

Unaudited Financial Statements

As at
31 March 2021



WARWYCK

PRIVATE BANK

WARWYCK PRIVATE BANK LTD

COMMENTS ON RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2021

Warwyck Private Bank Ltd reported a loss of USD 191k for the three months ended 31 March 2021 compared to a profit of USD 240k for the same period in 2020. The major sources of income are interest income, account service fees, advisory fees and commission income on structured products. Expenses mainly comprised of personnel expenses, licence fees, professional fees, IT expenses, depreciation and amortisation and card expenses. The loss for the three months ended 31 March 2021 was mainly attributable to a drop in interest income and non interest income. The decrease in interest income is mainly explained by the prevailing low interest rates on the market as compared to March 2020 and no interest income received from Money Market Fund (Mar 2020- USD247k). The decrease in non interest income was due to a downfall in fee and commission income on structured products and a reduction in advisory fees and account service fees relating to a lower clients' portfolio value.

Net interest Income:

Interest income comprised primarily of interest earned on loans and advances and placements while interest expense represented interest paid on fixed deposits and borrowings. Net interest income stood at USD 107k for the three months ended 31 March 2021. A decrease of 74.1% was noted as compared to the same period in 2020 and is mainly explained by a drop in interest income from the Money Market Fund resulting from decrease in clients' deposits and a significant drop in interest rates from 1.5% in January 2020 to 0.12% in March 2021 on placement with overseas bank.

Non-Interest Income:

Non-interest income stood at USD 564k for the three months ended 31 March 2021 compared to USD 1.15m for the same period last year. The main components of non-interest income are account service fees, investment advisory fees and commission on structured products. As compared to the three months ended 31 March 2020, a decrease of 51% was noted and it was mainly due to a lower volume of transactions on structured products. Commission income on structured products for the three months ended 31 March 2020 amounted to USD 552k compared to USD 95k for the same period ended 31 March 2021. A decrease of USD 51k was noted in Investment advisory fees for three months ended 31 March 2021 (March 2021: USD 84k and March 2020: USD 135k). A decrease of 35.3% was noted on account service fees relating to a drop in clients' portfolio as compared to the three months ended 31 March 2020.

Non-Interest Expense:

Non-interest expenses were USD 862k and included personnel expenses of USD 291k. The other components of operating expenses comprised of licence fees of USD 99k, depreciation and amortisation of USD 166k, card expenses of USD 58k, utilities of USD 49k, legal and professional fees of USD 77k and repairs and maintenance of USD 52k. The remaining USD 70k includes several expenses of smaller amounts. Non-Interest expenses were lower by USD 458k for the three months ended 31 March 2021 compared to same period in 2020 mainly due to decrease in retrocession fees by USD 137k, FX loss by USD 129k, personnel expenses by USD 76k, travelling expenses by USD 50k and professional fees by USD 34k.

Assets:

Total assets as at 31 March 2021 were at USD 102.83m. This represented a 14.7% decrease over December 2020 figures. The main contributors for this decline were a drop-in cash and cash equivalent by 16.8% resulting from a decrease in deposits from customers to the tune of USD 17.6m and a fall in loan and advances of USD 4.81m.

Other assets stood at USD 19.41m and dropped by 12.8% compared to December 2020. The drop was mainly due to repayment of margin deposit for structured products held with counterparties.

Loan and advances stood at USD 31.37m as at 31 March 2021 compared to USD 36.18m as at 31 Dec 2020 representing a decrease of 13.3%. An increase of 9.1% was noted when compared to the period ended 31 March 2020.

The loan to deposit ratio was 36.5% at 31 March 2021. (December 2020: 34.9% and March 2020: 22.8%).

No other major variances to be reported.

Liabilities:

Total liabilities amounted to USD 86.82m as at 31 March 2021 representing a decrease of 16.8% as compared to 31 December 2020. This decrease was due to a drop in the deposit base from USD 103.62m as at December 2020 to USD 86.00m as at March 2021.

No other major variances to be reported.

Shareholders' Funds:

The share capital was USD 13.20m and statutory reserves were USD 2.09m. Accumulated profits stood at USD 714k. Thus, equity stood at USD 16.01m, lower than that reported as at 31 December 2020 of USD 16.20m.

Capital Adequacy Ratio:

The capital adequacy ratio was well above the required minimum limit of 12.50% and stood at 27.28% as at 31 March 2021. (December 2020: 24.79% and March 2020: 19.74%).

Credit Quality

The bank's credit portfolio comprises of loans and overdrafts with no significant credit exposures outstanding and no 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 157% as at 31 March 2021 (239% as at 31 December 2020 and 137% as at 31 March 2020) which is well above the required percentage 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.

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 2020 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 2021

	As at March 2021 USD	As at December 2020 USD	As at March 2020 USD
ASSETS			
Cash and cash equivalents	44,544,866	53,540,855	70,962,568
Placements with an overseas bank	1,583,644	2,453,907	2,537,360
Derivative financial assets	14,144	19,264	126,295
Loan and advances	31,367,718	36,179,131	28,758,416
Property, plant and equipment	5,349,894	5,449,071	5,739,891
Right of use assets	139,076	153,889	-
Intangible assets	247,567	299,992	359,510
Deferred tax assets	152,693	152,693	-
Current tax assets	15,888	13,938	1,340
Other assets	19,414,326	22,274,797	33,780,278
Total assets	102,829,816	120,537,537	142,265,658
LIABILITIES			
Deposits from customers	85,995,207	103,621,382	125,999,353
Borrowings	-	-	95,962
Derivatives financial liabilities	98,701	17,623	-
Deferred tax liabilities	-	-	35,306
Lease liabilities	141,126	155,306	-
Retirement benefit obligations	4,884	4,884	-
Other liabilities	583,224	540,824	597,832
Total liabilities	86,823,142	104,340,019	126,728,453
SHAREHOLDERS' EQUITY			
Stated capital	13,200,000	13,200,000	11,700,000
Statutory reserve	2,092,389	2,092,389	2,092,389
Retained earnings	714,285	905,129	1,744,816
Total equity	16,006,674	16,197,518	15,537,205
Total liabilities and equity	102,829,816	120,537,537	142,265,658

