

THE MAURITIUS CIVIL SERVICE MUTUAL AID COMPANY LTD

The Mauritius Civil Service Mutual Aid Association Ltd (the Association) is pleased to present its unaudited interim financial reports for the period 3 months ended 30 September 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.

Global Economy

According to the International Monetary Fund (IMF), in its World Economic Outlook (WEO) report of July 2024, Global growth is projected to be in line with the April 2024 WEO forecast, at 3.2 percent in 2024 and 3.3 percent in 2025. However, varied momentum in activity at the turn of the year has somewhat narrowed the output divergence across economies as cyclical factors wane and activity becomes better aligned with its potential. Services price inflation is holding up progress on disinflation, which is complicating monetary policy normalization. Upside risks to inflation have thus increased, raising the prospect of higher-for-even-longer interest rates, in the context of escalating trade tensions and increased policy uncertainty. To manage these risks and preserve growth, the policy mix should be sequenced carefully to achieve price stability and replenish diminished buffers.

Mauritian Economy

According to IMF, in its article IV consultation report of 16 May 2024, the Mauritian economy has rebounded strongly from the pandemic on the back of buoyant tourism, social housing construction, and financial services. Supportive policies also facilitated the strong recovery, including fiscal measures.

Inflation has declined supported by lower international commodity prices, averaging 7 percent in 2023. The external current account deficit narrowed sharply in 2023 to 4.5 percent of GDP, reflecting a strong rebound in tourism earnings. Looking ahead, securing a sustainable and resilient economy presents challenges. Fiscal and external buffers were eroded during the pandemic, and vulnerabilities to climate change and an ageing population loom over longer term economic prospects.

The outlook is favorable, with real GDP growth projected at 4.9 percent in 2024 and around 3.5 percent in the medium term, in line with pre-pandemic growth. Headline inflation is projected to ease to 4.9 percent on average in 2024 and 3.5 percent thereafter, in line with the Bank of Mauritius' medium-term inflation target. The external current account deficit is expected to remain at 4.5 percent of GDP in 2024 and about 4 percent over the medium term.

The fiscal stance in fiscal year 2023-24 is expected to be expansionary as revenue growth has decelerated and extra-budgetary spending for social housing construction

increased. Public debt, estimated at 81 percent of GDP in June 2023, is projected to moderate over the medium term. Risks to the outlook are on the downside, including a deterioration in global growth, higher-than-anticipated fuel and food prices, and extreme climate events.

According to Statistics Mauritius, in its National Accounts Estimates of June 2024, GDP at market prices grew at a lower rate of 7.0% in 2023 compared to 8.9% in 2022 and GVA at basic prices grew by 7.0% in 2023, lower than the 9.9% growth in 2022.

On the basis of policy measures announced in the Budget 2024-2025, particularly those relating to public sector investment projects (road network, drain infrastructure, social housing, etc.) and taking into consideration that the number of tourist arrivals in 2024 will be close to the pre-pandemic level, GDP at market prices is forecasted to grow by 6.5% in 2024 after a growth of 7.0% in 2023 and GVA at basic prices is expected to grow by 6.5% in 2024, following the high growth of 7.0% recorded in 2023.

The key rate has decreased from 4.50% to 4.00% during the period under review.

Experience by Industry sectors

The Mauritius Civil Service Mutual Aid Association Ltd ("the Company". "MCSMAA") deals with its members for loan products and has a deposit taking license from the Bank of Mauritius. The main loan product of the Company is personal loan secured by personal guarantors. Based on the experienced gathered with its main loan product and persistent demand from its members, the Company has introduced an array of new products at competitive interest rates.

As regards to funding its operations, the Company has embarked on a diversification of its source of funding instead of relying exclusively on deposits.

Company's Outlook and new line of business

Looking forward, the business segment in which the Company operates is set to remain volatile, with continuing challenges which are outside its span of control. The Company 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 Company has been revisiting its products and services using a risk-based approach.

Principal Activities and nature of customers

The principal activities of the Company 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 Company has a sub-office in Rodrigues, where loan applications are collected for onward processing in Mauritius.

