

LA PRUDENCE LEASING FINANCE CO. LTD

***UNAUDITED INTERIM FINANCIAL STATEMENTS
30 JUNE 2023***

LA PRUDENCE LEASING FINANCE CO. LTD
FOR THE PERIOD ENDED 30 JUNE 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

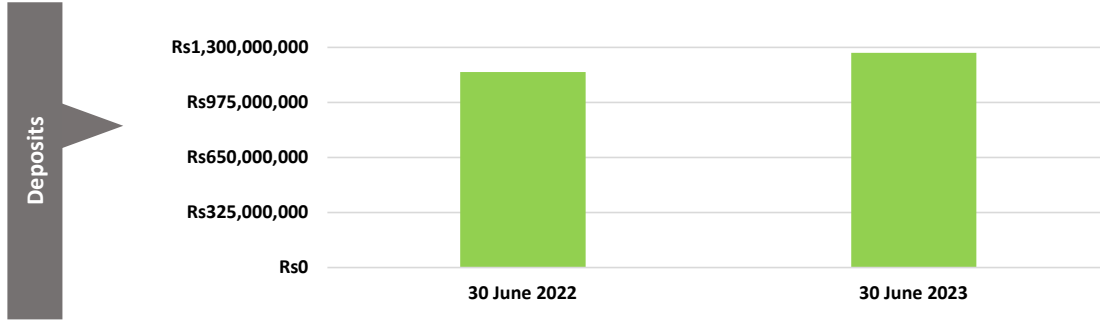
The principal accounting policies and methods of computations adopted in the presentation of the report are the same as those used for audited accounts for the financial year ended 31 December 2022.

**LA PRUDENCE LEASING FINANCE CO. LTD
FOR THE PERIOD ENDED 30 JUNE 2023**

5. FINANCIAL REVIEW

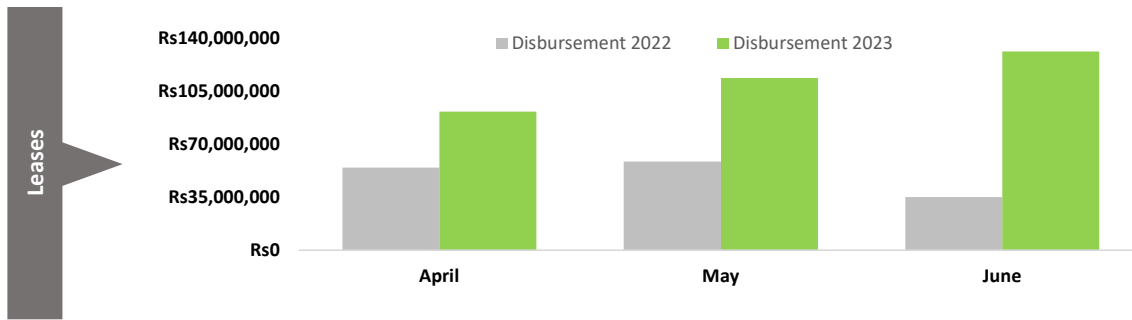
Deposits from customers

Total deposits grew by 9.8% and stood at Rs 1.268 billion as at 30 June 2023 as compared to Rs 1.155 billion as at June 2022.



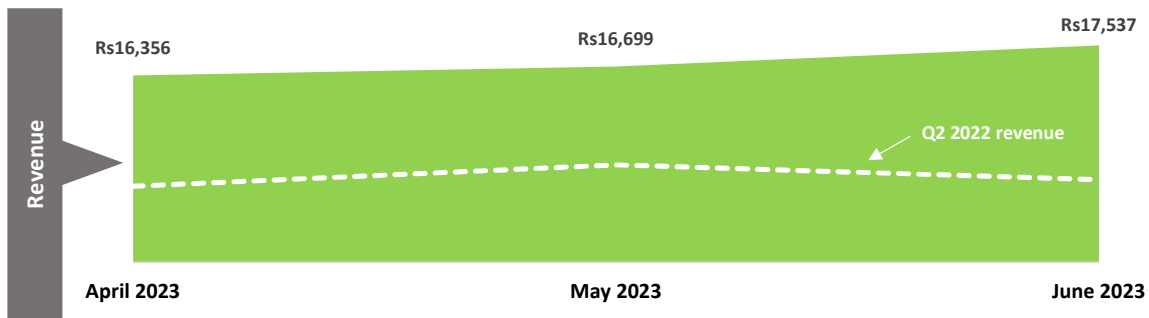
Leases disbursed

The amount of leases approved stood at Rs 337 million for the quarter ended 30 June 2023 while for the same quarter last year an amount of Rs 148 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 112.3 million compared to Rs 49.5 million for the same quarter last year.



