

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

The Mauritius Civil Service Mutual Aid Association Ltd (the Association) is pleased to present its unaudited interim financial reports for the period 6 months ended 31 December 2022.

The unaudited interim financial reports have been prepared in accordance with the Bank of Mauritius Guideline on Public Disclosure of Information and IAS 34 - *Interim Financial Reporting*. The same accounting policies have been used to those applicable to the annual report.

Macroeconomic outlook for Mauritius

According to World Bank, in its updated report of October 2022, driven mainly by recovery in the tourism sector and a successful COVID-19 vaccination campaign, Mauritius's real GDP growth is expected to accelerate to 5.8% in 2022. During the second half of 2021, a sharp rise in prices drove its inflation rate up to 4%. The situation continues in 2022, with sharp increases in the prices of food and fuel pushing inflation to 9.5% from January to April. Inflation is forecast to average 10.5% in 2022.

According to Statistics Mauritius, latest available information indicates that Gross Domestic Product (GDP) at market prices grew by 3.5% in 2021, after a contraction of 14.6% in 2020 and Gross Value Added (GVA) at basic prices grew by 4.2% in 2021, as opposed to a decline of 14.4% in 2020. Year-on-year (Y-o-y) inflation worked out to 12.2% in December 2022, compared to 6.8% in December 2021. Headline inflation for the 12-months ending December 2022 worked out to 10.8%, compared to 4.0% for the 12-months ending December 2021.

Financial Environment

During the period under review, the Bank of Mauritius raised the Key Repo Rate by 2.25 basis points to 4.50%. The weighted yield on 364-day Treasury Bills took the upward trend during the period. It has increased from 1.28% in June 2022 to reach 4.80% in December 2022.

Experience by Industry sectors

The Mutual Aid Association continued to offer competitive interest rates on deposits and had maintained a premium of 25 basis points to Pensioner depositors during the period under review. As far as loans and advances are concerned, the Association offered interest rate starting from 6.80% per annum whereas the highest interest rate on deposits was 5.95%.

Furthermore, since the Association deals mainly with public sector employees, Covid-19 did not have a major impact on its activities. Regarding IFRS 9, a forward-looking framework was used for the Expected Credit Loss Model, incorporating unemployment rate as the main economic indicator.

Association's Outlook

Looking forward, the business segment in which the Association operates is set to remain volatile, with continuing challenges which are outside its span of control. The Association has enhanced its level of preparedness to better perform in a turbulent environment. In view of better catering for the changing needs of its members, the Association has been revisiting its products and services using a risk-based approach.

Principal Activities and nature of customers

The principal activities of the Association are to grant loans to its members and to accept deposits from the public. All such activities are carried out at its registered office in Mauritius. The Association has a sub-office in Rodrigues, where loan applications are collected for onward processing in Mauritius.

As regards to its loan activities, the Association deals with public sector employees based on the principle of mutuality. Regarding deposit taking activities, the Association mobilizes fund from the general public as well as from institutional investors.

Revenue Growth and Profitability

Notwithstanding the pressure on margins, the Mutual Aid Association is continuing to offer competitive interest rates for both its loan and deposit products. A net interest income of Rs 509m was generated for the quarter ended December 2022. As regards to profit before tax, the Association achieved a performance of Rs 374m. Revenue growth has been impacted with the low yield on High Quality Liquid Assets and low growth in loan portfolio.

Cost Control

The Association continued to maintain a relatively low cost to income ratio. For the quarter ended December 2022, the cost to income ratio stood at about 17%, thus testifying in a real way the high level of operational efficiency achieved.

Credit Quality

Loans and advances are granted solely to public sector employees and pensioners. During the period under review, net loans and advances stood at Rs 34.43bn.

The Association has adopted the IFRS 9 model and an amount of Rs 738m has been recognized in the statements of financial position as regards to Expected Credit Loss. There has been a charge of Rs 85m for the period ended December 2022.

Liquidity Management

Cash and cash equivalents, HQLAs, and placements with banks and non-banks financial institutions have been undertaken to meet the minimum requirement of 10% investment in liquid assets. As at end of December 2022, the ratio stood comfortably at about 27.94% which is in line with the liquidity risk management strategy of the Association.

