

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**

*As at 31 March 2023*

	Unaudited Mar-23 Rs 000	Unaudited Mar-22 Rs 000	Audited Dec-22 Rs 000
<b>ASSETS</b>			
Cash and cash equivalents	6,909,734	5,712,741	5,031,845
Loans and advances to banks	3,988,073	2,254,461	4,082,741
Loans and advances to customers	12,935,275	12,868,545	13,265,759
Investment securities	2,385,030	2,977,312	1,686,317
Derivative financial instruments	-	47	133
Property and equipment	46,744	79,300	51,202
Intangible assets	55,530	30,631	25,646
Deferred tax assets	63,364	95,983	67,514
Other assets	3,039,316	2,122,365	2,993,788
<b>Total assets</b>	<b>29,423,066</b>	<b>26,141,385</b>	<b>27,204,945</b>
<b>LIABILITIES</b>			
Deposits from banks	2,677,584	4,454,478	3,149,054
Deposits from customers	14,480,166	13,434,181	11,675,660
Borrowed funds	6,460,639	4,352,335	6,882,728
Derivatives financial instruments	7,501	-	-
Subordinated liability	484,348	-	464,654
Current tax liabilities	2,517	869	868
Provisions	106,957	80,754	101,023
Other liabilities	2,679,204	1,627,680	2,500,985
<b>Total liabilities</b>	<b>26,898,916</b>	<b>23,950,297</b>	<b>24,774,972</b>
<b>Equity</b>			
Share capital	2,398,825	2,218,065	2,398,825
Retained earnings	14,323	(153,814)	(74,308)
Reserves	111,002	126,837	105,456
<b>Total equity</b>	<b>2,524,150</b>	<b>2,191,088</b>	<b>2,429,973</b>
<b>Total liabilities and equity</b>	<b>29,423,066</b>	<b>26,141,385</b>	<b>27,204,945</b>

These financial statements were approved and authorised for issue by the Board of Directors on 9<sup>th</sup> May 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 three months ended 31 March 2023*

	Unaudited Three months ended Mar-23 Rs 000	Unaudited Three months ended Mar-22 Rs 000	Audited Year ended Dec-22 Rs 000
Interest income	330,787	133,205	691,792
Interest expense	(159,537)	(42,650)	(244,476)
<b>Net interest income</b>	<b>171,250</b>	<b>90,555</b>	<b>447,316</b>
Fee and commission income	19,613	26,034	97,312
Fee and commission expense	(7,822)	(4,505)	(29,956)
<b>Net fee and commission income</b>	<b>11,791</b>	<b>21,529</b>	<b>67,356</b>
Net trading income	17,371	20,003	85,493
Net gain from sale of securities	-	-	3,104
Other income	444	334	2,427
	<b>29,606</b>	<b>41,866</b>	<b>158,380</b>
<b>Revenue</b>	<b>200,856</b>	<b>132,421</b>	<b>605,696</b>
Personnel expenses	(54,108)	(55,021)	(257,730)
Operating lease expenses	(2,560)	(2,453)	(12,034)
Depreciation and amortisation	(9,095)	(15,407)	(58,570)
Other expenses	(41,827)	(33,682)	(160,524)
	<b>(107,590)</b>	<b>(106,563)</b>	<b>(488,858)</b>
<b>Operating profit</b>	<b>93,266</b>	<b>25,858</b>	<b>116,838</b>
Net impairment gain on financial assets	1,164	7,992	57,514
<b>Profit before tax</b>	<b>94,430</b>	<b>33,850</b>	<b>174,352</b>
Taxation charge	(5,799)	-	(29,757)
<b>Profit after tax for the period</b>	<b>88,631</b>	<b>33,850</b>	<b>144,595</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	5,546	(8,732)	(51,802)
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of retirement benefit obligations	-	-	(9,550)
<b>Other comprehensive income for the period</b>	<b>5,546</b>	<b>(8,732)</b>	<b>(61,352)</b>
<b>Total comprehensive income for the period</b>	<b>94,177</b>	<b>25,118</b>	<b>83,243</b>