Revenue

Revenue from leasing activities increased significantly by 36.42% to reach Rs 50.6 million for the quarter under review while it stood at Rs 37 million for the same quarter last year. The monthly revenue on average for the quarter under review is Rs 16.8 million compared to Rs 12.3 million for the same quarter last year.

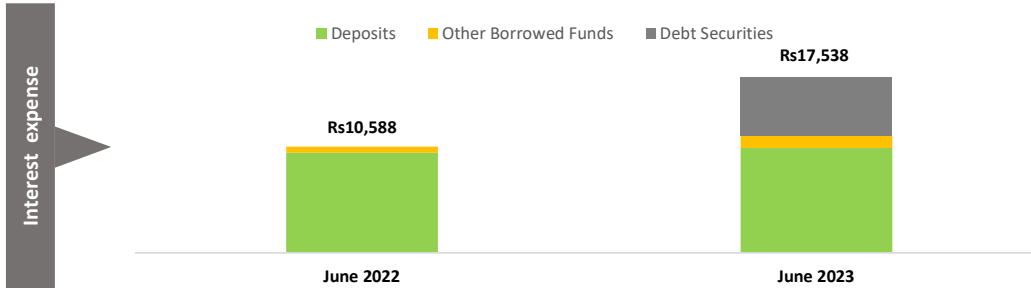


LA PRUDENCE LEASING FINANCE CO. LTD
FOR THE PERIOD ENDED 30 JUNE 2023

5. FINANCIAL REVIEW (CONTINUED)

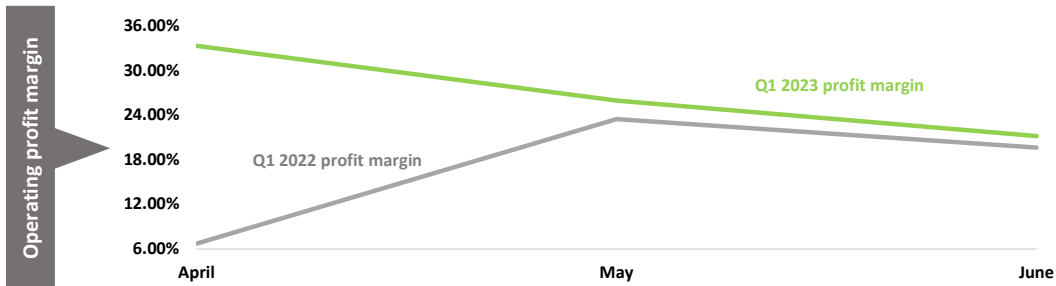
Interest expense

Interest expense increased by 65.64% to reach Rs 17.54 million for the quarter 30 June 2023 while it stood at Rs 10.59 million for the same quarter last year. The increase in interest expense is the result of increased borrowed funds and the raising of debt securities to support the Company's grow strategy. Interest paid to depositors remained relatively constant at Rs 9.98 million for the quarter ended 30 June 2022 compared to Rs 10.48 million for the quarter under review.



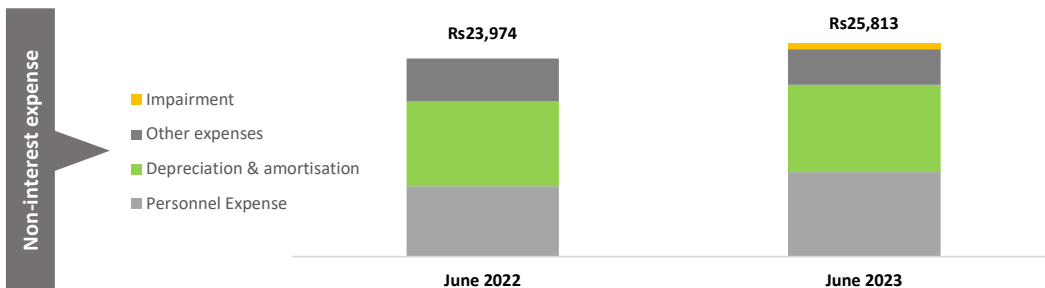
Operating Profit

The operating profit for the quarter ended 30 June 2023 is Rs 15.72 million as compared to Rs 6.89 million for the same quarter last year. Although the interest expense on bonds has significantly impacted our margins, the operating profit margin for the quarter under review remains high at 26.61% compared to 16.89% for the same quarter last year.