The Association maintained cash and cash equivalents to the tune of Rs 1.3bn as at end of December 2022. Placements made by the Mutual Aid Association in other financial institutions stood at Rs 500.6m as at end of December 2022.

During the period under review, the Association invested in treasury bills and notes in order to create a pool of High-Quality Liquid Assets (HQLAs). Investment in HQLAs stood at Rs 3.9bn as at end of December 2022 compared to Rs 3.3bn for the same period last year.

Capital Structure and Capital Adequacy Ratio (CAR)

According to the Guidelines on Capital Adequacy Ratio for Non-Bank Deposit Taking Institutions (NBDTIs), the Association shall be required to risk weight the credit risks which form part of its balance sheet assets and shall maintain a capital adequacy ratio of 10 per cent.

The total Tier 1 and Tier 2 capital of the Association was to the tune of Rs 13.9bn as at December 2022. The weighted amount of on-balance sheet assets was Rs 18.9bn for the period. Consequently, the CAR of the Association stood at about 74% thus confirming once more the financial soundness of the Association.

Deposits from customers

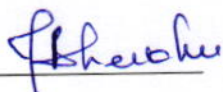
The total deposits as at end of December 2022 stood at Rs 21.1bn thus showing the high level of trust placed in the Association by its depositors.

Funds

The Funds consist of the Guarantee Benevolent Scheme (GBS), Mutual Solidarity Contribution (MSC) and Retirement Savings Scheme (RSS). The Funds stood at Rs 3.7bn as at end of December 2022.

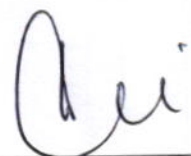
Shareholders' equity

Shareholders' equity stood at Rs 15.2bn as at end of December 2022 compared to Rs 13.9bn for the same period last year.



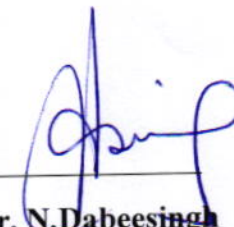
Mr. M. Bheekhee

Director



Mr. J.B. Dorasami

Director



Mr. N. Dabeesingh

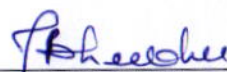
Chief Executive Officer

11 February 2023

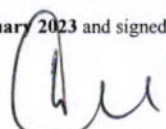
THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF FINANCIAL POSITION - AS AT DECEMBER 31, 2022

