

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

The Mauritius Civil Service Mutual Aid Association Ltd is pleased to present its unaudited interim financial reports for the 9 months ended 31 March 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 April 2022, real GDP grew by an estimated 3.9% in 2021, although subsequent COVID-19 waves dampened growth and output remains below pre-pandemic levels. A successful Covid-19 vaccination campaign resulting in 76 percent of the population being fully vaccinated by end-February 2022 has been a cornerstone of recovery.

However, a large output gap remains in tourism, where arrivals decreased by 41.8 percent in 2021 compared to 2020. Even after full reopening of borders since October 1, monthly arrivals hovered below 50 percent of pre-pandemic figures. As imports grew faster than exports in 2021, the trade deficit widened by 39.4%, but the current account deficit still narrowed from 12.5 to 11.1% of GDP, aided by net income inflows. Headline inflation rose to 4% in 2021 from 2.5% in 2020, driven by external supply shocks resulting in higher freight, energy, and food prices.

According to Statistics Mauritius, based on information gathered on key sectors of the economy, performance observed in the first nine months of 2021 and available indicators for the last quarter of 2021, both GDP at market prices and GVA at basic prices would grow by 4.8% in 2021 instead of 5.4% as forecasted in June 2021. Year-on-year (Y-o-y) inflation worked out to 10.7% in March 2022, compared to 1.0% in March 2021. Headline inflation for the 12-months ending March 2022 worked out to 6.0%, compared to 2.2% for the 12-months ending March 2021

Financial Environment

The Bank of Mauritius raised the Key Repo Rate by 15 basis points to 2% from the historical low of 1.85% where it had been since April 2020, representing its first hike since June 2011. The weighted yield on 364-day Treasury Bills took the upward trend during the period under review. It has increased from 0.45% in March 2021 to reach 0.90% in March 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 quarter under review. Furthermore, the interest rate on Retirement Savings Scheme is 2.40% and the average savings rate in the market is about 0.25%. As far as loans and advances are concerned, the Association is offering interest rate starting from 4.30% per annum whereas the highest interest rate on deposits is 3.45%.

Furthermore, the Association deals mainly with public sector employees. Consequently, 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 actual economic indicators.

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 exclusively 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 455.6m was generated for the quarter ended March 2022. As regards to profit before tax, the Association achieved a performance of Rs 415.7m. Revenue growth has been impacted with the low yield on High Quality Liquid Assets and low growth in loan portfolio.

Cost Control

The Association continues to maintain a relatively low cost to income ratio. For the quarter ended March 2022, the cost to income ratio stood at about 16%, 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 33.8bn.

The Association has adopted the IFRS 9 model and an amount of Rs 970.5m has been recognized in the statements of financial position as regards to Expected Credit Loss. However, there has been a released of Rs 129.7m for the 9 months compared to a charge of Rs 163.3m for the same period of last year.

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 March 2022, the ratio stood comfortably at 25% which is in line with the liquidity risk management strategy of the Association.

The Association maintained cash and cash equivalents to the tune of Rs1.4bn as at end of March 2022. Placements made by the Mutual Aid Association in other financial institutions stood at Rs 275.9m at the end of March 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 4.0bn as at end of March 2022 compared to Rs 2.2bn of same period of last year.

Capital Structure and Capital Adequacy Ratio (CAR)

The total Tier 1 and Tier 2 capital of the Association (The Company) was to the tune of Rs 12.5bn for the quarter ended March 2022. The weighted amount of on-balance sheet assets was Rs 18.4bn for the same period. Consequently, the CAR of the Association has increased to about 68% thus confirming once more the financial soundness of the Association.

Deposits from customers

The total deposits as at March 2022 stood at Rs 22.8bn 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. 3.5bn as at March 31, 2022.

Shareholders' equity

Shareholders' equity stood at Rs 14.2bn as at end of March 2022 compared to Rs 12.5bn as at end of March 2021.



