

Financial
Statements
for the year
ended
30 June
2024



Statements of Financial Position

as at 30 June 2024

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	The Group			The Bank		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
	Rs	Rs	Rs	Rs	Rs	Rs
ASSETS						
Cash and cash equivalents	10,410,128,675	4,566,250,861	4,251,247,756	10,410,128,675	4,566,250,861	4,251,247,756
Mandatory balances with the Central Bank*	2,855,998,585	2,277,213,614	2,117,551,231	2,855,998,585	2,277,213,614	2,117,551,231
Derivative assets	78,759,542	10,883,632	3,366,270	78,759,542	10,883,632	3,366,270
Trading assets	529,476,283	479,676,718	687,904,980	529,476,283	479,676,718	687,904,980
Investment securities	8,597,507,619	5,059,706,303	6,714,208,205	8,597,507,619	5,059,706,303	6,714,208,205
Loans and advances to banks	905,925,292	938,342,148	456,317,785	905,925,292	938,342,148	456,317,785
Loans and advances to customers	23,413,207,401	20,297,328,616	17,186,153,643	23,553,801,109	20,445,036,472	17,342,460,401
Property, plant and equipment	1,052,888,749	1,071,980,600	1,041,237,447	772,167,579	784,559,430	756,247,186
Intangible assets	78,994,101	105,673,352	138,327,935	78,994,101	105,673,352	138,327,935
Right-of-use assets	48,935,082	46,932,965	61,953,710	13,778,833	43,140,219	98,947,164
Investment properties	390,500,000	390,500,000	380,500,000	390,500,000	390,500,000	380,500,000
Investment in subsidiary	-	-	-	100,000	100,000	100,000
Current tax assets	6,640,892	6,525,969	6,515,111	5,104,282	5,104,282	6,047,358
Deferred tax assets	28,500,174	31,752,759	37,939,163	39,994,557	43,163,019	47,715,855
Other assets	246,099,945	254,303,326	194,597,307	285,040,299	293,243,677	233,537,658
Total assets	48,643,562,340	35,537,070,863	33,277,820,543	48,517,276,756	35,442,593,727	33,234,479,784
LIABILITIES						
Deposits from customers	41,827,432,643	30,423,045,218	28,787,422,901	41,848,275,386	30,434,892,362	28,791,972,474
Derivative liabilities	1,075,921,722	868,250,541	804,853,718	1,075,921,722	868,250,541	804,853,718
Lease liabilities	20,614,415	17,740,050	36,601,939	13,748,432	46,120,151	99,317,576
Payable to fellow subsidiary	14,654,255	13,649,767	16,617,253	14,654,255	13,649,767	16,617,253
Tax liabilities	27,124,229	-	-	27,124,229	-	-
Other liabilities	631,641,048	539,877,625	583,245,420	630,948,309	539,192,491	582,560,289
Retirement benefit obligations	148,531,055	114,984,217	139,602,373	148,531,055	114,984,217	139,602,373
Total liabilities	43,745,919,367	31,977,547,418	30,368,343,604	43,759,203,388	32,017,089,529	30,434,923,683
SHAREHOLDERS' EQUITY						
Stated capital	3,216,601,090	2,716,420,490	2,466,420,956	3,216,601,090	2,716,420,490	2,466,420,956
Statutory reserve	236,831,994	115,694,092	58,574,633	236,831,994	115,694,092	58,574,633
Retained earnings	1,125,678,791	537,496,351	227,552,224	1,078,925,530	496,293,448	194,109,309
Fair value reserve	(189,773,573)	(307,836,617)	(190,935,141)	(189,773,573)	(307,836,617)	(190,935,141)
Other reserve	159,276,071	148,720,529	20,280,711	159,276,071	148,720,529	20,280,711
Revaluation reserve	349,028,600	349,028,600	327,583,556	256,212,256	256,212,256	251,105,633
Total equity	4,897,642,973	3,559,523,445	2,909,476,939	4,758,073,368	3,425,504,198	2,799,556,101
Total liabilities and equity	48,643,562,340	35,537,070,863	33,277,820,543	48,517,276,756	35,442,593,727	33,234,479,784

* Mandatory balances with the Central Bank have been reclassified from other assets and are now disclosed separately on the statement of financial position to enhance the clarity of the financial statements. Comparative information has been restated to conform with current year's presentation.

