

**LA PRUDENCE LEASING FINANCE CO. LTD**

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
31 MARCH 2023**

**LA PRUDENCE LEASING FINANCE CO. LTD  
FOR THE PERIOD ENDED 31 MARCH 2023**

**1. OUR VALUE STATEMENT**

***Our vision***

To be the reference for your leasing solutions and investment opportunities.

***Our mission***

To grow our shareholder's value sustainably while serving passionately our clients through comprehensive customised financial solutions nurtured by our employees whom we consider as pivotal to our success.

***Commitment***

We are committed to serve our clients and partners to the best of our capabilities by being ACCESSIBLE, ACTIVE, ADAPTABLE AND AGILE.

**2. GENERAL INFORMATION**

La Prudence Leasing Finance Co. Ltd (the "Company") is a non-bank deposit taking institution that provides assets finance through finance leases and operating leases. The Company is a limited liability company and is incorporated and domiciled in Mauritius. The address of the registered office and principal place of business is United Docks Business Park, Kwan Tee Street, Caudan, Port-Louis.

**3. OVERVIEW OF THE COMPANY**

The Company was rated A- with a stable outlook by CARE Ratings (Africa) Private Limited, the first credit agency licensed by the Financial Services Commission and recognised as External Credit Assessment Institution by the Bank of Mauritius.

**4. ACCOUNTING POLICIES**

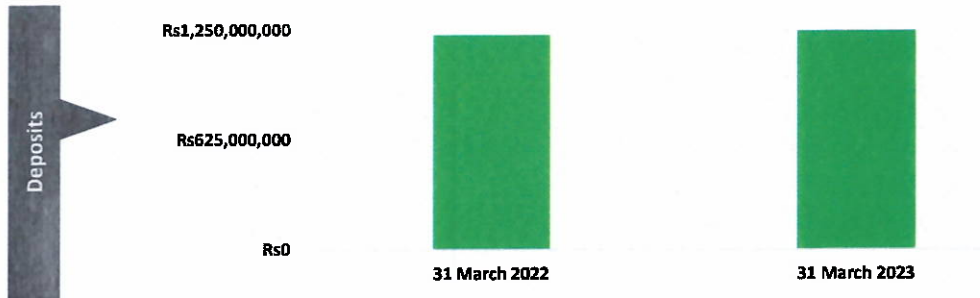
The principal accounting policies and methods of computations adopted in the presentation of the report are the same as those used for audited accounts for the financial year ended 31 December 2022.

**LA PRUDENCE LEASING FINANCE CO. LTD  
FOR THE PERIOD ENDED 31 MARCH 2023**

**5. FINANCIAL REVIEW**

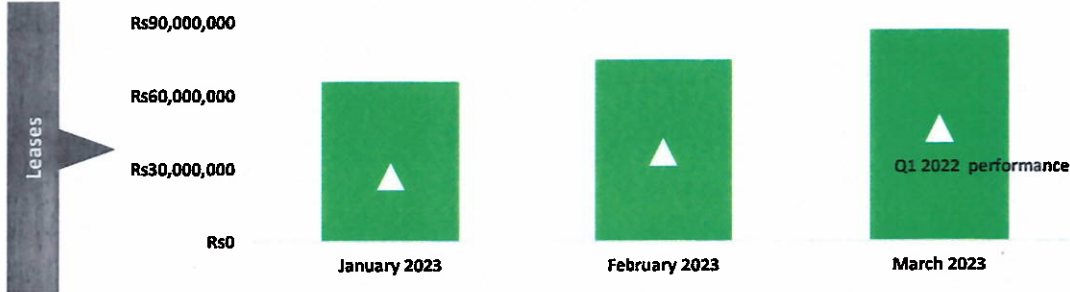
**Deposits from customers**

Total deposits grew by 2% and stood at Rs 1.243 billion as at 31 March 2023 as compared to Rs 1.219 billion as at March 2022.