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**

*As at 31 March 2023*

	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 2022</b>	2,218,065	107,164	-	28,405	(187,664)	2,165,970
Increase in share capital	180,760	-	-	-	-	180,760
<b>Total comprehensive income</b>						
Profit for the year	-	-	-	-	144,595	144,595
Other comprehensive income for the year	-	-	-	(51,802)	(9,550)	(61,352)
Transfer to statutory reserve	-	21,689	-	-	(21,689)	-
Total comprehensive income for the year	-	21,689	-	(51,802)	113,356	83,243
<b>Balance at 31 December 2022</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>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 period	-	-	-	-	88,631	88,631
Other comprehensive income for the period	-	-	-	5,546	-	5,546
Transfer to statutory reserve	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	5,546	88,631	94,177
<b>Balance at 31 March 2023</b>	<b>2,398,825</b>	<b>128,853</b>	<b>-</b>	<b>(17,851)</b>	<b>14,323</b>	<b>2,524,150</b>

**INTERIM CONDENSED STATEMENT OF CASH FLOWS**

For the three months ended 31 March 2023

	Unaudited Three months ended Mar-23 Rs 000	Unaudited Three months ended Mar-22 Rs 000	Audited Year ended Dec-22 Rs 000
<b>Cash flows from operating activities</b>			
<b>Profit before tax</b>	<b>94,430</b>	33,850	174,352
Adjustments for :			
- Depreciation and amortisation	9,095	15,407	58,570
- Net impairment gain on financial assets	(1,164)	(7,992)	(57,514)
- Net gain on sales of property and equipment	(103)	-	(230)
- Net gain on sales of securities	-	-	(3,104)
- Net interest income	(171,250)	(90,555)	(447,316)
- Unrealised foreign exchange loss/(gain)	4,041	(802)	(12,434)
	<b>(64,951)</b>	(50,092)	(287,676)
<b>Changes in:</b>			
- Loans and advances to banks	322,033	1,094,668	(885,279)
- Loans and advances to customers	762,640	697,374	31,431
- Investment securities	(694,951)	(755,155)	382,594
- Other assets	126,760	889,189	(32,608)
- Deposits from banks	(623,244)	1,223,875	56,882
- Deposits from customers	2,514,331	(1,421,413)	(2,951,093)
- Other liabilities	(17,331)	(971,097)	881
	<b>2,325,287</b>	707,349	(3,684,868)
Interest received	305,071	157,706	665,222
Interest paid	(109,946)	(37,048)	(206,694)
Income tax paid	-	-	(869)
<b>Net cash generated from/(used in) operating activities</b>	<b>2,520,412</b>	828,007	(3,227,209)
<b>Cash flows from investing activities</b>			
- Acquisitions of property and equipment	(2,017)	(382)	(2,870)
- Proceeds from sales of property and equipment	1,721	-	1,175
- Acquisitions of intangible assets	(2,589)	(5,871)	(7,298)
<b>Net cash used in investing activities</b>	<b>(2,885)</b>	(6,253)	(8,993)
<b>Cash flows from financing activities</b>			
- Proceeds from issue of subordinated liability	39,387	-	459,598
- (Repayment)/proceeds from issue of borrowed funds	(830,917)	(309,816)	2,454,531
- Proceeds from issue of shares	-	-	180,760
- Payment on lease liabilities	(4,751)	(6,920)	(25,698)
<b>Net cash (used in)/generated from financing activities</b>	<b>(796,281)</b>	(316,736)	3,069,191
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,721,246</b>	505,018	(167,011)
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	156,643	95,709	86,842
<b>Cash and cash equivalents at end of period</b>	<b>6,909,734</b>	5,712,741	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 quarter ended 31 March 2023.

## FINANCIAL HIGHLIGHTS

The Bank closed the first quarter of the year with a net profit after tax of Rs 89 million, higher by Rs 55 million compared to the same period last year.

Revenue registered a strong growth of more than 50%. While net trading income and net fee and commission income fell by 13% and 45% respectively, net interest income showed a substantial increase of 89%, boosted by the favourable interest rate environment and higher volumes in treasury and trade finance transactions.

The increase in revenue, coupled with contained operating expenses, resulted in a significant improvement of the cost-to-income ratio, which stood at 53.6% (against 80.5% as at 31 March 2022).

Gross loans and advances decreased by 4% as at 31 March 2023. Since the impaired assets remained stable over the period, the impairment ratio increased mechanically from 5.9% in December 2022 to 6.2% in March 2023. The specific provision coverage ratio was at a satisfactory level of 60% as at end of March 2023. On the liabilities side, the deposits base rose significantly by Rs 2.3 billion to reach Rs 17.2 billion as at end of the quarter.

As at end of March 2023, the MUR and all-currency liquidity coverage ratios stood both above their respective regulatory requirements of 100%.

With regard to its capital position, the Bank's Capital adequacy ratio stood at 15.31% (15.60% in December 2022), comfortably above the minimum regulatory requirement of 12.50%.