

Mauritius Housing Company Ltd

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

Directors are pleased to submit the Financial Statements (FS and MDA papers) for the 6 months ended 31 December 2025, as per annexes attached: -

- ❖ Financial Statements for 6 months to 31 December 2025 - 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 5.2% from Rs 15,076.7m as at June 2025 to Rs 15,865.9m as at December 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 December 2025, cash available and treasury deposits amounted to Rs 2,540.6m as compared to Rs 2,610.7m as at June 2025. This is explained by the use of our existing fund to fund 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 6 months to 31 December 2025, our net increase in our gross loan portfolio was 3.7% that is from Rs 12,467.9m as at June 2025 to Rs 12,934.5m. Loans approved the same period to December 2025 stood at Rs 1,286.4m.

1.1.3 Intangible Assets

Intangible assets decreased by 17.2% from Rs 75.9m as at June 2025 to Rs 62.8m as at December 2025, as a result of the amortisation which has been expensed out.

1.2 LIABILITIES

Liabilities increased by 3.1% from Rs 11,570.3m in June 2025 to Rs 11,925.3m in December 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 by 1.8% from Rs 2,419.2m as at June 2025 to Rs 2,463.2m as at December 2025 mainly due to increase in the number of new accounts.

1.2.2 Housing Deposit Certificate (HDC)

The HDC Portfolio increased by 5.4% from Rs 7,856.5m as at June 2025 to Rs 8,280.9m as at December 2025. Our deposit products were found attractive and were well received by the public at large.

1.2.3 Borrowings

Long term borrowings decreased by 12% from Rs 435.8m as at June 2025 to Rs 383.6m as at December 2025 as a result of the normal due to repayment of capital.



1.2.4 Other Liabilities

Other Liabilities decreased by 7.3% from Rs 232.1m as at June 2025 to Rs 215.1m as at December 2025. This item mainly represents accruals, provision for dividend, amount payable for 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 Rs3,803.6m as at December 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 496.9m as at December 2025 compared to Rs 425.0m as at December 2024. This represents an increase of 16.9%. The increase in interest Income is explained by an increase in loan interest and interest on placements made.

2.1.2 Other Income

Other income stood at Rs 59.9m for period ended December 2025 as compared to Rs 60.5m for period ended December 2024. The decrease in other income mainly due to a fall in sundry income.

2.2 Expenses

2.2.1 Interest Expenses

Interest expense stood at Rs 240.7m for period ended December 2025 compared to Rs 189.6m for period ended December 2024. This increase of 26.9% is attributed to an increase in interest payment for deposits.

2.2.2 Non-Interest Expenses

Non-Interest Expenses increased by 8.9%.to Rs 210.8m for period ended December 2025 compared to Rs 193.6m (December 2024). The increase in expenses is mainly attributable to a rise in personnel expenses.

2.3 Operating Profit

Operating profit for the period under review stood at Rs 104.7m compared to Rs 102.3m for the corresponding period representing an increase of 2.41% 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 101.0m compared Rs 89.0m 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 December 2025 stood at 82.7%.

3.2 Earnings per share

The earning per share for the half year ended 31 December 25 stood at Rs 5.05 compared to Rs 4.45 at December 2024.

3.3 Gearing Ratio

The Gearing ratio at December 2025 stood at 2.13% against 2.19% as at June 2025.

3.4 Return on Capital Employed

The Return on Capital Employed at December 2025 stood at 0.85%.

3.5 NPA Ratio

The NPA ratio as at December 2025 stood at 9.0%, 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 December 2025 was comfortably above the regulatory limit and stood at 28.4% as compared 28.7% as at June 2025.

4) OUTLOOK

The economy remains resilient albeit emerging pressures and continued to expand though at a relatively slower pace. The housing finance market is still characterised by cut throat competition from banks and other financial institutions poaching in the housing loan segment.

The accounts to 31 December 2025 show that we have been able to sustain a good financial result as indicated by our liquidity position and profitability stance. We experienced an improvement in the non-performing loans.

5) THE WAY FORWARD

We will be facing a few challenges before the end of the current financial year and we will endeavor to handle them promptly to meet our targets set and maintain an acceptable profitability level.

The implementation of a new IFRS 9 model and the implementation of IFRS17 will be amongst the first ones. With the construction of the Residence Clos Verger expected to be completed by the end of June 26, we will gear our efforts towards maximising sales of the remaining housing units.

We will also address to the maximum the issues raised at the trilateral meeting held earlier this month and attend to the issues raised in the Management letter as well.

Approved by the Board on 05th February 2026.


Chairman
Director
Director

05th February 2026