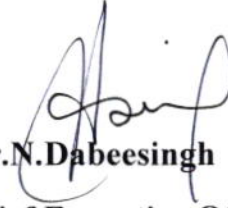
Mr. M. Bheekhee

Director



Mr. J. B. Dorasami

Director



Mr. N. Dabeesingh

Chief Executive Officer

11 May 2022

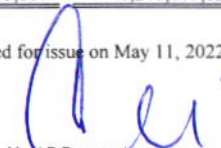
THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF FINANCIAL POSITION - AS AT MARCH 31, 2022

	THE GROUP			THE COMPANY		
	As at March 2022	As at March 2021	Year End June 2021	As at March 2022	As at March 2021	Year End June 2021
	Unaudited Rs.	Unaudited Rs.	Audited Rs.	Unaudited Rs.	Unaudited Rs.	Audited Rs.
ASSETS						
Cash and cash equivalents	1,433,758,300	938,749,098	1,792,413,515	1,401,260,506	911,336,373	1,759,846,752
Loans and advances to members	33,752,686,222	33,724,805,655	33,542,882,606	33,752,686,222	33,724,805,655	33,542,882,605
Placements with bank and non-bank financial institutions	275,864,068	2,540,814,241	2,026,097,577	275,864,068	2,540,814,241	2,026,097,577
Financial assets at amortised cost	3,956,158,218	2,202,025,767	2,506,017,004	3,956,158,218	2,202,025,767	2,506,017,330
Financial assets at fair value through profit or loss	123,312,599	62,229,156	77,474,727	123,312,599	62,229,156	77,474,727
Investment in subsidiary	-	-	-	433,802,000	433,802,000	433,802,000
Property, equipment and right of use assets	285,539,852	726,859,803	300,491,440	159,613,937	112,811,532	160,274,255
Intangible assets	25,995,101	40,006,322	36,404,088	25,843,754	39,855,608	36,177,271
Investment in Associates	98,113,487	99,975,000	98,113,487	98,113,487	99,975,000	98,113,487
Investment properties	623,931,260	247,288,258	624,017,085	368,128,886	-	368,128,886
Deferred tax assets	163,483,447	30,664,022	163,483,446	174,681,797	39,080,868	174,681,797
Other assets	88,299,285	23,717,685	72,684,648	71,769,822	499,455,266	70,770,498
Total assets	40,827,141,838	40,637,135,007	41,240,079,621	40,841,235,296	40,666,191,466	41,254,267,185
LIABILITIES						
Deposits from customers	22,781,775,145	24,446,331,403	24,320,766,601	22,781,775,145	24,446,331,403	24,320,766,601
Current tax liabilities	140,802,327	58,509,361	83,279,106	139,405,915	56,759,646	84,086,964
Funds	3,536,819,471	3,424,805,120	3,490,646,894	3,536,819,471	3,424,805,120	3,490,646,893
Pension benefit obligations	46,648,000	139,994,000	46,648,000	46,648,000	139,994,000	46,648,000
Other liabilities	98,407,966	103,889,695	154,879,115	117,732,052	116,427,469	160,392,878
Total liabilities	26,604,452,908	28,173,529,580	28,096,219,716	26,622,380,583	28,184,317,639	28,102,541,335
Shareholders' equity						
Share capital	226,606,800	226,140,900	226,272,600	226,606,800	226,140,900	226,272,600
Retained earnings	13,584,223,354	11,675,223,856	12,577,870,648	13,583,869,989	11,696,973,109	12,589,217,913
Revaluation reserves	3,480,852	3,480,852	3,480,852	-	-	-
Statutory reserve	226,272,600	225,529,500	226,272,600	226,272,600	225,529,500	226,272,600
Actuarial reserves	(158,300,814)	(242,627,154)	(158,300,814)	(158,300,814)	(242,627,154)	(158,300,814)
Other reserves	340,406,138	575,857,473	268,263,550	340,406,138	575,857,473	268,263,550
Total equity	14,222,688,930	12,463,605,427	13,143,859,436	14,218,854,713	12,481,873,827	13,151,725,850
Total equity and liabilities	40,827,141,838	40,637,135,007	41,240,079,621	40,841,235,296	40,666,191,466	41,254,267,185

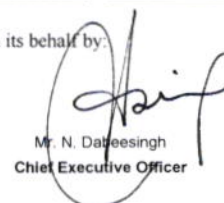
These financial statements have been approved for issue on May 11, 2022 and signed on its behalf by:



Mr. M. Bheekhee
Director



Mr. J. B. Dorasami
Director



Mr. N. Dabeeasingh
Chief Executive Officer

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

	THE GROUP					THE COMPANY				
	Quarter 31-Mar-2022	Quarter 31-Mar-2021	9 Months to 31-Mar-2022	9 Months to 31-Mar-2021	Year - End 30-Jun-2021	Quarter 31-Mar-2022	Quarter 31-Mar-2021	9 Months to 31-Mar-2022	9 Months to 31-Mar-2021	Year - End 30-Jun-2021
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest income using effective interest rate	628,364,810	630,046,423	1,905,206,955	1,933,735,508	2,562,939,929	628,364,810	630,046,423	1,905,206,955	1,933,735,508	2,562,939,929
Interest expense	(172,715,485)	(193,186,041)	(541,453,750)	(596,652,609)	(790,601,006)	(172,715,485)	(193,186,041)	(541,453,750)	(596,652,609)	(790,601,006)
Net interest income	455,649,325	436,860,382	1,363,753,205	1,337,082,899	1,772,338,923	455,649,325	436,860,382	1,363,753,205	1,337,082,899	1,772,338,923
Other income	1,619,967	862,400	7,217,143	5,324,235	7,794,678	2,272,141	1,514,574	8,956,274	7,280,756	10,501,200
Rental income	4,433,546	4,166,521	15,570,805	15,751,670	17,248,131	-	-	-	-	-
Other gains	2,215	1,541	3,118	1,541	5,240	2,215	1,541	3,118	1,541	5,240
Operating income	461,705,053	441,890,844	1,386,544,271	1,358,160,344	1,797,386,971	457,923,681	438,376,497	1,372,712,596	1,344,365,197	1,782,845,362
Net release/(credit loss allowance) on financial assets	24,881,470	(216,568,634)	129,695,013	(163,321,708)	4,204,836	24,881,470	(216,568,634)	129,695,013	(163,321,708)	4,204,837
Personnel expenses	(35,212,941)	(24,832,826)	(98,004,272)	(81,862,463)	(121,255,597)	(35,212,941)	(24,832,826)	(98,004,272)	(81,862,463)	(121,255,597)
Depreciation and amortisation	(15,573,103)	(6,645,550)	(36,764,550)	(30,093,386)	(41,288,592)	(15,335,791)	(9,239,066)	(40,115,358)	(34,706,408)	(50,549,842)
Other expenses	(25,074,913)	(32,505,496)	(64,439,930)	(93,313,853)	(124,760,590)	(21,036,629)	(30,607,544)	(61,177,549)	(86,251,393)	(114,342,084)
Fair value adjustments of funds	-	-	-	-	(17,700,000)	-	-	-	-	(17,700,000)
Fair value gain/(loss) on investment properties	-	-	-	-	8,589,793	-	-	-	-	-
Fair value gain/(loss) on financial assets at fair value through profit or loss	4,974,027	(642,596)	13,610,040	(131,594)	12,095,227	4,974,027	(642,596)	13,610,040	(131,594)	12,095,227
Share of profit/(loss) of associate	-	-	-	-	(1,861,513)	-	-	-	-	(1,861,513)
	(46,005,460)	(281,195,102)	(55,903,698)	(368,723,004)	(281,978,437)	(41,729,864)	(281,890,666)	(55,992,126)	(366,273,567)	(289,409,972)
Profit before income tax	415,699,594	160,695,742	1,330,640,573	989,437,341	1,515,408,534	416,193,817	156,485,831	1,316,720,470	978,091,630	1,493,435,390
Income tax expense	(55,172,101)	(56,562,965)	(221,935,114)	(177,509,213)	(107,684,437)	(54,394,491)	(55,816,194)	(219,730,844)	(174,951,639)	(104,902,418)
Profit/(Loss) for the period/year	360,527,493	104,132,778	1,108,705,459	811,928,128	1,407,724,098	361,799,326	100,669,637	1,096,989,627	803,139,990	1,388,532,972
Other comprehensive income:										
<i>Items that will not be reclassified to profit or loss:</i>										
Remeasurements of pension benefit obligations	-	-	-	-	101,598,000	-	-	-	-	101,598,000
Income tax relating to components of other comprehensive income	-	-	-	-	(17,271,660)	-	-	-	-	(17,271,660)
Net other comprehensive income/(loss)	-	-	-	-	84,326,340	-	-	-	-	84,326,340
Total comprehensive income/(loss) for the period/year	360,527,493	104,132,778	1,108,705,459	811,928,128	1,492,050,438	361,799,326	100,669,637	1,096,989,627	803,139,990	1,472,859,312