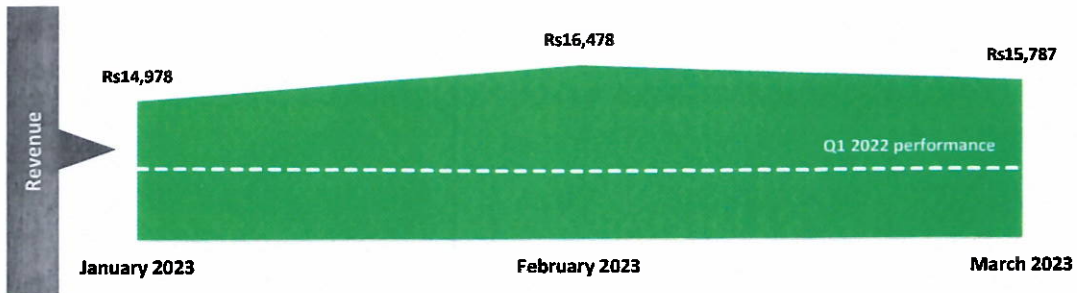
**Leases disbursed**

The amount of leases approved stood at Rs 227 million for the quarter ended 31 March 2023 while for the same quarter last year an amount of Rs 110 million was approved as new leases. The lease disbursed figures are higher and aligned with our growth strategy. The average monthly disbursement for the quarter under review is Rs 75 million compared to Rs 36 million for the same quarter last year.



**Revenue**

Revenue from leasing activities increased significantly by 31.3% to reach Rs 47.2 million for the quarter under review while it stood at Rs 36 million for the same quarter last year. The average monthly revenue for the quarter under review is Rs 16 million compared to Rs 12 million for the same quarter last year.

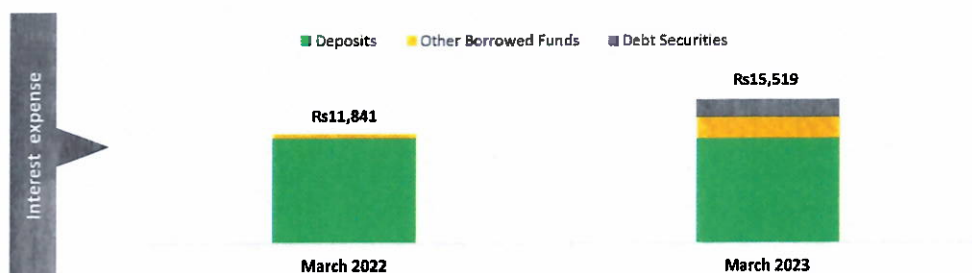


**LA PRUDENCE LEASING FINANCE CO. LTD  
FOR THE PERIOD ENDED 31 MARCH 2023**

**5. FINANCIAL REVIEW (CONTINUED)**

**Interest expense**

Interest expense increased by 31.06% to reach Rs 15.52 million for the quarter 31 March 2023 while it stood at Rs 11.84 million for the same quarter last year. The increase in interest expense is the result of increased borrowed funds and the raise of debt securities to support the Company's grow strategy. Interest paid to depositors remained relatively constant at Rs 11.372 million for the quarter ended 31 March 2022 compared to Rs 11.356 million for the quarter under review.



**Operating Profit**

The operating profit for the period ended 31 March 2023 was Rs 11.25 million as compared to Rs 4.66 million for the same quarter last year. Although profit before tax dropped in March 2023 due to interest expense on bonds, operating profit margin for the quarter under review is higher at 21.8% compared to 11.9% for the same quarter last year.



**Non-Interest Expense**

Non-interest income for the period ended 31 March 2023 stood at Rs 24.86 million compared to Rs 22.70 million for the same quarter last year. The increase of 9.5% in non-interest expense is mainly explained by an increase in personnel expenses and professional fees.



**LA PRUDENCE LEASING FINANCE CO. LTD  
FOR THE PERIOD ENDED 31 MARCH 2023**

**5. FINANCIAL REVIEW (CONTINUED)**

**Credit Quality**

Non-performing lease as a percentage of total lease portfolio is 2% as at 31 March 2023 compared to 4% for the same quarter last year.