Non-Interest Expense

Non-interest expense for the period ended 30 June 2023 stood at Rs 25.81 million compared to Rs 23.36 million for the same quarter last year. The increase of 7.67% 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 30 JUNE 2023

5. FINANCIAL REVIEW (CONTINUED)

Credit Quality

Non-performing lease as a percentage of total lease portfolio is 2% as at 30 June 2023.

Sector-Wise distribution of the leasing portfolio

30 June 2023	Total capital outstanding	ECL	Net
	Rs	Rs	Rs
Agriculture and fishing	32,938,509	315,589	32,622,919
Manufacturing and textile	142,567,879	1,559,148	141,008,731
Tourism	95,648,028	666,738	94,981,290
Transport	199,346,597	3,386,940	195,959,657
Construction and civil engineering	133,483,310	1,798,575	131,684,735
Financial and Business Services	68,192,053	763,542	67,428,511
Traders & Commerce	303,060,459	12,212,183	290,848,276
Personal	420,563,160	3,196,640	417,366,520
Professional	44,213,050	527,552	43,685,499
Media, Entertainment and Recreational Activities	43,192,625	583,545	42,609,081
Freeport Enterprise Certificate Holders	243,671	875	242,795
Other	13,186,942	88,068	13,098,874
Infrastructure	9,042,001	44,207	8,997,794
Education	50,297,425	492,459	49,804,966
Modernisation and Expansion	290,773	1,068	289,705
ICT Services	49,820,989	401,543	49,419,446
Services Sector	158,514,827	2,326,390	156,188,437
Health Development	60,475,139	628,429	59,846,710
Total	1,825,077,438	28,993,491	1,796,083,947

Capital Structure

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

- Maintain a minimum capital adequacy ratio of 10% which was 19.58% for quarter 30 June 2023 and 24.21% for 30 June 2022.
- Maintain liquid assets equivalent to not less than 10% of deposit liabilities.
The liquidity asset ratio was at 12.20% for quarter 30 June 2023 and 17% for the same quarter last year.

LA PRUDENCE LEASING FINANCE CO. LTD**STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 JUNE 2023**

	UNAUDITED		AUDITED
	30-Jun 2023	30-Jun 2022	31 Dec 2022
ASSETS			
Cash and cash equivalents	69,795,269	66,343,292	26,254,312
Deposits with financial institutions	51,431,348	145,025,275	146,280,733
Investment in debt securities at amortised cost	97,294,000	5,212,047	-
Net investment in lease receivables	1,796,083,947	1,265,102,835	1,476,392,354
Advance on finance leases	1,350,572	1,907,389.00	3,639,745.00
Property and equipment	131,308,450	131,892,145	134,899,246
Right-of-use assets	1,973,874	-	2,964,908
Current tax assets	-	-	187,288
Deferred tax assets	-	1,873,950	-
Intangible assets	16,031,965	17,762,624	16,704,428
Assets held for sale	1,775,770	302,765	1,775,770
Other assets	17,525,520	7,015,351	8,738,886
Total assets	2,184,570,715	1,642,437,673	1,817,837,670
LIABILITIES			
Deposits from customers	1,268,019,804	1,155,063,207	1,274,818,178
Debt securities	367,609,990	-	-
Other borrowed funds	183,664,418	182,372,324	198,915,670
Lease liabilities	2,100,107	-	3,046,564
Current tax liability	3,233,130	1,546,185	-
Dividend payable	-	-	10,000,000
Other liabilities	32,962,966	8,994,486	26,998,975
Deferred tax liabilities	1,936,268	-	1,936,268
Retirement benefit obligations	602,292	1,903,434	602,292
Total liabilities	1,860,128,975	1,349,879,636	1,516,317,947
SHAREHOLDER'S EQUITY			
Share capital	200,000,000	200,000,000	200,000,000
Statutory reserve	36,935,661	29,233,484	33,497,357
General risk reserve	8,648,698	-	6,988,679
Retained earnings	78,857,381	63,324,553	61,033,687
Total equity	324,441,740	292,558,037	301,519,723
Total equity and liabilities	2,184,570,715	1,642,437,673	1,817,837,670

