

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 2023.

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

The World Bank in its updated report of 24 September 2023, stated that despite its successful handling of the public health emergency, the pandemic's economic impact was severe, and the country's Gross Domestic Product (GDP) contracted by 14.6% in 2020, causing Mauritius to slide towards upper-middle income country status.

GDP growth rebounded by a relatively modest 3.5% in 2021 and accelerated to an estimated 8.3% in 2022, supported by a strong recovery in tourism despite headwinds from the war in Ukraine.

According to Statistics Mauritius, based on the latest information obtained, the GDP growth rate at market prices for 2023 is revised upward to 7.1% from 6.8% as forecasted in September 2023. Based on data available for the first nine months of 2023, the GVA growth rate at basic prices is reviewed to 7.0% from 6.7% as forecasted in September 2023.

Year-on-year (Y-o-y) inflation worked out to 3.9% in December 2023, compared to 12.2% in December 2022. Headline inflation for the 12-months ending December 2023 worked out to 7.0%, compared to 10.8% for the 12-months ending December 2022.

Financial Environment

During the period under review, the Bank of Mauritius maintained the Key Repo Rate at 4.50%. The weighted yield on 364-day Treasury Bills took the downward trend during the period. It has decreased from 4.82% in June 2023 to reach 4.09% in December 2023.

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 is offering interest rate as from 5.00% per annum whereas the highest interest rate on deposits is 4.85%.

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 556m was generated for the quarter ended December 2023. As regards to profit before tax, the Association achieved a performance of Rs 473m.

Cost Control

The Association continued to maintain a relatively low cost to income ratio. For the period ended December 2023, 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 36.1bn.

The Association has adopted the IFRS 9 model and an amount of Rs 744m has been recognized in the statements of financial position as regards to Expected Credit Loss. There has been a charge of Rs 31m for the period ended December 2023.

Liquidity Management

Cash and cash equivalents and HQLAs with banks have been undertaken to meet the minimum requirement of 10% investment in liquid assets. As at end of December 2023, the ratio stood comfortably at about 28% 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 1.5bn as at end of December 2023.

During the period under review, the Association invested in treasury bills/notes in order to create a pool of High-Quality Liquid Assets (HQLAs). Investment in HQLAs stood at Rs 3.5bn as at end of December 2023.

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 15.1bn as at December 2023. The weighted amount of on-balance sheet assets was Rs 20.0bn for the period. Consequently, the CAR of the Association stood at about 75% thus confirming once more the financial soundness of the Association.

Deposits from customers

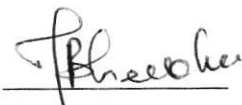
The total deposits as at end of December 2023 stood at Rs 18.7bn thus showing the high level of trust placed in the Association by its depositors.

Funds

The Funds consist of the Guarantee Benevolent Scheme (GBS), Mutual Solidarity Contribution (MSC) and Retirement Savings Scheme (RSS). The Funds stood at Rs 3.8bn as at end of December 2023.

Shareholders' equity

Shareholders' equity stood at Rs 16.6bn as at end of December 2023 compared to Rs 15.2bn for the same period last year.



Mr. M. Bheekhee

Chairperson



Mr. P. Ramjug

Director



Mr. N. Dabeesingh

Chief Executive Officer

12 February 2024

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF FINANCIAL POSITION - AS AT DECEMBER 31, 2023