**Sector-Wise distribution of the leasing portfolio**

<b>31 March 2023</b>	<b>Total capital outstanding</b>	<b>ECL</b>	<b>Net</b>
	<b>Rs</b>	<b>Rs</b>	<b>Rs</b>
Agriculture and fishing	32,139,566	196,460	31,943,106
Manufacturing and textile	146,042,818	1,664,192	144,378,626
Tourism	91,955,114	645,398	91,309,716
Transport	197,921,705	2,586,356	195,335,349
Construction and civil engineering	138,584,942	2,334,882	136,250,060
Financial and Business Services	73,649,782	740,343	72,909,439
Traders & Commerce	298,317,742	12,875,363	285,442,379
Personal	194,802,259	1,709,366	193,092,893
Professional	43,807,423	299,499	43,507,924
Media, Entertainment and Recreational Activities	42,968,152	899,659	42,068,493
Freeport Enterprise Certificate Holders	295,163	1,164	293,999
Other	8,764,856	284,628	8,480,228
Infrastructure	8,136,159	37,929	8,098,230
Education	53,565,069	520,497	53,044,572
Modernisation and Expansion	370,643	3,195	367,448
ICT Services	49,045,427	254,530	48,790,897
Services Sector	169,442,824	2,695,347	166,747,477
Health Development	64,757,260	518,561	64,238,699
<b>Total</b>	<b>1,614,566,904</b>	<b>28,267,369</b>	<b>1,586,299,535</b>

**Capital Structure**

As a non-bank deposit taking institution, the company is required to:

- Maintain a minimum capital adequacy ratio of 10% which was 21.48% for quarter 31 March 2023 and 24.68% for 31 March 2022.
- Maintain liquid assets equivalent to not less than 10% of deposit liabilities

**LA PRUDENCE LEASING FINANCE CO. LTD****STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 31 MARCH 2023**

	UNAUDITED		AUDITED
	31-Mar 2023	31-Mar 2022	31 Dec 2022
<b>ASSETS</b>			
Cash and cash equivalents	160,543,456	87,256,859	26,254,312
Deposits with financial institutions	26,086,451	144,413,207	146,280,733
Investment in debt securities at amortised cost	156,228,250	5,169,853	-
Net investment in lease receivables	1,586,299,535	1,239,970,357	1,476,392,354
Advance on finance leases	4,079,145	877,988.00	3,639,745.00
Property and equipment	134,968,075	146,126,097	134,899,246
Right-of-use assets	2,477,583	410,973	2,964,908
Current tax assets	-	-	187,288
Deferred tax assets	-	1,873,950	-
Intangible assets	16,070,569	18,387,917	16,704,428
Assets held for sale	1,775,770	1,036,777	1,775,770
Other assets	11,987,788	6,482,785	8,738,886
<b>Total assets</b>	<b>2,100,516,622</b>	<b>1,652,006,763</b>	<b>1,817,837,670</b>
<b>LIABILITIES</b>			
Deposits from customers	1,244,351,188	1,219,413,318	1,274,818,178
Debt securities	369,433,387	-	-
Other borrowed funds	141,301,889	117,282,876	198,915,670
Lease liabilities	2,575,630	492,567	3,046,564
Current tax liability	1,499,921	511,706	-
Dividend payable	-	-	10,000,000
Other liabilities	27,735,472	11,236,874	26,998,975
Deferred tax liabilities	1,936,268	-	1,936,268
Retirement benefit obligations	602,292	1,903,434	602,292
<b>Total liabilities</b>	<b>1,789,436,047</b>	<b>1,350,840,775</b>	<b>1,516,317,947</b>
<b>SHAREHOLDER'S EQUITY</b>			
Share capital	200,000,000	200,000,000	200,000,000
Statutory reserve	34,931,486	29,233,484	33,497,357
General risk reserve	7,544,911	-	6,988,679
Retained earnings	68,604,178	71,932,504	61,033,687
<b>Total equity</b>	<b>311,080,575</b>	<b>301,165,988</b>	<b>301,519,723</b>
<b>Total equity and liabilities</b>	<b>2,100,516,622</b>	<b>1,652,006,763</b>	<b>1,817,837,670</b>

Authorised for issue by the Board of Directors on ..... and signed on its behalf by:

  
 Mr. Muhtaq Oosman  
 CHAIRPERSON  
 OF THE BOARD OF DIRECTORS

  
 Mr. Clement Yue-Chi-Ming  
 MANAGING DIRECTOR

  
 Mrs. Yeung MIn John Chuan  
 CHAIRPERSON OF THE  
 AUDIT COMMITTEE

**LA PRUDENCE LEASING FINANCE CO. LTD**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**PERIOD ENDED 31 MARCH 2023**

