 2023

| | Share Capital Rs 000 | Statutory Reserve Rs 000 | General Banking Reserve Rs 000 | Fair Value Reserve Rs 000 | Retained Earnings Rs 000 | Total Rs 000 |
|------------------------------------|-------------------------------------|---|---|--|---|-------------------------|
| Balance at 01 January 2022 | 2,218,065 | 107,164 | - | 28,405 | (187,664) | 2,165,970 |
| Increase in share capital | 180,760 | - | - | - | - | 180,760 |
| Total comprehensive income | | | | | | |
| Profit for the year | - | - | - | - | 144,595 | 144,595 |
| Other comprehensive income | - | - | - | (51,802) | (9,550) | (61,352) |
| Transfer to statutory reserve | - | 21,689 | - | - | (21,689) | - |
| Total comprehensive income | - | 21,689 | - | (51,802) | 113,356 | 83,243 |
| Balance at 31 December 2022 | 2,398,825 | 128,853 | - | (23,397) | (74,308) | 2,429,973 |
| Balance at 01 January 2023 | 2,398,825 | 128,853 | - | (23,397) | (74,308) | 2,429,973 |
| Total comprehensive income | | | | | | |
| Profit for the period | - | - | - | - | 80,802 | 80,802 |
| Other comprehensive income | - | - | - | 8,535 | - | 8,535 |
| Transfer to statutory reserve | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | 8,535 | 80,802 | 89,337 |
| Balance at 30 June 2023 | 2,398,825 | 128,853 | - | (14,862) | 6,494 | 2,519,310 |

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

| | Unaudited Six months ended Jun-23 Rs 000 | Unaudited Six months ended Jun-22 Rs 000 | Audited Year ended Dec-22 Rs 000 |
|--|---|---|---|
| Cash flows from operating activities | | | |
| Profit/(loss) before tax | 85,881 | 91,910 | 174,352 |
| Adjustments for: | | | |
| - Depreciation and amortisation | 17,833 | 30,795 | 58,570 |
| - Net impairment loss/(gain) on financial assets | 93,460 | (44,134) | (57,514) |
| - Net gain on sales of property and equipment | (1,218) | - | (230) |
| - Net gain on sales of securities | - | - | (3,104) |
| - Net interest income | (328,763) | (190,462) | (447,316) |
| - Unrealised foreign exchange gain | (2,793) | (3,107) | (12,434) |
| | (135,600) | (114,998) | (287,676) |
| Changes in: | | | |
| - Loans and advances to banks | (346,888) | 964,067 | (885,279) |
| - Loans and advances to customers | 878,330 | (99,054) | 31,431 |
| - Investment securities | (101,668) | (203,052) | 382,594 |
| - Other assets | (417,044) | 950,861 | (32,608) |
| - Deposits from banks | (354,356) | 3,522 | 56,882 |
| - Deposits from customers | 1,910,619 | (2,159,975) | (2,951,093) |
| - Other liabilities | 518,827 | (887,717) | 881 |
| | 1,952,220 | (1,546,346) | (3,684,868) |
| Interest received | 644,609 | 301,314 | 665,222 |
| Interest paid | (91,372) | (84,010) | (206,694) |
| Income tax paid | (868) | - | (869) |
| Net cash used in operating activities | 2,504,589 | (1,329,042) | (3,227,209) |
| Cash flows from investing activities | | | |
| - Acquisition of property and equipment | (5,014) | (574) | (2,870) |
| - Proceeds from sales of property and equipment | 6,191 | - | 1,175 |
| - Acquisition of intangible assets | (36,463) | (6,134) | (7,298) |
| Net cash (used in)/generated from investing activities | (35,286) | (6,708) | (8,993) |
| Cash flows from financing activities | | | |
| - Proceeds from issue of subordinated liability | 439,393 | - | 459,598 |
| - (Repayment)/proceeds from issue of borrowed funds | (1,666,720) | (379,307) | 2,454,531 |
| - Proceeds from issue of shares | - | - | 180,760 |
| - Payment of lease liabilities | (9,607) | (13,908) | (25,698) |
| Net cash used in financing activities | (1,236,964) | (393,215) | 3,069,191 |
| Net decrease in cash and cash equivalents | 1,232,339 | (1,728,965) | (1,67,011) |
| Cash and cash equivalents at 01 January | 5,031,845 | 5,112,014 | 5,112,014 |
| Effect of exchange rate fluctuations on cash and cash equivalents held | (22,940) | (6,020) | 86,842 |
| Cash and cash equivalents at end of period | 6,241,244 | 3,377,029 | 5,031,845 |

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 2022, 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 semester ended 30 June 2023.

FINANCIAL HIGHLIGHTS

The Bank generated an operating profit of Rs 179.3 million for the half-year ending 30 June 2023, rising sharply by 275% compared to the same period last year.

Revenue increased by 46.1% to reach Rs 392.2 million, with a robust performance in net interest income on the back of improved margins on assets. Operating expenses decreased by 3.5%.

Thus, the cost-to-income ratio improved significantly to 54.2% against 82.2% last year.

However, this outstanding performance was partially absorbed by an additional provisioning on an existing non-performing exposure, and the Bank closed the half-year ending 30 June 2023 with a net profit after tax of Rs 81 million, representing a decrease of 12% compared to the same period last year.

While net loan book amounting to Rs 17.4 billion remained stable over the first semester 2023, deposit base showed a notable growth of 14% when compared to December 2022, to reach Rs 16.8 billion. The impairment ratio remained stable at 5.9% as at June 2023 (June 2022: 6.5% and December 2022: 5.9%).

As at end of June 2023, the consolidated LCR of 415% reflected the comfortable liquidity position of the Bank.

The Bank further strengthened its capital base through a subordinated debt, and the capital adequacy ratio improved to 16.31% (15.60% in December 2022), well above the minimum regulatory requirement of 12.50%.