	THE GROUP			THE COMPANY		
	As at December 2023 Unaudited Rs'000	As at December 2022 Unaudited Rs'000	Year End June 2023 Audited Rs'000	As at December 2023 Unaudited Rs'000	As at December 2022 Unaudited Rs'000	Year End June 2023 Audited Rs'000
ASSETS						
Cash and cash equivalents	1,524,650	1,287,309	1,049,252	1,478,402	1,251,442	1,008,858
Loans and advances to members	36,114,437	34,429,092	35,434,631	36,114,437	34,429,092	35,434,631
Placements with bank and non-bank financial institutions	-	500,632	507,138	-	500,632	507,138
Financial assets at amortised cost	3,535,263	3,948,337	3,952,383	3,535,263	3,948,337	3,952,383
Financial assets at fair value through profit or loss	213,902	165,226	203,946	213,902	165,226	203,946
Investment in subsidiary	-	-	-	433,802	433,802	433,802
Property, equipment and right of use assets	594,872	236,450	311,394	441,635	101,326	158,222
Intangible assets	7,825	15,575	10,353	5,875	15,518	10,352
Investment in associates	134,481	88,312	134,481	134,481	88,312	134,481
Investment properties	533,469	531,569	533,469	247,984	248,106	247,984
Deferred tax assets	95,127	113,297	95,611	112,271	125,703	112,271
Other assets	462,995	452,704	362,934	462,065	448,661	364,147
Total assets	43,217,021	41,768,505	42,595,592	43,180,116	41,756,157	42,568,215
LIABILITIES						
Deposits from customers	18,671,632	21,137,255	20,259,073	18,671,632	21,137,255	20,259,073
Interest bearing loans	3,792,573	1,500,000	2,368,652	3,792,573	1,500,000	2,368,652
Current tax liabilities	88,621	51,552	83,156	87,425	50,460	83,158
Funds	3,824,192	3,732,951	3,739,685	3,824,192	3,732,951	3,739,685
Pension benefit obligations	5,612	47,562	5,612	5,612	47,562	5,612
Other liabilities	198,504	125,264	246,052	197,600	121,792	242,454
Total liabilities	26,581,134	26,594,585	26,702,230	26,579,033	26,590,021	26,698,634
Shareholders' equity						
Share capital	227,454	226,929	227,196	227,453	226,929	227,196
Retained earnings	16,093,967	14,632,146	15,401,945	16,062,647	14,627,843	15,381,645
Revaluation reserve	3,481	3,481	3,481	-	-	-
Statutory reserve	227,197	226,728	227,196	227,196	226,728	227,196
Actuarial reserves	(136,258)	(148,736)	(136,259)	(136,259)	(148,736)	(136,259)
Other reserves	220,047	233,372	169,803	220,047	233,372	169,803
Total equity	16,635,888	15,173,920	15,893,362	16,601,083	15,166,136	15,869,581
Total equity and liabilities	43,217,021	41,768,505	42,595,592	43,180,116	41,756,157	42,568,215

These financial statements have been approved for issue on **12 February 2024** and signed on its behalf by:


 Mr. M. Bheekhee
 Chairperson


 Mr. P. Ramjug
 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, 2023

	THE GROUP					THE COMPANY				
	Quarter 31-Dec-2023	Quarter 31-Dec-2022	6 Months to 31-Dec-2023	6 Months to 31-Dec-2022	Year - End 30-Jun-2023	Quarter 31-Dec-2023	Quarter 31-Dec-2022	6 Months to 31-Dec-2023	6 Months to 31-Dec-2022	Year - End 30-Jun-2023
	Unaudited Rs'000	Unaudited Rs'000	Unaudited Rs'000	Unaudited Rs'000	Audited Rs'000	Unaudited Rs'000	Unaudited Rs'000	Unaudited Rs'000	Unaudited Rs'000	Audited Rs'000
Interest income using effective interest rate method	878,592	800,595	1,754,761	1,474,205	3,133,570	878,592	800,595	1,754,761	1,474,205	3,133,570
Interest expense	(322,553)	(291,188)	(652,020)	(469,272)	(1,115,861)	(322,553)	(291,188)	(652,020)	(469,272)	(1,115,861)
Net interest income	556,039	509,407	1,102,742	1,004,933	2,017,709	556,039	509,407	1,102,742	1,004,933	2,017,709
Other income	5,745	3,619	9,840	7,745	16,145	6,397	4,054	11,145	8,832	18,754
Rental income	3,872	4,641	12,508	9,660	18,563	-	-	-	-	-
Operating income	565,656	517,668	1,125,089	1,022,338	2,052,417	562,437	513,461	1,113,886	1,013,765	2,036,463
Net credit loss (expense)/release on financial assets	29,173	(47,923)	(31,246)	(84,901)	(90,211)	29,219	(47,923)	(31,246)	(84,901)	(90,166)
Personnel expenses	(53,988)	(48,157)	(85,928)	(77,319)	(151,791)	(53,988)	(48,157)	(85,928)	(77,319)	(151,791)
Depreciation and amortisation	(15,372)	(9,246)	(30,904)	(18,750)	(46,074)	(14,930)	(8,468)	(30,019)	(17,214)	(46,306)
Other expenses	(37,235)	(30,934)	(65,793)	(57,543)	(130,745)	(39,049)	(29,757)	(68,114)	(57,485)	(129,188)
Impairment reversal/(charge) on property, plant and equipment	-	-	-	-	317	-	-	-	-	317
Fair value adjustments of funds	-	-	-	-	82,200	-	-	-	-	82,200
Fair value gain/(loss) on investment properties	-	-	-	-	11,213	-	-	-	-	301
Fair value gain/(loss) on financial assets at fair value through profit or loss	(10,762)	(7,726)	5,277	(7,064)	(11,351)	(10,762)	(7,726)	5,277	(7,064)	(11,351)
Share of profit/(loss) of associate	-	-	-	-	(2,951)	-	-	-	-	(2,951)
	(88,185)	(143,985)	(208,595)	(245,577)	(339,393)	(89,510)	(142,030)	(210,031)	(243,983)	(348,934)
Profit before income tax	477,472	373,683	916,495	776,761	1,713,024	472,927	371,431	903,855	769,782	1,687,529
Income tax expense	(67,490)	(64,748)	(140,012)	(131,197)	(315,424)	(66,926)	(64,387)	(138,328)	(130,104)	(311,808)
Profit for the period/year	409,982	308,934	776,483	645,563	1,397,600	406,001	307,043	765,526	639,678	1,375,721
Other comprehensive income:										
<i>Items that will not be reclassified to profit or loss:</i>										
Remeasurements of pension benefit obligations	-	-	-	-	15,033	-	-	-	-	15,033
Income tax relating to components of other comprehensive income	-	-	-	-	(2,556)	-	-	-	-	(2,556)
Net other comprehensive income/(loss)	-	-	-	-	12,477	-	-	-	-	12,477
Total comprehensive income/(loss) for the period/year	409,982	308,934	776,483	645,563	1,410,077	406,001	307,043	765,526	639,678	1,388,198

