

WARWYCK PRIVATE BANK LTD
COMMENTS ON RESULTS FOR THE QUARTER ENDED 31 MARCH 2018

The bank recorded a profit of USD1.0m for the first quarter ended 31 March 2018 compared to a loss of USD136k for same period in 2017.

The principal source of income for the bank was interest income and set up fees on structured products while major expenses comprised of interest expense, personnel expenses, travelling expenses, IT expenses, depreciation and amortisation, and retrocession.

Net interest Income:

Total interest income was USD765k for the quarter ended 31 March 2018 and comprised primarily of interest earned on advances. This represented an increase of 14% over the same period last year. Total interest expense on deposits was USD466k for the quarter under review representing an increase of USD60k that is 15% as compared to 31 March 2017.

The net interest income for the period under review stood at USD298k compared to USD262k for the quarter ended 31 March 2017, implying a net increase of 14%. During this quarter we note an increase in income received with respect to interbank placements which was minimal during the first quarter of 2017 resulting in a higher net interest income for first quarter 2018.

Non-Interest Income:

Non-interest income reached USD1.9m at the end of the quarter. The major components were commission on structured products of USD541k, gain on forex transaction USD1.1m, investment advisory fee of USD120k and accounts service fee of USD47k. Non-interest income increased by 81% compared to the period ended 31 March 2017.

This occurred mainly due to substantial increased transactions with regards to structured products.

Non-Interest Expense:

Non-interest expenses were USD1.0m and included personnel expenses of USD356k. The other main operating expenses included legal and professional fees of USD166k, depreciation and amortisation of USD157k, repairs and maintenance USD81k.

Non-interest expense decreased by 28% for the first quarter of 2018 compared to USD1.4m for the period ended 31 March 2017. This can be explained by a decrease of 6% in personal expenses. In other operating expenses the major variances noted were in legal and professional fees, repairs and maintenance for the period under review, coupled with an increased in the cost shared proportion with sister companies.

Assets:

Total assets amounted to USD302.6m as at 31 March 2018 and represented a rise of 53% compared to USD197.5m as at 31 March 2017. This increase is mainly due to a rise on loans and advances by 12%, reaching USD131.4m over the period as new loans were disbursed. The other contributor towards this rising trend was cash and cash equivalents where there was an increase of 133% due to new clients on boarded and rise in volume on transactions.

The loans to deposit ratio decreased from 68% as at 31 March 2017 to 47% at the period ended 31 March 2018.

Liabilities:

The Bank's liabilities amounted to USD285.9m as at 31 March 2018 representing 53% increase as compared to corresponding period last year and a 9% increase as compared to 31 December 2017. The deposits from customers increased from USD253.2m in December 2017 to USD278.1m as at 31 March 2018. This is in line with the increase of assets.

Shareholders' Funds:

Shareholders' funds of Warwyck Private Bank Ltd increased from USD15.7m as at 31 December 2017 to USD16.7m as at 31 March 2018. The share capital was USD10m, statutory reserves were USD1.6m and accumulated profits stood at USD5.1m.

Capital Adequacy Ratio:

The capital adequacy ratio was well above the required minimum limit of 11.6% and stood at 22.6% as at 31 March 2018.

Conclusion:

The bank is in line with its strategic objectives and intends to carry on with its current business model. The structured product, Accumulator/Decumulator, where the bank is acting as agent is generating income as expected and management is confident that the private banking and wealth management services that the bank provides to its customers will bring in more clients in the forthcoming months.

By order of the Board:

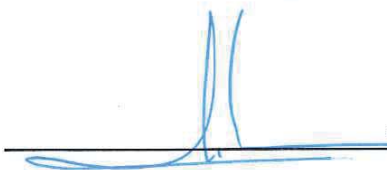
The abridged quarterly unaudited financial statements have been prepared using the International Reporting Standard except for the adoption of relevant amendments to published standards and interpretations issued that are now effective

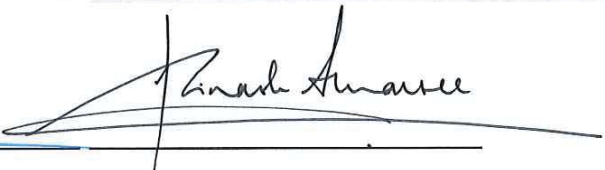
Warwyck Private Bank Ltd

Abridged Unaudited Interim Financial Statements

Statement of financial position as at 31 March 2018

	As at 31-Mar-18 USD	As at 31-Mar-17 USD	As at 31-Dec-17 USD
ASSETS			
Cash and cash equivalents	128,215,863	54,961,492	108,497,344
Financial Investments-available for sale	-	738,227	-
Property, plant and equipments	5,526,830	5,625,083	6,055,661
Intangible assets	182,976	423,066	244,033
Loan and advances	131,428,215	117,221,933	137,795,197
Deferred tax assets	-	554,511	55,807
Other assets	37,232,350	18,027,561	26,127,451
Total assets	302,586,234	197,551,872	278,775,493
LIABILITIES			
Deposits from customers	278,121,753	171,346,535	253,175,080
Current Tax Liabilities	114,185	4,580	51,984
Other Liabilities	7,645,398	12,439,523	9,871,200
Total Liabilities	285,881,337	183,794,137	263,098,264
SHAREHOLDERS' EQUITY			
Stated capital	10,000,010	10,000,010	10,000,010
Statutory Reserves	1,646,943	944,348	1,646,943
Retained Earnings	5,057,944	2,813,378	4,030,276
Total Equity	16,704,897	13,757,736	15,677,229
Total liabilities and equity	302,586,234	197,551,872	278,775,493


