

Financial  
Statements  
for the  
year  
ended

**30 June  
2023**



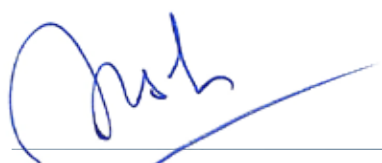
## Statements of Financial Position

as at

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	The Group			The Bank		
	30 June 2023	Restated		30 June 2023	Restated	
		30 June 2022	30 June 2021		30 June 2022	30 June 2021
	Rs	Rs	Rs	Rs	Rs	Rs
<b>ASSETS</b>						
Cash and cash equivalents	4,566,250,861	4,251,247,756	3,486,404,504	4,566,250,861	4,251,247,756	3,486,404,504
Derivative assets	10,883,632	3,366,270	34,680,427	10,883,632	3,366,270	34,680,427
Trading assets	479,676,718	687,904,980	1,798,297,228	479,676,718	687,904,980	1,798,297,228
Investment securities	5,059,706,303	6,714,208,205	5,383,284,842	5,059,706,303	6,714,208,205	5,383,284,842
Loans and advances to banks	938,342,148	456,317,785	863,031,847	938,342,148	456,317,785	863,031,847
Loans and advances to customers	20,297,328,616	17,186,153,643	16,839,341,532	20,445,036,472	17,342,460,401	17,010,456,691
Property, plant and equipment	1,071,980,600	1,041,237,447	1,086,554,248	784,559,430	756,247,186	793,402,106
Intangible assets	105,673,352	138,327,935	169,649,217	105,673,352	138,327,935	169,649,217
Right-of-use assets	46,932,965	61,953,710	91,387,106	43,140,219	98,947,164	160,298,340
Investment properties	390,500,000	380,500,000	380,500,000	390,500,000	380,500,000	380,500,000
Investment in subsidiary	-	-	-	100,000	100,000	100,000
Current tax assets	6,525,969	6,515,111	6,146,240	5,104,282	6,047,358	5,905,506
Deferred tax assets	31,752,759	37,939,163	41,607,453	43,163,019	47,715,855	51,512,755
Other assets	2,531,516,940	2,312,148,538	2,408,452,498	2,570,457,291	2,351,088,889	2,446,494,368
<b>Total assets</b>	<b>35,537,070,863</b>	<b>33,277,820,543</b>	<b>32,589,337,142</b>	<b>35,442,593,727</b>	<b>33,234,479,784</b>	<b>32,584,017,831</b>
<b>LIABILITIES</b>						
Deposits from customers	30,423,045,218	28,787,422,901	28,378,179,745	30,434,892,362	28,791,972,474	28,378,198,595
Derivative liabilities	868,250,541	804,853,718	541,620,944	868,250,541	804,853,718	541,620,944
Lease liabilities	17,740,050	36,601,939	60,424,535	46,120,151	99,317,576	156,588,681
Payable to fellow subsidiary	13,649,767	16,617,253	40,059,363	13,649,767	16,617,253	40,059,363
Other liabilities	539,877,625	583,245,420	643,617,900	539,192,491	582,560,289	643,062,372
Retirement benefit obligations	114,984,217	139,602,373	117,305,558	114,984,217	139,602,373	117,305,558
<b>Total liabilities</b>	<b>31,977,547,418</b>	<b>30,368,343,604</b>	<b>29,781,208,045</b>	<b>32,017,089,529</b>	<b>30,434,923,683</b>	<b>29,876,835,513</b>
<b>SHAREHOLDERS' EQUITY</b>						
Stated capital	2,716,420,490	2,466,420,956	2,466,420,956	2,716,420,490	2,466,420,956	2,466,420,956
Statutory reserve	115,694,092	58,574,633	18,880,341	115,694,092	58,574,633	18,880,341
Retained earnings/(Accumulated losses)	537,496,351	227,552,224	(3,352)	496,293,448	194,109,309	(24,472,208)
Fair value reserve	(307,836,617)	(190,935,141)	(32,051,990)	(307,836,617)	(190,935,141)	(32,051,990)
Other reserve	148,720,529	20,280,711	27,299,586	148,720,529	20,280,711	27,299,586
Revaluation reserve	349,028,600	327,583,556	327,583,556	256,212,256	251,105,633	251,105,633
Total equity	3,559,523,445	2,909,476,939	2,808,129,097	3,425,504,198	2,799,556,101	2,707,182,318
<b>Total liabilities and equity</b>	<b>35,537,070,863</b>	<b>33,277,820,543</b>	<b>32,589,337,142</b>	<b>35,442,593,727</b>	<b>33,234,479,784</b>	<b>32,584,017,831</b>

Approved by the Board of Directors and authorised for issue on 29 September 2023 and signed on its behalf by