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF CHANGES IN EQUITY - PERIOD ENDED DECEMBER 31, 2023

THE GROUP	Share Capital	Statutory Reserve	Revaluation Reserve	Other Reserves	Actuarial Reserves	Retained Earnings	Total Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at July 1, 2022	226,728	226,728	3,481	327,081	(148,736)	13,892,879	14,528,160
Issue of shares	468	-	-	-	-	-	468
Profit for the year	-	-	-	-	-	1,397,600	1,397,600
Other comprehensive income for the year	-	-	-	-	12,477	-	12,477
Total comprehensive income	-	-	-	-	12,477	1,397,600	1,410,077
Transfer made to reserves for the year	-	468	-	(157,278)	-	156,810	-
Dividend declared	-	-	-	-	-	(45,344)	(45,344)
Balance at June 30, 2023	227,196	227,196	3,481	169,803	(136,259)	15,401,945	15,893,362
Balance at July 1, 2023	227,196	227,196	3,481	169,803	(136,259)	15,401,945	15,893,362
Issue of shares	258	-	-	-	-	-	258
Profit for the period	-	-	-	-	-	776,483	776,483
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	776,483	776,483
Movement in respect for the period	-	-	-	50,244	-	(84,460)	(34,216)
Balance at December 31, 2023	227,454	227,196	3,481	220,047	(136,259)	16,093,967	16,635,887

THE COMPANY	Share Capital	Statutory Reserve	Revaluation Reserve	Other Reserves	Actuarial Reserves	Retained Earnings	Total Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at July 1, 2022	226,728	226,728	-	327,081	(148,736)	13,894,458	14,526,259
Issue of shares	468	-	-	-	-	-	468
Profit for the year	-	-	-	-	-	1,375,721	1,375,721
Other comprehensive income for the year	-	-	-	-	12,477	-	12,477
Total comprehensive income	-	-	-	-	12,477	1,375,721	1,388,199
Transfer made to reserves for the year	-	468	-	(157,278)	-	156,809	-
Dividend declared	-	-	-	-	-	(45,343)	(45,343)
Balance at June 30, 2023	227,196	227,196	-	169,803	(136,259)	15,381,645	15,869,582
Balance at July 1, 2023	227,196	227,196	-	169,803	(136,259)	15,381,645	15,869,581
Issue of shares	258	-	-	-	-	-	258
Profit for the period	-	-	-	-	-	765,526	765,526
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	765,526	765,526
Movement in respect for the period	-	-	-	50,244	-	(84,525)	(34,281)
Balance at December 31, 2023	227,453	227,196	-	220,047	(136,259)	16,062,647	16,601,083

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF CASH FLOWS - AS AT DECEMBER 31, 2023