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

For the coming years, the Company will continue to invest in digital channels in the interest of its valued members.

Cost Control

The Association continued to maintain a relatively low cost to income ratio. For the period ended September 2024, the cost to income ratio stood at about 13%, 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 37.8bn.

The Association has adopted the IFRS 9 model and an amount of Rs 683m has been recognized in the statements of financial position as regards to Expected Credit Loss. There has been a release of Rs 70m for the 3 months ended September 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 September 2024, the ratio stood comfortably at about 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 Rs 1.1bn as at end of September 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 2.8bn as at end of September 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 16.1bn as at September 2024.

The weighted amount of on-balance sheet assets was Rs 20.5bn for the period. Consequently, the CAR of the Association stood at about 79% thus confirming once more the financial soundness of the Association.

Deposits from customers

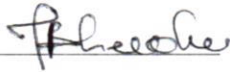
The total deposits as at end of September 2024 stood at Rs 16.6bn thus showing the high level of trust placed in the Association by its depositors.

Funds

The Funds consist of the Retirement Savings Scheme (RSS). The Funds stood at Rs 2.1bn as at end of September 2024.

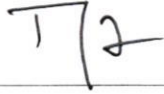
Shareholders' equity

Shareholders' equity stood at Rs 17.5bn as at end of September 2024 compared to Rs 16.2bn for the same period last year.



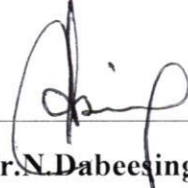
Mr. M. Bheekhee

Chairperson



Mr. P. Ramjug

Director



Mr. N. Dabeesingh

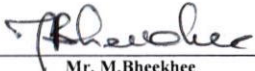
Chief Executive Officer


Date : 23 October 2024

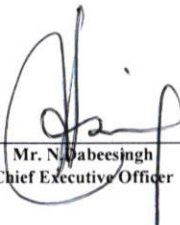
THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF FINANCIAL POSITION - AS AT SEPTEMBER 30, 2024

	THE GROUP			THE COMPANY		
	As at September 2024 Unaudited Rs'000	As at September 2023 Unaudited Rs'000	Year End June 2024 Audited Rs'000	As at September 2024 Unaudited Rs'000	As at September 2023 Unaudited Rs'000	Year End June 2024 Audited Rs'000
ASSETS						
Cash and cash equivalents	1,172,198	1,257,412	1,382,424	1,115,853	1,214,782	1,326,651
Loans and advances to members	37,818,131	35,954,259	37,222,637	37,818,131	35,954,259	37,222,637
Placements with bank and non-bank financial institutions	102,309	256,888	101,156	102,309	256,888	101,156
Financial assets at amortised cost	2,785,736	3,547,939	2,535,148	2,785,736	3,547,939	2,535,148
Financial assets at fair value through profit or loss	270,601	224,126	227,371	270,601	224,126	227,371
Investment in subsidiary	-	-	-	433,802	433,802	433,802
Property, equipment and right of use assets	446,228	368,189	451,767	332,914	215,117	339,681
Intangible assets	11,315	8,056	11,531	11,315	8,056	11,531
Investment in associates	92,234	134,481	92,234	92,234	134,481	92,234
Investment properties	570,975	533,469	570,975	276,439	247,984	276,439
Deferred tax assets	96,449	95,127	96,449	119,829	112,271	119,829
Other assets	125,024	389,032	131,761	123,311	384,821	132,222
Total assets	43,491,202	42,768,978	42,823,453	43,482,474	42,734,526	42,818,701
LIABILITIES						
Deposits from customers	16,627,751	19,541,381	17,381,620	16,627,751	19,541,381	17,381,620
Interest bearing loans	4,669,513	2,776,582	3,920,635	4,669,513	2,776,582	3,920,635
Current tax liabilities	157,856	188,871	72,875	157,304	188,239	72,406
Funds	2,075,897	3,792,029	2,047,536	2,075,897	3,792,029	2,047,536
Insurance Contract Liabilities	2,199,688	-	2,112,743	2,199,688	-	2,112,743
Pension benefit obligations	3,912	5,612	3,911	3,912	5,612	3,911
Other liabilities	191,556	240,158	291,828	222,403	236,575	328,892
Total liabilities	25,926,173	26,544,633	25,831,147	25,956,468	26,540,417	25,867,743
Shareholders' equity						
Share capital	227,822	227,342	227,699	227,822	227,342	227,699
Retained earnings	17,066,258	15,726,012	16,489,218	17,030,716	15,699,256	16,451,353
Revaluation reserve	3,481	3,481	3,481	-	-	-
Statutory reserve	227,699	227,197	227,699	227,699	227,197	227,699
Actuarial reserves	(124,908)	(136,258)	(124,909)	(124,908)	(136,258)	(124,909)
Other reserves	164,677	176,573	169,117	164,677	176,573	169,117
Total equity	17,565,028	16,224,345	16,992,304	17,526,006	16,194,109	16,950,959
Total equity and liabilities	43,491,202	42,768,978	42,823,453	43,482,474	42,734,526	42,818,701