	UNAUDITED		AUDITED
	Period ended	Period ended	Year Ended
	<b>31-Mar 2023</b>	<b>31-Mar 2022</b>	<b>31 Dec 2022</b>
<b>Interest income</b>			
Interest income calculated using the effective interest rate method	777,053	1,079,514	4,213,487
Interest income on investment in finance lease receivables	34,746,959	23,571,085	103,016,521
Interest expense	(15,518,702)	(11,841,002)	(44,696,049)
<b>Net interest income</b>	<b>20,005,310</b>	<b>12,809,597</b>	<b>62,533,959</b>
<b>Non-interest income</b>			
Operating lease rental income	12,496,918	12,413,996	48,064,342
Fee and commission income	2,982,199	1,399,963	8,397,613
Other income	628,174	595,162	9,093,064
Net foreign exchange gain	-	144,833	144,469
<b>Net non-interest income</b>	<b>16,107,291</b>	<b>14,553,954</b>	<b>65,699,488</b>
<b>Operating income</b>	<b>36,112,601</b>	<b>27,363,551</b>	<b>128,233,447</b>
Net impairment (loss)/gain on financial assets	(430,581)	(497,616)	2,212,133
Gain on assets held for sale	-	-	237,459
Personnel expenses	(10,349,388)	(8,366,710)	(38,458,077)
Depreciation of property and equipment	(9,212,233)	(9,981,540)	(37,074,235)
Depreciation of right-of-use assets	(495,517)	(419,165)	(1,829,365)
Amortisation of intangible assets	(633,859)	(629,851)	(2,499,339)
Other expenses	(3,742,962)	(2,808,710)	(18,769,859)
	(24,864,540)	(22,703,592)	(96,181,283)
<b>Profit before income tax</b>	<b>11,248,061</b>	<b>4,659,959</b>	<b>32,052,164</b>
Income tax expense	(1,687,209)	(698,994)	(3,626,348)
<b>Profit for the period</b>	<b>9,560,852</b>	<b>3,960,965</b>	<b>28,425,816</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income that will not be reclassified to Profit or loss in subsequent period</i>			
Actuarial gain on retirement benefit obligations	-	-	1,072,754
Related tax	-	-	(183,870)
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>888,884</b>
<b>Profit and total comprehensive income for the period, net of tax</b>	<b>9,560,852</b>	<b>3,960,965</b>	<b>29,314,700</b>

**LA PRUDENCE LEASING FINANCE CO. LTD**  
**STATEMENT OF CHANGES IN EQUITY**  
**PERIOD ENDED 31 MARCH 2023**

	Note	Share capital Rs	Statutory reserve Rs	General risk reserve Rs	Retained earnings Rs	Total Equity Rs
Balance at 31 December 2021		200,000,000	29,233,484	-	67,971,539	297,205,023
Profit for the year, net of tax		-	-	-	28,425,816	28,425,816
Other comprehensive income, net of tax		-	-	-	888,884	888,884
Total comprehensive income for the year, net of tax		-	-	-	29,314,700	29,314,700
<i>Transactions with owner</i>						
Dividends paid during the year		-	-	-	(15,000,000)	(15,000,000)
Dividends declared during the year		-	-	-	(10,000,000)	(10,000,000)
Appropriation of retained earnings to general risk reserve		-	-	6,988,679	(6,988,679)	-
Transfer to statutory reserve		-	4,263,873	-	(4,263,873)	-
Balance at 31 December 2022		200,000,000	33,497,357	6,988,679	61,033,687	301,519,723
Profit for the period, net of tax		-	-	-	9,560,852	9,560,852
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income for the period, net of tax		-	-	-	9,560,852	9,560,852
<i>Transactions with owner</i>						
Appropriation of retained earnings to general risk reserve		-	-	556,232	(556,232)	-
Transfer to statutory reserve		-	1,434,129	-	(1,434,129)	-
Balance at 31 March 2023		200,000,000	34,931,486	7,544,911	68,604,178	311,080,575