

ABRIDGED AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	2023 MUR	2022 MUR	2021 MUR
ASSETS			
Cash and cash equivalents	5,570,184,787	3,094,610,118	4,871,775,378
Due from banks	-	966,675,490	-
Derivative financial assets	26,136,555	50,004,747	10,228,424
Loans and advances to customers	11,271,884,668	10,013,946,960	10,180,812,563
Investment securities	5,952,304,559	6,407,507,165	6,504,248,029
Property, equipment and right-of-use assets	555,659,704	587,085,644	586,761,003
Intangible assets	82,645,706	98,455,590	41,793,082
Deferred tax assets	4,245,128	7,574,450	11,598,877
Other assets	175,642,217	929,581,796	952,457,252
Total assets	23,638,703,324	22,155,441,960	23,159,674,608
LIABILITIES			
Deposits from customers	20,354,310,098	19,016,751,814	19,846,223,025
Derivative financial liabilities	25,518,459	9,404,846	8,936,609
Preference shares	-	-	142,809,030
Subordinated debts	505,379,452	504,821,233	504,762,329
Current tax liabilities	39,972,753	10,250,861	9,220,699
Other liabilities	415,935,254	533,387,720	719,178,864
Total liabilities	21,341,116,016	20,074,616,474	21,231,130,556
Shareholders' Equity			
Issued capital	940,495,472	940,495,472	940,495,472
Retained earnings	1,121,404,334	920,289,820	791,848,897
Other reserves	235,687,502	220,040,194	196,199,683
Capital and reserves	2,297,587,308	2,080,825,486	1,928,544,052
Total liabilities and equity	23,638,703,324	22,155,441,960	23,159,674,608

These financial statements have been approved and authorised for issue by the Board of Directors on 25 September 2023.

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 2023

	Issued Capital MUR	Retained Earnings MUR	Statutory Reserve MUR	Fair Value Reserves MUR	Total MUR
At 01 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 income/ (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 01 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
At 01 July 2022	940,495,472	920,289,820	212,734,803	7,305,391	2,080,825,486
Profit for the year	-	298,159,055	-	-	298,159,055
Other comprehensive loss	-	(5,794,845)	-	(29,076,550)	(34,871,395)
Total comprehensive income for the year	-	292,364,210	-	(29,076,550)	263,287,660
Transfer to statutory reserve	-	(44,723,858)	44,723,858	-	-
Equity dividends	-	(46,525,838)	-	-	(46,525,838)
At 30 June 2023	940,495,472	1,121,404,334	257,458,661	(21,771,159)	2,297,587,308

Comments for the year ended 30 June 2023

ABC Banking Corporation Ltd (the "bank") registered a profit after tax of MUR 298 million for the year ended 30 June 2023 against MUR 201 million for the same period last year, representing a growth of 48%. The bank released an amount of MUR 51 million of allowance for credit impairment on financial assets during the year, compared to a charge of MUR 3 million last year.

Net interest income increased by 33%, explained by the changes in the interest rate environment and growth in the bank's loan book during the year, resulting in interest income growing significantly. Total operating income increased by 26% to reach MUR 777 million against MUR 618 million for the same period last year as a result of the good performance of the bank. As the bank continues its investment in digitalization, non-interest expense was at MUR 484 million for the year, resulting in a cost-to-income ratio of 62% compared to 63% last year.

The bank's total assets stood at MUR 23.6 billion at 30 June 2023 whilst deposits from customers closed at MUR 20.4 billion.

At 30 June 2023, the Capital Adequacy Ratio stood comfortably at 15.3%, and the Liquidity Coverage Ratio at 559%, which are both well above the minimum regulatory thresholds.

By Order of the Board
Per Mahesh Ittoo, ACG, MCSI
Company Secretary

25 September 2023

These abridged financial statements are issued pursuant to DEM Rules 18 and Securities Act 2005.

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	2023 MUR	2022 MUR	2021 MUR
Interest income using the effective interest method	926,075,953	669,713,560	719,014,532
Interest expense using the effective interest method	(329,727,500)	(221,027,736)	(251,090,916)
Net interest income	596,348,453	448,685,824	467,923,616
Fee and commission income	132,836,647	122,486,446	110,250,797
Fee and commission expense	(41,495,813)	(35,434,019)	(29,057,422)
Net fee and commission income	91,340,834	87,052,427	81,193,375
Net trading income	87,115,107	57,700,029	51,678,809
Net (loss)/gain on derecognition of financial assets measured at fair value through other comprehensive income	-	(224,965)	5,852,597
Net gain on derecognition of financial assets measured at amortised cost	-	23,480,210	104,267,812
Net gain on derecognition of financial assets measured at fair value through profit or loss	-	-	5,470
Other operating income	1,768,244	1,709,706	2,393,259
Total other income	88,883,351	82,664,980	164,197,947
Operating income	776,572,638	618,403,231	713,314,938
Personnel expenses	(263,301,267)	(224,562,919)	(191,048,787)
Depreciation and amortisation	(54,570,916)	(45,703,298)	(36,599,430)
Other operating expenses	(166,557,945)	(117,697,488)	(102,169,854)
Non interest expenses	(484,430,128)	(387,963,705)	(329,818,071)
Operating profit before impairment	292,142,510	230,439,526	383,496,867
Allowance for credit impairment on financial assets	51,275,100	(3,342,995)	(232,006,978)
Operating profit before tax	343,417,610	227,096,531	151,489,889
Income tax expense	(45,258,555)	(26,053,939)	(31,386,583)
Profit for the year	298,159,055	201,042,592	120,103,306
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss, net of tax:			
Net (loss)/ gain on investments in equity instruments designated at fair value through other comprehensive income	(19,605,087)	7,883,548	14,566,769
Gain on disposal on equity instruments at fair value through other comprehensive income	-	932,408	2,492,190
Remeasurement of retirement benefit obligation	(5,794,845)	(2,190,877)	9,852,397
Total of items that will not be reclassified subsequently to profit or loss, net of tax	(25,399,932)	6,625,079	26,911,356
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	(1,900,610)	(2,376,443)	(35,025)
Net loss on investments in debt instruments designated at fair value through other comprehensive income	(7,570,853)	(11,822,983)	(55,192,848)
Total of items that may be reclassified subsequently to profit or loss, net of tax	(9,471,463)	(14,199,426)	(55,227,873)
Other comprehensive loss for the year	(34,871,395)	(7,574,347)	(28,316,517)
Total comprehensive income	263,287,660	193,468,245	91,786,789
Earnings per share			
Basic and diluted	3.91	2.64	1.57

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	2023 MUR	2022 MUR	2021 MUR
Net cash generated from/ (used in) operating activities	2,024,808,255	(1,594,992,609)	2,630,720,976
Net cash generated from investing activities	420,772,052	13,592,220	633,807,850
Net cash used in financing activities	(48,877,864)	(183,181,924)	(3,629,470)
Net increase/(decrease) in cash and cash equivalents	2,396,702,443	(1,764,582,313)	3,260,899,356
Net foreign exchange difference	78,872,226	(12,582,947)	330,834,332
Net cash and cash equivalents at beginning of year	3,094,610,118	4,871,775,378	1,280,041,690
Net cash and cash equivalents at end of year	5,570,184,787	3,094,610,118	4,871,775,378
Operational cashflows from interest and dividend			
Interest paid	383,180,884	274,481,120	203,822,101
Interest received	942,581,978	686,219,585	729,109,786
Dividend received	1,504,714	1,503,955	1,763,890

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.