

Financial Highlights

The Bank has been successful in growing its assets base from MUR 40 billion in 2018 to reach MUR 55.6 billion as at 31 December 2019, representing an increase of 39%. Gross loans book went up from MUR 25 billion as at December 2018 to MUR 29 billion as at December 2019, representing an 18% year on year growth, contributed by both Segment A and Segment B businesses.

After net impairment of MUR 95 million and a MUR 38 million impact of the newly introduced special levy, the Bank closed the year with total profit after tax of MUR 630 million. The gross NPL ratio was brought down from 4.74% in 2018 to 4.23% as at December 2019. With this strong performance, the bank improved further its capital base and reported a Capital Adequacy Ratio of 14.71% as at December 2019. The Bank delivered a return on average equity a return on average assets of 20.58% and 1.46% respectively to its shareholders

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Dec-19	Dec-18	Dec-17
	Rs 000	Rs 000	Rs 000
ASSETS			
Cash and cash equivalents	6,646,989	7,685,450	4,221,988
Derivative assets held for risk management	3,770	8,275	4,824
Loans and advances to banks	4,912,421	2,943,988	3,707,245
Securities purchased under agreement to resell	2,035,393	-	-
Loans and advances to customers	22,928,271	20,668,902	17,746,327
Investment in financial instruments measured at fair value	2,568,506	2,044,702	2,249,806
Investment in financial instruments measured at amortised cost	14,334,293	4,687,679	1,968,379
Right-Of-Use assets	55,096	-	-
Property and equipment	371,821	394,301	403,161
Intangible assets	138,466	156,539	41,580
Deferred tax assets	51,277	46,980	71,766
Other assets	1,577,192	1,368,775	1,296,936
Total assets	55,623,495	40,005,591	31,712,012
LIABILITIES			
Deposits from customers	48,138,611	33,431,831	28,299,442
Derivative liabilities held for risk management	33,348	1,538	822
Other borrowed funds	2,449,494	2,690,235	123,441
Subordinated liabilities	713,831	699,636	512,205
Current tax liabilities	20,734	14,616	11,609
Other liabilities	658,247	433,558	304,228
Leased liabilities	57,723	-	-
Total Liabilities	52,071,988	37,271,414	29,251,747
EQUITY			
Stated capital	1,156,456	856,456	856,456
Retained earnings	1,875,669	1,488,632	1,239,958
Other reserves	519,382	389,089	363,851
Total Equity	3,551,507	2,734,177	2,460,265
Total Equity and Liabilities	55,623,495	40,005,591	31,712,012

SUMMARY STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2019

	Dec-19	Dec-18	Dec-17
	Rs 000	Rs 000	Rs 000
Interest income	1,685,135	1,395,469	1,080,674
Interest expense	(597,479)	(441,723)	(367,117)
Net interest income	1,087,656	953,746	713,557
Fee and commission income	671,250	500,317	271,295
Fee and commission expense	(394,526)	(281,824)	(123,196)
Net fee and commission income	276,724	218,493	148,099
Net gain on dealing in foreign currencies and derivatives	138,099	103,049	82,917
Net gain from derecognition of financial assets measured at fair value through other comprehensive income	6,826	105	14,379
Other operating income	139	147,722	608
Operating income	1,509,444	1,423,115	959,560
Personnel expenses	(447,389)	(406,765)	(367,600)
Depreciation and amortisation	(78,828)	(50,263)	(43,691)
Other expenses	(227,020)	(177,192)	(136,203)
	(753,237)	(634,220)	(547,494)
Profit before impairment	756,207	788,895	412,066
Net impairment loss on financial assets	(95,369)	(340,213)	(11,299)
Total impairment loss	(95,369)	(340,213)	(11,299)
Profit before income tax	660,838	448,682	400,767
Income tax expense	(30,380)	(55,223)	(26,568)
Profit for the year	630,458	393,459	374,199
Earnings per share (Rs)	69.55	45.94	43.69

SUMMARY STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Dec-19	Dec-18	Dec-17
	Rs 000	Rs 000	Rs 000
Profit for the year	630,458	393,459	374,199
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of defined benefit obligation, net of tax	(22,133)	10,603	(25,539)
Revaluation on building, net of tax	-	5,045	14,934
Movement in investment revaluation reserve for equity instruments at FVTOCI	2,077	1,260	77
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Movement in investment revaluation reserve for debt instruments at FVTOCI/AFS investments securities, net of tax:			
Reclassification of (losses)/gains during the period	(18,755)	1,124	1,584
Gains/(losses) arising during the period	63,683	(15,392)	(7,329)
Other Comprehensive Income for the year	24,872	2,640	(16,273)
Total Comprehensive Income for the year	655,330	396,099	357,926