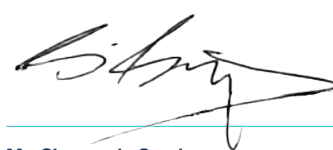
Approved by the Board of Directors and authorised for issue on 27 September 2024 and signed on its behalf by



Mr. Goroodeo Sookun
Chairperson
On behalf of Board of Directors



Mr. Vishuene Vydellingum
Chief Executive Officer
On behalf of Board of Directors



Mr. Sivananda Semjeevee
Director
On behalf of Board of Directors

Statements of Profit or Loss and other Comprehensive Income

for year ended 30 June 2024

	The Group			The Bank		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
	Rs	Rs	Rs	Rs	Rs	Rs
Interest income using the effective interest method	2,235,712,630	1,616,605,696	1,052,904,548	2,246,575,273	1,626,737,412	1,060,946,862
Interest expense	(861,305,867)	(489,375,124)	(163,929,142)	(861,636,308)	(490,616,114)	(166,057,158)
Net interest income	1,374,406,763	1,127,230,572	888,975,406	1,384,938,965	1,136,121,298	894,889,704
Fee and commission income	319,572,553	292,122,893	262,787,207	319,572,553	292,122,893	262,787,207
Fee and commission expense	(68,365,291)	(51,608,608)	(40,639,242)	(68,365,291)	(51,608,608)	(40,639,242)
Net fee and commission income	251,207,262	240,514,285	222,147,965	251,207,262	240,514,285	222,147,965
Net trading income	482,060,084	168,550,278	142,288,576	482,060,084	168,550,278	142,288,576
Net (loss)/gain from derecognition of financial assets measured at FVTOCI	(32,255,635)	30,941	12,389,795	(32,255,635)	30,941	12,389,795
Other income	53,996,356	55,149,324	27,419,215	53,996,356	55,149,324	27,419,215
	503,800,805	223,730,543	182,097,586	503,800,805	223,730,543	182,097,586
Net operating income	2,129,414,830	1,591,475,400	1,293,220,957	2,139,947,032	1,600,366,126	1,299,135,255
Personnel expenses	(536,737,009)	(517,238,561)	(517,442,863)	(536,737,009)	(517,238,561)	(517,442,863)
Operating lease expenses	(38,547,343)	(24,815,016)	(19,051,699)	(38,547,343)	(24,815,016)	(19,051,699)
Depreciation and amortisation	(98,049,687)	(108,307,862)	(131,436,339)	(122,713,190)	(133,656,550)	(155,192,238)
Other expenses	(374,456,643)	(369,321,626)	(283,070,694)	(369,195,486)	(364,091,629)	(277,671,066)
Profit before impairment and income tax	1,081,624,148	571,792,335	342,219,362	1,072,754,004	560,564,370	329,777,389
Net impairment loss on financial assets	(228,379,764)	(176,184,292)	(56,862,079)	(228,379,764)	(176,184,292)	(56,862,079)
Profit after impairment but before income tax	853,244,384	395,608,043	285,357,283	844,374,240	384,380,078	272,915,310
Income tax expense	(40,108,013)	(7,051,664)	(7,806,944)	(36,788,227)	(3,583,687)	(4,339,030)
Profit for the year	813,136,371	388,556,379	277,550,339	807,586,013	380,796,391	268,576,280
Earnings per share	0.11	0.05	0.04	0.11	0.05	0.04

Statements of Profit or Loss and other Comprehensive Income (Cont'd)

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for the year ended 30 June 2024

