

Mauritius Housing Company Ltd

Re: Management Discussion and Analysis – FS 31st March 2026

Directors are pleased to submit the Financial Statements (FS and MDA papers) for the 9 months ended 31 March 2026, as per annexes attached: -

- ❖ Financial Statements for 9 months to 31 March 2026 - Annex 1 to 5
- ❖ Capital Adequacy Ratio Return - Annex 6 and 7

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 6.9% from Rs 15,076.7m as at June 2025 to Rs 16,128.9m as at March 2026. This increase is mainly due to increase housing loan to customers.

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

1.1.1 Liquid Assets

As at March 2026, cash available and treasury deposits amounted to Rs 2,650.0m as compared to Rs 2,610.7m as at June 2025. This is explained by the use of our existing fund to finance part of our loan business and the implementation of the report on Conditions of service in November 2025.

1.1.2 Loans to Customers

For the 9 months to 31 March 2026, the increase in our gross loan portfolio was 4.7% that is from Rs 12,467.9m as at June 2025 to Rs 13,053.3m. Loans approved the same period to March 2026 stood at Rs 1,742.2m.

1.1.3 Intangible Assets

Intangible assets decreased by 25.2% from Rs 75.9m as at June 2025 to Rs 56.5m as at March 2026, as a result of the amortisation which has been expensed out.

1.2 LIABILITIES

Liabilities increased by 5.0% from Rs 11,570.3m in June 2025 to Rs 12,149.4m in March 2026 which is mainly due to increase in HDC and PEL and other savings accounts.

1.2.1 Plan Epargne Logement (PEL) and JPS


PEL and JPS increased by 3.3% from Rs 2,419.2m as at June 2025 to Rs 2,499.9m as at March 2026 mainly due additional contributions and interest earned during the period under review.

1.2.2 Housing Deposit Certificate (HDC)

The HDC Portfolio increased by 8.3% from Rs 7,856.5m as at June 2025 to Rs 8,506.4m as at March 2026. This increase is attributable to an increase in the number of depositors since our products were found attractive and were well received by the public at large.

1.2.3 Borrowings

Long term borrowings decreased by 20.2% from Rs 435.8m as at June 2025 to Rs 348.0m as at March 2026 as a result of the normal repayment of capital.



1.2.4 Other Liabilities

Other Liabilities decreased by 7.8% from Rs 232.1m as at June 2025 to Rs 213.9m as at March 2026. This item mainly represents accruals, provision for dividend, amount payable as initial investment in subsidiary and credit advices received in banks but not yet credited to the respective loan or/and savings accounts. The decrease is attributable to a lower volume of unprocessed credit advices.

1.3 EQUITY

Total equity increased from Rs3,369.5 as at June 2025 to Rs3,842.6m as at March 2026 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 738.4m as at March 2026 compared to Rs 640.4m as at March 2025. This represents an increase of 15.3%. The increase in interest income is explained by new loans joining the portfolio and interest on placements made.

2.1.2 Other Income

Other income stood at Rs 87.5m for period ended March 2026 as compared to Rs 87.5m for period ended March 2025. This item has been more or less the same over the corresponding period due to a reduction in the amount of loan approved impacting directly on our fee-based income, which was offset by a rise in the penalty recouped from arrears.

2.2 Expenses

2.2.1 Interest Expenses

Interest expense stood at Rs 362.1m for period ended March 2026 compared to Rs 292.3m for period ended March 2025. This increase of 23.9% is attributed to an increase in the number of depositors leading to a rise in the interest payments.

2.2.2 Non-Interest Expenses

Non-Interest Expenses increased by 7.4%.to Rs 316.5m for period ended March 2026 compared to Rs 294.7m (March 2025). The increase in expenses is mainly attributable to a rise in personnel costs following the implementation of the Review of conditions of service and other recurring expenses.

2.3 Operating Profit

Operating profit for the period under review stood at Rs 147.6m compared to Rs 140.9m for the corresponding period representing an increase of 4.7% 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 140.0m compared Rs 130.3m for the corresponding period representing an increase of 7.4%.



3) FINANCIAL INDICATORS

3.1 Cost to Income Ratio

The cost to income ratio at March 2026 stood at 83.4% compared to 80.6% as at March 2025. This increase is attributable to an increase on interest expenses, personnel costs and other recurring expenses.

3.2 Earnings per share

The earning per share for the 9 months to March 2026 stood at Rs 7.00 compared to Rs 6.52 at March 2025.

3.3 Gearing Ratio

The Gearing ratio at March 2026 stood at 2.14% against 2.19% as at June 2025.

3.4 Return on Capital Employed

The Return on Capital Employed at March 2026 stood at 1.2%.

3.5 NPA Ratio

The NPA ratio as at March 2026 stood at 8.2%, 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 March 2026 was comfortably above the regulatory limit and stood at 27.5% as compared 28.7% as at June 2025.

4) OUTLOOK

The local economy is feeling the consequences of the war in the Middle East. Much pressure is being exerted on the prices of commodities on the local markets fueling inflation. Risk of trade disruption has caused an imbalance between supply and demand of basic commodities. On the other hand, the construction sector is experiencing a weaker momentum with the housing finance market is still being characterised by cut throat competition from banks and other financial institutions poaching in the housing loan segment.

We have felt the effect of the dampened economy with a reduction in the loan amount approved over the past 3-4 months. We have achieved loan business of Rs1,742M against a budget of Rs 2,025M as at 31 March 2026. Given the trend in the market in general, it will be difficult to catch up the shortfall and we will have to adjust our loan target accordingly.

Despite these setbacks, the accounts to 31 March 2026 show that we have been able to sustain a fairly good financial result as indicated by our liquidity position and profitability stance. We also experienced an improvement in the non-performing loans.

5) THE WAY FORWARD

Our main focus for the last quarter will be as follows:

- (i) Amidst the challenges posed by an adverse market condition, we will do our best to achieve a loan approval to the tune of Rs2,300M [Budgeted: Rs2,700M]. We will focus on the deployment of an extensive marketing and communication campaign highlighting the teaser rate of our home loan product.
- (ii) We are moving forward with the implementation of a new IFRS 9 model with the appointment of the consultant in the wait of the appointment of the consulting firm for the implementation of IFRS 17.
- (iii) We will be monitoring closely the progress of the construction of the Residence Close Verger Project. At the same time, we will endeavour to find prospective buyers for the remaining housing units available.



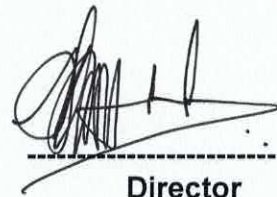
Approved by the Board on 12th May 2026.



Director



Director



Director

12th May 2026