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF CHANGES IN EQUITY - PERIOD ENDED MARCH 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, 2020	225,529,500	225,529,500	3,480,852	356,741,048	(242,627,154)	11,082,412,152	11,651,065,898
Issue of shares	743,100	-	-	-	-	-	743,100
Profit for the period	-	-	-	-	-	1,407,724,098	1,407,724,098
Other comprehensive income for the year	-	-	-	-	84,326,340	-	84,326,340
Total comprehensive income	-	-	-	-	84,326,340	1,407,724,098	1,492,050,438
Transfer made to reserves for the year	-	743,100	-	(88,477,498)	-	87,734,398	-
Dividend declared	-	-	-	-	-	-	-
Balance at June 30, 2021	226,272,600	226,272,600	3,480,852	268,263,550	(158,300,814)	12,577,870,648	13,143,859,436
Balance at July 1, 2021	226,272,600	226,272,600	3,480,852	268,263,551	(158,300,814)	12,577,870,648	13,143,859,437
Issue of shares	334,200	-	-	-	-	-	334,200
Profit for the period	-	-	-	-	-	1,108,705,459	1,108,705,459
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	1,108,705,459	1,108,705,459
Movement in respect for the period	-	-	-	72,142,587	-	(102,352,754)	(30,210,167)
Balance at March 31, 2022	226,606,800	226,272,600	3,480,852	340,406,138	(158,300,814)	13,584,223,354	14,222,688,930

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, 2020	225,529,500	225,529,500	-	356,741,048	(242,627,154)	11,112,949,541	11,678,122,435
Issue of shares	743,100	-	-	-	-	-	743,100
Profit for the period	-	-	-	-	-	1,388,532,972	1,388,532,972
Other comprehensive income for the year	-	-	-	-	84,326,340	-	84,326,340
Total comprehensive income	-	-	-	-	84,326,340	1,388,532,972	1,472,859,312
Transfer made to reserves for the year	-	743,100	-	(88,477,498)	-	87,734,398	-
Dividend declared	-	-	-	-	-	-	-
Balance at June 30, 2021	226,272,600	226,272,600	-	268,263,550	(158,300,814)	12,589,216,911	13,151,724,847
Balance at July 1, 2021	226,272,600	226,272,600	-	268,263,550	(158,300,814)	12,589,217,911	13,151,725,848
Issue of shares	334,200	-	-	-	-	-	334,200
Profit for the period	-	-	-	-	-	1,096,989,627	1,096,989,627
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	1,096,989,627	1,096,989,627
Movement in respect for the period	-	-	-	72,142,588	-	(102,337,549)	(30,194,961)
Balance at March 31, 2022	226,606,800	226,272,600	-	340,406,138	(158,300,814)	13,583,869,989	14,218,854,713