	The Group			The Bank		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
	Rs	Rs	Rs	Rs	Rs	Rs
Profit for the year	813,136,371	388,556,379	277,550,339	807,586,013	380,796,391	268,576,280
Other comprehensive income:						
<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 (loss)/gain for the year	(25,608,633)	19,481,270	(10,842,601)	(25,608,633)	19,481,270	(10,842,601)
Deferred tax credit/(charge) on actuarial (loss)/gain	1,792,604	(974,063)	542,130	1,792,604	(974,063)	542,130
<i>Items that may be classified subsequently to profit or loss:</i>						
Debts Securities measured at FVTOCI						
Movement on fair value during the year *	85,807,409	(116,870,535)	(146,493,356)	85,807,409	(116,870,535)	(146,493,356)
Fair value gains/(losses) reclassified to profit or loss on disposal *	32,255,635	(30,941)	(12,389,795)	32,255,635	(30,941)	(12,389,795)
Credit impairment charge/(reversal) on financial assets at FVTOCI	10,555,542	128,439,818	(7,018,875)	10,555,542	128,439,818	(7,018,875)
Other comprehensive income/(loss) for the year, net of tax	104,802,557	51,490,593	(176,202,497)	104,802,557	35,152,172	(176,202,497)
Total comprehensive income for the year attributable to equity holders of the parent	917,938,928	440,046,972	101,347,842	912,388,570	415,948,563	92,373,783

* Those two lines relate to movement in debt instruments measure at fair value through other comprehensive income and have been disaggregated to comply with requirements of IFRS 7.20 which requires those items to be shown separately. Comparatives have been amended to conform with changes in the current year.

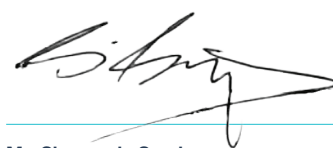
Approved by the Board of Directors and authorised for issue on 27 September 2024 and signed on its behalf by



Mr. Goroodeo Sookun
Chairperson
On behalf of Board of Directors



Mr. Vishuene Vydelingum
Chief Executive Officer
On behalf of Board of Directors



Mr. Sivananda Semjeevee
Director
On behalf of Board of Directors



Statements of Changes in Equity

for year ended 30 June 2024

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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
The Group							
At 01 July 2023	2,716,420,490	115,694,092	537,496,351	(307,836,617)	148,720,529	349,028,600	3,559,523,445
Total comprehensive income							
Profit for the year	-	-	813,136,371	-	-	-	813,136,371
Change in fair value of financial assets held at FVTOCI	-	-	-	118,063,044	-	-	118,063,044
Credit impairment charge on financial assets at FVTOCI	-	-	-	-	10,555,542	-	10,555,542
Actuarial loss for the year	-	-	(25,608,633)	-	-	-	(25,608,633)
Deferred tax credit on actuarial loss	-	-	1,792,604	-	-	-	1,792,604
Total comprehensive income	-	-	789,320,342	118,063,044	10,555,542	-	917,938,928
Issue of shares	500,180,600	-	-	-	-	-	500,180,600
Dividend paid	-	-	(80,000,000)	-	-	-	(80,000,000)
Transfer to statutory reserve	-	121,137,902	(121,137,902)	-	-	-	-
At 30 June 2024	3,216,601,090	236,831,994	1,125,678,791	(189,773,573)	159,276,071	349,028,600	4,897,642,973

	Stated Capital	Statutory Reserve	Retained Earnings	Fair Value Reserve	Other Reserve	Revaluation Reserve	Total Equity
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
The Group							
At 01 July 2022	2,466,420,956	58,574,633	227,552,224	(190,935,141)	20,280,711	327,583,556	2,909,476,939
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 reversal 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)
Total comprehensive income	-	-	407,063,586	(116,901,476)	128,439,818	21,445,044	440,046,972
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)	-	-	-	-
At 30 June 2023	2,716,420,490	115,694,092	537,496,351	(307,836,617)	148,720,529	349,028,600	3,559,523,445

Statements of Changes in Equity

for the year ended 30 June 2024

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	Stated Capital	Statutory Reserve	Retained earnings/ (Accumulated losses)	Fair Value Reserve	Other Reserve	Revaluation Reserve	Total equity
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
The Group							
At 01 July 2021	2,466,420,956	18,880,341	(3,352)	(32,051,990)	27,299,586	327,583,556	2,808,129,097
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 charge 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
Total comprehensive income	-	-	267,249,868	(158,883,151)	(7,018,875)	-	101,347,842
Transfer of general banking reserve to retained earnings	-	39,694,292	(39,694,292)	-	-	-	-
At 30 June 2022	2,466,420,956	58,574,633	227,552,224	(190,935,141)	20,280,711	327,583,556	2,909,476,939