	THE GROUP			THE COMPANY		
	As at December 2022	As at December 2021	Year End June 2022	As at December 2022	As at December 2021	Year End June 2022
	Unaudited Rs.	Unaudited Rs.	Audited Rs.	Unaudited Rs.	Unaudited Rs.	Audited Rs.
ASSETS						
Cash and cash equivalents	1,287,309,442	1,199,049,376	890,129,031	1,251,441,557	1,165,357,327	861,808,341
Loans and advances to members	34,429,091,928	33,734,185,914	34,424,011,771	34,429,091,928	33,734,185,914	34,424,011,771
Placements with bank and non-bank financial institutions	500,631,959	1,472,553,232	279,172,536	500,631,959	1,472,553,232	279,172,536
Financial assets at amortised cost	3,948,337,368	3,250,376,651	3,949,183,711	3,948,337,368	3,250,376,651	3,949,183,711
Financial assets at fair value through profit or loss	165,226,422	110,984,882	120,320,632	165,226,422	110,984,882	120,320,632
Investment in subsidiary	-	-	-	433,802,000	433,802,000	433,802,000
Property, equipment and right of use assets	236,450,280	292,910,082	250,945,460	101,325,926	144,657,950	114,340,363
Intangible assets	15,575,048	29,375,610	23,107,240	15,518,037	29,205,395	22,993,002
Investment in associates	88,312,235	98,113,487	88,312,486	88,312,235	98,113,487	88,312,486
Investment properties	531,569,418	624,188,730	531,569,418	248,105,939	368,128,886	248,105,939
Deferred tax assets	113,297,000	163,483,447	113,297,000	125,702,797	174,681,797	125,702,797
Other assets	452,703,657	80,122,848	78,284,704	448,660,525	74,674,318	74,855,135
Total assets	41,768,504,755	41,055,344,259	40,748,333,989	41,756,156,692	41,056,721,839	40,742,608,713
LIABILITIES						
Deposits from customers	21,137,255,398	23,374,282,341	22,204,786,515	21,137,255,398	23,374,282,341	22,204,786,515
Interest bearing loans	1,500,000,000	-	-	1,500,000,000	-	-
Current tax liabilities	51,551,784	120,283,049	66,523,840	50,460,301	119,681,785	66,525,766
Funds	3,732,951,250	3,523,446,381	3,661,523,312	3,732,951,250	3,523,446,381	3,661,523,312
Pension benefit obligations	47,562,000	46,648,000	47,562,000	47,562,000	46,648,000	47,562,000
Other liabilities	125,264,238	98,429,788	239,778,626	121,791,594	105,514,683	235,952,127
Total liabilities	26,594,584,670	27,163,089,559	26,220,174,293	26,590,020,543	27,169,573,190	26,216,349,720
Shareholders' equity						
Share capital	226,929,000	226,505,100	226,728,300	226,929,000	226,505,100	226,728,300
Retained earnings	14,632,145,648	13,308,949,048	13,892,877,375	14,627,842,563	13,307,323,849	13,894,457,524
Revaluation reserves	3,480,852	3,480,852	3,480,852	-	-	-
Statutory reserve	226,728,300	226,272,600	226,728,300	226,728,300	226,272,600	226,728,300
Actuarial reserves	(148,735,814)	(158,300,814)	(148,735,814)	(148,735,814)	(158,300,814)	(148,735,814)
Other reserves	233,372,099	285,347,914	327,080,682	233,372,099	285,347,914	327,080,682
Total equity	15,173,920,085	13,892,254,700	14,528,159,695	15,166,136,148	13,887,148,649	14,526,258,992
Total equity and liabilities	41,768,504,755	41,055,344,259	40,748,333,989	41,756,156,692	41,056,721,839	40,742,608,713

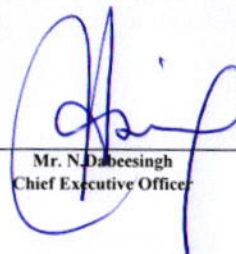
These financial statements have been approved for issue on **11 February 2023** and signed on its behalf by:



Mr. M. Bheekhee
Director



Mr. J.B. Dorasami
Director



Mr. N. Dabeesingh
Chief Executive Officer

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2022

	THE GROUP					THE COMPANY				
	Quarter 31-Dec-2022	Quarter 31-Dec-2021	6 Months to 31-Dec-2022	6 Months to 31-Dec-2021	Year - End 30-Jun-2022	Quarter 31-Dec-2022	Quarter 31-Dec-2021	6 Months to 31-Dec-2022	6 Months to 31-Dec-2021	Year - End 30-Jun-2022
	Unaudited Rs.	Unaudited Rs.	Unaudited Rs.	Unaudited Rs.	Audited Rs.	Unaudited Rs.	Unaudited Rs.	Unaudited Rs.	Unaudited Rs.	Audited Rs.
Interest income calculated using effective interest rate method	800,594,803	638,146,697	1,474,204,779	1,276,842,145	2,546,016,456	800,594,803	638,146,697	1,474,204,779	1,276,842,145	2,546,016,456
Interest expense	(291,187,616)	(180,586,382)	(469,271,972)	(368,738,265)	(713,034,862)	(291,187,616)	(180,586,382)	(469,271,972)	(368,738,265)	(713,034,862)
Net interest income	509,407,187	457,560,315	1,004,932,808	908,103,880	1,832,981,593	509,407,187	457,560,315	1,004,932,808	908,103,880	1,832,981,593
Other income	3,619,146	1,871,696	7,745,076	5,598,079	10,918,883	4,053,929	2,306,479	8,832,032	6,685,035	13,526,576
Rental income	4,641,413	4,082,092	9,660,134	11,137,259	15,255,844	-	-	-	-	-
Operating income	517,667,746	463,514,103	1,022,338,017	924,839,218	1,859,156,320	513,461,116	459,866,794	1,013,764,840	914,788,915	1,846,508,169
Net release/(credit loss allowance) on financial assets	(47,923,302)	101,261,302	(84,901,497)	104,813,543	319,734,381	(47,923,302)	101,261,302	(84,901,497)	104,813,543	319,734,000
Personnel expenses	(48,156,824)	(39,161,121)	(77,318,855)	(62,791,331)	(132,830,971)	(48,156,824)	(39,161,121)	(77,318,855)	(62,791,331)	(132,830,971)
Depreciation and amortisation	(9,245,592)	(12,447,920)	(18,749,874)	(21,191,447)	(46,479,250)	(8,468,073)	(13,683,930)	(17,213,703)	(24,779,568)	(43,406,907)
Other expenses	(30,933,535)	(19,374,584)	(57,543,400)	(39,365,017)	(102,571,577)	(29,756,553)	(19,785,212)	(57,485,409)	(40,140,920)	(98,176,176)
Impairment on property, plant and equipment	-	-	-	-	(26,370,346)	-	-	-	-	(26,370,346)
Fair value adjustments of funds	-	-	-	-	(39,300,000)	-	-	-	-	(39,300,000)
Fair value gain/(loss) on investment properties	-	-	-	-	(121,669,312)	-	-	-	-	(128,268,245)
Fair value gain/(loss) on financial assets at fair value through profit or loss	(7,725,739)	2,794,231	(7,063,742)	8,636,013	9,580,273	(7,725,739)	2,794,231	(7,063,742)	8,636,013	9,580,273
Share of profit/(loss) of associate	-	-	-	-	(9,801,000)	-	-	-	-	(9,801,000)
	(143,984,992)	33,071,908	(245,577,368)	(9,898,239)	(149,707,802)	(142,030,491)	31,425,270	(243,983,206)	(14,262,262)	(148,839,373)
Profit before income tax	373,682,754	496,586,012	776,760,649	914,940,979	1,709,448,519	371,430,625	491,292,064	769,781,633	900,526,652	1,697,668,796
Income tax expense	(64,748,346)	(98,276,874)	(131,197,336)	(166,763,013)	(289,914,195)	(64,387,248)	(96,850,214)	(130,103,926)	(165,336,353)	(287,901,195)
Profit for the period/year	308,934,408	398,309,138	645,563,313	748,177,966	1,419,535,324	307,043,376	394,441,850	639,677,707	735,190,300	1,409,767,601
Other comprehensive income:										
<i>Items that will not be reclassified to profit or loss:</i>										
Remeasurements of pension benefit obligations	-	-	-	-	11,524,000	-	-	-	-	11,524,000
Income tax relating to components of other comprehensive income	-	-	-	-	(1,959,080)	-	-	-	-	(1,959,080)
Other comprehensive income/(loss)	-	-	-	-	9,564,920	-	-	-	-	9,564,920
Total comprehensive income/(loss) for the period/year	308,934,408	398,309,138	645,563,313	748,177,966	1,429,100,244	307,043,376	394,441,850	639,677,707	735,190,300	1,419,332,521

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF CHANGES IN EQUITY - PERIOD ENDED DECEMBER 31, 2022

