

# Unaudited Financial Statements

As at  
30 June 2019



**WARWYCK**

PRIVATE BANK

## **WARWYCK PRIVATE BANK LTD**

### **COMMENTS ON RESULTS FOR THE SIX MONTHS ENDED 30 June 2019**

---

Warwyck Private Bank Ltd reported a net interest income of USD 1.66m for the 6 months ended 30 June 2019, higher than that of last year 2018, where we reported net interest income of USD 0.6m. The bank produced a net loss on its forex transactions and this impacted on its net results for the period ended 30 June 2019.

#### **Net interest Income:**

Total interest income for the 6 months ended 30 June 2019 stood at USD 2.7m. Interest income comprised primarily of interest earned on loans and advances. Total interest expense on deposits for the first 6 months 2019 was USD 1.06m.

#### **Non-Interest Income:**

Non-interest income amounted to USD 2.4m. The major components were set up fees, investment advisory and accounts service fee.

#### **Non-Interest Expense:**

Non-interest expenses were USD 3.0m and included personnel expenses of USD 1.0m. On the other hand, the bank reported a net loss on its forex transactions.

**Assets:**

Total assets for the period ended June 2019 declined by 13.5% compared to December 2018 year-end to reach USD 257m. The main contributors for this decline were due to a drop in placement and in our loan book. The drop-in cash and cash equivalents was in line with the drop-in deposit base.

The loan to deposit ratio was 55% at 30 June 2019 as compared to 50% as at December 2018.

**Liabilities:**

Total liabilities amounted to USD 243m as at 30 June 2019 representing 14% decrease as compared to 31 December 2018. This decrease is due to a drop in our deposit base from USD275m as at December 2018 to USD 236m as at June 2019.

**Shareholders' Funds:**

The share capital was USD 11.7m, statutory reserves were USD 2.0m and accumulated profits stood at USD 0.9m. As required Section 102 of the Banking Act 2004, WPBL has increased its share capital from USD 10m to USD 11.7m, by way of a bonus issue of USD 1.05m and USD 650k as new capital injection.

**Capital Adequacy Ratio:**

The capital adequacy ratio was well above the required minimum limit of 11.875% and stood at 22.86% as at 30 June 2019. (Dec 2018: 21.16%)

**Credit Quality**

The bank's credit portfolio comprises of cash covered loans and overdrafts with no significant credit exposures outstanding and no significant impaired credits. All credit transactions are undertaken in accordance to the bank credit risk management policy and credit facilities granted to related parties are tabled at the Conduct Review Committee.

**Liquidity**

The bank's is in a good liquidity position which is demonstrated by the Liquidity Coverage Ratio (LCR) of above 100%. The bank's current High Quality Liquid Assets (HQLA) portfolio comprises of foreign currency deposits at the Central Bank. We also rely on a strong liquidity management policy to maintain a strong liquidity position.

By order of the Board:


The abridged quarterly unaudited financial statements have been prepared in accordance with the same accounting policies as those set out in the audited financial statements for the year ended 31 December 2018 which are the International Financial Reporting Standards, the Mauritius Companies Act 2001, the Banking Act 2004 and guidelines issued by the Bank of Mauritius.

## Warwyck Private Bank Ltd


### Abridged Unaudited Interim Financial Statements

### Statement of financial position as at 30 June 2019

|   | June<br>2019<br>USD | June<br>2018<br>USD | December<br>2018<br>USD |
|---|---------------------|---------------------|-------------------------|
| <b>ASSETS</b>   |                     |                     |                         |
| Cash and cash equivalents                             | 86,602,017          | 119,420,985         | 122,118,345             |
| Financial assets at fair value through profit or loss | -                   | -                   | 707,415                 |
| Property, plant and equipment                         | 5,525,239           | 5,871,902           | 5,658,655               |
| Intangible assets                                     | 415,348             | 121,920             | 516,954                 |
| Loans and advances                                    | 130,153,943         | 133,567,550         | 137,981,497             |
| Placements with an overseas bank                      | 2,538,665           | -                   | 2,936,928               |
| Deferred tax assets                                   | 18,310              | 55,807              | 18,310                  |
| Other assets  | 31,844,060          | 37,857,643          | 26,697,694              |
| Derivative financial assets                           | 178,891             | -                   | 902,280                 |
| <b>Total assets</b>                                   | <b>257,276,473</b>  | <b>296,895,806</b>  | <b>297,538,078</b>      |
| <b>LIABILITIES</b>                                    |                     |                     |                         |
| Deposits from customers                               | 236,222,190         | 277,025,983         | 275,466,988             |
| Derivative financial liabilities                      | 48,633              | -                   | 562,641                 |
| Current tax liabilities                               | -                   | 95,118              | 32,966                  |
| Other liabilities                                     | 1,073,144           | 7,241,414           | 937,843                 |
| Borrowings  | 5,387,482           | -                   | 6,559,524               |
| <b>Total liabilities</b>                              | <b>242,731,449</b>  | <b>284,362,515</b>  | <b>283,559,962</b>      |
| <b>SHAREHOLDERS' EQUITY</b>                           |                     |                     |                         |
| Stated capital  | 11,700,000          | 10,000,010          | 10,000,000              |
| Statutory reserve                                     | 1,992,078           | 1,646,943           | 1,992,078               |
| Retained earnings                                     | 852,946             | 886,338             | 1,986,038               |
| <b>Total equity</b>                                   | <b>14,545,024</b>   | <b>12,533,291</b>   | <b>13,978,116</b>       |
| <b>Total liabilities and equity</b>                   | <b>257,276,473</b>  | <b>296,895,806</b>  | <b>297,538,078</b>      |