	Stated Capital	Statutory Reserve	Retained earnings	Fair Value Reserve	Other Reserve	Revaluation Reserve	Total equity
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
The Bank							
At 01 July 2023	2,716,420,490	115,694,092	496,293,448	(307,836,617)	148,720,529	256,212,256	3,425,504,198
Total comprehensive income							
Profit for the year	-	-	807,586,013	-	-	-	807,586,013
Gain on revaluation of property, plant and equipment	-	-	-	-	-	-	-
Deferred tax on revaluation of property, plant and equipment	-	-	-	-	-	-	-
Gain on revaluation of Right-of-use assets	-	-	-	-	-	-	-
Change in fair value of financial assets held at FVTOCI	-	-	-	118,063,044	-	-	118,063,044
Credit impairment charge on financial assets at FVTOCI	-	-	-	-	10,555,542	-	10,555,542
Actuarial loss for the year	-	-	(25,608,633)	-	-	-	(25,608,633)
Deferred tax credit on actuarial loss	-	-	1,792,604	-	-	-	1,792,604
Total comprehensive income	-	-	783,769,984	118,063,044	10,555,542	-	912,388,570
Issue of shares	500,180,600	-	-	-	-	-	500,180,600
Dividend paid	-	-	(80,000,000)	-	-	-	(80,000,000)
Transfer to statutory reserve	-	121,137,902	(121,137,902)	-	-	-	-
At 30 June 2024	3,216,601,090	236,831,994	1,078,925,530	(189,773,573)	159,276,071	256,212,256	4,758,073,368



Statements of Changes in Equity

for the year ended 30 June 2024

	Stated Capital	Statutory Reserve	Retained earnings/	Fair Value Reserve	Other Reserve	Revaluation Reserve	Total equity
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
The Bank							
At 01 July 2022	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 reversal 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)
Total comprehensive income	-	-	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)	-	-	-	-
At 30 June 2023	2,716,420,490	115,694,092	496,293,448	(307,836,617)	148,720,529	256,212,256	3,425,504,198

	Stated Capital	Statutory Reserve	Retained earnings/ (Accumulated losses)	Fair Value Reserve	Other Reserve	Revaluation Reserve	Total equity
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
The Bank							
At 01 July 2021	2,466,420,956	18,880,341	(24,472,208)	(32,051,990)	27,299,586	251,105,633	2,707,182,318
Total comprehensive income							
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 charge 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
Total comprehensive income	-	-	258,275,809	(158,883,151)	(7,018,875)	-	92,373,783
Transfer to statutory reserve	-	39,694,292	(39,694,292)	-	-	-	-
At 30 June 2022	2,466,420,956	58,574,633	194,109,309	(190,935,141)	20,280,711	251,105,633	2,799,556,101

