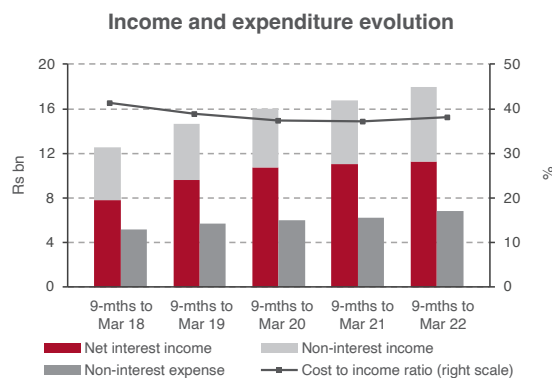
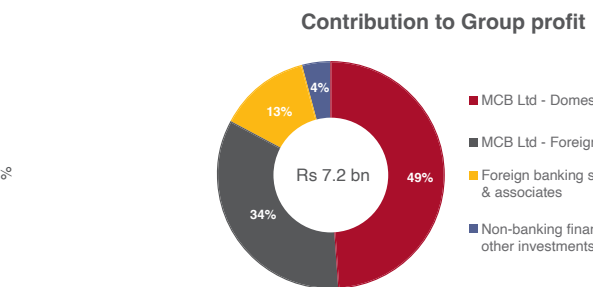
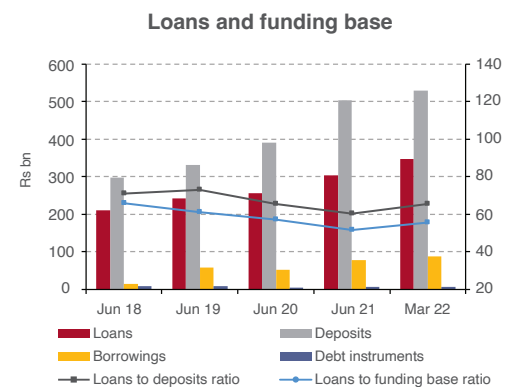
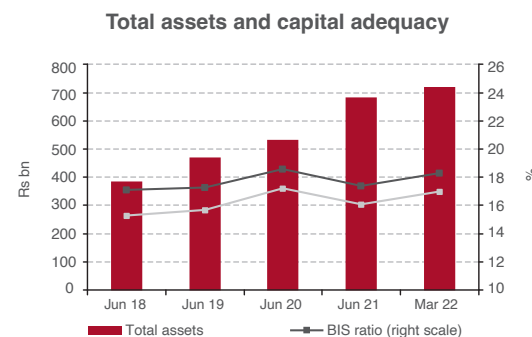


HIGHLIGHTS

- Rise of 2.0% in net interest income
- Growth of 32.0% in net fee and commission income
- Drop of 2.8% in 'Other income'
- Operating expenses grew by 10.2%
- Impairment charges declined by Rs 569 million; Gross NPL ratio stood at 3.9%
- Share of profit of associates up by Rs 348 million
- Y-o-y growth of 14.4% in deposits and of 14.0% in gross loans

PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS
Rs 7.2 bn
 ▲ 19.1%

OPERATING INCOME
Rs 18.0 bn
 ▲ 7.3%

IMPAIRMENT CHARGES (INCL. ECL)
Rs 2.9 bn
 ▼ 16.6%

GROSS LOANS
Rs 346.8 bn
 ▲ 14.0%

DEPOSITS
Rs 529.0 bn
 ▲ 14.4%

ASSETS
Rs 721.0 bn
 ▲ 14.0%

FINANCIAL SOUNDNESS INDICATORS (%)

