

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	2022 MUR	2021 MUR	2020 MUR
ASSETS			
Cash and cash equivalents	3,094,610,118	4,871,775,378	1,280,041,690
Due from banks	966,675,490	-	14,819,085
Derivative financial assets	50,004,747	10,228,424	2,183,441
Loans and advances to customers	10,013,946,960	10,180,812,563	9,769,375,208
Investment securities	6,407,507,165	6,504,248,029	7,114,456,335
Property, equipment and right-of-use assets	587,085,644	586,761,003	600,843,664
Intangible assets	98,455,590	41,793,082	8,922,365
Deferred tax assets	7,574,450	11,598,877	23,084,417
Other assets	929,581,796	952,457,252	891,377,784
Total assets	22,155,441,960	23,159,674,608	19,705,103,989
LIABILITIES			
Deposits from customers	19,016,751,814	19,846,223,025	16,799,731,794
Derivative financial liabilities	9,404,846	8,936,609	9,759,640
Preference shares	-	142,809,030	144,534,198
Subordinated debts	504,821,233	504,762,329	504,762,329
Current tax liabilities	10,250,861	9,220,699	28,244,435
Other liabilities	533,387,720	719,178,864	381,314,330
Total liabilities	20,074,616,474	21,231,130,556	17,868,346,726
Shareholders' Equity			
Issued capital	940,495,472	940,495,472	940,495,472
Retained earnings	920,289,820	791,848,897	677,416,500
Other reserves	220,040,194	196,199,683	218,845,291
Capital and reserves	2,080,825,486	1,928,544,052	1,836,757,263
Total liabilities and equity	22,155,441,960	23,159,674,608	19,705,103,989

These financial statements have been approved and authorised for issue by the Board of Directors on 27 September 2022.

Ah Foon Chui Yew Cheong
Chairperson

David Brian Ah-Chuen
Executive Director

Bhanu Pratapsingh Jadoo
Chairman of Audit Committee

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Issued Capital MUR	Retained Earnings MUR	Statutory Reserve MUR	Fair Value Reserve MUR	Total MUR
At 1 July 2019	940,495,472	640,979,429	146,504,742	43,198,122	1,771,177,765
Profit for the year	-	120,387,842	-	-	120,387,842
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	3,300,152	3,300,152
Other comprehensive income	-	(7,163,254)	-	7,784,099	620,845
Total comprehensive income for the year	-	113,224,588	-	11,084,251	124,308,839
Transfer to statutory reserve	-	(18,058,176)	18,058,176	-	-
Equity dividends	-	(58,729,341)	-	-	(58,729,341)
At 30 June 2020	940,495,472	677,416,500	164,562,918	54,282,373	1,836,757,263
At 1 July 2020	940,495,472	677,416,500	164,562,918	54,282,373	1,836,757,263
Profit for the year	-	120,103,306	-	-	120,103,306
Other comprehensive loss	-	12,344,587	-	(40,661,104)	(28,316,517)
Total comprehensive income for the year	-	132,447,893	-	(40,661,104)	91,786,789
Transfer to statutory reserve	-	(18,015,496)	18,015,496	-	-
At 30 June 2021	940,495,472	791,848,897	182,578,414	13,621,269	1,928,544,052
At 1 July 2021	940,495,472	791,848,897	182,578,414	13,621,269	1,928,544,052
Profit for the year	-	201,042,592	-	-	201,042,592
Other comprehensive loss	-	(1,258,469)	-	(6,315,878)	(7,574,347)
Total comprehensive income for the year	-	199,784,123	-	(6,315,878)	193,468,245
Transfer to statutory reserve	-	(30,156,389)	30,156,389	-	-
Equity dividends	-	(41,186,811)	-	-	(41,186,811)
At 30 June 2022	940,495,472	920,289,820	212,734,803	7,305,391	2,080,825,486

Comments for the year ended 30 June 2022

ABC Banking Corporation Ltd (the "bank") registered a profit after tax of MUR 201 million for the year ended 30 June 2022 against MUR 120 million last year, representing a growth of 67%. The bank's net impairment charge on financial assets significantly decreased from MUR 232 million in 2021 to MUR 3 million in 2022 following a prudent approach in prior years in line with IFRS 9.

Net interest income witnessed a decrease of 4%, explained primarily by the decrease in loan portfolio from MUR 10.2 billion to MUR 10.0 billion following certain strategic exits and reduction in the portfolio during the last part of the prior year. Total operating income decreased by 13.3% to reach MUR 618 million against MUR 713 million last year as a result of reduced business activities. As a result of continued investment in digitalization, non-interest

expense was at MUR 388 million for the year, resulting in a cost-to-income of 63% compared to 46% last year.