THE GROUP	Share Capital	Statutory Reserve	Revaluation Reserve	Other Reserves	Actuarial Reserves	Retained Earnings	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2021	226,272,600	226,272,600	3,480,852	268,263,550	(158,300,734)	12,577,870,242	13,143,859,110
Issue of shares	455,700	-	-	-	-	-	455,700
Profit for the year	-	-	-	-	-	1,419,535,324	1,419,535,324
Other comprehensive income for the year	-	-	-	-	9,564,920	-	9,564,920
Total comprehensive income	-	-	-	-	9,564,920	1,419,535,324	1,429,100,244
Transfer made to reserves for the year	-	455,700	-	58,817,132	-	(59,272,832)	0
Dividend declared	-	-	-	-	-	(45,255,358)	(45,255,358)
Balance at June 30, 2022	226,728,300	226,728,300	3,480,852	327,080,682	(148,735,814)	13,892,877,375	14,528,159,696
Balance at July 1, 2022	226,728,300	226,728,300	3,480,852	327,080,682	(148,735,814)	13,892,877,375	14,528,159,695
Issue of shares	200,700	-	-	-	-	-	200,700
Profit for the period	-	-	-	-	-	645,563,313	645,563,313
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	645,563,313	645,563,313
Movement in respect for the period	-	-	-	(93,708,583)	-	93,704,960	(3,623)
Balance at December 31, 2022	226,929,000	226,728,300	3,480,852	233,372,099	(148,735,814)	14,632,145,648	15,173,920,085
THE COMPANY	Share Capital	Statutory Reserve	Revaluation Reserve	Other Reserves	Actuarial Reserves	Retained Earnings	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2021	226,272,600	226,272,600	-	268,263,550	(158,300,734)	12,589,218,113	13,151,726,129
Issue of shares	455,700	-	-	-	-	-	455,700
Profit for the year	-	-	-	-	-	1,409,767,601	1,409,767,601
Other comprehensive income for the year	-	-	-	-	9,564,920	-	9,564,920
Total comprehensive income	-	-	-	-	9,564,920	1,409,767,601	1,419,332,521
Transfer made to reserves for the year	-	455,700	-	58,817,132	-	(59,272,832)	-
Dividend declared	-	-	-	-	-	(45,255,358)	(45,255,358)
Balance at June 30, 2022	226,728,300	226,728,300	-	327,080,682	(148,735,814)	13,894,457,525	14,526,258,993
Balance at July 1, 2022	226,728,300	226,728,300	-	327,080,682	(148,735,814)	13,894,457,524	14,526,258,992
Issue of shares	200,700	-	-	-	-	-	200,700
Profit for the period	-	-	-	-	-	639,677,707	639,677,707
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	639,677,707	639,677,707
Movement in respect for the period	-	-	-	(93,708,583)	-	93,708,583	-
Balance at December 31, 2022	226,929,000	226,728,300	-	233,372,099	(148,735,814)	14,627,842,563	15,166,136,148

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF CASH FLOWS - AS AT DECEMBER 31, 2022