Mr Karl Aeschbacher  
Chief Executive Officer



Mr Deenaraj Sooben  
Executive director

**Warwyck Private Bank Ltd**

## Statement of comprehensive income for the 6 months period ended 30 June 2019

|  | 6 months<br>ended<br>June<br>2019<br>USD | 6 months<br>ended<br>June<br>2018<br>USD | Year ended<br>December<br>2018<br>USD |
|--|--|--|---------------------------------------|
| Interest income                          | 2,719,909                                | 1,593,423                                | 3,965,680                             |
| Interest expense                         | (1,059,012)                              | (975,093)                                | (2,136,104)                           |
| <b>Net interest income</b>               | <b>1,660,897</b>                         | 618,330                                  | 1,829,576                             |
| Fee and commission income                | 1,959,215                                | 3,378,559                                | 5,815,133                             |
| Other income                             | 473,574                                  | 861,150                                  | 4,623,168                             |
| <b>Operating income</b>                  | <b>4,093,686</b>                         | 4,858,039                                | 12,267,877                            |
| Personnel expenses                       | (975,613)                                | (973,753)                                | (1,907,867)                           |
| Operating lease expenses                 | (11,758)                                 | (37,687)                                 | (73,349)                              |
| Other expenses                           | (1,701,366)                              | (2,579,098)                              | (5,832,876)                           |
| Depreciation and amortisation            | (268,110)                                | (316,321)                                | (782,987)                             |
| Net impairment loss on financial assets  | -  | -  | (13,461)                              |
| Net foreign exchange gains/losses        | (1,219,931)                              | -  | (1,285,977)                           |
| <b>Profit/(loss) before tax</b>          | <b>(83,092)</b>                          | 951,180                                  | 2,371,360                             |
| Tax (expense)/ credit                    | -  | (95,118)                                 | (70,463)                              |
| <b>Profit/(loss) for the period/year</b> | <b>(83,092)</b>                          | 856,062                                  | 2,300,897                             |

## Warwyck Private Bank Ltd

### Statement of changes in shareholder's equity for the period ended 30 June 2019

|  | Stated<br>capital<br>USD | Statutory<br>reserve<br>USD | Retained<br>earnings<br>USD | Total<br>USD      |
|--|--------------------------|-----------------------------|-----------------------------|-------------------|
| <b>At 01 January 2018</b>                      | 10,000,010               | 1,646,943                   | 4,030,276                   | 15,677,229        |
| Shares bought back                             | (10)                     | -                           | -                           | (10)              |
| Dividends paid                                 | -                        | -                           | (4,000,000)                 | (4,000,000)       |
| Transaction with the shareholder               | (10)                     | -                           | (4,000,000)                 | (4,000,010)       |
| Profit for the year                            | -                        | -                           | 2,300,897                   | 2,300,897         |
| Other comprehensive income                     | -                        | -                           | -                           | -                 |
| Total comprehensive income for the year        | -                        | -                           | 2,300,897                   | 2,300,897         |
| Transfers to statutory reserve during the year | -                        | 345,135                     | (345,135)                   | -                 |
| <b>At 31 December 2018</b>                     | 10,000,000               | 1,992,078                   | 1,986,038                   | 13,978,116        |
| At 01 January 2019                             | 10,000,000               | 1,992,078                   | 1,986,038                   | 13,978,116        |
| Profit/(loss) for the period                   | -                        | -                           | (83,092)                    | (83,092)          |
| Capital injection                              | 650,000                  | -                           | -                           | 650,000           |
| Bonus issue                                    | 1,050,000                | -                           | (1,050,000)                 | -                 |
| <b>At 30 June 2019</b>                         | <b>11,700,000</b>        | <b>1,992,078</b>            | <b>852,946</b>              | <b>14,545,024</b> |