Mr. Goroodeo Sookun  
Chairperson  
On behalf of Board of Directors



Mr. Premchand Mungar  
Chief Executive  
On behalf of Board of Directors



Mr. Anil Kumar Kokil  
Director  
On behalf of Board of Directors

Date: 29 September 2023

Ebène 72201, Republic of Mauritius

# Statements of Profit or Loss and other Comprehensive Income

for year ended

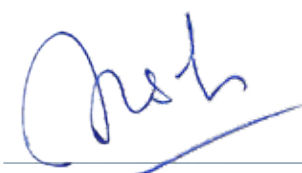
	The Group			The Bank		
	30 June 2023	Restated		30 June 2023	Restated	
		30 June 2022	30 June 2021		30 June 2022	30 June 2021
	Rs	Rs	Rs	Rs	Rs	Rs
Interest income	1,616,605,696	1,052,904,548	922,278,312	1,626,737,412	1,060,946,862	931,170,812
<b>Interest expense</b>	<b>(489,375,124)</b>	<b>(163,929,142)</b>	<b>(203,718,292)</b>	<b>(490,616,114)</b>	<b>(166,057,158)</b>	<b>(206,710,419)</b>
Net interest income	1,127,230,572	888,975,406	718,560,020	1,136,121,298	894,889,704	724,460,393
Fee and commission income	292,122,893	262,787,207	254,172,826	292,122,893	262,787,207	254,172,826
<b>Fee and commission expense</b>	<b>(51,608,608)</b>	<b>(40,639,242)</b>	<b>(48,120,471)</b>	<b>(51,608,608)</b>	<b>(40,639,242)</b>	<b>(48,120,471)</b>
Net fee and commission income	240,514,285	222,147,965	206,052,355	240,514,285	222,147,965	206,052,355
Net trading income	168,550,278	142,288,576	164,439,542	168,550,278	142,288,576	164,439,542
Net gain from derecognition of financial assets measured at FVTOCI	30,941	12,389,795	20,561,607	30,941	12,389,795	20,561,607
Other income	55,149,324	27,419,215	27,023,378	55,149,324	27,419,215	27,023,378
	223,730,543	182,097,586	212,024,527	223,730,543	182,097,586	212,024,527
Net operating income	1,591,475,400	1,293,220,957	1,136,636,902	1,600,366,126	1,299,135,255	1,142,537,275
Personnel expenses	(517,238,561)	(517,442,863)	(513,900,757)	(517,238,561)	(517,442,863)	(513,900,757)
Operating lease expenses	(24,815,016)	(19,051,699)	(13,386,550)	(24,815,016)	(19,051,699)	(13,386,550)
Depreciation and amortisation	(108,307,862)	(131,436,339)	(153,251,430)	(133,656,550)	(155,192,238)	(174,932,240)
Other expenses	(369,321,626)	(283,070,694)	(273,940,707)	(364,091,629)	(277,671,066)	(268,589,287)
Profit before impairment and income tax	571,792,335	342,219,362	182,157,458	560,564,370	329,777,389	171,728,441
Net impairment loss on financial assets	(176,184,292)	(56,862,079)	(40,769,430)	(176,184,292)	(56,862,079)	(40,769,430)
Profit before income tax	395,608,043	285,357,283	141,388,028	384,380,078	272,915,310	130,959,011
Income tax expense	(7,051,664)	(7,806,944)	(14,873,173)	(3,583,687)	(4,339,030)	(11,942,373)
Profit for the year	388,556,379	277,550,339	126,514,855	380,796,391	268,576,280	119,016,638
Earnings per share	0.05	0.04	0.02	0.05	0.04	0.02

# Statements of Profit or Loss and other Comprehensive Income for year ended

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	The Group			The Bank		
	30 June 2023	Restated		30 June 2023	Restated	
		30 June 2022	30 June 2021		30 June 2022	30 June 2021
	Rs	Rs	Rs	Rs	Rs	Rs
<b>Profit for the year</b>	<b>388,556,379</b>	277,550,339	126,514,855	<b>380,796,391</b>	268,576,280	119,016,638
<b>Other comprehensive income:</b>						
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Gain on revaluation of property, plant and equipment	14,101,709	-	-	5,101,709	-	-
Deferred tax on revaluation of property, plant and equipment	(1,525,086)	-	-	4,914	-	-
Gain on revaluation of Right-of-use assets	8,868,421	-	-	-	-	-
Actuarial gain/(loss) for the year	19,481,270	(10,842,601)	12,678,660	19,481,270	(10,842,601)	12,678,660
Deferred tax (charge)/credit on actuarial gain/(loss)	(974,063)	542,130	(633,933)	(974,063)	542,130	(633,933)
<i>Items that may be classified subsequently to profit or loss:</i>						
Change in fair value of assets at FVTOCI	(116,901,476)	(158,883,151)	(10,884,899)	(116,901,476)	(158,883,151)	(10,884,899)
Credit impairment charge/(reversal) on financial assets at FVTOCI	128,439,818	(7,018,875)	14,490,339	128,439,818	(7,018,875)	14,490,339
Other comprehensive income for the year, net of tax	51,490,593	(176,202,497)	15,650,167	35,152,172	(176,202,497)	15,650,167
<b>Total comprehensive income for the year attributable to equity holders of the parent</b>	<b>440,046,972</b>	101,347,842	142,165,022	<b>415,948,563</b>	92,373,783	134,666,805


