



WARWYCK

PRIVATE BANK



**Unaudited Financial Statements**

**As at 30 September 2023**

Warwyck Private Bank Ltd reported a profit of USD 252k for the nine months ended 30 September 2023 compared to a loss of USD 333k for the same period in 2022. The major sources of income are interest income and account service fee. Expenses mainly comprised of personnel expenses, licence fees, professional fees, depreciation and amortization, repairs and maintenance, bank charges and card expenses. For the quarter ended 30 September 2023, the Bank reported a profit of USD 340k as compared to a loss of USD 67k for the same quarter in 2022.

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

Interest income amounted to USD 1.75m for the nine months period ended 30 September 2023, nearly doubling the figures of USD 888k as at 30 September 2022. This comprised of interest earned on loans and advances and interbank placements. The increase in interests income on loans by USD 238k (Sep 2023: USD 529k and Sep 2022: USD 291k) was mainly as a result of higher interest rates as at 30 September 2023 as compared to 30 September 2022; since some loans have variable interest rates. In contrast, interest income on overdraft faced a decline of USD 370k primarily due to lower overdraft facilities (Sep 2023: USD 2.87m and Sep 2022: USD 10.47m). Other interest income increased substantially by nearly USD 999k compared to the same period last year owing to the rise in placements (Sep 2023: USD 38.45m and Sep 2022: USD 11.61m) and rise in interest rate for both USD and EUR. For the third quarter of 2023, interest income was higher by USD 461k against the same quarter in 2022. This positive variance can largely be attributable to higher interest income on placements of USD 452k.

Interest expense comprised of interest paid on fixed deposits and nostro accounts. Higher interest expense on fixed deposits of USD 182k and lower interest expense on nostro and other accounts of USD 26k resulted in a net increase of USD 156k (Sep 2023: USD 223k and Sep 2022: USD 67k). Similarly, for the third quarter of 2023, interest expense was higher by USD 143k compared to the same quarter in 2022 mostly due to higher interest expense following increase in fixed deposits in year 2023.

Subsequently, the net interest income stood at USD 1.53m for the nine months ended 30 September 2023 compared to USD 821k for the same period last year. For the third quarter ended September 2023, the net interest income amounted to USD 620k compared to USD 302k for the third quarter of 2022.

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

Fee and commission income increased by approximately 12% for the nine months ended 30 September 2023 when compared to the same period last year (Sep 2023: USD 743k and Sep 2022: USD 663k). This was mostly attributable to the gains on investments booked in year 2023. Account service fees reported an increase of 31% (Sep 2023: USD 400k and Sep 2022: USD 304k) for the period under review. On the other hand, no commission income was received on structured products as compared to last year (Net FX Option Sep 2023: Nil and Sep 2022: 130k). A reduction in advisory fees was also noted for the period under review (Sep 2023: USD 110k and Sep 2022: USD 146k) resulting from a lower clients' portfolio value following closure of some cells. For the third quarter of 2023, fee and commission income was higher by USD 179k arising mostly from the gains on investments held as from year 2023.

Fee and commission expense stood at USD 204k for the nine months period ended 30 September 2023, witnessing a fall of USD 78k as compared to the same period last year. Fees and commission expense comprises mainly of card expenses of USD 145k (Sep 2022: USD 229k), administration fees expense of USD 28k (Sep 2022: USD 36k) and retrocession fees of USD 30k (Sep 2022: USD 16k). Fees and commission expense amounted to USD 54k and USD 83k for the third quarter of 2023 and 2022 respectively.

As a result, the net commission income for the nine months ended 30 September 2023, which increased by 41% amounted to USD 539k against USD 382k for the same period last year. The net fee and commission income for the third quarter ended 30 September 2023 was USD 302k, higher by USD 208k against the same quarter in 2022.

**Other Income:**

The increase in other income of 7% for the nine months ended 30 September 2023 which stood at USD 523k (Sep 2022: USD 488k) was primarily linked to an increase in shared expenses. Similarly, other income for the third quarter 2023 increased to USD 177k from USD 167k when compared to the same quarter in 2022.

**Operating Expense:**

Operating expense increased by 14% to reach USD 2.33m for the nine months ended 30 September 2023 driven mostly by higher bank charges, professional fees, utilities, licences and repairs/maintenance costs when compared to last year (Sep 2022: USD 2.04m). Operating expenses for the reporting quarter stood at USD 739k compared to USD 630k for the same quarter in 2022.

**Assets:**

Total assets grew by nearly 70% over the period from 31 December 2022 (USD 66.51m) to 30 September 2023 (USD 112.80m). The major factors that lead to such variance were (1) new equity investments of USD 26.00m during the year 2023 and (2) increase in cash and cash equivalents with banks by USD 22.63m that resulted from an increase in clients' deposits and from repayment of loans and receivables from related company.