	THE GROUP			THE COMPANY		
	As at December 2023	As at December 2022	Year End June 2023	As at December 2023	As at December 2022	Year End June 2023
	Unaudited Rs'000	Unaudited Rs'000	Audited Rs'000	Unaudited Rs'000	Unaudited Rs'000	Audited Rs'000
Cash flows from operating activities						
Profit before income tax	916,495	776,761	1,713,024	903,855	769,782	1,687,529
Adjustments for:						
(Net release)/credit loss allowance on financial assets	31,246	84,901	90,211	31,246	84,901	90,166
Depreciation of property, equipment and right of use assets	26,477	11,857	32,018	25,592	10,376	32,364
Amortisation of intangible assets	4,428	6,895	14,056	4,428	6,838	13,942
Interest income	(1,754,761)	(1,474,205)	(3,133,570)	(1,754,761)	(1,474,205)	(3,133,570)
Interest expense	652,020	469,272	1,186,711	652,020	469,273	1,186,711
Pension expense	-	-	(26,917)	-	-	(26,917)
Share of loss of associate	-	-	2,951	-	-	2,951
Fair value (gain)/loss on investment properties	-	-	(301)	-	-	(301)
Impairment on property, plant and equipment	-	-	(317)	-	-	(317)
Interest expense on lease liabilities	-	687	1,376	-	687	1,372
Fair value (gain)/loss on financial assets at fair value through profit or loss	(5,273)	7,064	11,351	(5,273)	7,064	11,351
Realised (gain)/loss on disposal of financial assets at fair value through profit or loss	8,100	2	1,650	8,100	2	1,650
Translation (gain)/loss on revaluation of cash balance denominated in foreign currency	(14)	(1)	2	(14)	(1)	2
Fair value adjustments of funds	-	-	(82,200)	-	-	(82,200)
	(129,376)	(116,768)	(189,955)	(142,901)	(125,284)	(215,268)
Changes in operating assets and liabilities						
(Increase)/Decrease in loans and advances to members	(779,875)	(124,922)	(1,221,472)	(779,875)	(124,922)	(1,221,472)
(Increase)/Decrease in other assets	(101,242)	(371,525)	(290,505)	(99,132)	(371,577)	(289,292)
(Decrease)/Increase in deposits from customers	(1,603,971)	(1,140,835)	(1,983,036)	(1,603,971)	(1,140,835)	(1,983,036)
(Decrease)/Increase in other liabilities	(16,705)	(147,058)	(13,101)	(14,007)	(146,037)	(8,867)
Increase/(Decrease) in funds	132,110	108,360	182,723	132,110	108,360	182,723
	(2,499,059)	(1,792,747)	(3,515,346)	(2,507,777)	(1,800,294)	(3,535,212)
Interest received	1,736,846	1,488,432	3,142,043	1,736,846	1,488,432	3,142,043
Interest paid	(594,082)	(371,341)	(966,597)	(594,082)	(371,341)	(966,597)
Income tax paid	(168,343)	(146,168)	(284,297)	(168,343)	(146,168)	(284,297)
Net cash (used in)/generated from operating activities	(1,524,638)	(821,825)	(1,624,197)	(1,533,356)	(829,372)	(1,644,062)
Cash flows from investing activities						
Addition to placements with bank and non-bank financial institutions	-	(500,000)	(500,000)	-	(500,000)	(500,000)
Proceeds from matured placements with bank and non-bank financial institutions	500,000	250,000	250,000	500,000	250,000	250,000
Proceeds from matured financial assets at amortised costs and fair value through profit or loss	1,500,688	990,529	991,365	1,500,688	990,529	991,365
Addition to financial assets at amortised cost and at fair value through profit or loss	(1,082,180)	(1,052,900)	(1,098,044)	(1,082,180)	(1,052,900)	(1,098,045)
Purchase of property and equipment	(309,919)	(10)	(80,895)	(307,055)	(10)	(75,505)
Acquisition of investment in associate	-	-	(49,120)	-	-	(49,120)
Purchase of investment property	-	-	(1,945)	-	-	-
Purchase of intangible assets	(1,899)	-	0	(1,899)	-	-
Net cash generated from/(used in) investing activities	606,690	(312,381)	(488,639)	609,554	(312,381)	(481,305)
Cash flows from financing activities						
Proceeds from issuing shares	258	201	468	258	201	468
Increase in interest bearing loans	1,423,921	1,500,000	2,500,000	1,423,921	1,500,000	2,500,000
Repayment of loans	-	-	(195,369)	-	-	(195,369)
Payment of the principal portion of the lease liability	-	-	(1,837)	-	-	(1,767)
Dividend paid	(30,847)	31,185	(31,348)	(30,847)	31,185	(31,348)
Net cash generated from/(used in) financing activities	1,393,332	1,531,386	2,271,915	1,393,332	1,531,386	2,271,984
Net increase/(decrease) in cash and cash equivalents	475,384	397,179	159,079	469,529	389,632	146,617
Effect of foreign exchange rate changes	14	1	(2)	14	1	(2)
ECL arising on Cash and Cash Equivalents	-	-	46	-	-	435
Cash and cash equivalents at beginning of period / year	1,049,252	890,129	890,129	1,008,858	861,808	861,808
Cash and cash equivalents at end of period / year	1,524,650	1,287,309	1,049,252	1,478,402	1,251,442	1,008,858