

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 3 months ended 30 September 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 3.7% in 2021, after a contraction of 14.6% in 2020 and Gross Value Added (GVA) at basic prices grew by 4.4% in 2021, as opposed to a decline of 14.4% in 2020. Year-on-year (Y-o-y) inflation worked out to 11.9% in September 2022, compared to 5.4% in September 2021. Headline inflation for the 12-months ending September 2022 worked out to 9.4%, compared to 3.2% for the 12-months ending September 2021.

Financial Environment

During the period under review, the Bank of Mauritius raised the Key Repo Rate by 75 basis points to 3.00% from the historical low of 1.85% where it had been since April 2020. 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 1.96% in September 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 is offering interest rate starting from 4.55% per annum whereas the highest interest rate on deposits is 3.70%.

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 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 496m was generated for the quarter ended September 2022. As regards to profit before tax, the Association achieved a performance of Rs 403m. 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 September 2022, the cost to income ratio stood at about 13.12%, 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 34.50bn.

The Association has adopted the IFRS 9 model and an amount of Rs 709m has been recognized in the statements of financial position as regards to Expected Credit Loss. There has been a charge of Rs 37m for the quarter ended September 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 September 2022, the ratio stood comfortably at about 23.92% 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 812.7m as at end of September 2022. Placements made by the Mutual Aid Association in other financial institutions stood at Rs 249.4m as at end of September 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 September 2022 compared to Rs 2.8bn 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 September 2022. The weighted amount of on-balance sheet assets was Rs 18.6bn for the period. Consequently, the CAR of the Association has increased to about 75% thus confirming once more the financial soundness of the Association.

Deposits from customers

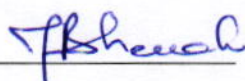
The total deposits as at end of September 2022 stood at Rs 21.4bn thus showing the high level of trust placed in the Association by its depositors.

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 September 2022.

Shareholders' equity

Shareholders' equity stood at Rs 14.9bn as at end of September 2022 compared to Rs 13.5bn for the same period last year.



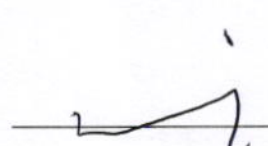
Mr. M. Bheekhee

Director



Mr. J.B. Dorasami

Director



Mr. L. Ramjattton

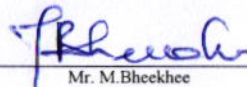
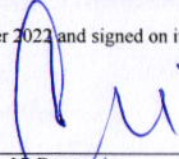
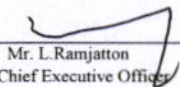
Ag. Chief Executive Officer

10 November 2022

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF FINANCIAL POSITION - AS AT SEPTEMBER 30, 2022

	THE GROUP			THE COMPANY		
	As at September 2022	As at September 2021	Year End June 2022	As at September 2022	As at September 2021	Year End June 2022
	Unaudited Rs.	Unaudited Rs.	Audited Rs.	Unaudited Rs.	Unaudited Rs.	Audited Rs.
ASSETS						
Cash and cash equivalents	812,748,100	1,345,288,338	890,129,031	779,080,538	1,310,396,744	861,808,341
Loans and advances to members	34,503,472,550	33,873,492,803	34,424,011,771	34,503,472,550	33,873,492,803	34,424,011,771
Placements with bank and non-bank financial institutions	249,409,120	2,041,638,472	279,172,536	249,409,120	2,041,638,472	279,172,536
Financial assets at amortised cost	3,947,414,809	2,750,387,672	3,949,183,711	3,947,414,809	2,750,387,672	3,949,183,711
Financial assets at fair value through profit or loss	162,769,903	82,963,209	120,320,632	162,769,903	82,963,209	120,320,632
Investment in subsidiary	-	-	-	433,802,000	433,802,000	433,802,000
Property, equipment and right of use assets	242,229,085	294,300,133	250,945,460	106,364,946	151,702,535	114,340,363
Intangible assets	20,336,505	33,877,169	23,107,240	18,936,969	33,678,654	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	624,017,083	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	299,823,072	74,363,666	78,284,704	298,342,513	68,836,250	74,855,135
Total assets	40,971,381,796	41,381,925,478	40,748,333,989	40,961,714,319	41,387,822,508	40,742,608,713
LIABILITIES						
Deposits from customers	21,394,794,801	24,077,882,064	22,204,786,515	21,394,794,801	24,077,882,064	22,204,786,515
Interest bearing loans	750,000,000	-	-	750,000,000	-	-
Current tax liabilities	125,971,829	151,765,244	66,523,840	125,241,444	152,573,102	66,525,766
Funds	3,660,352,459	3,513,224,271	3,661,523,312	3,660,352,459	3,513,224,271	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	127,810,429	98,539,237	239,778,626	124,766,243	104,867,171	235,952,127
Total liabilities	26,106,491,519	27,888,058,816	26,220,174,293	26,102,716,947	27,895,194,609	26,216,349,720
Shareholders' equity						
Share capital	226,833,600	226,426,200	226,728,300	226,833,600	226,426,200	226,728,300
Retained earnings	14,263,219,724	12,902,941,532	13,892,877,375	14,260,807,671	12,905,183,622	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	293,363,615	293,046,292	327,080,682	293,363,615	293,046,292	327,080,682
Total equity	14,864,890,277	13,493,866,662	14,528,159,695	14,858,997,372	13,492,627,899	14,526,258,992
Total equity and liabilities	40,971,381,796	41,381,925,478	40,748,333,989	40,961,714,319	41,387,822,508	40,742,608,713