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

	THE GROUP			THE COMPANY		
	As at March 2022	As at March 2021	Year End June 2021	As at March 2022	As at March 2021	Year End June 2021
	Unaudited Rs	Unaudited Rs	Audited Rs	Unaudited Rs	Unaudited Rs	Audited Rs
Cash flows from operating activities						
Profit before income tax	1,330,640,573	989,437,341	1,515,408,535	1,316,720,470	978,091,630	1,493,435,389
Adjustments for:						
Net release/(credit loss allowance) on financial assets	(129,695,013)	190,427,002	(4,204,836)	(129,695,013)	190,427,002	(4,204,836)
Depreciation of property, equipment and right of use assets	26,187,287	18,968,977	26,329,942	29,613,566	23,631,692	35,796,788
Derecognition of right of use assets	-	-	153,441	-	-	-
Amortisation of intangible assets	10,577,261	11,124,409	14,958,650	10,501,792	11,074,717	14,753,054
Interest income	(1,905,206,955)	(1,933,735,508)	(2,562,939,929)	(1,905,206,955)	(1,933,735,508)	(2,562,939,929)
Interest expense	541,453,750	596,652,609	790,601,006	541,453,750	596,652,609	790,601,006
Pension expense	-	-	18,575,000	-	-	18,575,000
Share of loss of associate	-	-	1,861,513	-	-	1,861,513
Fair value (gain)/loss on investment properties	-	-	(8,589,793)	-	-	-
Interest expense on lease liabilities	692,304	-	617,717	692,304	-	1,113,319
Fair value (gain)/loss on financial assets at fair value through profit or loss	(13,610,040)	(1,631,983)	(12,095,227)	(13,610,040)	(1,631,983)	(12,095,227)
Realised loss on disposal of financial assets at fair value through profit or loss	7,500	-	117,565	7,500	-	117,565
Translation (gain)/loss on revaluation of cash balance denominated in foreign currency	(2,790)	-	5,240	(2,790)	-	5,240
Fair value adjustments of funds	-	-	17,700,000	-	-	17,700,000
	(138,956,122)	(128,757,153)	(201,501,175)	(149,525,414)	(135,489,842)	(205,281,117)
Changes in operating assets and liabilities						
Decrease/(Increase) in loans and advances to members	(219,727,055)	(2,174,748,415)	(1,853,523,607)	(219,727,055)	(2,174,748,415)	(1,853,523,607)
Decrease/(increase) in other assets	(15,614,637)	(4,834,532)	(55,253,092)	(999,325)	(483,709,875)	(55,022,405)
(Decrease)/Increase in deposits from customers	(1,201,742,313)	(1,351,629,481)	(1,532,264,808)	(1,201,742,313)	(1,351,629,481)	(1,532,264,908)
(Decrease)/increase in other liabilities	(39,329,198)	(14,389,820)	36,976,310	(43,306,249)	(18,030,557)	39,402,736
Decrease in pension benefit obligation	-	-	(10,323,000)	-	-	(10,323,000)
(Decrease)/Increase in funds	151,755,223	249,517,919	325,101,915	151,755,223	249,517,919	325,101,915
	(1,463,614,102)	(3,424,841,482)	(3,290,787,457)	(1,463,545,133)	(3,914,090,251)	(3,291,910,387)
Interest received	1,978,049,475	1,897,306,807	2,563,062,157	1,978,049,475	1,897,306,807	2,563,061,657
Interest paid	(843,217,987)	(784,532,723)	(906,470,380)	(843,217,987)	(784,532,723)	(908,201,435)
Income tax refund	-	-	41,337,909	-	-	41,138,312
Income tax paid	(194,606,855)	(92,243,233)	(188,877,595)	(194,606,855)	(92,243,233)	(188,877,595)
Net cash (used in)/generated from operating activities	(523,389,469)	(2,404,310,631)	(1,781,735,366)	(523,320,500)	(2,893,559,399)	(1,784,789,448)
Cash flows from investing activities						
Proceeds from matured placements with bank and non-bank financial institutions	1,675,000,000	650,000,000	1,150,000,000	1,675,000,000	650,000,000	1,150,000,000
Proceeds from matured financial assets at amortised costs and fair value through profit or loss	506,426,600	3,473,773,265	4,159,426,441	506,426,600	3,473,773,265	4,159,426,041
Addition to financial assets at amortised cost and at fair value through profit or loss	(1,987,860,932)	(2,126,002,107)	(3,030,840,359)	(1,987,860,932)	(2,126,002,107)	(3,030,840,459)
Purchase of property and equipment	(28,953,249)	(509,150,920)	(89,654,754)	(28,953,249)	(30,439,074)	(89,424,983)
Purchase of intangible assets	(168,275)	(2,223,813)	(2,455,819)	(168,275)	(2,223,813)	(2,223,813)
Acquisition of investment in associate	-	-	(99,975,000)	-	-	(99,975,000)
Purchase of investment property	-	(118,497)	(368,257,530)	-	-	(368,128,886)
Net cash generated from/(used in) investing activities	164,444,144	1,486,277,929	1,718,242,979	164,444,144	1,965,108,272	1,718,832,900
Cash flows from financing activities						
Proceeds from issuing shares	334,200	611,400	743,100	334,200	611,400	743,100
Payment of the principal portion of the lease liability	-	-	(996,840)	-	-	(13,891,446)
Dividend paid	(46,880)	(107,420)	(111,500)	(46,880)	107,420	(111,500)
Net cash used in financing activities	287,320	503,980	(365,240)	287,320	718,820	(13,259,846)
Net (decrease)/increase in cash and cash equivalents	(358,658,005)	(917,528,723)	(63,857,628)	(358,589,036)	(927,732,307)	(79,216,393)
Effect of foreign exchange rate changes	2,790	-	(5,240)	2,790	-	(5,240)
Cash and cash equivalents at beginning of period / year	1,792,413,515	1,856,277,820	1,856,277,797	1,759,846,752	1,839,068,680	1,839,068,386
Cash and cash equivalents at end of period / year	1,433,758,300	938,749,098	1,792,413,515	1,401,260,506	911,336,373	1,759,846,752