



# WARWYCK

PRIVATE BANK



## Unaudited Financial Statements

As at 30 June 2023

## WARWYCK PRIVATE BANK LTD

### COMMENTS ON RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

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Warwyck Private Bank Ltd reported a loss of USD 88k for the six months ended 30 June 2023 compared to a loss of USD 266k for the same period in 2022. The major sources of income are interest income and account service fees. Expenses mainly comprised of personnel expenses, licence fees, professional fees, depreciation and amortisation, repairs and maintenance, bank charges and card expenses. For the quarter ended 30 June 2023, the Bank reported a profit of USD 44k as compared to a loss of USD 45k for the same quarter in 2022.

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

Interest income amounted to USD 976k for the six months ended 30 June 2023, representing a growth of USD 405k as compared to the same period in 2022. This comprised of interest earned on loans and advances and interbank placements. The increase in interests income on loans by USD 97k (June 2023: USD 301k vs June 2022: USD 204k) was attributable to higher interest rates as at 30 June 2023 as compared to 30 June 2022 since some loans have variable interest rates. Conversely, interest income on overdrafts experienced a decline of USD 239k, mostly due to lower overdraft facilities (June 2023: USD 2.94m vs June 2022: USD 25.2m). Other interest income witnessed an increase of USD 546k as compared to same period last year due to higher placements of USD 51.49m compared to USD 5.00m in June 2022. For the second quarter of 2023, interest income was higher by USD 235k against the same quarter in 2022 mainly because of higher interest income on placements of USD 303k.

Interest expense comprised of interest paid on fixed deposits and nostro accounts. A net increase of USD 12k (June 2023: USD 65k vs June 2022: USD 53k) was due to higher interest expense on fixed deposits of USD 36k and lower interest expense on nostro and other accounts of USD 24k. Likewise, for the second quarter of 2023, interest expense was higher by USD 10k compared to the same quarter last year.

As a result, the net interest income, which increased by nearly 76%, stood at USD 912k for the six months ended 30 June 2023 compared to USD 519k for the same period last year, while for the second quarter ended June 2023, the net interest income amounted to USD 525k compared to USD 300k for the second quarter of 2022.

#### **Net fee and commission income:**

Fee and commission income stood at USD 387k for the six months ended 30 June 2023 (30 June 2022: USD 486k), representing a fall of USD 99k which was mainly due to no commission income received on structured products as compared to last year (Net FX Option June 2023: Nil vs June 2022: USD 117k). A reduction in advisory fees of USD 33k (June 2023: USD 75k vs June 2022: USD 108k) was also noted for the period under review, resulting from a lower clients' portfolio value. Account service fees increased from USD 205k in June 2022 to USD 242k in June 2023. Other fee income amounted to USD 70k in June 2023 and USD 56k in June 2022. For the second quarter of 2023, fee and commission income amounted to USD 209k compared to USD 254k for the same quarter last year.

Fee and commission expense stood at USD 150k for the six months ended 30 June 2023, representing a decrease of USD 48k as compared to the same period last year. Fee and commission expense comprised of card expenses of USD 115k (June 2022: USD 152k), administration fees expense of USD 18k (June 2022: USD 34k) and retrocession fees of USD 17k (June 2022: USD 12k). Fee and commission expense amounted to USD 84k and USD 80k for the second quarter of 2023 and 2022 respectively.

As a result, the net commission income for the six months ended 30 June 2023, which fell by 18%, amounted to USD 237k as compared to USD 288k for the same period last year. The net fee and commission income for the second quarter ended 30 June 2023 was USD 125k, lower by USD 49k against the same quarter in 2022.

## WARWYCK PRIVATE BANK LTD

### COMMENTS ON RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

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#### Other income:

The increase in other income of 7.8% for the six months ended 30 June 2023 which stood at USD 346k (June 2022: USD 321k) was mainly linked to an increase in shared expenses. For the same reason, other income for the second quarter 2023 increased to USD 174k from USD 129k when compared to the same quarter in 2022.