These financial statements have been approved for issue on 10 November 2022 and signed on its behalf by:

 Mr. M. Bheekhee Director	 Mr. J. B. Dorasami Director	 Mr. L. Ramjattan Ag. Chief Executive Officer
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THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	THE GROUP			THE COMPANY		
	Quarter 30-Sep-2022	Quarter 30-Sep-2021	Year - End 30-Jun-2022	Quarter 30-Sep-2022	Quarter 30-Sep-2021	Year - End 30-Jun-2022
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest income using effective interest rate method	673,609,976	638,695,448	2,546,016,456	673,609,976	638,695,448	2,546,016,456
Interest expense	(178,084,355)	(188,151,883)	(713,034,862)	(178,084,355)	(188,151,883)	(713,034,862)
Net interest income	495,525,621	450,543,565	1,832,981,593	495,525,621	450,543,565	1,832,981,593
Other income	4,125,930	3,726,382	10,918,883	4,778,103	4,378,556	13,526,576
Rental income	5,018,720	7,055,167	15,255,844	-	-	-
Operating income	504,670,270	461,325,114	1,859,156,320	500,303,724	454,922,121	1,846,508,169
Net release/(credit loss allowance) on financial assets	(36,978,195)	3,552,240	319,734,381	(36,978,195)	3,552,240	319,734,000
Personnel expenses	(29,162,031)	(23,630,210)	(132,830,971)	(29,162,031)	(23,630,210)	(132,830,971)
Depreciation and amortisation	(9,504,282)	(8,743,527)	(46,479,250)	(8,745,630)	(11,095,637)	(43,406,907)
Other expenses	(26,609,864)	(19,990,433)	(102,571,577)	(27,728,856)	(20,355,708)	(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	661,997	5,841,782	9,580,273	661,997	5,841,782	9,580,273
Share of profit/(loss) of associate	-	-	(9,801,000)	-	-	(9,801,000)
	(101,592,376)	(42,970,147)	(149,707,802)	(101,952,716)	(45,687,532)	(148,839,373)
Profit before income tax	403,077,895	418,354,967	1,709,448,519	398,351,009	409,234,589	1,697,668,796
Income tax expense	(66,448,990)	(68,486,139)	(289,914,195)	(65,716,678)	(68,486,139)	(287,901,195)
Profit for the period/year	336,628,905	349,868,828	1,419,535,324	332,634,331	340,748,450	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)
Net other comprehensive income/(loss)	-	-	9,564,920	-	-	9,564,920
Total comprehensive income/(loss) for the period/year	336,628,905	349,868,828	1,429,100,244	332,634,331	340,748,450	1,419,332,521

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF CHANGES IN EQUITY - PERIOD ENDED SEPTEMBER 30, 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	105,300	-	-	-	-	-	105,300
Profit for the period	-	-	-	-	-	336,628,905	336,628,905
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	336,628,905	336,628,905
Movement in respect for the period	-	-	-	(33,717,067)	-	33,713,444	(3,623)
Balance at September 30, 2022	226,833,600	226,728,300	3,480,852	293,363,615	(148,735,814)	14,263,219,725	14,864,890,278

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	105,300	-	-	-	-	-	105,300
Profit for the period	-	-	-	-	-	332,634,331	332,634,331
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	332,634,331	332,634,331
Movement in respect for the period	-	-	-	(33,717,067)	-	33,715,816	(1,251)
Balance at September 30, 2022	226,833,600	226,728,300	-	293,363,615	(148,735,814)	14,260,807,671	14,858,997,372

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF CASH FLOWS - AS AT SEPTEMBER 30, 2022

