

Mauritius Housing Company Ltd

Re: Management Discussion and Analysis – FS 31st March 2025

Directors are pleased to submit this discussion paper and the Financial Statements (FS and MDA papers) for the 9 months ended 31 March 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 2024.

1. STATEMENT OF FINANCIAL POSITION

1.1 ASSETS

Total assets increased by 11.96% from Rs 13,138m as at June 2024 to Rs 14,701m as at 31 March 2025. This increase is mainly due to increase in deposit and housing loans.

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

1.1.1 Liquid Assets

As at 31 March 2025, cash in hand and treasury deposits amounted to Rs 2,302.9m as compared to Rs 1,652.7m as at June 2024. This was mainly due to increase in deposits.

1.1.2 Loans to Customers

For the 9 months to 31 March 2025, our loan portfolio experienced a gross increase of 7.4% moving from Rs 11,266.7m as at June 2024 to Rs 12,106.1m. Loans approved the same period to 31 March 2025 stood at Rs1,952.8m. The loan disbursement over the reported period reached the tune of Rs1,864.5m.

1.1.3 Intangible Assets

Intangible assets decreased by 16.9% from Rs 97.0m as at June 2024 to Rs 80.6m as at 31 March 2025, as a result of the normal amortisation process which has been expensed out.

1.2 LIABILITIES

Liabilities increased by 15.2% from Rs 9,522.6m in June 2024 to Rs 10,968.6m in March 2025 which is mainly due to increase in HDC and PEL savings.

1.2.1 Plan Epargne Logement (PEL) and JPS

PEL and JPS increased from Rs 2,169.3m as at June 2024 to Rs 2,393.9m as at 31 March 2025 mainly due to increase in the number of new accounts and additional contributions by the holders. This represents an increase of 10.35% in the savings portfolio.

1.2.2 Housing Deposit Certificate (HDC)

The HDC Portfolio increased by 21.0% from Rs 6,063.0m as at June 2024 to Rs 7,338.2m as at 31 March 2025. This increase has occurred as a result of our campaign

for the Senior Citizens and individuals above 55 years which is yielding an attractive interest rate to depositors in the target market.

1.2.3 Borrowings

Long term borrowings decreased by 12.6% from Rs 499.5m as at June 2024 to Rs 436.3m as at 31 March 2025 following capital repayment resulting from payment of the normal instalments on the due dates.

1.2.4 Other Liabilities

Other Liabilities increased by 32.3% from Rs148.2m as at June 2024 to Rs196.1m as at March 2025. This item represents mainly provisions made during the preparation of the account, amount payable for subsidiary and amount received for loan repayment but not credit to loan portfolio at the reporting date. The increase is due to accruals for proposed dividend and increase in the amount unallocated for loan repayments and savings contribution received at year end.

1.3 EQUITY

Total equity increased from Rs 3,479.3m as at June 2024 to Rs 3,596.0m as at 31 March 2025 due to profits realised over the last 9 months.

1.4 Application of the BOM Guideline on Classification of Provisioning and write off of credit exposures.

The revised guideline on classification provisioning and write-off of credit exposures effective as from 30 September 2024 was applied during the preparation of account for the quarter ended 30 September 2024. An additional provision of Rs116.6m was required and was created following an appropriation of profit as per the principles stated in the guideline.

As 31 March 2025, the prudential provision was re-assessed and compared to the impairment provision as computed under IFRS 9. An additional provision of Rs0.92m was made.

2. STATEMENT OF PROFIT & LOSS

2.1 Income

2.1.1 Interest Income

Interest income stood at Rs 640.4m as at 31 March 2025 as compared to Rs 597.2m as at 31 March 2024. This represents an increase of 7.2%. The increase in interest Income has been sustained despite the fluctuations in the Key rate. This is due to new loans being disbursed offsetting the fall in interests generated on placements.

2.1.2 Other Income

Other income stood at Rs 87.5m for the 9-months ended 31 March 2025 as compared to Rs 87.1m for the same period ended 31 March 2024.

2.2 Expenses

2.2.1 Interest Expenses

Interest expenses stood at Rs 292.3m for the 9 months ended 31 March 2025 compared to Rs 281.1m for 9-month period ended 31 March 2024. The increase of 3.9% is attributed to an increase in interest payment for deposits.

2.2.2 Non-Interest Expenses

Non-Interest Expenses increased by 12.3% to reach Rs 294.7m for period ended 31 March 2025 compared to Rs 262.5m (March 2024). The rise in expenses is mainly due increases in staff cost, depreciation and amortisation cost and initial contribution made to BoM for insurable deposits.

2.3 Operating Profit

Operating profit for the period under review stood at Rs 140.9m compared to Rs 140.6m for the corresponding period of FY 2023/24 representing an increase of 0.2%.

2.4 Net Profit

Net profit for the period under review after provisioning, and other exceptional items stood at Rs 130.3m compared Rs 123.1m for the corresponding period of FY2023/24 representing an increase of 5.8%.

3. FINANCIAL INDICATORS

3.1 Cost to Income Ratio

The cost to income ratio at 31 March 2025 stood at 80.64%.

3.2 Earnings per share

The earning per share for the 9 months stood at Rs 6.52.

3.3 Gearing Ratio

The Gearing ratio as at 31 March 2025 stood at 1.94 against 1.62 as at June 2024.

3.4 Return on Capital Employed

The Return on Capital Employed as at 31 March 2025 stood at 1.23%.

3.5 NPA Ratio

The NPA ratio as at 31 March 2025 stood at 11.4% against 13.3% as at 30 June 2024.

3.6 Capital Adequacy Ratio

The capital adequacy ratio as at 31 March 2025 was comfortably above the regulatory limit and stood at 31.2% as compared 35% as at June 2024.

4. OUTLOOK

For the fourth quarter, we shall gear our actions towards achieving the targets set, with the focus on profitability, loan business and deposit mobilization.

The introduction of the new loan products/ deposits and the recent campaign bears testimony that our products are well appreciated by the public. The Company will secure the necessary funds to operate the business through this source of finance. We will thus consolidate our liquidity position.

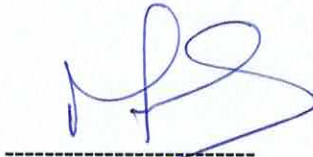
On the loan side, we will maintain the mix between our secured and unsecured loan in order to achieve an appreciable return. The aim will also be to grow the loan portfolio by acquiring potential loan clients through our marketing campaign.

Our endeavors will also be directed at improving our customer service and meeting all compliance requirements in all aspects of the business.

Approved by the Board on th14th May 2025.



Chairperson



Director



Director

¹⁴14 May, 2025