The bank's total assets as at 30 June 2022 was MUR 22.2 billion whilst the savings and deposit balances closed at MUR 19.0 billion. As at 30 June 2022, the Capital Adequacy Ratio stood comfortably at 15.6% and Liquidity Coverage Ratio at 314% which are both well above the regulatory limits.

By Order of the Board

Per Mahesh Ittoo, ACG, MCS/ Company Secretary

27 September 2022

These abridged financial statements are issued pursuant to

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	2022 MUR	2021 MUR	2020 MUR
Interest income using the effective interest method	669,713,560	719,014,532	806,413,125
Interest expense using the effective interest method	(221,027,736)	(251,090,916)	(290,014,171)
Net interest income	448,685,824	467,923,616	516,398,954
Fee and commission income	122,486,446	110,250,797	99,664,534
Fee and commission expense	(35,434,019)	(29,057,422)	(22,677,240)
Net fee and commission income	87,052,427	81,193,375	76,987,294
Net trading income	57,700,029	51,678,809	64,092,741
Net (loss)/gain on derecognition of financial assets measured at fair value through other comprehensive income	(224,965)	5,852,597	45,313,979
Net gain on derecognition of financial assets measured at amortised cost	23,480,210	104,267,812	57,500,278
Net gain on derecognition of financial assets measured at fair value through profit or loss	-	5,470	1,233,374
Other operating income	1,709,706	2,393,259	1,334,486
Total other income	82,664,980	164,197,947	169,474,858
Operating income	618,403,231	713,314,938	762,861,106
Personnel expenses	(224,562,919)	(191,048,787)	(192,884,473)
Depreciation and amortisation	(45,703,298)	(36,599,430)	(34,058,940)
Other operating expenses	(117,697,488)	(102,169,854)	(83,772,021)
Non interest expenses	(387,963,705)	(329,818,071)	(310,715,434)
Operating profit before impairment	230,439,526	383,496,867	452,145,672
Allowance for credit impairment on financial assets	(3,342,995)	(232,006,978)	(310,708,038)
Operating profit before tax	227,096,531	151,489,889	141,437,634
Income tax expense	(26,053,939)	(31,386,583)	(21,049,792)
Profit for the year	201,042,592	120,103,306	120,387,842
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss, net of tax:			
Net gain on investments in equity instruments designated at fair value through other comprehensive income	7,883,548	14,566,769	6,190,622
Gain on disposal on equity instruments at fair value through other comprehensive income	932,408	2,492,190	-
Remeasurement of retirement benefit obligation	(2,190,877)	9,852,397	(7,163,254)
Total of items that will not be reclassified subsequently to profit or loss, net of tax	6,625,079	26,911,356	(972,632)
Items that may be reclassified subsequently to profit or loss, net of tax:			
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	(2,376,443)	(35,025)	3,300,152
Net (loss)/gain on investments in debt instruments designated at fair value through other comprehensive income	(11,822,983)	(55,192,848)	1,593,477
Total of items that may be reclassified subsequently to profit or loss, net of tax	(14,199,426)	(55,227,873)	4,893,629
Other comprehensive (loss)/income for the year	(7,574,347)	(28,316,517)	3,920,997
Total comprehensive income for the year	193,468,245	91,786,789	124,308,839
Earnings per share			
Basic and diluted	2.64	1.57	1.58

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	2022 MUR	2021 MUR	2020 MUR
Net cash (used in)/ generated from operating activities	(1,594,992,609)	2,630,720,976	(684,024,315)
Net cash generated from / (used in) investing activities	13,592,220	633,807,850	(653,039,830)
Net cash used in financing activities	(183,181,924)	(3,629,470)	(63,463,761)
Net (decrease)/ increase in cash and cash equivalents	(1,764,582,313)	3,260,899,356	(1,400,527,906)
Net foreign exchange difference	(12,582,947)	330,834,332	(51,561,476)
Net cash and cash equivalents at beginning of year	4,871,775,378	1,280,041,690	2,732,131,072
Net cash and cash equivalents at end of year	3,094,610,118	4,871,775,378	1,280,041,690
Operational cashflows from interest and dividend			
Interest paid	274,481,120	203,822,101	293,512,178
Interest received	686,219,585	729,109,786	792,036,496
Dividend received	1,503,955	1,763,890	1,314,895

DEM Rules 18 and Securities Act 2005.

The Board of Directors of ABC Banking Corporation Ltd accepts full responsibility for the accuracy of the information contained in these abridged financial statements.

The financial information contained in these abridged financial statements has been extracted from the audited financial statements on which our auditors, Messrs. Ernst & Young, have expressed an unmodified audit opinion.

Copies of the statement of direct and indirect interests of Officers pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 and the audited financial statements are available free of charge upon request made to the Company Secretary at the registered address, WEAL House, Duke of Edinburgh Avenue, Place d'Armes, Port Louis, Mauritius.

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ABC Banking Corporation Ltd is a bank duly licensed and regulated by the Bank of Mauritius.