Approved by the Board of Directors and authorised for issue on 29 September 2023 and signed on its behalf by



**Mr. Goroodeo Sookun**  
Chairperson  
On behalf of Board of Directors



**Mr. Premchand Mungar**  
Chief Executive  
On behalf of Board of Directors



**Mr. Anil Kumar Kokil**  
Director  
On behalf of Board of Directors

Date: 29 September 2023

Ebène 72201, Republic of Mauritius

# Statements of Changes in Equity

for year ended

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	Stated Capital	Statutory Reserve	Retained Earnings	Fair Value Reserve	Other Reserve	Revaluation Reserve	Total Equity
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>The Group</b>							
<b>At 01 July 2022 (Restated)</b>	<b>2,466,420,956</b>	<b>58,574,633</b>	<b>227,552,224</b>	<b>(190,935,141)</b>	<b>20,280,711</b>	<b>327,583,556</b>	<b>2,909,476,939</b>
Total comprehensive income							
Profit for the year	-	-	388,556,379	-	-	-	388,556,379
Gain on revaluation of property, plant and equipment	-	-	-	-	-	14,101,709	14,101,709
Deferred tax on revaluation of property, plant and equipment	-	-	-	-	-	(1,525,086)	(1,525,086)
Gain on revaluation of Right-of-use assets	-	-	-	-	-	8,868,421	8,868,421
Change in fair value of financial assets held at FVTOCI	-	-	-	(116,901,476)	-	-	(116,901,476)
Credit impairment charge on financial assets at FVTOCI	-	-	-	-	128,439,818	-	128,439,818
Actuarial gain for the year	-	-	19,481,270	-	-	-	19,481,270
Deferred tax charge on actuarial gain	-	-	(974,063)	-	-	-	(974,063)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>407,063,586</b>	<b>(116,901,476)</b>	<b>128,439,818</b>	<b>21,445,044</b>	<b>440,046,972</b>
Issue of shares	249,999,534	-	-	-	-	-	249,999,534
Dividend paid	-	-	(40,000,000)	-	-	-	(40,000,000)
Transfer to statutory reserve	-	57,119,459	(57,119,459)	-	-	-	-
<b>At 30 June 2023</b>	<b>2,716,420,490</b>	<b>115,694,092</b>	<b>537,496,351</b>	<b>(307,836,617)</b>	<b>148,720,529</b>	<b>349,028,600</b>	<b>3,559,523,445</b>

	Stated Capital	Statutory Reserve	Retained Earnings	Fair Value Reserve	Other Reserve	Revaluation Reserve	Total Equity
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>The Group</b>							
<b>At 01 July 2021 (Restated)</b>	<b>2,466,420,956</b>	<b>18,880,341</b>	<b>(3,352)</b>	<b>(32,051,990)</b>	<b>27,299,586</b>	<b>327,583,556</b>	<b>2,808,129,097</b>
Total comprehensive income							
Profit for the year	-	-	277,550,339	-	-	-	277,550,339
Change in fair value of financial assets held at FVTOCI	-	-	-	(158,883,151)	-	-	(158,883,151)
Credit impairment reversal on financial assets at FVTOCI	-	-	-	-	(7,018,875)	-	(7,018,875)
Actuarial loss for the year	-	-	(10,842,601)	-	-	-	(10,842,601)
Deferred tax credit on actuarial loss	-	-	542,130	-	-	-	542,130
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>267,249,868</b>	<b>(158,883,151)</b>	<b>(7,018,875)</b>	<b>-</b>	<b>101,347,842</b>
Transfer to statutory reserve	-	39,694,292	(39,694,292)	-	-	-	-
<b>At 30 June 2022 (Restated)</b>	<b>2,466,420,956</b>	<b>58,574,633</b>	<b>227,552,224</b>	<b>(190,935,141)</b>	<b>20,280,711</b>	<b>327,583,556</b>	<b>2,909,476,939</b>