Didier André Francois Bruguet
Chief Executive Officer

Deenaraj Sooben
Director

WARWYCK PRIVATE BANK LTD

ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS

Statement of comprehensive income for the three months ended 31 March 2021

	3 months ended March 2021 USD	Year ended December 2020 USD	3 months ended March 2020 USD
Interest income	136,253	902,524	473,743
Interest expense	(28,895)	(172,287)	(59,809)
Net interest income	107,358	730,237	413,934
Fee and commission income	363,785	1,846,051	951,598
Other income	200,175	800,700	200,175
Operating income	671,318	3,376,988	1,565,707
Personnel expenses	(290,940)	(1,536,891)	(366,675)
Other expenses	(401,883)	(1,865,539)	(660,784)
Depreciation and amortisation	(166,415)	(645,473)	(159,208)
Net impairment gain/(losses) on financial assets	678	(60,906)	(1,054)
Net foreign exchange losses	(3,602)	(53,273)	(132,837)
Profit before tax	(190,844)	(785,094)	245,149
Tax credit/(expense)	-	187,887	(4,798)
(Loss)/Profit for the period/year	(190,844)	(597,207)	240,351
Other comprehensive income:			
Items that will not be reclassified to profit and loss			
Other comprehensive income for the period, net of tax	-	(2,129)	-
Total comprehensive income for the period/year	(190,844)	(599,336)	240,351

ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS

Statement of changes in equity for the three months ended 31 March 2021

	Stated capital USD	Statutory reserve USD	Retained earnings USD	Total USD
At 01 January 2020	11,700,000	2,092,389	1,504,465	15,296,854
Profit for the period	-	-	240,351	240,351
At 31 March 2020	11,700,000	2,092,389	1,744,816	15,537,205
At 01 January 2020	11,700,000	2,092,389	1,504,465	15,296,854
Capital injection	1,500,000	-	-	1,500,000
Loss for the year	-	-	(597,207)	(597,207)
Other comprehensive income	-	-	(2,129)	(2,129)
Total comprehensive income for the year	-	-	(599,336)	(599,336)
At 31 December 2020	13,200,000	2,092,389	905,129	16,197,518
At 01 January 2021	13,200,000	2,092,389	905,129	16,197,518
Loss for the period	-	-	(190,844)	(190,844)
At 31 March 2021	13,200,000	2,092,389	714,285	16,006,674

ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS

Statement of cash flows for the three months ended 31 March 2021

	March 2021 USD	December 2020 USD	March 2020 USD
Operating Activities			
(Loss)/Profit before tax	(190,844)	(785,094)	245,149
Adjustments for:			
Depreciation of property, plant and equipment	99,179	411,324	108,194
Depreciation of right of use assets	14,812	28,610	-
Amortisation of intangible assets	52,424	205,539	51,014
Interest expense	27,171	168,592	59,809
Unwinding of discount of lease liabilities	1,724	3,695	267
Interest paid	(35,504)	(202,625)	(63,538)
Interest income	(136,253)	(902,524)	(473,743)
Interest received	142,325	911,283	244,266
Provision for retirement benefit obligations	-	2,643	-
Total adjustments	165,878	626,537	(73,731)
Changes in operating assets and Liabilities			
Decrease in placement with an overseas bank	870,263	467,558	407,831
Decrease/(Increase) in loans and advances	4,805,341	(7,269,761)	94,716
Decrease/(Increase) in other assets	2,858,521	8,905,439	(2,603,355)
(Decrease) in deposits from customers	(17,617,842)	(53,555,259)	(31,207,592)
Increase/(Decrease) in other liabilities	42,400	(145,063)	(88,054)
Other dividend received	-	-	281,862
Net cash used in operating activities	(9,066,283)	(51,755,643)	(32,943,174)
Cash flows from investing activities			
Acquisition of intangible assets	-	(99,762)	-
Acquisition of property, plant and equipment	-	(18,079)	(5,772)
Derivative financial instruments	86,198	(2,603)	(127,257)
Net cash from/(used in) investing activities	86,198	(120,444)	(133,029)
Cash Flows from Financing activities			
Increase in stated capital	-	1,500,000	-
Principal paid on lease liabilities	(14,180)	(27,291)	(5,119)
Interest paid on lease liabilities	(1,724)	(3,695)	-
Dividends paid	-	-	-
Net cash (used in)/from financing activities	(15,904)	1,469,014	(5,119)
Net decrease in cash and cash equivalents	(8,995,989)	(50,407,073)	(33,081,322)
Cash and cash equivalents at the beginning of the year	53,540,855	103,947,928	103,947,928
Cash and cash equivalents at the end of the year	44,544,866	53,540,855	70,866,606
Cash and cash equivalents are made up of:			
Cash in hand and at bank	44,544,866	53,540,855	70,962,568
Overdrawn bank balances	-	-	(95,962)
Cash and cash equivalents, end of period/year	44,544,866	53,540,855	70,866,606