	Mar-22	Jun-21	Mar-21
Profitability			
Return on average total assets ¹	1.4	1.3	1.4
Return on average equity ¹	12.7	11.8	12.4
Return on average Tier 1 capital ¹	13.0	11.9	12.3
Efficiency			
Cost-to-income	38.2	36.9	37.1
Asset quality			
Gross NPL/Gross loans and advances	3.9	3.6	3.4
Net NPL/Net loans and advances	2.6	2.3	1.9
Liquidity			
Liquid assets ² /Total assets	43.3	47.2	43.9
Loans to deposits	65.6	60.2	65.7
Loans to deposits and borrowings ³	55.7	51.7	56.2
Capital adequacy			
Shareholders equity to assets	10.9	10.7	10.7
BIS risk adjusted ratio ⁴	18.3	17.4	17.0
<i>o/w Tier 1⁴</i>	17.0	16.1	15.8

¹ Annualised rate for March figures

² In the computation, liquid assets comprise cash, balances with BoM, placements, T-Bills, Government securities and bonds

³ Borrowings include debt instruments

⁴ Based on Basel III

Consolidated summary statement of financial position as at 31 March 2022

	31-Mar-22 Rs'M	31-Mar-21 Rs'M	30-Jun-21 Rs'M
ASSETS			
Cash and cash equivalents	80,953	91,789	108,706
Mandatory balances with Central Banks	26,687	23,441	25,301
Derivative financial instruments	1,554	1,999	1,083
Loans to and placements with banks	22,257	34,206	39,579
Loans and advances to customers	314,864	274,716	273,399
Investment securities	235,828	173,312	198,530
Investments in associates	12,809	11,284	12,525
Investment properties	4,907	4,683	5,032
Goodwill and other intangible assets	2,341	1,889	2,089
Property, plant and equipment	7,227	6,809	7,199
Deferred tax assets	1,919	1,725	1,519
Post employee benefit asset	1,218	-	1,218
Other assets	8,389	6,503	6,953
Total assets	720,953	632,356	683,133
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Deposits from banks	6,854	18,369	18,069
Deposits from customers	522,126	444,143	485,903
Derivative financial instruments	1,204	1,736	1,454
Other borrowed funds	87,445	74,375	77,136
Debt securities	4,007	2,007	4,007
Subordinated liabilities	1,777	1,933	1,984
Preference shares	3,396	3,396	3,396
Current tax liabilities	1,092	1,682	1,097
Deferred tax liabilities	358	331	347
Post employee benefit liability	-	1,170	-
Other liabilities	11,309	12,868	13,944
Total liabilities	639,568	562,010	607,337
Shareholders' equity			
Stated capital	3,110	2,761	2,776
Retained earnings	62,899	56,528	57,746
Other components of equity	12,286	8,545	12,370
Equity attributable to the equity holders of the parent	78,295	67,834	72,892
Non-controlling interests	3,090	2,512	2,904
Total equity	81,385	70,346	75,796
Total equity and liabilities	720,953	632,356	683,133
CONTINGENT LIABILITIES	189,622	116,924	133,837

Consolidated summary statement of profit or loss for the period ended 31 March 2022

	Quarter to 31-Mar-22 Rs'M	Quarter to 31-Mar-21 Rs'M	9 mths to 31-Mar-22 Rs'M	9 mths to 31-Mar-21 Rs'M	Year to 30-Jun-21 Rs'M
Interest income calculated using the effective interest method	4,454	4,312	13,393	12,776	17,148
Interest income - others	59	77	175	231	329
Interest expense	(861)	(657)	(2,319)	(1,974)	(2,617)
Net interest income	3,652	3,732	11,249	11,033	14,860
Fee and commission income	2,085	1,487	6,255	4,283	5,828
Fee and commission expense	(642)	(267)	(1,844)	(941)	(1,368)
Net fee and commission income	1,443	1,220	4,411	3,342	4,460
Other income	862	915	2,326	2,393	3,084
Operating income	5,957	5,867	17,986	16,768	22,404
Non-interest expense	(2,331)	(2,171)	(6,863)	(6,227)	(8,271)
Operating profit before impairment	3,626	3,696	11,123	10,541	14,133
Net impairment of financial assets	(957)	(1,073)	(2,861)	(3,430)	(4,766)
Operating profit	2,669	2,623	8,262	7,111	9,367
Share of profit of associates	93	40	568	220	372
Profit before tax	2,762	2,663	8,830	7,331	9,739
Income tax expense	(442)	(385)	(1,437)	(1,177)	(1,500)
Profit for the period	2,320	2,278	7,393	6,154	8,239
Profit for the period attributable to:					
Ordinary equity holders of the parent	2,323	2,282	7,223	6,066	8,019
Preference shareholders	-	-	80	80	160
Non-controlling interests	(3)	(4)	90	8	60
2,320	2,278	7,393	6,154	8,239	

