

## **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 9 months ended 31 March 2024.

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 latest available report 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 8.9% in 2022, supported by a strong recovery in tourism despite headwinds from the war in Ukraine. GDP growth in the circa of 6.8% in 2023 as economic activities gradually return to normal.

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

Year-on-year (Y-o-y) inflation worked out to 4.9% in March 2024, compared to 9.1% in March 2023. Headline inflation for the 12-months ending March 2024 worked out to 5.8%, compared to 11.1% for the 12-months ending March 2023.

### **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 4.15% in March 2024.

### **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 557m was generated for the quarter ended March 2024. As regards to profit before tax, the Association achieved a performance of Rs 461m.

### **Cost Control**

The Association continued to maintain a relatively low cost to income ratio. For the period ended March 2024, 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 36.6bn.

The Association has adopted the IFRS 9 model and an amount of Rs 771m has been recognized in the statements of financial position as regards to Expected Credit Loss. There has been a charge of Rs 68m for the 9 months ended March 2024.

### **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 March 2024, the ratio stood comfortably at about 27% 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 1.1bn as at end of March 2024.

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 March 2024.

### **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 March 2024.

The weighted amount of on-balance sheet assets was Rs 19.9bn for the period. Consequently, the CAR of the Association stood at about 76% thus confirming once more the financial soundness of the Association.

### **Deposits from customers**

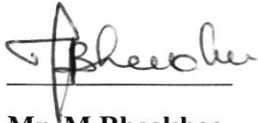
The total deposits as at end of March 2024 stood at Rs 18.1bn thus showing the high level of trust placed in the Association by its depositors.

### **Funds**

The Funds consist of the Guarantee Benevolent Scheme (GBS), Mutual Solidarity Contribution (MSC) and Retirement Savings Scheme (RSS). The Funds stood at Rs 3.9bn as at end of March 2024.

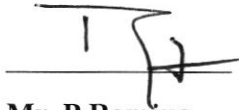
### **Shareholders' equity**

Shareholders' equity stood at Rs 17.0bn as at end of March 2024 compared to Rs 15.5bn for the same period last year.



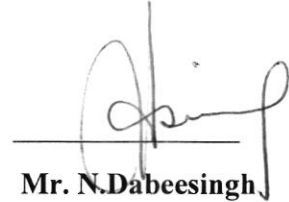
**Mr. M. Bheekhee**

**Chairperson**



**Mr. P. Ramjug**

**Director**



**Mr. N. Dabeesingh**

**Chief Executive Officer**

**Date: 14 May 2024**


**THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD**  
**STATEMENTS OF FINANCIAL POSITION - AS AT MARCH 31, 2024**