These financial statements have been approved for issue on 23/10/24 and signed on its behalf by:


 Mr. M. Bheekhee
 Chairperson


 Mr. P. Ramjug
 Director


 Mr. N. Jabeesingh
 Chief Executive Officer

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2024

	THE GROUP			THE COMPANY		
	Quarter 30-Sep-2024 Unaudited Rs'000	Quarter 30-Sep-2023 Unaudited Rs'000	Year - End 30-Jun-2024 Audited Rs'000	Quarter 30-Sep-2024 Unaudited Rs'000	Quarter 30-Sep-2023 Unaudited Rs'000	Year - End 30-Jun-2024 Audited Rs'000
Interest income using effective interest rate method	926,627	876,169	3,488,004	926,627	876,169	3,488,004
Interest expense	(286,125)	(329,467)	(1,195,060)	(286,125)	(329,467)	(1,195,060)
Net interest income	640,502	546,702	2,292,944	640,502	546,702	2,292,944
Other income	3,267	4,095	20,401	4,069	4,747	23,899
Rental income	9,976	12,533	21,196	-	-	-
Operating income	653,745	563,330	2,334,541	644,571	551,449	2,316,843
Net credit loss (expense)/release on financial assets	70,131	(60,419)	(66,068)	70,131	(60,465)	(66,112)
Net insurance service (expense)/revenue	-	-	(351,463)	-	-	(351,462)
Net insurance finance (expense)/income	-	-	(54,036)	-	-	(54,036)
Personnel expenses	(34,819)	(31,940)	(154,764)	(34,819)	(31,940)	(154,764)
Depreciation and amortisation	(12,681)	(15,532)	(55,823)	(12,236)	(15,090)	(68,739)
Other expenses	(45,185)	(33,039)	(127,902)	(37,364)	(29,066)	(115,002)
Impairment (charge)/reversal on property, plant and equipment	-	-	(88,643)	-	-	(88,643)
Fair value adjustments of funds	-	-	-	-	-	-
Fair value gain/(loss) on investment properties	-	-	7,902	-	-	1,136
Fair value gain/(loss) on financial assets at fair value through profit or loss	29,542	16,039	12,490	29,542	16,039	12,490
Impairment of associate	-	-	(37,951)	-	-	(37,951)
Share of profit/(loss) of associate	-	-	(4,296)	-	-	(4,296)
	6,988	(124,892)	(920,553)	15,253	(120,521)	(927,379)
Profit before income tax	660,733	438,438	1,413,988	659,824	430,928	1,389,464
Income tax expense	(85,036)	(72,522)	(306,524)	(84,900)	(71,402)	(299,566)
Profit for the period/year	575,697	365,916	1,107,464	574,924	359,526	1,089,898
Other comprehensive income:						
<i>Items that will not be reclassified to profit or loss:</i>						
Remeasurements of pension benefit obligations	-	-	13,675	-	-	13,675
Income tax relating to components of other comprehensive income	-	-	(2,325)	-	-	(2,325)
Net other comprehensive income/(loss)	-	-	11,350	-	-	11,350
Total comprehensive income/(loss) for the period/year	575,697	365,916	1,118,814	574,924	359,526	1,101,248

