

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2020

31 RETAINED EARNINGS AND OTHER RESERVES

	THE GROUP										THE BANK				
	Retained Earnings	Equity-settled share-based payment reserve	Fair value reserve	Statutory reserve	General banking reserve	Foreign currency translation reserve	Provision reserve	Total	Retained Earnings	Equity-settled share-based payment reserve	Fair value reserve	Statutory reserve	General banking reserve	Provision reserve	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July 2017	870,794	2,862	(12,839)	339,711	134,964	(615)	-	464,083	944,373	2,862	(12,838)	339,711	134,964	-	464,699
Profit for the year	762,862	-	-	-	-	-	-	-	766,454	-	-	-	-	-	-
Remeasurement losses in pension plan	(10,792)	-	-	-	-	-	-	-	(10,792)	-	-	-	-	-	-
Appropriation of reserves	(122,355)	-	-	114,968	7,387	-	-	122,355	(122,355)	-	-	114,968	7,387	-	122,355
Dividends	(300,159)	-	-	-	-	-	-	-	(300,159)	-	-	-	-	-	-
Expense arising from equity-settled share-based payment	-	(2,862)	-	-	-	-	-	(2,862)	-	(2,862)	-	-	-	-	(2,862)
Movement in fair value reserve	-	-	10,722	-	-	-	-	10,722	-	-	10,722	-	-	-	10,722
Foreign currency translation	-	-	-	-	-	(523)	-	(523)	-	-	-	-	-	-	-
Recycling of translation reserve on winding up	-	-	-	-	-	523	-	523	-	-	-	-	-	-	-
Reclassification adjustments relating to foreign operations disposed during the year	-	-	-	-	-	615	-	615	-	-	-	-	-	-	-
At 30 June 2018	1,200,350	-	(2,117)	454,679	142,351	-	-	594,913	1,277,521	-	(2,116)	454,679	142,351	-	594,914
At 01 July 2018	1,200,350	-	(2,117)	454,679	142,351	-	-	594,913	1,277,521	-	(2,116)	454,679	142,351	-	594,914
Effect of adopting IFRS 9	(429,481)	-	547	-	-	-	-	547	(429,380)	-	547	-	-	-	547
At 01 July 2018 (as restated)	770,869	-	(1,570)	454,679	142,351	-	-	595,460	848,141	-	(1,569)	454,679	142,351	-	595,461
Profit for the year	1,627,972	-	-	-	-	-	-	-	1,584,783	-	-	-	-	-	-
Remeasurement losses in pension plan	(9,753)	-	-	-	-	-	-	-	(8,888)	-	-	-	-	-	-
Appropriation of reserves	(254,286)	-	-	237,719	16,567	-	-	254,286	(254,286)	-	-	237,719	16,567	-	254,286
Dividends	(333,508)	-	-	-	-	-	-	-	(333,508)	-	-	-	-	-	-
Gains arising during the year	-	-	2,047	-	-	-	-	2,047	-	-	2,047	-	-	-	2,047
Reclassification of losses included in profit or loss on derecognition	-	-	(98)	-	-	-	-	(98)	-	-	(98)	-	-	-	(98)
ECL for financial assets at FVTOCI	-	-	527	-	-	-	-	527	-	-	527	-	-	-	527
Gain on equity instruments designated at fair value through other comprehensive income	-	-	6,205	-	-	-	-	6,205	-	-	1,122	-	-	-	1,122
At 30 June 2019	1,801,294	-	7,111	692,398	158,918	-	-	858,427	1,836,242	-	2,029	692,398	158,918	-	853,345

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2020

31 RETAINED EARNINGS AND OTHER RESERVES (CONTINUED)

	THE GROUP						THE BANK								
	Retained Earnings	Equity-settled share-based payment reserve	Fair value reserve	Statutory reserve	General banking reserve	Foreign currency translation reserve	Provision reserve	Total	Retained Earnings	Equity-settled share-based payment reserve	Fair value reserve	Statutory reserve	General banking reserve	Provision reserve	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 01 July 2019	1,801,294	-	7,111	692,398	158,918	-	-	858,427	1,836,242	-	2,029	692,398	158,918	-	853,345
Profit for the year	1,542,996	-	-	-	-	-	-	-	1,521,555	-	-	-	-	-	-
Remeasurement losses in pension plan	(19,455)	-	-	-	-	-	-	-	(20,413)	-	-	-	-	-	-
Additional provision in relation to Bank of Mauritius Guideline	(146,054)	-	-	-	-	-	146,054	146,054	(146,054)	-	-	-	-	146,054	146,054
Appropriation of reserves	(316,858)	-	-	228,233	88,625	-	-	316,858	(316,858)	-	228,233	88,625	-	-	316,858
Dividends	(576,684)	-	-	-	-	-	-	-	(576,684)	-	-	-	-	-	-
Fair value losses arising during the year	-	-	(2,880)	-	-	-	-	(2,880)	-	-	(2,880)	-	-	-	(2,880)
Reclassification of gains included in profit or loss on derecognition	-	-	3,046	-	-	-	-	3,046	-	-	3,046	-	-	-	3,046
ECL for financial assets at FVTOCI	-	-	(1,074)	-	-	-	-	(1,074)	-	-	(1,074)	-	-	-	(1,074)
Gain on equity instruments designated at fair value through other comprehensive income	-	-	4,995	-	-	-	-	4,995	-	-	1,370	-	-	-	1,370
At 30 June 2020	2,285,239	-	11,198	920,631	247,543	-	146,054	1,325,426	2,297,788	-	2,491	920,631	247,543	146,054	1,316,719

EQUITY-SETTLED SHARE-BASED PAYMENT RESERVE

Movement in equity-settled share-based payment reserve relates to expense recognised for employee services received. The remaining balance on the scheme was settled during the year ended 30 June 2018 and the Bank no longer has a share option scheme as from 01 July 2018.

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.

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.

FOREIGN CURRENCY TRANSLATION RESERVE

This reserve arises on retranslation of foreign operations on consolidation.

PROVISION RESERVE

The Bank has accounted 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 Macropprudential Measures For the Banking Sector (January 2015)'. The incremental provision is recognised in provision reserve. This reserve is non-distributable.