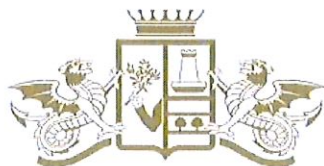


# Unaudited Financial Statements

As at  
30 September 2022



**WARWYCK**

PRIVATE BANK

## WARWYCK PRIVATE BANK LTD

### COMMENTS ON RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

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Warwyck Private Bank Ltd reported a loss of USD 333k for the nine months ended 30 September 2022 compared to a loss of USD 276k for the same period in 2021. The major sources of income are interest income, account service fees, advisory fees and net commission income on structured products. Expenses mainly comprised of personnel expenses, licence fees, professional fees, depreciation and amortisation and card expenses. For the quarter ended 30 September 2022, the Bank reported a loss of USD 67k as compared to a profit of USD 16k for the same quarter in 2021.

#### Net interest Income:

Interest income amounted to USD 888k for the nine months period ended 30 September 2022. This comprised of interest earned on loans and advances and interbank placements and represents an increase of USD 131k as compared to the same period in 2021. Interests received on loans witnessed a decrease of USD 108k, explained by a fall in loan balance from USD 34.16m in September 2021 to USD 17.27m in September 2022. Conversely, interest received on overdrafts witnessed an increase of USD 211k, explained by a rise in interest rates compared to last year. Other interest income witnessed an increase of USD 28k as compared to same period last year due to significant increase in interest rate from 0.05% to 2.35% for USD placements. The interest income for the third quarter ended 30 September 2022 was USD 317k, lower by USD 22k against the same quarter in 2021. This was mainly due to aggregate fall in interest income on loans and advances of USD 59k and an increase of USD 37k in interest income on placements.

Interest expense comprised of interest paid on fixed deposits and nostro accounts. The total interest expense for the nine months ended 30 September 2022 stood at USD 67k and represented a fall of USD 17k over the same period last year. This was due to a decrease in interest paid on fixed deposits (September 2022:- USD 38k and September 2021:- USD 74k), resulting from lower portfolio as compared to same period last year (September 2022: - USD 6.07m and September 2021: - USD 12.61m). During the reporting quarter there has been a decrease in the negative interest on nostro balances since EUR interest is now positive.

Consequently, the net interest income stood at USD 821k for the nine months ended 30 September 2022 compared to USD 673k for the same period last year, while for the third quarter ended September 2022, the net interest income amounted to USD 302k compared to USD 312k for the third quarter of 2021.

#### Net fee and commission income:

Fees and commission income stood at USD 663k for the nine months period ended 30 September 2022, representing a decrease of USD 420k compared to same period in 2021 which stood at USD 1.08m. This fall was mainly due to lower net commission income of USD 244k received on structured products as compared to same period last year (Net FX Option – September 2022: USD 130k vs September 2021: USD 374k). Additionally, advisory fees and account service fees also witnessed a fall during the reporting period, both resulting from a lower clients' portfolio value. For the nine months period ended 30 September 2022, advisory fees stood at USD 146k (September 2021: USD 220k) and account service fees stood at USD 304k (September 2021: USD 390k). Other fee income amounted to USD 82k for the nine months ended 30 September 2022 and was lower than the same period last year which stood at USD 99k. This was mainly due to lower commission on card of USD 10k during the reporting period. For the third quarter 2022, fees and commission income amounted to USD 177k compared to USD 411k for the same quarter last year.

Fees and commission expense stood at USD 281k for the nine months period ended 30 September 2022 and witnessed an increase of USD 53k as compared to the same period last year. Fees and commission expense comprises mainly of card expenses of USD 229k (September 2021:- USD 165k) and custody fees expense of USD 36k (September 2021 – USD 52k). Fees and commission expense amounted to USD 83k and USD 92k for the third quarter of 2022 and 2021 respectively.