# Statements of Changes in Equity

for year ended

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	Stated Capital	Statutory Reserve	Retained Earnings/ (Accumulated Losses)	General Banking Reserve	Fair Value Reserve	Other Reserve	Revaluation Reserve	Total Equity
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>The Group</b>								
<b>At 01 July 2020</b>	2,466,420,956	1,619,995	(158,302,462)	90,709,840	(21,167,091)	12,809,247	602,793,226	2,994,883,711
Prior year adjustments	-	-	(53,709,966)	-	-	-	(275,209,670)	(328,919,636)
Restated at 01 July 2020	2,466,420,956	1,619,995	(212,012,428)	90,709,840	(21,167,091)	12,809,247	327,583,556	2,665,964,075
Total comprehensive income								
Profit for the year	-	-	126,514,855	-	-	-	-	126,514,855
Transfer to statutory reserve	-	17,260,346	(17,260,346)	-	-	-	-	-
Change in fair value of financial assets held at FVTOCI	-	-	-	-	(10,884,899)	-	-	(10,884,899)
Credit impairment charge on financial assets at FVTOCI	-	-	-	-	-	14,490,339	-	14,490,339
Actuarial gain for the year	-	-	12,678,660	-	-	-	-	12,678,660
Deferred tax charge on actuarial gain	-	-	(633,933)	-	-	-	-	(633,933)
<b>Total comprehensive income</b>	-	17,260,346	121,299,236	-	(10,884,899)	14,490,339	-	142,165,022
Transfer of general banking reserve to retained earnings	-	-	90,709,840	(90,709,840)	-	-	-	-
<b>At 30 June 2021 (Restated)</b>	2,466,420,956	18,880,341	(3,352)	-	(32,051,990)	27,299,586	327,583,556	2,808,129,097

	Stated Capital	Statutory Reserve	Retained Earnings	Fair Value Reserve	Other Reserve	Revaluation Reserve	Total Equity
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>The Bank</b>							
<b>At 01 July 2022 (Restated)</b>	2,466,420,956	58,574,633	194,109,309	(190,935,141)	20,280,711	251,105,633	2,799,556,101
Total comprehensive income							
Profit for the year	-	-	380,796,391	-	-	-	380,796,391
Gain on revaluation of property, plant and equipment	-	-	-	-	-	5,101,709	5,101,709
Deferred tax on revaluation of property, plant and equipment	-	-	-	-	-	4,914	4,914
Gain on revaluation of Right-of-use assets	-	-	-	-	-	-	-
Change in fair value of financial assets held at FVTOCI	-	-	-	(116,901,476)	-	-	(116,901,476)
Credit impairment charge on financial assets at FVTOCI	-	-	-	-	128,439,818	-	128,439,818
Actuarial gain for the year	-	-	19,481,270	-	-	-	19,481,270
Deferred tax credit on actuarial gain	-	-	(974,063)	-	-	-	(974,063)
<b>Total comprehensive income</b>	-	-	399,303,598	(116,901,476)	128,439,818	5,106,623	415,948,563
Issue of shares	249,999,534	-	-	-	-	-	249,999,534
Dividend paid	-	-	(40,000,000)	-	-	-	(40,000,000)
Transfer to statutory reserve	-	57,119,459	(57,119,459)	-	-	-	-
<b>At 30 June 2023</b>	2,716,420,490	115,694,092	496,293,448	(307,836,617)	148,720,529	256,212,256	3,425,504,198



# Statements of Changes in Equity

for year ended

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	Stated Capital	Statutory Reserve	Retained Earnings	Fair Value Reserve	Other Reserve	Revaluation Reserve	Total Equity
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>The Bank</b>							
<b>At 01 July 2021 (Restated)</b>	2,466,420,956	18,880,341	(24,472,208)	(32,051,990)	27,299,586	251,105,633	2,707,182,318
<b>Total comprehensive income</b>							
Profit for the year	-	-	268,576,280	-	-	-	268,576,280
Change in fair value of financial assets held at FVTOCI	-	-	-	(158,883,151)	-	-	(158,883,151)
Credit impairment reversal on financial assets at FVTOCI	-	-	-	-	(7,018,875)	-	(7,018,875)
Actuarial loss for the year	-	-	(10,842,601)	-	-	-	(10,842,601)
Deferred tax credit on actuarial loss	-	-	542,130	-	-	-	542,130
<b>Total comprehensive income</b>	-	-	258,275,809	(158,883,151)	(7,018,875)	-	92,373,783
Transfer to statutory reserve	-	39,694,292	(39,694,292)	-	-	-	-
<b>At 30 June 2022 (Restated)</b>	2,466,420,956	58,574,633	194,109,309	(190,935,141)	20,280,711	251,105,633	2,799,556,101

	Stated Capital	Statutory Reserve	Retained Earnings/ (Accumulated Losses)	General Banking Reserve	Fair Value Reserve	Other Reserve	Revaluation Reserve	Total Equity
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>The Bank</b>								
<b>At 01 July 2020</b>	2,466,420,956	1,619,995	(175,273,101)	90,709,840	(21,167,091)	12,809,247	526,315,303	2,901,435,149
Prior year adjustments	-	-	(53,709,966)	-	-	-	(275,209,670)	(328,919,636)
Restated at 01 July 2020	2,466,420,956	1,619,995	(228,983,067)	90,709,840	(21,167,091)	12,809,247	251,105,633	2,572,515,513
<b>Total comprehensive income</b>								
Profit for the year	-	-	119,016,638	-	-	-	-	119,016,638
Transfer of general banking reserve to retained earnings	-	-	90,709,840	(90,709,840)	-	-	-	-
Change in fair value of financial assets held at FVTOCI	-	-	-	-	(10,884,899)	-	-	(10,884,899)
Credit impairment charge on financial assets at FVTOCI	-	-	-	-	-	14,490,339	-	14,490,339
Actuarial loss for the year	-	-	12,678,660	-	-	-	-	12,678,660
Deferred tax credit on actuarial loss	-	-	(633,933)	-	-	-	-	(633,933)
<b>Total comprehensive income</b>	-	-	221,771,205	(90,709,840)	(10,884,899)	14,490,339	-	134,666,805
Transfer to statutory reserve	-	17,260,346	(17,260,346)	-	-	-	-	-
<b>At 30 June 2021 (Restated)</b>	2,466,420,956	18,880,341	(24,472,208)	-	(32,051,990)	27,299,586	251,105,633	2,707,182,318