Consolidated summary statement of comprehensive income for the period ended 31 March 2022

	9 mths to 31-Mar-22 Rs'M	9 mths to 31-Mar-21 Rs'M	Year to 30-Jun-21 Rs'M
Profit for the period	2,320	2,278	7,393
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss	84	(91)	194
Items that may be reclassified subsequently to profit or loss	21	(840)	61
Other comprehensive income/(expense) for the period	105	(931)	255
Total comprehensive income for the period	2,425	1,347	7,648
Total comprehensive income attributable to:			
Ordinary equity holders of the parent	2,360	1,381	7,348
Preference shareholders	-	-	80
Non-controlling interests	65	(34)	220
2,425	1,347	7,648	
Earnings per share:			
Basic (Rs)	9.66	9.53	30.11
Diluted (Rs)	9.66	9.53	30.10
Basic weighted average number of shares (thousands)	240,509	239,380	239,896
Diluted weighted average number of shares (thousands)	240,581	239,461	239,968

Our capitalisation level remains comfortable with shareholders' funds increasing to Rs 78.3 billion, contributing to a capital adequacy ratio of 18.3%, of which 17.0% in the form of Tier 1.

Outlook

The Russia-Ukraine conflict has weakened prospects for the global economy, which is yet to fully recover from the pandemic. The crisis has exacerbated existing supply chain disruptions, with the resulting surge in commodity prices fuelling heightened global inflationary pressures, thus prompting many central banks to tighten monetary policy earlier than planned. At the domestic level, notwithstanding encouraging signs in the tourism industry, the war is weighing on the strength of the recovery due to lower growth in key trading partners and the impact of the sharp rise in inflation. Whilst this highly uncertain operating environment has compounded challenges faced by the Group, the latter remains focused on implementing its growth agenda, aimed at further diversifying its revenue lines and supporting the local economic rebound and transformation. The Group will accordingly continue to invest in reinforcing its enabling capabilities while upholding its financial soundness.

By order of the Board

13 May 2022

COMMENTS ON RESULTS

Group profits attributable to ordinary shareholders grew by 19.1% to Rs 7,223 million for the nine months to 31 March 2022, reflecting improved operating results across clusters and a drop in impairment charges.

Operating income rose by 7.3% to Rs 17,986 million. Despite significant growth in average interest-earnings assets, net interest income increased by only 2%, being impacted by lower yields derived from the deployment of excess rupee liquidity and lower margins on the international loan book, which experienced a shift in its mix towards short-term advances and commodity trade finance loans. Net fee and commission income grew by 32.0% to Rs 4,411 million, boosted by higher fees from regional trade financing and payment activities in the banking cluster as well as increased revenues from the non-banking segment. On the other hand, 'Other income' fell slightly with the increase in profit from foreign exchange transactions being offset by a drop in income from trading activities and fair value losses on financial instruments due to market volatility.

Operating expenses increased by 10.2% to Rs 6,863 million on the back of ongoing investment in human capital and technology notably linked to our digitalisation efforts, resulting in a rise in the cost-to-income ratio from 37.1% to 38.2%. Impairment charges declined by 16.6% to Rs 2,861 million, representing an annualised cost of risk of 99 basis points of gross loans and advances. The gross non-performing loan ratio stood at 3.9%.