#### Operating Expense:

Total operating expense stood at USD 1.59m for the six months ended 30 June 2023 and represented an increase of USD 181k (35.5%) against the same period in 2022. This rise was mainly due to higher depreciation and amortisation expense by USD 14k (June 2023: USD 212k vs June 2022: USD 198k), higher personnel expenses by USD 12k (June 2023: USD 618k vs June 2022: USD 606k), lower net impairment gains on financial assets by USD 7k (June 2023: USD 0.5k vs June 2022: USD 8k), FX gain of USD 80k (June 2023: forex gain of USD 70k vs June 2022: forex loss of USD 10k) and higher other expenses of USD 227k (June 2023: USD 829k vs June 2022: USD 602k). Operating expenses for the reporting quarter stood at USD 788k compared to USD 662k for the same quarter in 2022.

#### Assets:

Total assets stood at USD 99.54m as at 30 June 2023 representing 50% increase over December 2022 figures. This growth can be explained by a higher cash and cash equivalents balance of USD 35.95m which resulted from an increase in clients' deposits and from repayment of loans and receivables from a related company.

In contrast, a fall of USD 1.91m in loans and advances can be noted compared to December 2022 whilst the portfolio shrunk by more than 50% when compared to June 2022 (June 2023: USD 20.22m vs June 2022: USD 44.03m). This can be linked to the fall in overdraft from USD 25.20m in June 2022 to USD 2.95m in June 2023.

The loan to deposit ratio was 24.09% at 30 June 2023 (December 2022: 43.63% and June 2022: 67.92%).

The bank had placement with overseas bank of USD 51.49m as at the reporting date (December 2022: USD 22.13m and June 2022: USD 5.00m). The short-term placement which stood at USD 50.99m as at 30 June 2023 was included in cash and cash equivalents (December 2022: USD 20.26m and June 2022: USD 5.00m).

New equity investments of USD 2.00m in SICAV were effected in the year 2023 (December 2022: nil vs June 2022: nil).

Other assets which stood at USD 5.61m dropped by 20.7% since December 2022. The other assets fell by 25.8% compared to June 2022 following the repayment of intercompany balances in 2023.

No other major variances to be reported.

#### Liabilities:

Total liabilities amounted to USD 84.25m as at 30 June 2023 representing an increase of 64.8% as compared to 31 December 2022. This growth was mainly due to an increase in the deposit base from USD 50.71m as at December 2022 to USD 83.90m as at 30 June 2023 (June 2022: USD 64.83m). Other liabilities fell from USD 393k in December 2022 to USD 327k in June 2023 and was mostly associated to a decrease in prepaid card liability.

No other major variances to be reported.

## WARWYCK PRIVATE BANK LTD

### COMMENTS ON RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

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#### Shareholders' Funds:

The share capital was USD 13.20m, statutory reserves were USD 2.09m and accumulated losses stood at USD 588. Therefore, the total equity stood at USD 15.29m, against balances of USD 15.38m as at 31 December 2022 and USD 15.61m as at 30 June 2022.

#### Capital Adequacy Ratio:

The capital adequacy ratio was well above the required minimum limit of 12.5% and stood at 34.26% as at 30 June 2023. (December 2022: 38.82% and June 2022: 40.98%). Total risk weighted assets stood at USD 42.06m as at 30 June 2023 (December 2022: USD 37.10m and June 2022: USD 35.44m).

#### 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 216% as at 30 June 2023 (219% as at 31 December 2022 and 241% as at 30 June 2022) which is well above the required percentage of 100%. The bank's current High-Quality Liquid Assets (HQLA) portfolio consists of foreign currency deposits at the Central Bank. The bank also relies 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 2022 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 2023