Authorised for public disclosure by the Board of Directors and signed on its behalf by:

.....
Mr. Clement Yue Chi Ming
MANAGING DIRECTOR

.....
Mrs. Yeung Min John Chuan
CHAIRPERSON OF THE
AUDIT COMMITTEE

.....
Mr. Jhenny Vee Fah LEUNG LAM HING
NON-EXECUTIVE DIRECTOR

LA PRUDENCE LEASING FINANCE CO. LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
PERIOD ENDED 30 JUNE 2023

	UNAUDITED			AUDITED	
	Quarter Ended 3 months 30-Jun 2023	Quarter Ended 3 months 30-Jun 2022	Period ended 6 months 30-Jun 2023	Period ended 6 months 30-Jun 2022	Year Ended 31-Dec 2022
Interest income					
Interest income calculated using the effective interest rate method	2,443,152	1,054,767	3,220,204	2,134,281	4,213,487
Interest income on investment in finance lease receivables	38,876,860	24,851,448	73,623,820	48,422,533	103,016,521
Interest expense	(17,537,890)	(10,587,658)	(33,056,593)	(22,428,660)	(44,696,049)
Net interest income	23,782,122	15,318,557	43,787,431	28,128,154	62,533,959
Non-interest income					
Operating lease rental income	11,715,312	12,235,243	24,212,230	24,649,239	48,064,342
Fee and commission income	4,090,087	1,801,813	7,072,286	3,201,776	8,397,613
Other income	1,874,120	900,178	2,502,293	1,495,341	9,093,064
Net foreign exchange gain	70,403.00	-	70,403.00	144,833	144,469
Net non-interest income	17,749,922	14,937,234	33,857,212	29,491,189	65,699,488
Operating income	41,532,044	30,255,791	77,644,643	57,619,343	128,233,447
Net impairment (loss)/gain on financial assets	(726,120)	615,107	(1,156,701)	117,491	2,212,133
Gain on assets held for sale	-	(19,460)	-	(19,460)	237,459
Personnel expenses	(10,237,287)	(8,497,728)	(20,586,675)	(16,864,438)	(38,458,077)
Depreciation of property and equipment	(9,418,513)	(9,230,036)	(18,630,745)	(19,211,576)	(37,074,235)
Depreciation of right-of-use assets	(495,517)	(419,165)	(991,033)	(838,329)	(1,829,365)
Amortisation of intangible assets	(638,112)	(625,292)	(1,271,971)	(1,255,143)	(2,499,339)
Other expenses	(4,297,477)	(5,182,691)	(8,040,439)	(7,991,401)	(18,769,859)
	(25,813,026)	(23,359,265)	(50,677,564)	(46,062,856)	(96,181,283)
Profit before income tax	15,719,018	6,896,526	26,967,079	11,556,487	32,052,164
Income tax expense	(2,357,853)	(1,034,479)	(4,045,062)	(1,733,473)	(3,626,348)
Profit for the period	13,361,165	5,862,047	22,922,017	9,823,014	28,425,816
Other comprehensive income					
<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)
Other comprehensive income for the period	-	-	-	-	888,884
Profit and total comprehensive income for the period, net of tax	13,361,165	5,862,047	22,922,017	9,823,014	29,314,700

LA PRUDENCE LEASING FINANCE CO. LTD
STATEMENT OF CHANGES IN EQUITY
PERIOD ENDED 30 JUNE 2023

	Note	Share capital	Statutory reserve	General risk reserve	Retained earnings	Total Equity
		Rs	Rs	Rs	Rs	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		-	-	-	22,922,017	22,922,017
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income for the period, net of tax		-	-	-	22,922,017	22,922,017
<i>Transactions with owner</i>						
Appropriation of retained earnings to general risk reserve		-	-	1,660,019	(1,660,019)	-
Transfer to statutory reserve		-	3,438,304	-	(3,438,304)	-
Balance at 30 June 2023		200,000,000	36,935,661	8,648,698	78,857,381	324,441,740