Loans and advances fell by USD 1.82m from December 2022 (USD 22.13m) to reach USD 20.31m as at 30 September 2023 due to repayment of loans over the period under review. Whilst, the decrease in loans and advances by USD 7.37m over the one-year period from 30 September 2022 to 30 September 2023 was mainly due repayment of overdraft balances.

The loan to deposit ratio was 20.99% as at 30 September 2023 (Dec 2022: 43.63% and Sep 2022: 59.82%).

The bank had placement of USD 38.45m at the reporting date (Dec 2022: USD 22.13m and Sep 2022: USD 11.61m). Short-term placement of USD 37.75m has been disclosed under cash and cash equivalent (Dec 2022: USD 20.26m and Sep 2022: USD 10.93m).

The repayment of intercompany balances and the increase in CRR balances with the Bank of Mauritius in 2023 led to the fall in Other Assets balances reported at USD 6.86m as at 30 September 2023 (Dec 2022: USD 7.07m and Sep 2022: USD 7.33m).

No other major variances to be reported.

**Liabilities:**

Total liabilities increased by 90% over the period from USD 51.13m as at 31 December 2022 to reach USD 97.17m as at 30 September 2023. This growth was mainly due to an increase in the deposit base (Sep 2023: USD 96.77m and Dec 2022: USD 50.71m). A decrease in the prepaid card liability, on the other hand, mainly resulted in the fall in other liabilities (Sep 2023: USD 379k and Dec 2022: USD 393k).

No other major variances to be reported.

**Shareholders' Funds:**

The share capital was USD 13.20m, statutory reserves were USD 2.09m and accumulated profits stood at USD 340k. Total equity stood at USD 15.63m, higher than that reported as at 31 December 2022 of USD 15.38m and 30 September 2022 of USD 15.54m.

**Capital Adequacy Ratio:**

The capital adequacy ratio was well above the required minimum limit of 12.5% and stood at 32.86% as at 30 September 2023 (Dec 2022: 38.82% and Sep 2022: 42.07%). Total risk weighted assets stood at USD 44.31m as at 30 September 2023 (Dec 2022: USD 37.10m and Sep 2022: USD 34.50m).

**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 141% as at 30 September 2023 (Dec 2022: 219% and Sep 2022: 273%) 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 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 September 2023

	As at September 2023	As at December 2022	As at September 2022
	USD	USD	USD
<b>ASSETS</b>			
Cash and cash equivalents	53,113,283	29,312,931	20,412,695
Placements with bank	703,158	1,870,955	683,176
Investment securities	25,995,028	-	-
Loan and advances	20,307,968	22,125,685	27,681,961
Property, plant and equipment	4,874,833	5,021,089	5,039,354
Right of use assets	-	5,564	50,203
Intangible assets	749,589	899,963	950,250
Deferred tax assets	179,671	192,156	184,681
Current tax assets	14,611	8,775	5,850
Other assets	6,862,620	7,074,444	7,330,012
<b>Total assets</b>	<b>112,800,761</b>	<b>66,511,562</b>	<b>62,338,182</b>
<b>LIABILITIES</b>			
Deposits from customers	96,768,113	50,711,372	46,275,302
Derivatives financial liabilities	-	-	31,841
Lease liabilities	-	5,999	52,468
Retirement benefit obligations	21,606	21,606	5,353
Other liabilities	379,127	392,690	429,938
<b>Total liabilities</b>	<b>97,168,846</b>	<b>51,131,667</b>	<b>46,794,902</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	339,526	87,506	250,891
<b>Total equity</b>	<b>15,631,915</b>	<b>15,379,895</b>	<b>15,543,280</b>
<b>Total liabilities and equity</b>	<b>112,800,761</b>	<b>66,511,562</b>	<b>62,338,182</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 nine months ended 30 September 2023

	9 months ended September 2023 USD	9 months ended September 2022 USD	3 months ended September 2023 USD	3 months ended September 2022 USD	Year ended December 2022 USD
Interest income	1,754,270	888,156	777,859	316,793	1,157,226
Interest expense	(223,006)	(67,433)	(158,123)	(14,867)	(79,083)
<b>Net interest income</b>	<b>1,531,264</b>	<b>820,723</b>	<b>619,736</b>	<b>301,926</b>	<b>1,078,143</b>
Fee and commission income	742,735	663,253	356,167	177,374	827,183
Fee and commission expense	(203,613)	(281,195)	(53,868)	(83,345)	(368,080)
<b>Net fee and commission income</b>	<b>539,122</b>	<b>382,058</b>	<b>302,299</b>	<b>94,029</b>	<b>459,103</b>
Other income	522,864	488,025	177,143	166,675	689,008
<b>Operating income</b>	<b>2,593,250</b>	<b>1,690,806</b>	<b>1,099,178</b>	<b>562,630</b>	<b>2,226,254</b>
Personnel expenses	(881,578)	(912,497)	(263,126)	(306,823)	(1,186,490)
Other expenses	(1,234,191)	(921,684)	(404,767)	(319,421)	(1,265,505)
Depreciation and amortisation	(315,596)	(317,446)	(103,489)	(118,979)	(433,970)
Net impairment gains/(losses) on financial assets	6,116	(1,665)	5,552	(9,664)	(7,254)
Net foreign exchange gains/(losses)	96,504	114,585	26,545	124,808	151,619
<b>Profit/(loss) before tax</b>	<b>264,505</b>	<b>(347,901)</b>	<b>359,893</b>	<b>(67,449)</b>	<b>(515,346)</b>
Income tax credit	(12,485)	14,728	(19,779)	-	22,032
<b>Profit/(loss) for the period/year</b>	<b>252,020</b>	<b>(333,173)</b>	<b>340,114</b>	<b>(67,449)</b>	<b>(493,314)</b>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified to profit and loss</b>	-	-	-	-	(3,244)
<b>Other comprehensive loss for the period, net of tax</b>	-	-	-	-	(3,244)
<b>Total comprehensive profit/(loss) for the period/year</b>	<b>252,020</b>	<b>(333,173)</b>	<b>340,114</b>	<b>(67,449)</b>	<b>(496,558)</b>