Statements of Cash Flows

for the year ended 30 June 2024

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	The Group			The Bank		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
	Rs	Rs	Rs	Rs	Rs	Rs
Cash from operating activities						
Profit before income tax	853,244,384	395,608,043	285,357,283	844,374,240	384,380,078	272,915,310
Adjustments for:						
Finance charge on lease liabilities	1,126,179	782,131	1,285,778	1,456,620	2,023,121	3,413,794
Impairment losses on financial assets (excluding bad debts recovered)	231,949,946	185,481,770	60,319,348	231,949,946	185,481,770	60,319,348
Depreciation of property, plant and equipment	55,848,260	44,166,881	56,838,352	49,148,260	37,597,790	48,676,471
Amortisation of intangible assets	29,544,124	40,251,815	45,164,591	29,544,124	40,251,815	45,164,591
Depreciation of right-of-use assets	12,657,303	23,889,166	29,433,396	44,020,806	55,806,945	61,351,176
Gain/(loss) on disposal of property, plant and equipment	(1,739)	2,354	(270,777)	(1,739)	2,354	(270,777)
(Gain)/loss on revaluation of investment securities at FVTPL and trading assets	(36,543,798)	(19,793,152)	(5,192,015)	(36,543,798)	(19,793,152)	(5,192,015)
Gain on revaluation of investment properties	-	(10,000,000)	-	-	(10,000,000)	-
Retirement benefit obligations	7,938,205	(5,136,886)	11,454,214	7,938,205	(5,136,886)	11,454,214
	1,155,762,864	655,252,122	484,390,170	1,171,886,664	670,613,835	497,832,112
Changes in operating assets and liabilities						
(Increase)/decrease in trading assets	(49,799,565)	(24,445,128)	1,115,612,330	(49,799,565)	(24,445,128)	1,115,612,330
Decrease/(increase) in loans and advances to banks	35,834,606	(487,302,660)	404,643,625	35,834,606	(487,302,660)	404,643,625
Increase in loans and advances to customers	(3,340,349,564)	(3,161,313,207)	(412,119,245)	(3,333,235,417)	(3,152,714,303)	(397,310,844)
Increase in investment securities	(3,337,592,816)	1,883,517,175	(1,489,834,581)	(3,337,592,816)	1,883,517,175	(1,489,834,581)
Increase/(decrease) in payable to fellow subsidiary	1,004,487	(2,967,485)	(23,442,111)	1,004,487	(2,967,485)	(23,442,111)
Increase in deposits from customers	11,404,387,425	1,635,622,317	409,243,154	11,413,383,024	1,642,919,887	413,773,879
(Increase)/decrease in Mandatory Balance with the Central Bank *	(578,784,971)	(159,662,383)	51,650,463	(578,784,971)	(159,662,383)	51,650,463
(Increase)/decrease in other assets	8,203,382	(59,706,020)	44,653,496	8,203,379	(59,706,020)	43,755,015
Increase in net derivative liabilities	139,795,270	55,879,463	294,546,929	139,795,270	55,879,463	294,546,929
Increase/ (decrease) in other liabilities	91,916,691	(44,803,941)	(60,333,125)	91,909,087	(44,803,945)	(60,462,730)
Cash generated from operations	5,530,377,809	290,070,253	819,011,105	5,562,603,748	321,328,436	850,764,087
Tax paid	(9,475,205)	(9,875,046)	(10,121,690)	(4,702,932)	(5,088,950)	(6,057,413)
Tax refund received	1,421,687	6,499,779	6,156,295	-	6,032,026	5,915,561
Net cash from operating activities	5,522,324,291	286,694,986	815,045,710	5,557,900,816	322,271,512	850,622,235
Cash from investing activities						
Purchase of equity investments	(426,348,247)	(93,450,207)	-	(426,348,247)	(93,450,207)	-
Acquisition of property, plant and equipment	(30,191,085)	(55,693,083)	(11,581,318)	(30,191,085)	(55,693,083)	(11,581,318)
Acquisition of intangibles	(9,430,197)	(12,730,525)	(13,843,309)	(9,430,197)	(12,730,525)	(13,843,309)
Proceeds from disposal of investment in equity shares	380,746,590	-	-	380,746,590	-	-
Proceeds from disposal of property, plant and equipment	1,739	15,696	330,543	1,739	15,696	330,543
Net cash used in investing activities	(85,221,200)	(161,858,119)	(25,094,084)	(85,221,200)	(161,858,119)	(25,094,084)
Cash from financing activities						
Proceeds from share capital	500,180,600	249,999,534	-	500,180,600	249,999,534	-
Dividend paid	(80,000,000)	(40,000,000)	-	(80,000,000)	(40,000,000)	-
Lease repayment capital	(11,785,055)	(18,861,889)	(23,822,596)	(47,031,139)	(53,197,425)	(57,271,105)
Lease repayment interest	(1,126,179)	(782,131)	(1,285,778)	(1,456,620)	(2,023,121)	(3,413,794)
Net cash from/(used) in financing activities	407,269,366	190,355,514	(25,108,374)	371,692,841	154,778,988	(60,684,899)
Net increase in cash and cash equivalents	5,844,372,457	315,192,381	764,843,252	5,844,372,457	315,192,381	764,843,252
Cash and cash equivalents, at start of the year	4,566,440,137	4,251,247,756	3,486,404,504	4,566,440,137	4,251,247,756	3,486,404,504
Cash and cash equivalents, at end of the year	10,410,812,594	4,566,440,137	4,251,247,756	10,410,812,594	4,566,440,137	4,251,247,756



Statements of Cash Flows (Cont'd)

for the year ended 30 June 2024

	The Group			The Bank		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
	Rs	Rs	Rs	Rs	Rs	Rs
Additional information on operational cash flows from interest and dividends						
Interest paid	(737,968,546)	(400,775,607)	(236,745,883)	(738,298,987)	(402,016,597)	(238,873,899)
Interest received	2,204,003,982	1,545,185,341	1,061,526,415	2,213,977,087	1,555,301,326	1,069,569,392
Dividend received	30,709,321	20,292,428	2,650,574	30,709,321	20,292,428	2,650,574

* Mandatory balances with the central bank have been reclassified from other assets and are now disclosed separately on the statement of cash flows to enhance the clarity of the financial statements. Comparative information has been restated to conform with current year's presentation.

