

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

31 RETAINED EARNINGS AND OTHER RESERVES

	THE GROUP					Total
	Retained Earnings	Fair value reserve	Statutory reserve	General Banking reserve	Provision reserve	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July 2018	770,869	(1,570)	454,679	142,351	-	595,460
Profit for the year	1,627,972	-	-	-	-	-
Remeasurement of retirement benefit obligations	(9,753)	-	-	-	-	-
Appropriation of reserves	(254,286)	-	237,719	16,567	-	254,286
Dividends	(333,508)	-	-	-	-	-
Gains arising during the year	-	2,047	-	-	-	2,047
Reclassification of losses included in profit or loss on derecognition	-	(98)	-	-	-	(98)
ECL for financial assets at FVTOCI	-	527	-	-	-	527
Fair value gain on equity instruments designated at fair value through other comprehensive income	-	6,205	-	-	-	6,205
At 30 June 2019	1,801,294	7,111	692,398	158,918	-	858,427
At 1 July 2019	1,801,294	7,111	692,398	158,918	-	858,427
Profit for the year	1,542,996	-	-	-	-	-
Remeasurement of retirement benefit obligations	(19,455)	-	-	-	-	-
Additional provision in relation to Bank of Mauritius Guideline	(146,054)	-	-	-	146,054	146,054
Appropriation of reserves	(316,858)	-	228,233	88,625	-	316,858
Dividends	(576,684)	-	-	-	-	-
Fair value losses arising during the year	-	(2,880)	-	-	-	(2,880)
Reclassification of gains included in profit or loss on derecognition	-	3,046	-	-	-	3,046
ECL for financial assets at FVTOCI	-	(1,074)	-	-	-	(1,074)
Fair value gain on equity instruments designated at fair value through other comprehensive income	-	4,995	-	-	-	4,995
At 30 June 2020	2,285,239	11,198	920,631	247,543	146,054	1,325,426
At 1 July 2020	2,285,239	11,198	920,631	247,543	146,054	1,325,426
Profit for the year	916,056	-	-	-	-	-
Remeasurement of retirement benefit obligations	38,998	-	-	-	-	-
Reversal of provision in relation to Bank of Mauritius Guideline	146,054	-	-	-	(146,054)	(146,054)
Appropriation of reserves	(183,166)	-	131,284	51,882	-	183,166
Dividends	(510,106)	-	-	-	-	-
Fair value (loss)/gain on equity instruments designated at fair value through other comprehensive income	-	(25,736)	-	-	-	(25,736)
At 30 June 2021	2,693,075	(14,538)	1,051,915	299,425	-	1,336,802

FAIR VALUE RESERVE

This reserve includes movement in fair value in relation to financial assets measured at FVTOCI.

STATUTORY RESERVE

This reserve represents transfers from retained earnings in accordance with the Banking Act 2004. A sum equal to not less than 15% of the Bank's profit for the year is transferred each year until the balance is equal to the amount paid as stated capital.

	THE BANK					Total
	Retained Earnings	Fair value reserve	Statutory reserve	General Banking reserve	Provision reserve	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July 2018	848,141	(1,569)	454,679	142,351	-	595,461
Profit for the year	1,584,783	-	-	-	-	-
Remeasurement of retirement benefit obligations	(8,888)	-	-	-	-	-
Appropriation of reserves	(254,286)	-	237,719	16,567	-	254,286
Dividends	(333,508)	-	-	-	-	-
Gains arising during the year	-	2,047	-	-	-	2,047
Reclassification of losses included in profit or loss on derecognition	-	(98)	-	-	-	(98)
ECL for financial assets at FVTOCI	-	527	-	-	-	527
Fair value gain on equity instruments designated at fair value through other comprehensive income	-	1,122	-	-	-	1,122
At 30 June 2019	1,836,242	2,029	692,398	158,918	-	853,345
At 1 July 2019	1,836,242	2,029	692,398	158,918	-	853,345
Profit for the year	1,521,555	-	-	-	-	-
Remeasurement of retirement benefit obligations	(20,413)	-	-	-	-	-
Additional provision in relation to Bank of Mauritius Guideline	(146,054)	-	-	-	146,054	146,054
Appropriation of reserves	(316,858)	-	228,233	88,625	-	316,858
Dividends	(576,684)	-	-	-	-	-
Fair value losses arising during the year	-	(2,880)	-	-	-	(2,880)
Reclassification of gains included in profit or loss on derecognition	-	3,046	-	-	-	3,046
ECL for financial assets at FVTOCI	-	(1,074)	-	-	-	(1,074)
Fair value gain on equity instruments designated at fair value through other comprehensive income	-	1,370	-	-	-	1,370
At 30 June 2020	2,297,788	2,491	920,631	247,543	146,054	1,316,719
At 1 July 2020	2,297,788	2,491	920,631	247,543	146,054	1,316,719
Profit for the year	875,226	-	-	-	-	-
Remeasurement of retirement benefit obligations	38,998	-	-	-	-	-
Reversal of provision in relation to Bank of Mauritius Guideline	146,054	-	-	-	(146,054)	(146,054)
Appropriation of reserves	(183,166)	-	131,284	51,882	-	183,166
Dividends	(510,106)	-	-	-	-	-
Fair value (loss)/gain on equity instruments designated at fair value through other comprehensive income	-	1,482	-	-	-	1,482
At 30 June 2021	2,664,794	3,973	1,051,915	299,425	-	1,355,313

GENERAL BANKING RESERVE

This reserve comprises amounts set aside for general banking risks, including future losses and other unforeseen risks. It also includes provision made to meet other regulatory provision including country risk.

PROVISION RESERVE

The Bank had accounted with respect to 30 June 2020, for the incremental regulatory provision through a charge to the equity as allowed in Bank of Mauritius Guideline on 'Credit Impairment Measurement and Income Recognition (April 2016)' and 'Additional Macroprudential Measures For the Banking Sector (January 2015)'. The incremental provision is recognised in provision reserve. In 2021 the provision reserve was reversed as the IFRS9 provision for stage 1 and stage 2 for loans and advances exceed the minimum portfolio provision. This reserve is non-distributable.