**WARWYCK PRIVATE BANK LTD**

**ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS**

**Statement of changes in equity for the nine months ended 30 September 2023**

	Stated Capital USD	Statutory reserve USD	(Accumulated deficit)/retained earnings USD	Total USD
<b>At 01 January 2023</b>	<b>13,200,000</b>	<b>2,092,389</b>	<b>87,506</b>	<b>15,379,895</b>
Profit for the period	-	-	252,020	252,020
Other comprehensive income / (loss)	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>252,020</b>	<b>252,020</b>
<b>At 30 September 2023</b>	<b>13,200,000</b>	<b>2,092,389</b>	<b>339,526</b>	<b>15,631,915</b>
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)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(496,558)</b>	<b>(496,558)</b>
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	-	-	(333,173)	(333,173)
Other comprehensive income / (loss)	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(333,173)</b>	<b>(333,173)</b>
At 30 September 2022	13,200,000	2,092,389	250,891	15,543,280

# WARWYCK PRIVATE BANK LTD

## ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS

### Statement of cash flows for the nine months ended 30 September 2023

	September 2023 USD	December 2022 USD	September 2022 USD
<b>Cash flows from operating activities</b>			
Profit or (loss) before tax	264,505	(515,346)	(347,901)
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	159,658	238,220	184,083
Depreciation of right of use assets	5,564	59,995	47,895
Amortisation of intangible assets	150,374	135,755	85,468
Net loss on sale of property, plant and equipment	3,307	-	-
Net gains on disposal of investment	(4,026)	-	-
Fair value gains on investments	(142,715)	-	-
Interest expense	222,956	76,033	64,784
Interest expense on lease liabilities	50	3,050	2,649
Interest income	(1,754,270)	(1,157,226)	(888,156)
Provision for retirement benefit obligations	-	12,838	-
<b>Total adjustments</b>	<b>(1,359,102)</b>	<b>(631,335)</b>	<b>(503,277)</b>
<b>Changes in operating assets and liabilities</b>			
Decrease/(increase) in placement with an overseas bank	1,204,217	(1,059,737)	126,691
Decrease in loans and advances	1,830,906	22,661,338	17,075,432
Decrease in other assets	205,988	1,941,765	2,641,030
Increase/(decrease) in deposits from customers	46,007,158	(26,646,209)	(31,066,693)
(Decrease)/increase in other liabilities	(13,563)	24,245	61,493
Interest paid	(173,423)	(85,783)	(87,070)
Interest received	1,704,661	1,229,388	991,299
Tax refund	-	7,800	-
<b>Net cash generated from / (used in) operating activities</b>	<b>49,671,347</b>	<b>(3,073,874)</b>	<b>(11,108,996)</b>
<b>Cash flows from investing activities</b>			
Acquisition of investments	(29,452,030)	-	-
Acquisition of intangible assets	-	(151,381)	(945,111)
Acquisition of property, plant and equipment	(22,211)	-	(115,509)
Derivative financial instruments	-	(16,514)	15,327
Proceeds from disposal of investment	3,603,743	-	-
Proceeds from disposal of property, plant and equipment	5,502	-	-
<b>Net cash used in investing activities</b>	<b>(25,864,996)</b>	<b>(167,895)</b>	<b>(1,045,293)</b>
<b>Cash flows from financing activities</b>			
Principal paid on lease liabilities	(5,949)	(60,482)	(48,599)
Interest paid on lease liabilities	(50)	(3,050)	(2,649)
<b>Net cash used in financing activities</b>	<b>(5,999)</b>	<b>(63,532)</b>	<b>(51,248)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>23,800,352</b>	<b>(3,305,301)</b>	<b>(12,205,537)</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>53,113,283</b>	<b>29,312,931</b>	<b>20,412,695</b>