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF CHANGES IN EQUITY - PERIOD ENDED SEPTEMBER 30, 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, 2023	227,197	227,197	3,481	169,803	(136,259)	15,427,011	15,918,429
Issue of shares	502	-	-	-	-	-	502
Profit for the year	-	-	-	-	-	1,107,465	1,107,465
Other comprehensive income for the year	-	-	-	-	11,350	-	11,350
Total comprehensive income	-	-	-	-	11,350	1,107,465	1,118,816
Transfer made to reserves for the year	-	502	-	(686)	-	184	-
Dividend declared	-	-	-	-	-	(45,439)	(45,439)
Balance at June 30, 2024	227,699	227,699	3,481	169,117	(124,909)	16,489,218	16,992,304
Balance at July 1, 2024	227,699	227,699	3,481	169,117	(124,908)	16,489,218	16,992,304
Issue of shares	123	-	-	-	-	-	123
Profit for the period	-	-	-	-	-	575,697	575,697
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	575,697	575,697
Movement in respect for the period	-	-	-	(4,439)	-	1,341	(3,099)
Balance at September 30, 2024	227,822	227,699	3,481	164,677	(124,908)	17,066,258	17,565,028

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, 2023	227,196	227,196	-	169,803	(136,259)	15,406,709	15,894,646
Issue of shares	503	-	-	-	-	-	503
Profit for the year	-	-	-	-	-	1,089,898	1,089,898
Other comprehensive income for the year	-	-	-	-	11,350	-	11,350
Total comprehensive income	-	-	-	-	11,350	1,089,898	1,101,248
Transfer made to reserves for the year	-	502	-	(686)	-	184	-
Dividend declared	-	-	-	-	-	(45,439)	(45,439)
Balance at June 30, 2024	227,699	227,699	-	169,117	(124,909)	16,451,353	16,950,959
Balance at July 1, 2024	227,699	227,699	-	169,117	(124,908)	16,451,353	16,950,960
Issue of shares	123	-	-	-	-	-	123
Profit for the period	-	-	-	-	-	574,924	574,924
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	574,924	574,924
Movement in respect for the period	-	-	-	(4,439)	-	4,439	-
Balance at September 30, 2024	227,822	227,699	-	164,677	(124,908)	17,030,716	17,526,006

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD
STATEMENTS OF CASH FLOWS - AS AT SEPTEMBER 30, 2024