The share of profit of associates grew by Rs 348 million on account of an improvement in results across associated entities.

Consolidated summary statement of changes in equity for the period ended 31 March 2022

	Attributable to equity holders of the parent						Non-Controlling Interests Rs'M	Total Equity Rs'M
	Stated Capital Rs'M	Retained Earnings Rs'M	Capital Reserve Rs'M	Translation Reserve Rs'M	Statutory Reserve Rs'M	Total Rs'M		
At 1 July 2020	2,719	50,460	2,226	193	6,947	62,545	2,549	65,094
Profit for the period	-	6,146	-	-	-	6,146	8	6,154
Other comprehensive income/(expense) for the period	-	-	(902)	83	-	(819)	(23)	(842)
Total comprehensive income/(expense) for the period	-	6,146	(902)	83	-	5,327	(15)	5,312
Dividends to non-controlling interests in subsidiary	-	-	-	-	-	-	(22)	(22)
Dividends to preference shareholders	-	(80)	-	-	-	(80)	-	(80)
Issue of shares following the exercise of Group Employee Share Options Scheme	42	-	-	-	-	42	-	42
Transactions with owners	42	(80)	-	-	-	(38)	(22)	(60)
Transfers/movements in reserves	-	2	(2)	-	-	-	-	-
At 31 March 2021	2,761	56,528	1,322	276	6,947	67,834	2,512	70,346
At 1 July 2021	2,719	50,460	2,226	193	6,947	62,545	2,549	65,094
Profit for the year	-	8,179	-	-	-	8,179	60	8,239
Other comprehensive income for the year	-	2,108	544	1,362	-	4,014	344	4,358
Total comprehensive income for the year	-	10,287	544	1,362	-	12,193	404	12,597
Dividends to ordinary shareholders	-	(1,736)	-	-	-	(1,736)	(22)	(1,758)
Dividends to preference shareholders	-	(160)	-	-	-	(160)	-	(160)
Impact of disposal of subsidiary	-	-	-	-	-	-	(21)	(21)
Issue of shares following the exercise of Group Employee Share Options Scheme	57	-	-	-	-	57	-	57
Transactions with owners	57	(1,896)	-	-	-	(1,839)	(43)	(1,882)
Transfers/movements in reserves	-	(1,105)	(16)	-	1,114	(7)	(6)	(13)
At 30 June 2021	2,776	57,746	2,754	1,555	8,061	72,892	2,904	75,796
Profit for the period	-	7,303	-	-	-	7,303	90	7,393
Other comprehensive income/(expense) for the period	-	129	(75)	71	-	125	130	255
Total comprehensive income/(expense) for the period	-	7,432	(75)	71	-	7,428	220	7,648
Dividends to ordinary shareholders	-	(2,277)	-	-	-	(2,277)	-	(2,277)
Dividends to non-controlling interests in subsidiary	-	-	-	-	-	-	(32)	(32)
Dividends to preference shareholders	-	(80)	-	-	-	(80)	-	(80)
Shares issued under the Scrip Dividend Scheme	248	-	-	-	-	248	-	248
Issue of shares following the exercise of Group Employee Share Options Scheme	86	-	-	-	-	86	-	86
Transactions with owners	334	(2,357)	-	-	-	(2,023)	(32)	(2,055)
Transfers/movements in reserves	-	78	(80)	-	-	(2)	(2)	(4)
At 31 March 2022	3,110	62,899	2,599	1,626	8,061	78,295	3,090	81,385

Consolidated summary statement of cash flows for the period ended 31 March 2022

	9 mths to 31-Mar-22 Rs'M	9 mths to 31-Mar-21 Rs'M	Year to 30-Jun-21 Rs'M
Operating activities			
Net cash flows from trading activities	16,089	10,556	2,848
Net cash flows from other operating activities	(38,195)	13,858	35,533
Dividends received from associates	73	-	134
Dividends paid to ordinary shareholders	(3,		