## Statements of Cash Flows

for year ended

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	The Group			The Bank		
	30 June 2023	Restated		30 June 2023	Restated	
		30 June 2022	30 June 2021		30 June 2022	30 June 2021
Rs	Rs	Rs	Rs	Rs	Rs	
<b>Cash from operating activities</b>						
Profit before income tax	395,608,043	285,357,283	141,388,028	384,380,078	272,915,310	130,959,011
<b>Adjustments for:</b>						
Finance charge on lease liabilities	782,131	1,285,778	1,830,575	2,023,121	3,413,794	4,822,702
Impairment losses on financial assets (excluding bad debts recovered)	185,292,494	60,319,348	43,952,231	185,292,494	60,319,348	43,952,231
Depreciation of property, plant and equipment	44,166,881	56,838,352	75,502,006	37,597,790	48,676,471	65,265,037
Amortisation of intangible assets	40,251,815	45,164,591	46,224,988	40,251,815	45,164,591	46,224,988
Depreciation of right-of-use assets	23,889,166	29,433,396	31,524,436	55,806,945	61,351,176	63,442,215
Gain on disposal of property, plant and equipment	2,354	(270,777)	(192,340)	2,354	(270,777)	(192,340)
(Gain)/Loss on revaluation of investment securities at FVTPL and trading assets	(19,793,152)	(5,192,015)	6,893,246	(19,793,152)	(5,192,015)	6,893,246
Gain on revaluation of investment properties	(10,000,000)	-	-	(10,000,000)	-	-
Retirement benefit obligations	(5,136,886)	11,454,214	2,949,091	(5,136,886)	11,454,214	2,949,091
	655,062,846	484,390,170	350,072,261	670,424,559	497,832,112	364,316,181
Changes in operating assets and liabilities						
Decrease/(increase) in trading assets	(24,445,128)	1,115,612,330	1,834,628,400	(24,445,128)	1,115,612,330	1,834,628,400
<b>Decrease/(increase) in loans and advances to banks</b>	<b>(487,302,660)</b>	<b>404,643,625</b>	<b>(863,869,801)</b>	<b>(487,302,660)</b>	<b>404,643,625</b>	<b>(863,869,801)</b>
Increase in loans and advances to customers	(3,161,313,207)	(412,119,245)	(1,461,140,943)	(3,152,714,303)	(397,310,844)	(1,441,480,451)
Net placements with correspondent banks *	-	-	2,448,174	-	-	2,448,174
Increase in Investment securities	1,883,517,175	(1,489,834,581)	(1,827,528,999)	1,883,517,175	(1,489,834,581)	(1,827,528,999)
(Decrease)/Increase in payable to fellow subsidiary	(2,967,485)	(23,442,111)	29,917,997	(2,967,485)	(23,442,111)	29,917,997
Decrease in deposits from customers	1,635,622,317	409,243,154	2,065,070,343	1,642,919,887	413,773,879	2,063,679,721
Decrease/(increase) in other assets	(219,368,403)	96,303,959	(122,823,128)	(219,368,403)	95,405,478	(122,841,827)
Increase in net derivative liabilities	55,879,463	294,546,929	263,160,796	55,879,463	294,546,929	263,160,796
(Decrease)/Increase in other liabilities	(44,803,941)	(60,333,125)	78,527,015	(44,803,945)	(60,462,730)	78,576,661
<b>Cash generated from operations</b>	<b>289,880,977</b>	<b>819,011,105</b>	<b>348,462,115</b>	<b>321,139,160</b>	<b>850,764,087</b>	<b>381,006,852</b>
Tax paid	(9,875,046)	(10,121,690)	(9,544,959)	(5,088,950)	(6,057,413)	(5,946,447)
Tax refund received	6,499,779	6,156,295	5,654,182	6,032,026	5,915,561	5,122,424
<b>Net cash from operating activities</b>	<b>286,505,710</b>	<b>815,045,710</b>	<b>344,571,338</b>	<b>322,082,236</b>	<b>850,622,235</b>	<b>380,182,829</b>
Cash from investing activities						
Purchase of equity investments	(93,450,207)	-	-	(93,450,207)	-	-
Acquisition of property, plant and equipment	(55,693,083)	(11,581,318)	(17,115,723)	(55,693,083)	(11,581,318)	(17,115,723)
Acquisition of intangibles	(12,730,525)	(13,843,309)	(12,614,768)	(12,730,525)	(13,843,309)	(12,614,768)
Proceeds from disposal of property, plant and equipment	15,696	330,543	310,036	15,696	330,543	310,036
<b>Net cash used in investing activities</b>	<b>(161,858,119)</b>	<b>(25,094,084)</b>	<b>(29,420,455)</b>	<b>(161,858,119)</b>	<b>(25,094,084)</b>	<b>(29,420,455)</b>
Cash from financing activities						
Proceeds from share capital	249,999,534	-	-	249,999,534	-	-
Dividend paid	(40,000,000)	-	-	(40,000,000)	-	-
Net (decrease)/increase in other borrowed funds	-	-	(1,089,390,019)	-	-	(1,089,390,019)
Lease repayment capital	(18,861,889)	(23,822,596)	(24,922,792)	(53,197,425)	(57,271,105)	(57,542,156)
Lease repayment interest	(782,131)	(1,285,778)	(1,830,575)	(2,023,121)	(3,413,794)	(4,822,702)
<b>Net cash (used in)/from financing activities</b>	<b>190,355,514</b>	<b>(25,108,374)</b>	<b>(1,116,143,386)</b>	<b>154,778,988</b>	<b>(60,684,899)</b>	<b>(1,151,754,877)</b>
Net increase in cash and cash equivalents	315,003,105	764,843,252	(800,992,503)	315,003,105	764,843,252	(800,992,503)
<b>Cash and cash equivalents, at start of the year</b>	<b>4,251,247,756</b>	<b>3,486,404,504</b>	<b>4,287,397,007</b>	<b>4,251,247,756</b>	<b>3,486,404,504</b>	<b>4,287,397,007</b>
<b>Cash and cash equivalents, at end of the year</b>	<b>4,566,250,861</b>	<b>4,251,247,756</b>	<b>3,486,404,504</b>	<b>4,566,250,861</b>	<b>4,251,247,756</b>	<b>3,486,404,504</b>