	THE GROUP			THE COMPANY		
	As at December 2022	As at December 2021	Year End June 2022	As at December 2022	As at December 2021	Year End June 2022
	Unaudited Rs.	Unaudited Rs.	Audited Rs.	Unaudited Rs.	Unaudited Rs.	Audited Rs.
Cash flows from operating activities						
Profit before income tax	776,760,649	914,940,979	1,709,447,519	769,781,633	900,526,652	1,697,668,796
Adjustments for:						
(Net release)/credit loss allowance on financial assets	84,901,497	(104,813,543)	(319,734,381)	84,901,497	(104,813,543)	(319,734,381)
Depreciation of property, equipment and right of use assets	11,856,581	14,092,443	32,377,402	10,375,838	17,737,167	29,418,263
Amortisation of intangible assets	6,894,661	7,099,002	14,102,848	6,837,865	7,042,400	13,989,644
Interest income	(1,474,204,779)	(1,276,842,145)	(2,546,016,456)	(1,474,204,779)	(1,276,842,145)	(2,546,016,456)
Interest expense	469,271,972	368,738,265	713,034,862	469,272,541	368,738,265	713,034,862
Pension expense	-	-	17,394,000	-	-	17,394,000
Share of loss of associate	-	-	9,801,000	-	-	9,801,000
Fair value (gain)/loss on investment properties	-	-	121,669,312	-	-	128,268,245
Impairment on property, plant and equipment	-	-	26,370,346	-	-	26,370,346
Interest expense on lease liabilities	687,222	337,617	1,660,000	687,222	337,617	1,713,376
Fair value (gain)/loss on financial assets at fair value through profit or loss	7,063,742	(8,636,013)	(9,580,273)	7,063,742	(8,636,013)	(9,580,273)
Realised (gain)/loss on disposal of financial assets at fair value through profit or loss	1,650	7,500	(46,680)	1,650	7,500	(46,680)
Lease adjustment	-	-	(2,899,000)	-	-	(2,899,000)
Translation (gain)/loss on revaluation of cash balance denominated in foreign currency	(985)	574	(2,543)	(985)	574	(2,543)
Fair value adjustments of funds	-	-	39,300,000	-	-	39,300,000
	(116,767,790)	(85,075,319)	(193,122,044)	(125,283,776)	(95,901,524)	(201,320,800)
Changes in operating assets and liabilities						
Decrease/(Increase) in loans and advances to members	(124,921,921)	(210,326,497)	(775,718,254)	(124,921,921)	(210,326,497)	(775,718,254)
Decrease/(increase) in other assets	(371,524,504)	(7,438,200)	(6,004,873)	(371,577,199)	(3,903,820)	(7,928,291)
(Decrease)/Increase in deposits from customers	(1,140,835,083)	(754,986,717)	(1,764,680,469)	(1,140,835,083)	(754,986,717)	(1,764,680,469)
(Decrease)/increase in other liabilities	(147,058,459)	(56,850,715)	12,403,000	(146,036,645)	(55,246,372)	26,712,722
Decrease in pension benefit obligation	-	-	(4,957,000)	-	-	(4,957,000)
(Decrease)/Increase in funds	108,360,314	138,611,786	302,371,183	108,360,314	138,611,786	302,371,183
	(1,792,747,444)	(976,065,664)	(2,429,708,457)	(1,800,294,311)	(981,753,143)	(2,425,520,909)
Interest received	1,488,431,866	1,278,301,133	2,621,122,578	1,488,431,539	1,278,301,459	2,621,122,578
Interest paid	(371,340,892)	(536,470,666)	(1,016,995,212)	(371,340,892)	(536,470,666)	(1,016,995,212)
Income tax paid	(146,168,392)	(129,741,532)	(258,442,000)	(146,168,392)	(129,741,532)	(258,442,000)
Net cash (used in)/generated from operating activities	(821,824,862)	(363,976,728)	(1,084,023,090)	(829,372,056)	(369,663,882)	(1,079,835,542)
Cash flows from investing activities						
Addition to placements with bank and non-bank financial institutions	(500,000,000)	-	-	(500,000,000)	-	-
Proceeds from matured placements with bank and non-bank financial institutions	250,000,000	550,000,000	1,675,000,000	250,000,000	550,000,000	1,675,000,000
Proceeds from matured financial assets at amortised costs and fair value through profit or loss	990,528,950	505,866,600	510,480,705	990,528,950	505,866,600	510,480,705
Addition to financial assets at amortised cost and at fair value through profit or loss	(1,052,900,132)	(1,278,763,242)	(1,992,898,857)	(1,052,900,132)	(1,278,763,242)	(1,992,898,957)
Purchase of property and equipment	(10,120)	(6,511,085)	(5,037,000)	(10,120)	(2,120,862)	(5,037,000)
Purchase of intangible assets	-	(70,524)	(168,000)	-	(70,525)	(168,000)
Purchase of investment property	-	(171,645)	-	-	-	-
Net cash generated from/(used in) investing activities	(312,381,302)	(229,649,896)	187,376,848	(312,381,302)	(225,088,029)	187,376,748
Cash flows from financing activities						
Proceeds from issuing shares	200,700	232,500	455,700	200,700	232,500	455,700
Increase in interest bearing loans	1,500,000,000	-	-	1,500,000,000	-	-
Payment of the principal portion of the lease liability	-	-	(6,032,500)	-	-	(5,973,874)
Dividend paid	31,184,890	30,560	(58,900)	31,184,890	30,560	(58,900)
Net cash used in financing activities	1,531,385,590	263,060	(5,635,700)	1,531,385,590	263,060	(5,577,074)
Net (decrease)/increase in cash and cash equivalents	397,179,426	(593,363,565)	(902,281,942)	389,632,232	(594,488,851)	(898,035,868)
Effect of foreign exchange rate changes	985	(574)	(2,543)	985	(574)	(2,543)
Cash and cash equivalents at beginning of period / year	890,129,030	1,792,413,515	1,792,413,515	861,808,341	1,759,846,752	1,759,846,752
Cash and cash equivalents at end of period / year	1,287,309,440	1,199,049,376	890,129,030	1,251,441,557	1,165,357,327	861,808,341