	As at June 2023 USD	As at December 2022 USD	As at June 2022 USD
<b>ASSETS</b>			
Cash and cash equivalents	65,263,011	29,312,931	23,212,210
Placements with an overseas bank	495,000	1,870,955	-
Investment securities	2,015,577	-	-
Loan and advances	20,215,445	22,125,685	44,034,564
Property, plant and equipment	4,935,626	5,021,089	5,092,840
Right of use assets	-	5,564	65,016
Intangible assets	799,713	899,963	1,000,617
Deferred tax assets	199,450	192,156	184,681
Current tax assets	11,578	8,775	11,700
Other assets	5,607,132	7,074,444	7,559,520
<b>Total assets</b>	<b>99,542,532</b>	<b>66,511,562</b>	<b>81,161,148</b>
<b>LIABILITIES</b>			
Deposits from customers	83,902,212	50,711,372	64,829,142
Derivatives financial liabilities	-	-	221,832
Lease liabilities	-	5,999	67,679
Retirement benefit obligations	21,606	21,606	5,353
Other liabilities	326,913	392,690	426,413
<b>Total liabilities</b>	<b>84,250,731</b>	<b>51,131,667</b>	<b>65,550,419</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
(Accumulated deficit)/retained earnings	(588)	87,506	318,340
<b>Total equity</b>	<b>15,291,801</b>	<b>15,379,895</b>	<b>15,610,729</b>
<b>Total liabilities and equity</b>	<b>99,542,532</b>	<b>66,511,562</b>	<b>81,161,148</b>

  
Loïc Chollet-Vergé  
Chief Executive Officer and Director

  
Deenaraj Sooben  
Director

**WARWYCK PRIVATE BANK LTD**

**ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS**

Statement of profit or loss and other comprehensive income for the six months ended 30 June 2023

	3 months ended June 2023		3 months ended June 2022		6 months ended June 2023		6 months ended June 2022	
	USD	USD	USD	USD	USD	USD	USD	USD
Interest income	554,976	319,841	976,411	1,157,226	571,363	571,363	571,363	571,363
Interest expense	(29,655)	(20,025)	(64,883)	(79,083)	(52,566)	(52,566)	(52,566)	(52,566)
<b>Net interest income</b>	<b>525,321</b>	<b>299,816</b>	<b>911,528</b>	<b>1,078,143</b>	<b>518,797</b>	<b>518,797</b>	<b>518,797</b>	<b>518,797</b>
Fee and commission income	208,770	253,728	386,568	827,183	485,879	485,879	485,879	485,879
Fee and commission expense	(83,654)	(79,503)	(149,745)	(368,080)	(197,850)	(197,850)	(197,850)	(197,850)
<b>Net fee and commission income</b>	<b>125,116</b>	<b>174,225</b>	<b>236,823</b>	<b>459,103</b>	<b>288,029</b>	<b>288,029</b>	<b>288,029</b>	<b>288,029</b>
Other income	173,625	128,675	345,721	689,008	321,350	321,350	321,350	321,350
<b>Operating income</b>	<b>824,062</b>	<b>602,716</b>	<b>1,494,072</b>	<b>2,226,254</b>	<b>1,128,176</b>	<b>1,128,176</b>	<b>1,128,176</b>	<b>1,128,176</b>
Personnel expenses	(318,322)	(331,381)	(618,452)	(1,186,490)	(605,674)	(605,674)	(605,674)	(605,674)
Other expenses	(405,422)	(302,017)	(829,424)	(1,265,505)	(602,263)	(602,263)	(602,263)	(602,263)
Depreciation and amortisation	(102,670)	(106,331)	(212,107)	(433,970)	(198,467)	(198,467)	(198,467)	(198,467)
Net impairment gains/(losses) on financial assets	(5,482)	5,578	564	(7,254)	7,999	7,999	7,999	7,999
Net foreign exchange gains/(losses)	44,293	71,773	69,959	151,619	(10,223)	(10,223)	(10,223)	(10,223)
<b>Profit/(loss) before tax</b>	<b>36,459</b>	<b>(59,662)</b>	<b>(95,388)</b>	<b>(515,346)</b>	<b>(280,452)</b>	<b>(280,452)</b>	<b>(280,452)</b>	<b>(280,452)</b>
Income tax credit	7,294	14,728	7,294	22,032	14,728	14,728	14,728	14,728
<b>Profit/(loss) for the period/year</b>	<b>43,753</b>	<b>(44,934)</b>	<b>(88,094)</b>	<b>(493,314)</b>	<b>(265,724)</b>	<b>(265,724)</b>	<b>(265,724)</b>	<b>(265,724)</b>
<b>Other comprehensive income:</b>								
Items that will not be reclassified to profit and loss	-	-	-	(3,244)	-	-	-	-
Other comprehensive loss for the period, net of tax	-	-	-	(3,244)	-	-	-	-
<b>Total comprehensive profit/(loss) for the period/year</b>	<b>43,753</b>	<b>(44,934)</b>	<b>(88,094)</b>	<b>(496,558)</b>	<b>(265,724)</b>	<b>(265,724)</b>	<b>(265,724)</b>	<b>(265,724)</b>