# Statements of Cash Flows (Cont'd)

for year ended

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	The Group			The Bank		
	30 June 2023	30 June 2022	30 June 2021	30 June 2023	30 June 2022	30 June 2021
	Rs	Rs	Rs	Rs	Rs	Rs
<b>Additional information on operational cash flows from interest and dividends</b>						
Additional information on operational cash flows from interest and dividends						
Interest paid	<b>(400,775,607)</b>	(236,745,883)	(241,820,289)	<b>(402,016,597)</b>	(238,873,899)	(244,812,416)
Interest received	<b>1,545,185,341</b>	1,061,526,415	947,655,907	<b>1,555,301,326</b>	1,069,569,392	956,553,532
Dividend received	<b>20,292,428</b>	2,650,574	1,156,486	<b>20,292,428</b>	2,650,574	1,156,486

\* Net placements with correspondent banks have been classified under operating activities in Financial 2023. The comparatives have been amended accordingly to align with the presentation.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAUBANK LTD

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### *Opinion*

We have audited the consolidated and separate financial statements of MauBank Ltd (the "Bank") and its subsidiaries (the "Group") set out on pages 39 to 166 which comprise the consolidated and separate statements of financial position as at 30 June 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Bank as at 30 June 2023, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001, Banking Act 2004 and Financial Report Act 2004.

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") and other independence requirements applicable to performing audits of financial statements of the Group and the Bank in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and the Company in Mauritius. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MAUBANK LTD

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

The Key Audit Matters applies equally to the audit of the Group's and the Bank's financial statements.

