

# Unaudited Financial Statements

As at  
31 March 2020



**WARWYCK**

PRIVATE BANK

Warwyck Private Bank Ltd recorded a profit of USD 240k for the period ended 31 March 2020 compared to a loss of USD 135k for the same period last year. The major source of income are interest income, account service fees, advisory fees and commission income on structured products. Expenses mainly comprised of personnel expenses, retrocession fees paid, licence fees, IT expenses, depreciation and amortisation, interest expense and FX loss.

**Net interest Income:**

Interest income comprised primarily of interest earned on loans and advances and placements while interest expense represents interest paid on fixed deposits and borrowings. Net interest income stood at USD 414k. A decrease of 50% is noted as compared to March 2019 and is explained mainly by a decrease in loan and advances by 77%.

**Non-Interest Income:**

Non-interest income stood at USD 1.15m as at 31 March 2020. The components of non-interest income are set up fees, investment advisory fees, accounts service fees and other fees received. As compared to March 2019, an increase of 6% is noted and is mainly caused by an increase in loan processing fees and commission income on structured products earned in the period under review.

**Non-Interest Expense:**

Non-interest expenses were USD 1.3m and included personnel expenses of USD 367k. The other main operating expenses included retrocession fees of USD 140k, licence fees of USD 125k, depreciation and amortization of USD 159k and FX loss of USD 133k.

**Assets:**

Total assets as at 31 March 2020 were at USD 142m. This represents a 18% decrease over December 2019 figures. The main contributor for this decline was a drop-in cash and cash equivalent by 32% resulting from a decrease in deposits from customers. The Balance sheet remains sound with a total capital adequacy ratio of 19.74% as at 31 March 2020.

The loan to deposit ratio was 23% at 31 March 2020. (Dec 2019: 18%).

**Liabilities:**

Total liabilities amounted to USD 127m as at 31 March 2020 representing a 20% decrease as compared to 31 December 2019. This decrease is due to a drop in our deposit base from USD 157m as at December 2019 to USD 126m as at March 2020.

**Shareholders' Funds:**

The share capital was USD 11.7m, statutory reserves were USD 2.1m and accumulated profits stood at USD 1.74m. Thus, equity stood at USD 15.54m.

**Capital Adequacy Ratio:**

The capital adequacy ratio was well above the required minimum limit of 12.50% and stood at 19.74% as at 31 March 2020. (Dec 2019: 18.27%).

**Credit Quality**

The bank's credit portfolio comprises primarily 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 is in a good liquidity position which is demonstrated by the Liquidity Coverage Ratio (LCR) of 189% as at 31 March 2020 which is well above the required amount of 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.

**Events after the reporting date of 31 March 2020**

Management and the Board are closely monitoring the impact of the outbreak of Covid-19 on the bank. It is expected that 2020 will be characterised by a slowdown of business activities generally and a drop in revenues.

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 2019 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 31 March 2020

	March 2020 USD	December 2019 USD	March 2019 USD
<b>ASSETS</b>			
Cash and cash equivalents	70,962,568	103,954,489	88,701,809
Placements with an overseas banks	2,537,360	2,945,191	3,132,655
Derivative financial assets	126,295	1,951	535,790
Loan and advances	28,758,416	28,894,403	127,022,786
Financial assets at fair value through profit & Loss	-	-	249,646
Property, plant and equipment	5,739,891	5,842,316	5,586,151
Right of use assets	-	4,755	-
Intangible assets	359,510	405,769	459,908
Deferred tax assets	-	-	18,310
Current tax assets	1,340	6,138	-
Other assets	33,780,280	31,188,036	31,103,752
<b>Total assets</b>	<b>142,265,658</b>	<b>173,243,048</b>	<b>256,810,807</b>
<b>LIABILITIES</b>			
Deposits from customers	125,999,353	157,210,674	234,385,024
Borrowings	95,962	6,561	7,125,783
Derivatives financial liabilities	-	2,913	453,786
Current tax liabilities	-	-	32,966
Deferred tax liabilities	35,306	35,306	-
Lease liabilities	-	4,853	-
Other liabilities	597,832	685,887	970,218
<b>Total liabilities</b>	<b>126,728,453</b>	<b>157,946,194</b>	<b>242,967,777</b>
<b>SHAREHOLDERS' EQUITY</b>			
Stated capital	11,700,000	11,700,000	10,000,000
Statutory reserve	2,092,389	2,092,389	1,992,078
Retained earnings	1,744,816	1,504,465	1,850,952
<b>Total equity</b>	<b>15,537,205</b>	<b>15,296,854</b>	<b>13,843,030</b>
<b>Total liabilities and equity</b>	<b>142,265,658</b>	<b>173,243,048</b>	<b>256,810,807</b>