**WARWYCK PRIVATE BANK LTD**

**ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS**

Statement of changes in equity for the six months ended 30 June 2023

	Stated capital USD	Statutory reserve USD	(Accumulated deficit)/retained earnings USD	Total USD
At 01 January 2023	13,200,000	2,092,389	87,506	15,379,895
Loss for the period	-	-	(88,094)	(88,094)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive loss for the period	-	-	(88,094)	(88,094)
At 30 June 2023	13,200,000	2,092,389	(588)	15,291,801
At 01 January 2022	13,200,000	2,092,389	584,064	15,876,453
Loss for the year	-	-	(493,314)	(493,314)
Other comprehensive income / (loss)	-	-	(3,244)	(3,244)
Total comprehensive loss for the year	-	-	(496,558)	(496,558)
At 31 December 2022	13,200,000	2,092,389	87,506	15,379,895
At 01 January 2022	13,200,000	2,092,389	584,064	15,876,453
Loss for the period	-	-	(265,724)	(265,724)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive loss for the period	-	-	(265,724)	(265,724)
At 30 June 2022	13,200,000	2,092,389	318,340	15,610,729

## WARWYCK PRIVATE BANK LTD

### ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS

Statement of cash flows for the six months ended 30 June 2023

	June 2023	December 2022	June 2022
	USD	USD	USD
<b>Cash flows from operating activities</b>			
Loss before tax	(95,388)	(515,346)	(280,452)
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	106,294	238,220	130,285
Depreciation of right of use assets	5,564	59,995	33,082
Amortisation of intangible assets	100,249	135,755	35,100
Fair value (gains)/losses on investments	(12,345)	-	-
Interest expense	64,833	76,033	50,611
Interest expense on lease liabilities	50	3,050	1,955
Interest income	(976,411)	(1,157,226)	(571,363)
Provision for retirement benefit obligations	-	12,838	-
Total adjustments	(711,766)	(631,335)	(320,330)
<b>Changes in operating assets and Liabilities</b>			
Decrease/(increase) in placement with an overseas bank	1,377,692	(1,059,737)	809,867
Decrease in loans and advances	1,909,052	22,661,338	725,778
Decrease in other assets	1,464,509	1,941,765	2,405,672
Increase/(decrease) in deposits from customers	33,198,772	(26,646,209)	(12,505,177)
(Decrease)/increase in other liabilities	(65,777)	24,245	57,968
Interest paid	(72,815)	(85,783)	(80,573)
Interest received	975,862	1,229,388	671,557
Tax refund	-	7,800	-
<b>Net cash generated from/(used in) operating activities</b>	<b>37,980,141</b>	<b>(3,073,874)</b>	<b>(8,515,690)</b>
<b>Cash flows from investing activities</b>			
Acquisition of equity investments	(2,003,232)	-	-
Acquisition of intangible assets	-	(151,381)	(945,111)
Acquisition of property, plant and equipment	(20,830)	(16,514)	(115,196)
Derivative financial instruments	-	-	205,318
<b>Net cash used in investing activities</b>	<b>(2,024,062)</b>	<b>(167,895)</b>	<b>(854,989)</b>
<b>Cash flows from financing activities</b>			
Principal paid on lease liabilities	(5,949)	(60,482)	(33,388)
Interest paid on lease liabilities	(50)	(3,050)	(1,955)
<b>Net cash used in financing activities</b>	<b>(5,999)</b>	<b>(63,532)</b>	<b>(35,343)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>35,950,080</b>	<b>(3,305,301)</b>	<b>(9,406,022)</b>
Cash and cash equivalents at the beginning of the year	29,312,931	32,618,232	32,618,232
<b>Cash and cash equivalents at the end of period/year</b>	<b>65,263,011</b>	<b>29,312,931</b>	<b>23,212,210</b>