

Mauritius Housing Company Ltd

Re: Management Discussion and Analysis – FS 30th September 2025

Directors are pleased to submit the Financial Statements (FS and MDA papers) for the 3 months ended 30 September 2025, as per annexes attached: -

- ❖ Statement of Financial Position - Annex 1
- ❖ Capital Adequacy Ratio Return - Annex 2

This Financial report has been prepared in accordance with the Bank of Mauritius Guidelines on Public Disclosure of Information, IAS 34 – Interim Financial Reporting and based on the accounting policies as adopted in the Financial Statements for the financial year ended 30 June 2025.

1) STATEMENT OF FINANCIAL POSITION

1.1 ASSETS

Total assets increased by 4.2% from Rs 15.1bn as at June 2025 to Rs 15.7bn as at September 2025. This increase is mainly due to increase in property and equipment and housing loans.

The items constituting the Company's assets have evolved as follows:

1.1.1 Liquid Assets

As at September 2025, cash available and treasury deposits amounted to Rs 2,613.9m as compared to Rs 2,610.7m as at June 2025.

1.1.2 Loans to Customers

For the 3 months to 30 September 2025, our net increase in our gross loan portfolio was 1.9% that is from Rs 12,467.9m as at June 2025 to Rs 12,714.5m. Loans approved the same period to September 2025 stood at Rs681.5 m.

1.1.3 Intangible Assets

Intangible assets decreased by 8.6% from Rs 75.9m as at June 2025 to Rs 69.4m as at September 2025, as a result of the amortisation which has been expensed out.

1.2 LIABILITIES

Liabilities increased by 1.9% from Rs 11,570.3m in June 2025 to Rs 11,796.9m in September 2025 which is mainly due to increase in HDC and PEL savings and other liabilities.

1.2.1 Plan Epargne Logement (PEL) and JPS

PEL and JPS increased from Rs 2,419.2m as at June 2025 to Rs 2,432.7m as at September 2025 mainly due to increase in the number of new accounts.

1.2.2 Housing Deposit Certificate (HDC)

The HDC Portfolio increased by 3.1% from Rs 7,856.5m as at June 2025 to Rs 8,101.3m as at September 2025. This is explained by the fact that MHC is offering an attractive rate of return for some products.

1.2.3 Borrowings

Long term borrowings decreased by 8.8% from Rs 435.8m as at June 2025 to Rs 397.3m as at September 2025 due to repayment of capital.

1.2.4 Other Liabilities

Other Liabilities increased by 3.8% from Rs 232.1m as at June 2025 to Rs 240.9m as at September 2025. This item mainly represents accruals, provision for dividend, deposits received on Clos Verger Project, amount payable for subsidiary and amount received for loan repayment but not credit to loan portfolio at quarter ended.

1.3 EQUITY

Total equity increased from Rs 3,369.5 as at June 2025 to Rs 3,775.6m as at September 2025 due to profits realised during the period and impact of prior year adjustments on ECLs.

2) STATEMENT OF PROFIT & LOSS

2.1 Income

2.1.1 Interest Income

Interest income stood at Rs 243.6m as at September 2025 compared to Rs 214.4m as at September 2024. This represents an increase of 13.6%. The increase in interest Income is explained by an increase in loan interest.

2.1.2 Other Income

Other income stood at Rs 29.2m for period ended September 2025 as compared to Rs 30.8 m for period ended September 2024. The decrease in other income mainly due to a fall in sundry income and loss on disposal for Clos Verger Project.

2.2 Expenses

2.2.1 Interest Expenses

Interest expense stood at Rs 119.2m for period ended September 2025 compared to Rs 96.9m for period ended September 2024. This increase of 23.0% is attributed to an increase in interest payment for deposits.

2.2.2 Non-Interest Expenses

Non-Interest Expenses increased by 0.9%. Rs 87.6m for period ended September 2025 compared to Rs 83.2m (September 2024). The rise in expenses is mainly due to insurance paid on insurable deposits to Mauritius Deposit Insurance Corporation (MDIC).

2.3 Operating Profit

Operating profit for the period under review stood at Rs 65.9m compared to Rs 65.2m for the corresponding period representing an increase of 1.1%. This increase is mainly attributable in increase in net interest income.

2.4 Net Profit

Net profit for the period under review after provisioning, and other exceptional items stood at Rs 73.1m compared Rs 64.4m for the corresponding period representing an increase of 13.5%.

3) FINANCIAL INDICATORS

3.1 Cost to Income Ratio

The cost to income ratio at September 2025 stood at 78.6%.

3.2 Earnings per share

The earning per share for the quarter stood at Rs 3.66 compared to Rs 3.22 at September 2024.

3.3 Gearing Ratio

The Gearing ratio at September 2025 stood at 2.02% against 2.19% as at June 2025.

3.4 Return on Capital Employed

The Return on Capital Employed at September 2025 stood at 0.64%.

3.5 NPA Ratio

The NPA ratio as at September 2025 stood at 8.8%, while it was 17.9% in June 2025. The decrease in the NPA ratio is mainly attributable to the reclassification of several accounts that have been regularised and they are therefore no longer considered as non-performing loans.

3.6 Capital Adequacy Ratio

The capital adequacy ratio as at September 2025 was comfortably above the regulatory limit and stood at 28.8% as compared 28.7% as at June 2025.

4) OUTLOOK

The accounts reflect a stable financial position with ample liquidity maintained through treasury deposits. The expansion in the main loan portfolio indicates strong growth potential; however, sustained performance will also depend on the broader economic environment, particularly interest rates and property market trends.

Maintaining sound liquidity and high asset quality will remain our key priorities. In line with this, we are targeting further business expansion. The stability in the Repo rate is expected to stimulate demand for home loans with lesser stress in the cost of loan financing. Additionally, we look forward to completing the construction of the 44 apartments at Résidence Clos Verger.

We will continue to pursue our growth strategy by strengthening our human capital, enhancing our technology infrastructure, and tapping into new market segments.

Approved by the Board on 03rd November 2025.



Director

Director

Director

03rd November 2025