	THE GROUP			THE COMPANY		
	As at March 2024 Unaudited Rs'000	As at March 2023 Unaudited Rs'000	Year End June 2023 Audited Rs'000	As at March 2024 Unaudited Rs'000	As at March 2023 Unaudited Rs'000	Year End June 2023 Audited Rs'000
<b>ASSETS</b>						
Cash and cash equivalents	1,187,850	954,233	1,049,252	1,134,164	918,596	1,008,858
Loans and advances to members	36,619,197	34,858,880	35,434,631	36,619,197	34,858,880	35,434,631
Placements with bank and non-bank financial institutions	99,635	503,800	507,138	99,635	503,800	507,138
Financial assets at amortised cost	3,543,880	3,951,726	3,952,383	3,543,880	3,951,726	3,952,383
Financial assets at fair value through profit or loss	239,083	196,756	203,946	239,083	196,756	203,946
Investment in subsidiary	-	-	-	433,802	433,802	433,802
Property, equipment and right of use assets	607,945	235,557	311,394	452,630	101,173	158,222
Intangible assets	3,851	13,807	10,353	3,851	13,779	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	109,201	95,611	112,271	125,703	112,271
Other assets	95,568	315,496	362,934	95,913	309,487	364,147
<b>Total assets</b>	<b>43,160,088</b>	<b>41,759,338</b>	<b>42,595,592</b>	<b>43,116,892</b>	<b>41,750,119</b>	<b>42,568,215</b>
<b>LIABILITIES</b>						
Deposits from customers	18,098,347	20,593,731	20,259,073	18,098,347	20,593,731	20,259,073
Interest bearing loans	3,880,112	1,655,929	2,368,652	3,880,112	1,655,929	2,368,652
Current tax liabilities	90,918	78,148	83,156	88,780	80,467	83,158
Funds	3,864,319	3,762,623	3,739,685	3,864,319	3,762,623	3,739,685
Pension benefit obligations	5,612	7,862	5,612	5,612	7,862	5,612
Other liabilities	189,247	117,550	246,052	189,037	117,491	242,454
<b>Total liabilities</b>	<b>26,128,554</b>	<b>26,215,844</b>	<b>26,702,230</b>	<b>26,126,206</b>	<b>26,218,103</b>	<b>26,698,634</b>
<b>Shareholders' equity</b>						
Share capital	227,567	227,062	227,196	227,567	227,062	227,196
Retained earnings	16,519,344	15,010,804	15,401,945	16,481,976	15,002,807	15,381,645
Revaluation reserve	3,481	3,481	3,481	-	-	-
Statutory reserve	227,197	226,728	227,196	227,197	226,728	227,196
Actuarial reserves	(136,258)	(148,736)	(136,259)	(136,258)	(148,736)	(136,259)
Other reserves	190,205	224,155	169,803	190,205	224,155	169,803
<b>Total equity</b>	<b>17,031,534</b>	<b>15,543,494</b>	<b>15,893,362</b>	<b>16,990,686</b>	<b>15,532,017</b>	<b>15,869,581</b>
<b>Total equity and liabilities</b>	<b>43,160,088</b>	<b>41,759,338</b>	<b>42,595,592</b>	<b>43,116,892</b>	<b>41,750,119</b>	<b>42,568,215</b>

These financial statements have been approved for issue on 14 May 2024 and signed on its behalf by:

  
 Mr. M. Bheekhee  
 Chairperson

  
 Mr. P. Ramjog  
 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 MARCH 31, 2024**

	THE GROUP					THE COMPANY				
	Quarter 31-Mar-2024	Quarter 31-Mar-2023	9 Months to 31-Mar-2024	9 Months to 31-Mar-2023	Year - End 30-Jun-2023	Quarter 31-Mar-2024	Quarter 31-Mar-2023	9 Months to 31-Mar-2024	9 Months to 31-Mar-2023	Year - End 30-Jun-2023
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest income using effective interest rate method	872,140	842,206	2,626,901	2,316,411	3,133,570	872,140	842,206	2,626,901	2,316,411	3,133,570
Interest expense	(315,195)	(319,080)	(967,215)	(788,352)	(1,115,861)	(315,195)	(319,080)	(967,215)	(788,352)	(1,115,861)
<b>Net interest income</b>	<b>556,945</b>	<b>523,126</b>	<b>1,659,686</b>	<b>1,528,059</b>	<b>2,017,709</b>	<b>556,945</b>	<b>523,126</b>	<b>1,659,686</b>	<b>1,528,059</b>	<b>2,017,709</b>
Other income	2,099	1,500	11,939	9,245	16,145	2,751	2,370	13,896	11,202	18,754
Rental income	4,124	6,788	16,632	16,448	18,563	-	-	-	-	-
<b>Operating income</b>	<b>563,168</b>	<b>531,414</b>	<b>1,688,258</b>	<b>1,553,752</b>	<b>2,052,417</b>	<b>559,696</b>	<b>525,495</b>	<b>1,673,582</b>	<b>1,539,260</b>	<b>2,036,463</b>
Net credit loss (expense)/release on financial assets	(36,276)	18,444	(67,522)	(66,458)	(90,211)	(36,276)	18,444	(67,522)	(66,458)	(90,166)
Personnel expenses	(31,633)	(29,865)	(117,562)	(107,184)	(151,791)	(31,633)	(29,865)	(117,562)	(107,184)	(151,791)
Depreciation and amortisation	(18,345)	(10,365)	(49,249)	(29,115)	(46,074)	(17,903)	(9,597)	(47,922)	(26,810)	(46,306)
Other expenses	(22,704)	(31,826)	(88,497)	(89,369)	(130,745)	(26,663)	(31,048)	(94,777)	(88,533)	(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	14,028	(6,384)	19,304	(13,448)	(11,351)	14,028	(6,384)	19,304	(13,448)	(11,351)
Share of profit/(loss) of associate	-	-	-	-	(2,951)	-	-	-	-	(2,951)
	<b>(94,931)</b>	<b>(59,996)</b>	<b>(303,525)</b>	<b>(305,574)</b>	<b>(339,393)</b>	<b>(98,447)</b>	<b>(58,450)</b>	<b>(308,478)</b>	<b>(302,434)</b>	<b>(348,934)</b>
<b>Profit before income tax</b>	<b>468,238</b>	<b>471,418</b>	<b>1,384,732</b>	<b>1,248,178</b>	<b>1,713,024</b>	<b>461,249</b>	<b>467,045</b>	<b>1,365,103</b>	<b>1,236,827</b>	<b>1,687,529</b>
Income tax expense	(74,693)	(69,214)	(214,705)	(200,411)	(315,424)	(73,751)	(68,534)	(212,079)	(198,638)	(311,808)
<b>Profit for the period/year</b>	<b>393,544</b>	<b>402,204</b>	<b>1,170,027</b>	<b>1,047,767</b>	<b>1,397,600</b>	<b>387,498</b>	<b>398,511</b>	<b>1,153,024</b>	<b>1,038,188</b>	<b>1,375,721</b>
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)
<b>Net other comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,477</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,477</b>
<b>Total comprehensive income/(loss) for the period/year</b>	<b>393,544</b>	<b>402,204</b>	<b>1,170,027</b>	<b>1,047,767</b>	<b>1,410,077</b>	<b>387,498</b>	<b>398,511</b>	<b>1,153,024</b>	<b>1,038,188</b>	<b>1,388,198</b>

**THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD**  
**STATEMENTS OF CHANGES IN EQUITY - PERIOD ENDED MARCH 31, 2024**

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)
<b>Balance at June 30, 2023</b>	<b>227,196</b>	<b>227,196</b>	<b>3,481</b>	<b>169,803</b>	<b>(136,259)</b>	<b>15,401,945</b>	<b>15,893,362</b>
Balance at July 1, 2023	227,196	227,197	3,481	169,803	(136,258)	15,401,945	15,893,363
Issue of shares	370	-	-	-	-	-	370
Profit for the period	-	-	-	-	-	1,170,027	1,170,027
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	1,170,027	1,170,027
Movement in respect for the period	-	-	-	20,402	-	(52,663)	(32,262)
<b>Balance at March 31, 2024</b>	<b>227,567</b>	<b>227,197</b>	<b>3,481</b>	<b>190,205</b>	<b>(136,258)</b>	<b>16,519,344</b>	<b>17,031,534</b>

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)
<b>Balance at June 30, 2023</b>	<b>227,196</b>	<b>227,196</b>	<b>-</b>	<b>169,803</b>	<b>(136,259)</b>	<b>15,381,645</b>	<b>15,869,581</b>
Balance at July 1, 2023	227,196	227,197	-	169,803	(136,259)	15,381,645	15,869,582
Issue of shares	370	-	-	-	-	-	370
Profit for the period	-	-	-	-	-	1,153,024	1,153,024
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	1,153,024	1,153,024
Movement in respect for the period	-	-	-	20,402	-	(52,692)	(32,290)
<b>Balance at March 31, 2024</b>	<b>227,567</b>	<b>227,197</b>	<b>-</b>	<b>190,205</b>	<b>(136,258)</b>	<b>16,481,976</b>	<b>16,990,686</b>

**THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD**  
**STATEMENTS OF CASH FLOWS - AS AT MARCH 31, 2024**

	THE GROUP			THE COMPANY		
	As at March 2024	As at March 2023	Year End June 2023	As at March 2024	As at March 2023	Year End June 2023
	Unaudited Rs'000	Unaudited Rs'000	Audited Rs'000	Unaudited Rs'000	Unaudited Rs'000	Audited Rs'000
<b>Cash flows from operating activities</b>						
Profit before income tax	1,384,732	1,248,178	1,713,024	1,365,103	1,236,827	1,687,529
<b>Adjustments for:</b>						
(Net release)/credit loss allowance on financial assets	67,522	66,458	90,211	67,522	66,458	90,166
Depreciation of property, equipment and right of use assets	42,748	18,565	32,018	41,421	16,344	32,364
Amortisation of intangible assets	6,502	10,551	14,056	6,502	10,466	13,942
Interest income	(2,626,108)	(2,316,411)	(3,133,570)	(2,626,108)	(2,316,411)	(3,133,570)
Interest expense	967,215	788,353	1,186,711	967,215	788,353	1,186,711
Pension expense	-	(39,700)	(26,917)	-	(39,700)	(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	-	1,030	1,376	-	1,030	1,372
Fair value (gain)/loss on financial assets at fair value through profit or loss	(19,301)	13,448	11,351	(19,301)	13,448	11,351
Realised (gain)/loss on disposal of financial assets at fair value through profit or loss	8	2	1,650	8	2	1,650
Translation (gain)/loss on revaluation of cash balance denominated in foreign currency	5	2	2	5	2	2
Fair value adjustments of funds	-	-	(82,200)	-	-	(82,200)
	(176,679)	(209,525)	(189,955)	(197,635)	(223,182)	(215,268)
<b>Changes in operating assets and liabilities</b>						
(Increase)/Decrease in loans and advances to members	(1,374,644)	(581,430)	(1,221,472)	(1,374,644)	(581,430)	(1,221,472)
(Increase)/Decrease in other assets	269,097	(233,415)	(290,505)	269,939	(191,655)	(289,292)
(Decrease)/Increase in deposits from customers	(2,034,930)	(1,567,614)	(1,983,036)	(2,034,930)	(1,567,614)	(1,983,036)
(Decrease)/Increase in other liabilities	(25,948)	(154,545)	(13,101)	(22,561)	(150,784)	(8,867)
Increase/(Decrease) in funds	206,697	169,982	182,723	206,697	169,982	182,723
	(3,136,408)	(2,576,546)	(3,515,346)	(3,153,134)	(2,544,683)	(3,535,212)
Interest received	2,498,007	2,324,391	3,142,043	2,498,007	2,324,391	3,142,043
Interest paid	(1,025,495)	(795,164)	(966,597)	(1,025,495)	(795,164)	(966,597)
Income tax paid	(240,739)	(217,460)	(284,297)	(240,739)	(256,639)	(284,297)
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,904,635)</b>	<b>(1,264,779)</b>	<b>(1,624,197)</b>	<b>(1,921,361)</b>	<b>(1,272,095)</b>	<b>(1,644,062)</b>
<b>Cash flows from investing activities</b>						
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	1,500,811	990,529	991,365	1,500,811	990,529	991,365
Addition to financial assets at amortised cost and at fair value through profit or loss	(1,093,456)	(1,090,813)	(1,098,044)	(1,093,456)	(1,090,813)	(1,098,045)
Purchase of property and equipment	(339,263)	(5,825)	(80,895)	(335,828)	(5,825)	(75,505)
Acquisition of investment in associate	-	-	(49,120)	-	-	(49,120)
Purchase of investment property	-	-	(1,945)	-	-	-
Purchase of intangible assets	-	(2,556)	0	-	(2,556)	-
<b>Net cash generated from/(used in) investing activities</b>	<b>568,091</b>	<b>(358,666)</b>	<b>(488,639)</b>	<b>571,526</b>	<b>(358,666)</b>	<b>(481,305)</b>
<b>Cash flows from financing activities</b>						
Proceeds from issuing shares	370	334	468	370	334	468
Increase in interest bearing loans	1,505,632	1,655,929	2,500,000	1,505,632	1,655,929	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	(30,855)	31,289	(31,348)	(30,855)	31,289	(31,348)
<b>Net cash generated from/(used in) financing activities</b>	<b>1,475,146</b>	<b>1,687,551</b>	<b>2,271,915</b>	<b>1,475,146</b>	<b>1,687,551</b>	<b>2,271,984</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>138,603</b>	<b>64,106</b>	<b>159,079</b>	<b>125,311</b>	<b>56,790</b>	<b>146,617</b>
Effect of foreign exchange rate changes	(5)	(2)	(2)	(5)	(2)	(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
<b>Cash and cash equivalents at end of period / year</b>	<b>1,187,850</b>	<b>954,233</b>	<b>1,049,252</b>	<b>1,134,164</b>	<b>918,596</b>	<b>1,008,858</b>