	THE GROUP			THE COMPANY		
	As at September 2022	As at September 2021	Year End June 2022	As at September 2022	As at September 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	403,077,895	418,354,967	1,709,447,519	398,351,009	409,234,589	1,697,668,796
Adjustments for:						
(Net release)/credit loss allowance on financial assets	36,978,195	(3,552,240)	(319,734,381)	36,978,195	(3,552,240)	(319,734,381)
Depreciation of property, equipment and right of use assets	6,066,481	6,216,609	32,377,402	5,326,698	8,597,020	29,418,263
Amortisation of intangible assets	3,437,799	2,526,918	14,102,848	3,418,932	2,498,617	13,989,644
Interest income	(673,609,976)	(638,695,448)	(2,546,016,456)	(673,609,976)	(638,695,448)	(2,546,016,456)
Interest expense	178,083,786	188,151,883	713,034,862	178,084,355	188,151,883	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	343,982	187,547	1,660,000	343,982	187,547	1,713,376
Fair value (gain)/loss on financial assets at fair value through profit or loss	(661,997)	(5,841,782)	(9,580,273)	(661,997)	(5,841,782)	(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	164	(328)	(2,543)	(164)	(328)	(2,543)
Fair value adjustments of funds	-	-	39,300,000	-	-	39,300,000
	(46,282,020)	(32,644,375)	(193,122,044)	(51,767,316)	(39,412,643)	(201,320,800)
Changes in operating assets and liabilities						
Decrease/(increase) in loans and advances to members	(139,632,516)	(388,562,486)	(775,718,254)	(139,632,516)	(388,562,486)	(775,718,254)
Decrease/(increase) in other assets	(218,705,942)	(1,679,018)	(6,904,873)	(219,350,606)	1,934,248	(7,928,291)
(Decrease)/increase in deposits from customers	(807,564,829)	(259,625,749)	(1,764,680,469)	(807,565,344)	(259,625,749)	(1,764,680,469)
(Decrease)/increase in other liabilities	(143,503,748)	(56,518,298)	12,403,000	(142,719,577)	(55,738,053)	26,712,722
Decrease in pension benefit obligation	-	-	(4,957,000)	-	-	(4,957,000)
(Decrease)/Increase in funds	10,976,074	72,761,035	302,371,183	10,976,074	72,761,035	302,371,183
	(1,344,712,981)	(666,268,891)	(2,429,708,457)	(1,350,059,284)	(668,643,648)	(2,425,520,909)
Interest received	714,065,516	625,055,362	2,621,122,578	714,064,812	625,055,689	2,621,122,578
Interest paid	(168,168,322)	(159,526,276)	(1,016,995,212)	(168,168,322)	(159,526,276)	(1,016,995,212)
Income tax paid	(7,000,000)	-	(258,442,000)	(7,000,000)	-	(258,442,000)
Net cash (used in)/generated from operating activities	(805,815,787)	(200,739,805)	(1,084,023,090)	(811,162,794)	(203,114,236)	(1,079,835,542)
Cash flows from investing activities						
Addition to placements with bank and non-bank financial institutions	(250,000,000)	-	-	(250,000,000)	-	-
Proceeds from matured placements with bank and non-bank financial institutions	250,000,000	-	1,675,000,000	250,000,000	-	1,675,000,000
Proceeds from matured financial assets at amortised costs and fair value through profit or loss	989,686,550	505,256,700	510,480,705	989,686,550	505,256,700	510,480,705
Addition to financial assets at amortised cost and at fair value through profit or loss	(1,041,875,474)	(751,745,900)	(1,992,898,857)	(1,041,875,474)	(751,745,900)	(1,992,898,957)
Purchase of property and equipment	-	(25,300)	(5,037,000)	-	(25,300)	(5,037,000)
Purchase of intangible assets	(667,064)	-	(168,000)	(667,259)	-	(168,000)
Net cash generated from/(used in) investing activities	(52,855,988)	(246,514,500)	187,376,848	(52,856,183)	(246,514,500)	187,376,748
Cash flows from financing activities						
Proceeds from issuing shares	105,300	153,600	455,700	105,300	153,600	455,700
Increase in interest bearing loans	750,000,000	-	-	750,000,000	-	-
Payment of the principal portion of the lease liability	-	-	(6,032,500)	-	-	(5,973,874)
Dividend paid	31,185,710	(24,800)	(58,900)	31,185,710	24,800	(58,900)
Net cash used in financing activities	781,291,010	128,800	(5,635,700)	781,291,010	178,400	(5,577,074)
Net (decrease)/increase in cash and cash equivalents	(77,380,765)	(447,125,505)	(902,281,942)	(82,727,967)	(449,450,336)	(898,035,868)
Effect of foreign exchange rate changes	(164)	328	(2,543)	164	328	(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	812,748,100	1,345,288,338	890,129,030	779,080,538	1,310,396,745	861,808,341