As a result, the net commission income for the nine months period ended September 2022 amounted to USD 382k against USD 856k for the same period last year. The net fee and commission income for the third quarter ended 30 September 2022 was USD 94k, lower by USD 224k against the same quarter in 2021.

## WARWYCK PRIVATE BANK LTD

### COMMENTS ON RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

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#### Net fee and commission income (Cont'd):

Other income for the nine months period ended 30 September 2022 stood at USD 488k (September 2021: USD 601k), linked to a reduction in shared expense. Other income for the third quarter 2022 was USD 167k compared to USD 200k for same quarter in 2021.

#### Operating Expense:

Operating expense stood at USD 2.04m for the nine months ended 30 September 2022 and represented a decrease of USD 382k (15.8%) against same period in 2021. This was mainly due to lower depreciation and amortisation expense of USD 180k (September 2022: USD 317k vs September 2021: USD 497k, coupled with higher personnel expenses of USD 42k (September 2022: USD 913k vs September 2021: USD 871k) and FX gain of USD 203k (September 2022: Forex gain of USD 115k vs September 2021: forex loss of USD 88k). Operating expenses for the reporting quarter stood at USD 630k compared to USD 815k for the same quarter in 2021.

#### Assets:

Total assets as at 30 September 2022 stood at USD 62.34m. This represented an 33.5% decrease over December 2021 figures. The major contributor for this decline was a drop in cash and cash equivalents and placements with overseas banks by 53.1% (USD 12.33m) resulting from a reduction in clients' deposits to the tune of USD 31.09m.

During the period ended 30 September 2022, the bank acquired a software amounting to USD 950k. Loans and advances stood at USD 27.77m as at 30 September 2022 compared to USD 44.95m as at 31 December 2021 representing a decrease of 38.2% due to a few repayments of advances. A decrease of 41.0% was noted when compared with the period ended 30 September 2021 and was mainly due to decrease in loans and advances from USD 47.08m in September 2021 to USD 27.77m in September 2022.

The loan to deposit ratio was 59.8% at 30 September 2022. (December 2021: 58.0% and September 2021: 62.4%).

The bank had a new placement with overseas bank as at the reporting date USD 683k (December 2021: USD 810k and September 2021: USD 1.57m). However, short term interbank placement stood at USD 10.93m as at 30 September 2022 and was included in cash and cash equivalent (December 2021: USD 675k and September 2021: USD 12.95m)

Other assets stood at USD 7.33m and dropped by 26.5% since December 2021. A drop of 48.2% was noted when compared to September 2021 and was mainly due to partial repayment of margin deposit and other receivables.

#### Liabilities:

Total liabilities amounted to USD 46.79m as at 30 September 2022 representing a decrease of 39.9% as compared to 31 December 2021. This decrease was mainly due to a drop in the deposit base from USD 77.36m as at December 2021 to USD 46.28m as at 30 September 2022 (September 2021: - USD 75.3m). Other liabilities increased from USD 368k in December 2021 to USD 430k in September 2022 and was mainly due to increase in accrued expenses.

Derivative financial liabilities amounting to USD 32k as at 30 September 2022 compared to USD 17k as at 31 December 2021.

## WARWYCK PRIVATE BANK LTD

### COMMENTS ON RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

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#### Shareholders' Funds:

The share capital was USD 13.20m, statutory reserves were USD 2.09m and Accumulated profits stood at USD 251k. Total equity stood at USD 15.54m, lower than that reported as at 31 December 2021 of USD 15.88m and 30 September 2021 of USD 15.92m.

#### Capital Adequacy Ratio:

The capital adequacy ratio was well above the required minimum limit of 12.5% and stood at 42.07% as at 30 September 2022. (December 2021: 34.69% and September 2021: 29.68%). Total risk weighted assets stood at USD 34.50m as at 30 September 2022 (December 2021: USD 45.32m and September 2021: USD 53.03m).

