



Mauritius Housing Company Ltd

SUMMARY FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2018

SUMMARY OF STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	December 2018 <u>Rs'000</u>	December 2017 <u>Rs'000</u>	December 2016 <u>Rs'000</u>
ASSETS			
Cash at banks and in hand	118,130	97,433	180,745
Treasury deposit	300,000	375,000	400,000
Property development	2,405	2,405	2,405
Loans to customers	7,550,700	6,793,334	6,325,782
Investment property	120,749	116,000	104,240
Property and equipment	606,072	491,853	498,638
Intangible assets	59,097	48,534	37,417
Other assets	207,181	235,662	221,195
Assets held for sale	64,045	66,887	62,735
Total assets	9,028,379	8,227,108	7,833,157
LIABILITIES			
PEL and other savings accounts	1,818,670	1,744,007	1,696,990
Housing deposits certificates	2,393,053	2,290,327	2,063,065
Borrowings	903,528	496,256	581,814
Retirement benefit obligations	299,225	267,558	155,268
Other liabilities	46,279	69,041	50,605
Total liabilities	5,460,755	4,867,189	4,547,742
Insurance funds	97,100	97,100	76,222
SHAREHOLDERS' EQUITY			
Share capital	200,000	200,000	200,000
Revaluation reserves	612,197	489,743	489,743
Building insurance reserve	116,810	116,810	116,810
Life insurance reserve	154,642	154,642	154,642
Retained earnings	2,067,688	1,982,437	1,926,138
Statutory reserve	200,000	200,000	200,000
Other reserves	119,187	119,187	121,860
Total equity	3,470,524	3,262,819	3,209,193
Total equity and liabilities	9,028,379	8,227,108	7,833,157

SUMMARY OF STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Year ended 31 December 2018 Rs'000	Year ended 31 December 2017 Rs'000	Year ended 31 December 2016 Rs'000
Interest income	483,144	509,149	507,722
Interest expense	(174,438)	(183,869)	(197,083)
Interest suspended	1,627	9,462	15,906
Net interest income	310,333	334,742	326,545
Fee and commission income	33,332	25,016	20,438
Rent received	7,397	7,349	7,052
Policy fees and charges on loan	7,367	5,055	4,413
Other operating income	59,387	40,151	60,117
	107,483	77,571	92,020
Operating income	417,816	412,313	418,565
Personnel expenses	(179,069)	(167,900)	(146,642)
Depreciation and amortisation	(14,336)	(15,568)	(15,011)
Other expenses	(86,559)	(78,037)	(70,776)
Non-interest expense	(279,964)	(261,505)	(232,429)
Operating profit	137,852	150,808	186,136
(Release of allowance for credit impairment) Net impairment loss on financial assets	56,373	54,799	69,081
Loss on foreclosed properties	5,251	(7,580)	(5,102)
Increase in fair value of investment property	4,749	11,760	-
Provision for other assets	-	-	-
Profit for the year	204,225	209,787	250,115
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of post employment benefit obligations	(18,411)	(105,078)	(14,657)
Gain on revaluation of land & buildings	122,454	-	-
Gain on foreclosed properties	-	(2,673)	-
Other comprehensive income for the year	104,043	(107,751)	(14,657)
Total comprehensive income for the year	308,268	102,036	235,458
Earnings per share (Rs) – as reported	10.21	10.49	12.51