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Dec-19	Dec-18	Dec-17
	Rs 000	Rs 000	Rs 000
Cash flows from operating activities			
Profit before income tax	660,838	448,682	400,767
Net change on provision for credit impairment	95,369	340,213	11,299
Depreciation	43,748	36,141	30,110
Amortisation	35,080	14,122	13,581
(Gain)/loss on disposal of property and equipment	(139)	(6,901)	643
Change in provisions and pensions obligations	5,064	5,062	14,817
Gain on sale of securities	(6,826)	(103)	(14,379)
Exchange gain/(loss) and others	59,378	(619)	42,805
Net interest income	(1,087,656)	(953,746)	(713,557)
	(195,144)	(117,149)	(213,914)
Changes in operating assets and liabilities			
Movement in Derivatives	36,315	(2,735)	(14,088)
(Increase)/decrease in loans and advances			
-to banks	(1,938,625)	781,794	(2,076,646)
-to customers	(2,073,391)	(3,294,501)	(3,934,211)
Increase in securities purchased under agreement to resell	(2,035,393)	-	-
Increase in other assets	(482,225)	(99,249)	(249,863)
Increase in deposits from customers	14,643,385	5,133,850	6,073,781
Increase in other liabilities	206,919	119,135	33,070
Interest received	1,616,357	1,376,556	1,027,098
Interest paid	(534,084)	(443,184)	(328,754)
Income tax paid	(30,050)	(22,421)	(14,589)
Net cash from operating activities	9,214,064	3,432,096	301,884
Cash flows used in investing activities			
Purchase of investment securities	(29,553,832)	(6,900,110)	(9,245,028)
Proceeds from sale of investment securities	20,225,868	4,459,719	8,296,875
Purchase of property and equipment	(18,746)	(23,434)	(50,515)
Proceeds from sale of other assets	180	6,647	-
Proceeds from sale of property and equipment	-	889	197
Purchase of intangible assets	(12,469)	(129,081)	(14,468)
Net cash used in investing activities	(9,358,999)	(2,585,370)	(1,012,939)
Cash flows from financing activities			
Issue of shares	300,000	-	-
Repayment of other borrowed funds	(79,866)	(42,697)	(41,273)
Proceeds from other borrowed funds	1,366,125	1,032,600	-
Proceeds from subordinated liabilities	-	200,000	-
Repayment of subordinated liabilities	-	-	(50,000)
Dividend paid	(138,000)	(79,100)	(26,000)
Repayment of the lease liabilities	(6,551)	-	-
Net cash from/(used in) financing activities	1,441,708	1,110,803	(117,273)
Cash and cash equivalents at the beginning of the year	6,648,888	4,691,359	5,519,687
Net cash from operating activities	9,214,064	3,432,096	301,884
Net cash used in investing activities	(9,358,999)	(2,585,370)	(1,012,939)
Net cash from/(used in) financing activities	1,441,708	1,110,803	(117,273)
Net increase/(decrease) in cash and cash equivalents	1,296,773	1,957,529	(828,328)
Cash and cash equivalents at end of year	7,945,661	6,648,888	4,691,359

These financial statements were approved and authorised for issue by the Board of Directors on 13 March 2020.

Ms. Sandra Martyres Chairperson of the Board of Directors	Ravneet Chowdhury Chief Executive Officer	Leonard Clement Mususa Director

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	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 2017	856,456	77,334	191,821	54,328	14,205	(32,816)	967,011	2,128,339
Profit for the year	-	-	-	-	-	-	374,199	374,199
Other comprehensive income for the year	-	14,934	-	-	(5,668)	(25,539)	-	(16,273)
Transfer to general banking reserve	-	-	-	19,123	-	-	(19,123)	-
Transfer to statutory reserve	-	-	56,129	-	-	-	(56,129)	-
Total comprehensive income	-	14,934	56,129	19,123	(5,668)	(25,539)	298,947	357,926
Transactions with owners								
Dividend	-	-	-	-	-	-	(26,000)	(26,000)
<i>Total transactions with owners</i>	-	-	-	-	-	-	(26,000)	(26,000)
Balance as at 31 December 2017	856,456	92,268	247,950	73,451	8,537	(58,355)	1,239,958	2,460,265
Balance as at 1 January 2018	856,456	92,268	247,950	73,451	8,537	(58,355)	1,239,958	2,460,265
Impact of adopting IFRS 9	-	-	-	(41,435)	-	-	(1,652)	(43,087)
Restated balance as at 1 January 2018	856,456	92,268	247,950	32,016	8,537	(58,355)	1,238,306	2,417,178
Profit for the year	-	-	-	-	-	-	393,459	393,459
Other comprehensive income for the year	-	5,045	-	-	(13,008)	10,603	-	2,640
Transfer to general banking reserve	-	-	-	5,014	-	-	(5,014)	-
Transfer to statutory reserve								