#### Credit Quality

The bank's credit portfolio comprises of loans and overdrafts backed by adequate collaterals and no impaired credits. All credit transactions are undertaken in accordance with the bank's 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 273% as at 30 September 2022 (136% as at 31 December 2021 and 184% as at 30 September 2021) 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 2021 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 September 2022

	As at September 2022 USD	As at December 2021 USD	As at September 2021 USD
<b>ASSETS</b>			
Cash and cash equivalents	20,412,695	32,618,232	24,619,579
Placements with an overseas bank	683,176	809,867	1,569,223
Derivative financial assets	-	-	5,254
Loan and advances	27,681,961	44,860,536	46,986,789
Property, plant and equipment	5,039,354	5,107,928	5,183,720
Right of use assets	50,203	98,098	114,639
Intangible assets	950,250	90,607	142,797
Deferred tax assets	184,681	169,953	167,706
Current tax assets	5,850	7,800	5,850
Other assets	7,330,012	9,969,092	14,141,927
<b>Total assets</b>	<b>62,338,182</b>	<b>93,732,113</b>	<b>92,937,484</b>
<b>LIABILITIES</b>			
Deposits from customers	46,275,302	77,364,281	75,260,543
Derivatives financial liabilities	31,841	16,514	325
Lease liabilities	52,468	101,067	117,474
Retirement benefit obligations	5,353	5,353	4,884
Other liabilities	429,938	368,445	1,632,256
<b>Total liabilities</b>	<b>46,794,902</b>	<b>77,855,660</b>	<b>77,015,482</b>
<b>SHAREHOLDERS' EQUITY</b>			
Stated capital	13,200,000	13,200,000	13,200,000
Statutory reserve	2,092,389	2,092,389	2,092,389
Retained earnings	250,891	584,064	629,613
<b>Total equity</b>	<b>15,543,280</b>	<b>15,876,453</b>	<b>15,922,002</b>
<b>Total liabilities and equity</b>	<b>62,338,182</b>	<b>93,732,113</b>	<b>92,937,484</b>

  
**Didier André François Bruguet**  
 Chief Executive Officer

  
**Deenaraj Sooben**  
 Director

## ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS

Statement of profit or loss and other comprehensive income for the nine months ended 30 September 2022

	3 months ended September 2022 USD	3 months ended September 2021 USD	9 months ended September 2022 USD	Year ended December 2021 USD	9 months ended September 2021 USD
Interest income	316,793	339,092	888,156	937,819	756,999
Interest expense	(14,867)	(26,651)	(67,433)	(120,051)	(83,959)
<b>Net interest income</b>	<b>301,926</b>	<b>312,441</b>	<b>820,723</b>	<b>817,768</b>	<b>673,040</b>
Fee and commission income	177,374	410,938	663,253	1,420,564	1,083,552
Fees and commission expense	(83,345)	(92,394)	(281,195)	(294,312)	(227,740)
<b>Net Fees and Commission Income</b>	<b>94,029</b>	<b>318,544</b>	<b>382,058</b>	<b>1,126,252</b>	<b>855,812</b>
Other income	166,675	200,175	488,025	800,700	600,525
<b>Operating income</b>	<b>562,630</b>	<b>831,160</b>	<b>1,690,806</b>	<b>2,744,720</b>	<b>2,129,377</b>
Personnel expenses	(306,823)	(284,058)	(912,497)	(1,064,776)	(870,806)
Other expenses	(319,421)	(240,698)	(921,684)	(1,248,914)	(912,745)
Depreciation and amortisation	(118,979)	(166,809)	(317,446)	(642,151)	(497,046)
Net impairment gains/ (losses) on financial assets	(9,664)	(37,103)	(1,665)	(30,923)	(50,750)
Net foreign exchange gains/(losses)	124,808	(86,000)	114,585	(96,364)	(88,559)
<b>Loss before tax</b>	<b>(67,449)</b>	<b>16,492</b>	<b>(347,901)</b>	<b>(338,408)</b>	<b>(290,529)</b>
Income tax credit	-	-	14,728	17,264	15,013
<b>Loss for the period/year</b>	<b>(67,449)</b>	<b>16,492</b>	<b>(333,173)</b>	<b>(321,144)</b>	<b>(275,516)</b>
Other comprehensive income: Items that will not be reclassified to profit and loss	-	-	-	79	15,013
Other comprehensive income for the period, net of tax	-	-	-	79	-
<b>Total comprehensive loss for the period/year</b>	<b>(67,449)</b>	<b>16,492</b>	<b>(333,173)</b>	<b>(321,065)</b>	<b>(275,516)</b>