Mr Karl Aeschbacher  
Chief Executive Officer



Mr Deenaraj Sooben  
Director

## WARWYCK PRIVATE BANK LTD

### ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS

Statement of comprehensive income for the 3 months period ended 31 March 2020

	3 months ended March 2020 USD	Year ended December 2019 USD	3 months ended March 2019 USD
Interest income	473,743	4,897,880	1,366,048
Interest expense	(59,809)	(1,754,134)	(531,644)
<b>Net interest income</b>	<b>413,934</b>	<b>3,143,746</b>	<b>834,404</b>
Fee and commission income	951,598	4,083,259	893,182
Other income	200,175	891,051	192,407
<b>Operating income</b>	<b>1,565,707</b>	<b>8,118,056</b>	<b>1,919,993</b>
Personnel expenses	(366,675)	(1,759,843)	(543,459)
Operating lease expenses	-	-	(6,371)
Other expenses	(660,784)	(3,478,900)	(693,671)
Depreciation and amortisation	(159,207)	(579,387)	(137,201)
Net impairment losses on financial assets	(1,054)	1,278	-
Net foreign exchange losses	(132,837)	(1,584,988)	(674,377)
<b>Profit before tax</b>	<b>245,150</b>	<b>716,216</b>	<b>(135,086)</b>
Tax (expense)/ credit	(4,798)	(47,478)	-
<b>Profit for the period/year</b>	<b>240,351</b>	<b>668,738</b>	<b>(135,086)</b>

## ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS

Statement of changes in shareholder's equity for the period ended 31 March 2020

	Stated capital USD	Statutory reserve USD	Retained earnings USD	Total USD
At 01 January 2019	10,000,000	1,992,078	1,986,038	13,978,116
Loss for the period	-	-	(135,086)	(135,086)
<b>At 31 March 2019</b>	<b>10,000,000</b>	<b>1,992,078</b>	<b>1,850,952</b>	<b>13,843,030</b>
At 01 January 2019	10,000,000	1,992,078	1,986,038	13,978,116
Capital injection	650,000	-	-	650,000
Bonus issue	1,050,000	-	(1,050,000)	-
Transaction with shareholder	1,700,000	-	1,050,000	650,000
Profit for the year	-	-	668,738	668,738
Transfers to statutory reserve during the year	-	100,311	(100,311)	-
<b>At 31 December 2019</b>	<b>11,700,000</b>	<b>2,092,389</b>	<b>1,504,465</b>	<b>15,296,854</b>
<b>At 01 January 2020</b>	<b>11,700,000</b>	<b>2,092,389</b>	<b>1,504,465</b>	<b>15,296,854</b>
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>240,351</b>	<b>240,351</b>
<b>At 31 March 2020</b>	<b>11,700,000</b>	<b>2,092,389</b>	<b>1,744,816</b>	<b>15,537,205</b>

## ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS

Statement of cash flows for the period ended 31 March 2020

	March 2020 USD	December 2019 USD	March 2019 USD
<b>Operating Activities</b>			
Profit/(Loss) before tax	245,150	716,216	(135,086)
<b>Adjustments for:</b>			
Depreciation	108,194	373,159	80,155
Amortisation	51,014	206,228	57,046
Loss on sale of property, plant and equipment	-	3,803	-
Fair value gain on disposal of investment	-	(71,458)	-
Interest expense	59,809	1,754,134	505,600
Unwinding of discount of lease liability	267	1,308	-
Interest paid	(63,538)	(2,678,777)	(79,654)
Interest Income	(473,743)	(4,897,880)	(1,366,048)
Interest received	244,266	5,186,532	677,088
Dividend income	-	(5,081)	-
Total adjustments	(73,731)	(128,032)	(125,813)
<b>Changes in operating assets and Liabilities</b>			
Decrease/(Increase) in placement with Overseas Bank	407,831	(8,263)	(195,727)
Decrease/(Increase) in loans and advances	94,716	107,603,508	11,647,024
Decrease/(Increase) in other assets	(2,603,355)	(4,501,211)	(4,406,058)
(Decrease)/ Increase in deposits from customers	(31,207,592)	(117,331,670)	(41,507,910)
(Decrease)/ Increase in other liabilities	(88,054)	(251,956)	32,376
Tax paid	-	(32,966)	-
Other dividend received	281,861	1,134,934	-
<b>Net Cash Flows from / (used in) operating activities</b>	<b>(32,943,174)</b>	<b>(12,799,440)</b>	<b>(34,691,194)</b>
<b>Cash flows from investing activities</b>			
Investment in shares	-	(238,182)	-
Acquisition of intangible assets	-	(5,156)	-
Acquisition of property, plant and equipment	(5,772)	(623,773)	(7,005)
Derivatives financial instruments	(127,257)	340,601	257,634
Disposal of investment	-	1,017,055	457,769
Disposal of property, plant and equipment	-	63,149	-
Dividend received	-	5,081	-
<b>Net Cash used in investing activities</b>	<b>(133,029)</b>	<b>558,775</b>	<b>708,398</b>
<b>Cash Flows from Financing activities</b>			
Repayment of lease liability	(5,119)	(20,228)	-
Increase in share capital	-	650,000	-
<b>Net cash flows generated from financing activities</b>	<b>(5,119)</b>	<b>629,772</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>(33,081,322)</b>	<b>(11,610,893)</b>	<b>(33,982,795)</b>
Cash and cash equivalents at the beginning of period/year	103,947,928	115,558,821	115,558,821
<b>Cash and cash equivalents at the end of period/year</b>	<b>70,866,606</b>	<b>103,947,928</b>	<b>81,576,026</b>
<b>Cash and cash equivalents are made up of:</b>			
Cash in hand and at bank	70,962,568	103,954,489	88,701,809
Overdrawn bank balances	(95,962)	(6,561)	(7,125,783)
<b>Cash and cash equivalents, end of period/year</b>	<b>70,866,606</b>	<b>103,947,928</b>	<b>81,576,026</b>