Mr Pascal Dulau
Chief Executive Officer


Mr Avinash Renga Sunassee
Independent Director

Warwyck Private Bank Ltd

Abridged Unaudited Interim Financial Statements

Statement of comprehensive income for the 3 months period ended 31 March 2018

	3 months ended 31-Mar-18 USD	3 months ended 31-Mar-17 USD	Year ended 31-Dec-17 USD
Interest income	764,611	668,220	2,989,111
Interest expenses	(465,948)	(405,751)	(1,873,992)
Net Interest Income	298,663	262,468	1,115,119
Fees and commission income	742,691	826,886	5,895,287
Other Income	1,124,241	205,538	4,740,320
Non Interest Income	1,866,932	1,032,424	10,635,607
Operating Income	2,165,595	1,294,892	11,750,726
Personel expenses	(355,629)	(336,288)	(1,550,878)
Operating lease expenses	(14,120)	(17,350)	(60,335)
Other expenses	(496,837)	(718,292)	(4,498,530)
Depreciation	(157,156)	(148,243)	(387,433)
Net impairment loss on financial liabilities	-	-	(3,283)
Net foreign exchange losses	-	(210,247)	-
Operating Expenses	(1,023,742)	(1,430,421)	(6,500,459)
Operating Profit/loss before tax	1,141,853	(135,528)	5,250,267
Tax (paid) / credit	(114,185)	-	(566,301)
Profit / (Loss) for the period	1,027,667	(135,528)	4,683,966
Other comprehensive income:			
Items that will not be reclassified subsequently to profit and loss	-	-	-
Items that will be rerclassified subsequently to profit and loss	-	-	-
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period/year	1,027,667	(135,528)	4,683,966
Statutory Reserve transferred during the period/year	-	-	-

Warwyck Private Bank Ltd

Abridged Unaudited Interim Financial Statements

Statement of Cash Flows for the three months ended 31 March 2018

	3 months ended	3 months ended	Year ended
	31-Mar-18	31-Mar-17	31-Dec-17
	USD	USD	USD
Cash Flows from Operating Activities			
Profit/Loss before tax	1,141,853	(135,528)	5,250,266
Adjustments for:			
Depreciation	96,099	86,611	387,434
Amortisation	61,057	61,632	244,412
Gain on sale of bonds	-	-	186,634
Gain on sale of subsidiaries	-	-	(3,185,649)
Fair value (gain) / Loss	-	20,040	(322,788)
Interest expense	465,948	405,751	1,873,992
Interest Income	(764,611)	(668,220)	(2,989,111)
Total adjustments	(141,507)	(94,186)	(3,805,076)
Changes in operating assets and Liabilities			
Change in placements	2,874,210	-	(2,318,647)
Changes in advances	5,546,375	(3,306,079)	(23,029,821)
Changes in other assets	(10,892,247)	(781,641)	(10,147,883)
Changes in deposits from customers	25,534,087	(8,859,897)	72,231,311
Changes in other liabilities	1,084,469	353,557	(4,735,879)
Tax Paid	-	-	(20,193)
Net Cash Flows from / (used in) operating activities	25,147,239	(12,823,774)	33,424,078
Cash flows from investing activities			
Acquisition of intangible assets	-	-	(3,747)
Acquisition of plant and equipment	-	(3,138)	(734,540)
Derivatives financial Instruments	-	-	(35,672)
Proceeds from sales on Bonds	-	-	927,243
Proceeds from sale of subsidiaries	-	-	3,500,000
Interest received	551,960	306,729	2,696,617
Net Cash used in investing activities	551,960	303,591	6,349,901
Cash Flows from Financing activities			
Dividend received	-	-	(2,900,000)
Interest Paid	(325,730)	(168,219)	(1,681,480)
Net cash flows generated from financing activities	(325,730)	(168,219)	(4,581,480)
Net change in cash and cash equivalents	25,373,470	(12,688,402)	35,192,499
Cash and cash equivalents at the beginning of year/period	102,842,393	67,649,894	67,649,894
Cash in hand and at bank	128,215,863	54,961,492	102,842,393
Cash and cash equivalents is made up of:			
Cash in hand and at bank	128,215,863	54,961,492	102,842,393

Warwyck Private Bank Ltd

Abridged Unaudited Interim Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital	Statutory reserve	Retained Earnings	Total
	USD	USD	USD	USD
At 01 January 17	10,000,010	944,348	2,948,906	13,893,264
Dividends paid	-	-	(2,900,000)	(2,900,000)
Profit / (Loss) for the year	-	-	4,683,966	4,683,966
Other Comprehensive Income	-	-	-	-
Total comprehensive income	-	-	4,683,966	4,683,966
Transfers to statutory reserve during the year	-	702,595	(702,595)	-
At 31 December 2017	10,000,010	1,646,943	4,030,277	15,677,230
At 01 January 18	10,000,010	1,646,943	4,030,277	15,677,230
Issue share capital	-	-	-	-
Transaction with shareholder	10,000,010	1,646,943	4,030,277	15,677,230
Profit / (Loss) for the year	-	-	1,027,667	1,027,667
Other Comprehensive Income	-	-	-	-
Total comprehensive income	-	-	1,027,667	1,027,667
Transfers to statutory reserve during the year	-	-	-	-
At 31 March 2018	10,000,010	1,646,943	5,057,944	16,704,897