Key Audit Matter	How the matter was addressed in the audit
<p><b>Allowance for expected credit loss on financial assets</b></p> <p><b>1. Loans and advances to customers</b> As disclosed in note 13, the Group and the Bank have a net loans and advances portfolio of MUR 20.3Bn (2022: MUR 17.1Bn; 2021: MUR 16.8Bn) and 20.4Bn (2022: MUR 17.3Bn, 2021: MUR 17.0 Bn) respectively as at 30 June 2023. As explained in the accounting policies, these loans and advances are carried at amortised cost, less allowance for credit losses which amounted to MUR 544m (2022: MUR 495M, 2021: MUR 430m) for the Group and the Bank.</p> <p>The ECL framework implemented by the Group and the Bank involves significant judgement and assumptions that relate to, amongst others:</p> <ul style="list-style-type: none"> <li>• the identification of Significant Increase in Credit Risk (SICR), and in particular the selection of criteria to identify a SICR. These criteria are highly judgemental and can materially impact the ECL recognised for certain portfolios where the life of the facilities is greater than 12 months;</li> <li>• the use of a number of critical assumptions in the determination of Probabilities of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD);</li> <li>• the use of forward-looking information to determine the likelihood of future losses being incurred;</li> <li>• Qualitative adjustments made to model driven ECL results raised to address model limitations, emerging risks and trends in underlying portfolios which are inherently judgemental.</li> </ul>	<p>With the assistance of the EY specialist team we performed the following:</p> <ul style="list-style-type: none"> <li>• Assess the model used for ECL which comprised of:</li> </ul> <p>For stage 1 and stage 2 loans, we assessed the appropriateness of the model used including the inputs and assumptions by performing the following procedures:</p> <ol style="list-style-type: none"> <li>1. Reviewing the methodology adopted by the Bank for calculation of ECL and in particular the segmentation of loans in appropriate portfolios reflecting different risk factors. Our review also includes an assessment of the design of the models used for determination of PD, LGD and EAD for different types of loans including inter-alia term loans, overdraft facilities, credit cards, guarantees and other off-balance sheet exposures;</li> <li>2. Checking the adequacy and quality of the data used for the calculation of PD, LGD and EAD;</li> <li>3. Assessing the key assumptions used in PD, LGD and EAD models and ensure such assumptions reflect the actual behaviours of the credit facilities;</li> <li>4. Reviewing the criteria for staging of credit exposures and ensure these are in line with the requirements of IFRS 9 including any backstops used in the methodology;</li> <li>5. Ensuring that the criteria for the various staging have been properly applied to each portfolio;</li> <li>6. Reviewing the minutes of Board Investment Credit Committee and Management Investment Credit Committee and ensure proper classification to Stage 2 is made for all clients on watchlist;</li> <li>7. Checking the accuracy of critical data elements input into the system used for credit grading and the approval of credit facilities;</li> <li>8. Reviewing of the PD and LGD calculations including the incorporation of forecast macro-economic information by our data modelling specialists;</li> </ol> <p>Tested the accuracy and completeness of the ECL model by reperformance and focussing on exception reports.</p>

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF MAUBANK LTD**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

The Key Audit Matters applies equally to the audit of the Group's and the Bank's financial statements.

Key Audit Matter	How the matter was addressed in the audit
<p>The determination of ECL on loans and advances to customers therefore involves a very high level of management judgement, thus requiring greater audit attention and was considered a key audit matter in the current year.</p>	<p>For impairment of loans in stage 3, judgement is required to determine when a loan is considered to be credit impaired and the determination of the impairment loss suffered. Where cash flows for large credits include the realisable value of collateral securing the credit, the value of such collateral is based on the opinion of independent and qualified appraisers. We thus assessed the independence and the qualification of the appraisers. Areas of focus included the corporate and international banking lending portfolios which represent high value exposures.</p> <p>We ensured that all credit impaired loans have been properly identified by management by:</p> <ul style="list-style-type: none"> <li>• Reviewing the minutes of the Special Assets Management impairment exercise, Management Investment Credit Committee, Board Investment Credit Committee;</li> <li>• Obtaining and testing loan arrears reports and ensuring that all arrears exceeding 90 days are included in the stage 3 impairment list of the ECL model;</li> <li>• Identifying loan facilities meeting certain criteria such as financial difficulties of the borrower, restructured loans, insufficient collaterals and exposures to sectors in decline and ensuring these are included in the list of credit impaired facilities.</li> </ul> <p>For loans that are credit impaired, we independently assessed the appropriateness of provisioning methodologies and policies and formed an independent view on the levels of provisions booked based on the detailed loan and counterparty information in the credit files. We re-performed calculations within a sample of discounted cash flow models and assessed the reasonableness of assumptions used to support the timing and extent of the cash flows.</p> <p>Where the borrowers' cash flow forecasts are used to determine recoverable amounts, we ensured that these are supported by objective and unbiased evidence.</p> <p>The disclosures relating to allowances for expected credit loss has been provided in note 33.</p>



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MAUBANK LTD

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

The Key Audit Matters applies equally to the audit of the Group's and the Bank's financial statements.