** Cash and cash equivalents disclosed excludes credit losses of **Rs 0.6Mn** (2023:Rs 0.2Mn; 2022: Rs Nil). The comparatives have been amended to conform with current year presentation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAUBANK LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of MauBank Ltd (the "Company") and its subsidiary (the "Group") set out on pages 59 to 187 which comprise the consolidated and separate statements of financial position as at 30 June 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

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 Company as at 30 June 2024, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and comply with the Companies Act 2001, Banking Act 2004 and Financial Reporting 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 *Consolidated and Separate* Financial Statements section of our report. We are independent of the Group and Company 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 Company and 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 Company and 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 consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements.

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

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

The Key Audit Matters applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
<p>Allowance for expected credit loss on financial assets</p> <p>1. Loans and advances to customers</p> <p>As disclosed in note 13, the Group and the Bank have a net loans and advances to customers of MUR 23.4Bn (2023: MUR 20.3Bn; 2022: MUR 17.1Bn) and 23.5Bn (2023: MUR 20.4Bn, 2022: MUR 17.3Bn) respectively as at 30 June 2024. As explained in the accounting policies, these loans and advances to customers are carried at amortised cost, less allowance for credit losses which amounted to MUR 647M (2023: MUR 544M, 2022: MUR 495M) 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"> • 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; • 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); 	<p>With the assistance of the EY specialist team we performed the following:</p> <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"> 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; 2. Checking the adequacy and quality of the data used for the calculation of PD, LGD and EAD; 3. Assessing the key assumptions used in PD, LGD and EAD models and ensure such assumptions reflect the actual behaviours of the credit facilities; 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; 5. Ensuring that the criteria for the various staging have been properly applied to each portfolio; 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; 7. Checking the accuracy of critical data elements input into the system used for credit grading and the approval of credit facilities;

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

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

The Key Audit Matters applies equally to the audit of the consolidated and separate financial statements. (Continued)

Key Audit Matter	How the matter was addressed in the audit
<p>Allowance for expected credit loss on financial assets (Continued)</p> <p>1. Loans and advances to customers (Continued)</p> <ul style="list-style-type: none"> • the use of forward-looking information to determine the likelihood of future losses being incurred; • Qualitative adjustments made to model driven ECL results raised to address model limitations, emerging risks and trends in underlying portfolios which are inherently judgemental. <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>8. Reviewing of the PD and LGD calculations including the incorporation of forecast macro-economic information by our data modelling specialists;</p> <p>Tested the accuracy and completeness of the ECL model by reperformance and focussing on exception reports.</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"> • Reviewing the minutes of the Special Assets Management impairment exercise, Management Investment Credit Committee, Board Investment Credit Committee; • 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; • 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.

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

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

The Key Audit Matters applies equally to the audit of the consolidated and separate financial statements.
(Continued)

Key Audit Matter	How the matter was addressed in the audit
	<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>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 228-page document titled "MauBank Ltd Financial Statements for the year ended 30 June 2024", which includes the corporate information, Directors' Report, Sustainability report, Corporate Governance 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 consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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.

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

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the Financial Statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and Company'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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 and Company'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 Company'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 consolidated and separate 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/or the Company to cease to continue as a going concern.

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

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group 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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

This report is made solely to the Company'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 Company'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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with or interests in the Company 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 Company as far as it appears from our examination of those records.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (CONTINUED)

Banking Act 2004

In our opinion, the consolidated and separate 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.

Financial Reporting Act 2004

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.



ERNST & YOUNG
Ebène, Mauritius



THIERRY LEUNG HING WAH F.C.C.A.
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Date: 27 September 2024