**WARWYCK PRIVATE BANK LTD****ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS**

Statement of changes in equity for the six months ended 30 September 2022

	Stated Capital	Statutory reserve	Retained earnings	Total
	USD	USD	USD	USD
At 01 January 2022	13,200,000	2,092,389	584,064	15,876,453
Loss for the period	-	-	(333,173)	(333,173)
At 30 September 2022	13,200,000	2,092,389	250,891	15,543,280
At 01 January 2021	13,200,000	2,092,389	905,129	16,197,518
Loss for the year	-	-	(321,065)	(321,065)
At 31 December 2021	13,200,000	2,092,389	584,064	15,876,453
At 01 January 2021	13,200,000	2,092,389	905,129	16,197,518
Loss for the period	-	-	(275,516)	(275,516)
At 30 September 2021	13,200,000	2,092,389	629,613	15,922,002

## ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS

Statement of cash flows for the nine months ended 30 September 2022

	September 2022 USD	December 2021 USD	September 2021 USD
<b>Operating Activities</b>			
Loss before tax	(347,901)	(338,408)	(290,529)
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	184,083	370,058	293,685
Depreciation of right of use assets	47,895	62,708	46,166
Amortisation of intangible assets	85,468	209,385	157,195
Net loss on sale of property, plant and equipment	-	9,771	9,771
Interest expense	64,784	114,054	79,226
Interest expense on lease liabilities	2,649	5,997	4,733
Interest income	(888,156)	(937,819)	(655,537)
Provision for retirement benefit obligations	-	552	-
Total adjustments	(503,277)	(165,294)	(64,761)
<b>Changes in operating assets and Liabilities</b>			
Decrease in placement with an overseas bank	126,691	1,644,040	884,684
Decrease/(Increase) in loans and advances	17,075,432	(8,610,485)	(10,705,784)
Decrease in other assets	2,641,030	12,311,843	8,140,958
Decrease in deposits from customers	(31,066,693)	(26,259,340)	(28,370,649)
Increase/(Decrease) in other liabilities	61,493	(172,379)	1,091,432
Interest paid	(87,070)	(111,815)	(69,416)
Interest received	991,299	866,899	553,663
<b>Net cash used in operating activities</b>	<b>(11,108,996)</b>	<b>(20,834,939)</b>	<b>(28,830,402)</b>
<b>Cash flows from investing activities</b>			
Acquisition of intangible assets	(945,111)	-	-
Acquisition of property, plant and equipment	(115,509)	(69,330)	(68,748)
Derivative financial instruments	15,327	18,155	(3,288)
Proceeds from disposal of property, plant and equipment	-	30,644	30,644
<b>Net cash used in investing activities</b>	<b>(1,045,293)</b>	<b>(20,531)</b>	<b>(41,392)</b>
<b>Cash Flows from Financing activities</b>			
Principal paid on lease liabilities	(48,599)	(61,156)	(44,749)
Interest paid on lease liabilities	(2,649)	(5,997)	(4,733)
<b>Net cash used in financing activities</b>	<b>(51,248)</b>	<b>(67,153)</b>	<b>(49,482)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(12,205,537)</b>	<b>(20,922,623)</b>	<b>(28,921,276)</b>
Cash and cash equivalents at the beginning of the year	32,618,232	53,540,855	53,540,855
<b>Cash and cash equivalents at the end of period/year</b>	<b>20,412,695</b>	<b>32,618,232</b>	<b>24,619,579</b>