Key Audit Matter	How the matter was addressed in the audit
<p><b>2. Financial assets at fair value through other comprehensive income</b></p> <p>As disclosed in note 11, the Group and the Bank holds sovereign bonds issued by the Bank of Ghana amounting to MUR 147.4m (2022: Mur 248m; 2021: MUR 292.7). As explained in the accounting policies these bonds are measured at fair value through other comprehensive income and an allowance for expected loss ("ECL") is made on these financial assets in accordance with IFRS 9.</p> <p>Following the financial and economic difficulties faced by the Government of Ghana, several bonds issued by the latter either defaulted or were restructured. Management assessed the defaults and financial restructuring as a significant increase in credit risk. An allowance for expected credit losses amounting to MUR 134m was made to reflect the SICR. The estimation of the ECL in such circumstances requires significant judgment to determine the PD and LGD.</p> <p>For this reason, the determination of the ECL on these bonds was deemed to be a key audit matter.</p>	<p><b>Financial assets at fair value through other comprehensive income</b></p> <p>The following procedures were performed:</p> <ul style="list-style-type: none"> <li>• With the assistance of our internal technical specialist, we analysed the recovery rates of recently restructured sovereign bonds in Ghana and benchmarked these to the LGD used by management;</li> <li>• We benchmarked the LGD used by management to the most recent Moody's sovereign report to assess the reasonableness of the LGD used by management;</li> <li>• We consulted with the technical team and country managing partner of EY Ghana to obtain insight on the current situation and in respect of the position of the local audit profession in respect of LGD and PD. We then benchmarked these insights with the PD and LGD utilised by management;</li> <li>• We ensured that impairment losses were properly recycled from Other Comprehensive Income to profit or loss;</li> <li>• We reviewed the disclosures made by management.</li> </ul>
<p><b>Revaluation of Properties</b></p> <p>The Group and the Bank revalue its properties every 3 years in the case of Land and Buildings classified under property, plant and equipment and annually in the case of properties classified under investment properties. As disclosed in note 14(a), revalued land and buildings included in property, plant and equipment to the Group and the Bank amounted to MUR 952m (2022: MUR 954m; 2021: MUR 971m) and MUR 664m as at June 30, 2023 (2022: MUR 670m; 2021 MUR.680m) and as disclosed in note 15 investment properties amounted to MUR.391m as at the same date (2022: MUR.381m; 2021 MUR.381m).</p> <p>The valuation exercise for all properties has been undertaken in the financial year 2023 by an independent professional qualified valuer.</p>	<p><b>Our procedures in relation to the revaluation of land included the following:</b></p> <p>We obtained, read and reviewed the valuation report prepared by the management's independent professional qualified valuer;</p> <p>We understood and assessed the relevance of the methodologies used by the external valuer to estimate fair value of the properties;</p> <p>We evaluated management's independent professional qualified valuer's competence, capabilities and objectivity;</p> <p>We agreed all data used by the management's independent valuer such as surface area, rental income per square meter and location to the title deeds;</p> <p>We held discussions with the management's property valuer, and challenged the key assumptions and methodology used benchmarking these to our own expectations based on market knowledge gathered by our internal valuation team;</p>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAUBANK LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

The Key Audit Matters applies equally to the audit of the Group's and the Bank's financial statements.

Key Audit Matter	How the matter was addressed in the audit
<p>The valuation of properties involves significant judgment. As the carrying values of properties in property, plant and equipment and in investment properties are significant, we have identified it as a key audit matter.</p>	<p>We engaged a property valuation specialist who performed an independent corroboration of the values of the properties detailed in the valuation report provided by the valuer engaged by management. We evaluated our appointed independent professional qualified valuer's competence, capabilities and objectivity</p> <p>We held discussions with the our appointed property valuer and benchmarked the key assumptions (rental income per sqm, rental yield) and methodology used.</p> <p>We assessed the appropriateness and completeness of the disclosures with respect to the correction of error made by the management under IAS 8 and IAS 1 and in respect of valuation of properties under IAS 16 Property, Plant and Equipment and IAS 40 Investment Properties.</p>

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the document titled "Financial Statements for the year 30 June 2023", which includes the Corporate information, the Directors' Report, Statement of Management's Responsibility for Financial Reporting, Report from the Secretary, Management Discussion and Analysis and Administrative Information as required by the Companies Act 2001. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001, Banking Act 2004 and Financial Report Act 2004 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Bank or to cease operations, or have no realistic alternative but to do so.



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MAUBANK LTD

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

##### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Bank to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group and Bank audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

##### *Use of our report*

This report is made solely to the Bank's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Bank's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's members, as a body, for our audit work, for this report, or for the opinions we have formed.



INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF MAUBANK LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

*Auditor's Responsibilities for the Audit of the Financial Statements (Continued)*

*Other matter*

The financial statements of Maubank Ltd (the "Bank") and its subsidiaries (the "Group") for the year ended 30 June 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 28 September 2022.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

*Companies Act 2001*

We have no relationship with or interests in the Group and the Bank other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Group and the Bank as far as it appears from our examination of those records.

*Financial Reporting Act 2004*

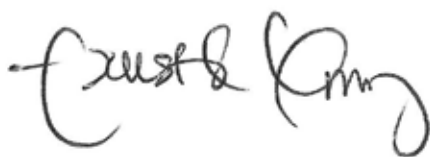
*Corporate Governance Report*

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance ("the Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Group has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

*Banking Act 2004*

In our opinion, the financial statements have been prepared on a consistent basis and are complete, fair and properly drawn up and comply with the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius.

The explanations or information called for or given to us by the officers or agents of the Bank were satisfactory.



ERNST & YOUNG  
Ebène, Mauritius



THIERRY LEUNG HING WAH F.C.C.A.  
Licensed by FRC

Date: 29 SEP 2023

[www.maubank.mu](http://www.maubank.mu)

Financial Statements for the year ended **30 June 2023**