## Warwyck Private Bank Ltd

### Statement of cash flows for the six months ended 30 June 2019

|   | 6 months<br>ended June<br>2019<br>USD | 30 June<br>2018<br>USD | Year-end<br>December<br>2018<br>USD |
|---|---------------------------------------|------------------------|-------------------------------------|
| <b>Operating activities</b>                               |                                       |                        |                                     |
| Profit/(loss) before tax for the period / year            | (83,092)                              | 951,180                | 2,371,360                           |
| Adjustments for:  |                                       |                        |                                     |
| Depreciation  | 166,503                               | 194,207                | 429,850                             |
| Amortisation  | 101,607                               | 122,114                | 353,137                             |
| Gain on disposal of subsidiaries                          | -                                     | -                      | (3,847,548)                         |
| Fair value (gain)/loss                                    | -                                     | -                      | 59,478                              |
| Interest expense  | 1,059,013                             | 975,093                | 2,136,104                           |
| Interest income   | (2,719,909)                           | (1,593,423)            | (3,965,680)                         |
| Intangible assets written off                             | -                                     | -                      | 33,197                              |
| Total adjustments   | (1,392,786)                           | (302,009)              | (4,801,462)                         |
| <b>Changes in working capital</b>                         |                                       |                        |                                     |
| Changes in placements                                     | 398,263                               | 1,912,309              | (632,330)                           |
| Changes in loans and advances                             | 9,167,846                             | 3,407,040              | 621,966                             |
| Changes in other assets                                   | (5,146,366)                           | (7,890,348)            | (404,720)                           |
| Changes in deposits from customers                        | (40,186,646)                          | 24,438,317             | 22,012,796                          |
| Changes in other liabilities                              | 135,299                               | (2,506,815)            | (5,597,053)                         |
| Changes in derivatives financial instrument               | 209,381                               | -                      | -                                   |
| Tax paid  | (32,965)                              | -                      | (51,984)                            |
| Net cash (used in) / from operating activities            | (36,931,066)                          | 20,009,674             | 13,518,573                          |
| <b>Investing activities</b>                               |                                       |                        |                                     |
| Investment in shares                                      | -                                     | -                      | (766,893)                           |
| Acquisition of intangible assets                          | -                                     | -                      | (659,255)                           |
| Acquisition of property, plant and equipment              | (33,087)                              | (9,023)                | (32,844)                            |
| Derivative financial instruments                          | -                                     | -                      | (339,639)                           |
| Proceeds from sale of shares                              | 707,415                               | -                      | -                                   |
| Interest received   | 1,379,617                             | 2,220,286              | 3,157,414                           |
| Proceeds from sale of subsidiaries                        | -                                     | -                      | 3,682,025                           |
| Net cash from investing activities                        | 2,053,945                             | 2,211,263              | 5,040,808                           |
| <b>Financing activities</b>                               |                                       |                        |                                     |
| Dividends paid  | -                                     | (4,000,00)             | (4,000,000)                         |
| Increase in share capital                                 | 650,000                               | -                      | -                                   |
| Interest paid   | (117,165)                             | (1,642,346)            | (1,857,002)                         |
| Net cash from /(used in) financing activities             | 532,835                               | (5,642,346)            | (5,857,002)                         |
| <b>Net change in cash and cash equivalents</b>            | (34,344,286)                          | 16,578,592             | 12,702,379                          |
| Cash and cash equivalents at the beginning of period/year | 115,558,821                           | 102,842,393            | 102,856,442                         |
| Cash and cash equivalents at the end of period/year       | 81,214,535                            | 119,420,985            | 115,558,821                         |
| <b>Cash and cash equivalents are made up of:</b>          |                                       |                        |                                     |
| Cash in hand and at bank                                  | 86,602,017                            | 119,420,985            | 122,118,345                         |
| Overdrawn bank balances                                   | (5,387,482)                           | -                      | (6,559,524)                         |
| <b>Cash and cash equivalents, end of period/year</b>      | <b>81,214,535</b>                     | <b>119,420,985</b>     | <b>115,558,821</b>                  |