	THE GROUP			THE COMPANY		
	As at September 2024	As at September 2023	Year End June 2024	As at September 2024	As at September 2023	Year End June 2024
	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	660,733	438,438	1,413,989	659,824	430,928	1,389,465
Adjustments for:						
(Net release)/credit loss allowance on financial assets	(70,131)	60,465	66,068	(70,131)	60,465	66,112
Depreciation of property, equipment and right of use assets	12,465	13,285	47,165	12,020	12,843	60,081
Amortisation of intangible assets	216	2,247	8,658	216	2,247	8,658
Interest income	(926,627)	(876,169)	(3,488,004)	(926,627)	(876,169)	(3,488,004)
Interest expense	286,125	329,467	1,195,060	286,125	329,467	1,195,059
Pension expense	-	-	17,155	-	-	17,155
Share of loss of associate	-	-	4,296	-	-	4,296
Impairment of associate	-	-	37,951	-	-	37,951
Fair value (gain)/loss on investment properties	-	-	(7,902)	-	-	(1,136)
Impairment on property, plant and equipment	-	-	88,643	-	-	88,643
Interest expense on lease liabilities	-	-	3,013	-	-	3,285
Fair value (gain)/loss on financial assets at fair value through profit or loss	(29,542)	(16,039)	(12,490)	(29,542)	(16,039)	(12,490)
Realised (gain)/loss on disposal of financial assets at fair value through profit or loss	-	-	-	-	-	-
Translation (gain)/loss on revaluation of cash balance denominated in foreign currency	(18)	(12)	-	(18)	(12)	-
Fair value adjustments of funds	-	-	23,478	-	-	23,478
Reversal of Provision	-	-	405,498	-	-	405,498
Net insurance service (expense)/revenue	(66,779)	(48,318)	(197,424)	(68,132)	(56,271)	(201,950)
Changes in operating assets and liabilities:						
(Increase)/Decrease in loans and advances to members	(522,250)	(597,839)	(2,189,260)	(522,250)	(597,839)	(2,189,260)
(Increase)/Decrease in other assets	6,731	(26,544)	233,795	8,907	(21,151)	231,925
(Decrease)/Increase in deposits from customers	(723,624)	(735,874)	(2,378,720)	(723,624)	(735,874)	(2,378,720)
(Decrease)/Increase in other liabilities	(105,014)	(5,891)	246,255	(106,409)	(5,873)	277,798
Increase/(Decrease) in funds	89,113	54,774	(2,499)	89,113	54,774	(2,499)
	(1,321,823)	(1,359,692)	(4,287,853)	(1,322,396)	(1,362,234)	(4,262,706)
Interest received	921,777	852,682	3,484,850	921,777	852,682	3,484,850
Interest paid	(295,497)	(284,023)	(1,352,049)	(295,497)	(284,023)	(1,340,811)
Income tax paid	-	(1,467)	(320,205)	-	(1,467)	(320,207)
Net cash (used in)/generated from operating activities	(695,544)	(792,500)	(2,475,256)	(696,116)	(795,041)	(2,438,874)
Cash flows from investing activities						
Addition to placements with bank and non-bank financial institutions	-	-	(100,000)	-	-	(100,000)
Proceeds from matured placements with bank and non-bank financial institutions	-	250,000	500,000	-	250,000	500,000
Proceeds from matured financial assets at amortised costs and fair value through profit or loss	320	1,500,000	3,250,000	320	1,500,000	3,250,000
Addition to financial assets at amortised cost and at fair value through profit or loss	(264,009)	(1,080,942)	(1,832,772)	(264,009)	(1,080,942)	(1,832,772)
Purchase of property and equipment	(5,252)	(69,995)	(276,181)	(5,252)	(69,688)	(330,184)
Purchase of intangible assets	-	-	(9,836)	-	-	(9,836)
Purchase of new investment	-	-	(18,522)	-	-	(18,522)
Sales of new investment	-	-	7,587	-	-	7,587
Acquisition of investment in associate	-	-	-	-	-	0
Purchase of investment property	-	-	(29,605)	-	-	(27,320)
Net cash generated from/(used in) investing activities	(268,941)	599,063	1,490,672	(268,941)	599,370	1,438,954
Cash flows from financing activities						
Proceeds from issuing shares	123	146	502	123	146	502
Proceeds from loans	754,199	500,000	2,200,000	754,199	500,000	2,200,000
Repayment of loans	-	(98,556)	(834,240)	-	(98,556)	(834,240)
Payment of the principal portion of the lease liability	-	-	(20,032)	-	-	(20,032)
Dividend paid	(81)	(6)	(30,860)	(81)	(6)	(30,860)
Net cash generated from/(used in) financing activities	754,241	401,584	1,315,369	754,241	401,584	1,315,369
Net increase/(decrease) in cash and cash equivalents	(210,243)	208,147	330,784	(210,816)	205,912	315,449
Effect of foreign exchange rate changes	18	12	-	18	12	-
ECL arising on Cash and Cash Equivalents	-	-	2,387	-	-	2,343
Cash and cash equivalents at beginning of period / year	1,382,424	1,049,252	1,049,253	1,326,651	1,008,858	1,008,858
Cash and cash equivalents at end of period / year	1,172,198	1,257,412	1,382,424	1,115,853	1,214,782	1,326,651