**SUMMARY OF STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31
DECEMBER 2018**

	Share capital	Revaluation reserves	Building insurance reserve	Retained earnings	Life Insurance reserve	Statutory reserve *	Other reserves **	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 January 2016								
- as previously stated	200,000	489,743	116,810	1,713,035	154,642	200,000	121,860	2,996,090
- adjustment to property development	-	-	-	2,405	-	-	-	2,405
- effect of adjustment on provision	-	-	-	15,061	-	-	-	15,061
	200,000	489,743	116,810	1,730,501	154,642	200,000	121,860	3,013,556
Dividend	-	-	-	(39,821)	-	-	-	(39,821)
Profit for the year	-	-	-	250,115	-	-	-	250,115
Other comprehensive income	-	-	-	(14,657)	-	-	-	(14,657)
At 31 December 2016	<u>200,000</u>	<u>489,743</u>	<u>116,810</u>	<u>1,926,138</u>	<u>154,642</u>	<u>200,000</u>	<u>121,860</u>	<u>3,209,193</u>
At 1 January 2017	200,000	489,743	116,810	1,926,138	154,642	200,000	121,860	3,209,193
Movement on reserve	-	-	-	2,673	-	-	(2,673)	-
Adjustment made to long term borrowings	-	-	-	(1,060)	-	-	-	(1,060)
Dividend	-	-	-	(50,023)	-	-	-	(50,023)
Profit for the year	-	-	-	209,787	-	-	-	209,787
Other comprehensive income	-	-	-	(105,078)	-	-	-	(105,078)
At 31 December 2017	<u>200,000</u>	<u>489,743</u>	<u>116,810</u>	<u>1,982,437</u>	<u>154,642</u>	<u>200,000</u>	<u>119,187</u>	<u>3,262,819</u>
At 1 January 2018	200,000	489,743	116,810	1,982,437	154,642	200,000	119,187	3,262,819
Impact of adopting IFRS 9	-	-	-	(58,606)	-	-	-	(58,606)
Restated opening balance under IFRS 9	200,000	489,743	116,810	1,923,831	154,642	200,000	119,187	3,204,213
Profit for the year	-	-	-	204,225	-	-	-	204,225
Other comprehensive income for the year	-	122,454	-	(18,411)	-	-	-	104,043
Dividend	-	-	-	(41,957)	-	-	-	(41,957)
At 31 December 2018	200,000	612,197	116,810	2,067,688	154,642	200,000	119,187	3,470,524

SUMMARY OF STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Year ended 31 December 2018 Rs'000	Year ended 31 December 2017 Rs'000	Year ended 31 December 2016 Rs'000 Restated
Cash flows from operating activities			
Profit for the year	204,225	209,787	250,115
<i>Adjustments for:</i>			
Allowance for credit impairment	(56,373)	(55,424)	(69,081)
Depreciation	13,068	13,508	12,689
Amortisation	1,268	2,060	2,322
Loss on sale of foreclosed properties	(5,251)	7,580	5,102
Profit on disposal of property development	-	-	(52)
Increase in fair value of investment property	(4,749)	(11,760)	-
Interest in suspense	(1,627)	(9,462)	(15,906)
Profit on disposal of property and equipment	(15)	(4)	(1,464)
Provision for retirement benefit obligation	13,256	7,212	4,873
	163,802	163,497	188,598
Change in operating assets and liabilities			
Decrease/(increase) in other assets	28,481	(19,374)	(22,629)
Decrease/(increase) in assets held for sales	8,093	(6,825)	4,597
Decrease/(increase) in treasury deposit	75,000	25,000	(75,000)
(Decrease)/increase in other liabilities	(22,762)	18,436	(1,556)
(Decrease)/increase in accrued interest payable	(29,278)	(17,821)	(31,010)
Increase in loans to customers	(757,972)	(402,666)	(292,707)
Increase/(decrease) in insurance funds	-	20,878	-
Net cash (used in)/generated from operating activities	(534,636)	(218,875)	(229,707)
Cash flows from investing activities			
Purchase of property and equipment	(4,834)	(6,723)	(5,843)
Purchase of intangible assets	(11,831)	(13,177)	(13,713)
Proceeds from disposal of property and equipment	15	4	1,464
Proceeds from disposal of property development	-	-	2,465
Net cash (used in)/generated from investing activities	(16,650)	(19,896)	(15,627)
Cash flows from financing activities			
Housing deposits certificates (HDC)	111,566	228,271	10,451
Plan Epargne Logement Savings (PEL)	95,102	63,829	88,024
Repayment of borrowings	409,192	(83,611)	(113,948)
Dividends paid	(41,957)	(50,023)	(39,821)
Net cash generated from/(used in) financing activities	573,903	158,466	(55,294)
(Decrease)/increase in cash and cash equivalents	22,617	(80,305)	(300,628)
Movement in cash and cash equivalents			
Cash and cash equivalents as at 1 January	94,569	174,874	475,502
Increase/(decrease) in cash and cash equivalents	22,617	(80,305)	(300,628)
Cash and cash equivalents at 31 December	117,186	94,569	174,874
Cash and cash equivalents			
Cash at bank and in hand	118,130	97,433	180,745
Bank overdrafts	(944)	(2,864)	(5,871)
	117,186	94,569	174,874