

ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Unaudited Dec 21 MUR	Unaudited Dec 20 MUR	Audited Jun 21 MUR
ASSETS			
Cash and cash equivalents	3,827,777,998	2,957,245,577	4,871,775,378
Due from banks	609,786,532	-	-
Derivative financial assets	19,433,351	6,573,870	10,228,424
Loans and advances to customers	9,662,679,582	10,256,540,920	10,180,812,563
Investment securities	6,817,593,381	6,131,231,259	6,504,248,029
Other assets	964,404,076	945,921,472	952,457,252
Property, equipment and right-of-use assets	574,391,796	601,593,487	586,761,003
Intangible assets	47,173,178	7,963,427	41,793,082
Deferred tax assets	10,436,694	24,577,522	11,598,877
Total assets	22,533,676,588	20,931,647,534	23,159,674,608
LIABILITIES			
Derivative financial liabilities	633,817	7,741,269	8,936,609
Deposits from customers	19,487,355,635	17,862,855,300	19,846,223,025
Preference shares	-	140,606,785	142,809,030
Subordinated debts	504,861,130	504,861,130	504,762,329
Current tax liabilities	5,058,730	13,062,328	9,220,699
Other liabilities	492,863,476	472,640,691	719,178,864
Total liabilities	20,490,772,788	19,001,767,503	21,231,130,556
Shareholders' Equity			
Issued capital	940,495,472	940,495,472	940,495,472
Retained earnings	890,719,641	788,355,974	791,848,897
Other reserves	211,688,687	201,028,585	196,199,683
Capital and reserves	2,042,903,800	1,929,880,031	1,928,544,052
Total liabilities and equity	22,533,676,588	20,931,647,534	23,159,674,608
Contingent liabilities			
Guarantees on account of customers	31,312,230	150,495,143	52,909,454
Letter of credit and other obligations on account of customers	2,776,438	2,497,684	-
Commitments	1,900,905,685	1,407,809,915	1,638,467,897

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2021

	Issued Capital MUR	Retained Earnings MUR	Statutory Reserve MUR	Other 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 period	-	110,939,474	-	-	110,939,474
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	(1,320,610)	(1,320,610)
Other comprehensive loss for the period	-	-	-	(16,496,096)	(16,496,096)
Total comprehensive income for the period	-	110,939,474	-	(17,816,706)	93,122,768
At 31 December 2020	940,495,472	788,355,974	164,562,918	36,465,667	1,929,880,031
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 loss for the year	-	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 period	-	98,870,744	-	-	98,870,744
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	(192,032)	(192,032)
Other comprehensive income for the period	-	-	-	15,681,036	15,681,036
Total comprehensive income for the period	-	98,870,744	-	15,489,004	114,359,748
At 31 December 2021	940,495,472	890,719,641	182,578,414	29,110,273	2,042,903,800

Comments

The bank registered a profit before impairment of MUR 57.1 million for the quarter ended 31 December 2021, compared to last year's same period of MUR 76.4 million, reflecting the continued difficult economic situation.

The operating income for the quarter ended 31 December 2021 stood at MUR 146.0 million compared to MUR 157.3 million same period last year, being a result of the limited business activity seen in the market. The operating income for the 6 months ended 31 December 2021 stood at MUR 290.2 million compared to same period last year of MUR 317.3 million.

The bank's total assets as at 31 December 2021 was MUR 22.5 billion compared to MUR 20.9 billion same quarter last year whilst the

saving and deposit balance closed at MUR 19.5 billion compared to MUR 17.9 billion compared to same quarter last year.

As at 31 December 2021, the Capital Adequacy Ratio stood at 15.6% and Liquidity Coverage Ratio at 321%.

By Order of the Board

The abridged unaudited interim financial statements have been prepared in accordance with the same accounting policies as those set out in the audited financial statements for the year ended 30 June 2021.

Copies of the interim financial statements and LCR disclosure are available, free of charge, upon request made to the Company Secretary at its registered office, WEAL HOUSE, Duke of Edinburgh

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2021

	Unaudited Quarter ended Dec 21 MUR	Unaudited Quarter ended Dec 20 MUR	Unaudited Six Months ended Dec 21 MUR	Unaudited Six Months ended Dec 20 MUR	Audited Year ended June 21 MUR
Interest income	168,828,332	184,501,418	336,147,162	368,286,991	719,014,532
Interest expense	(58,737,779)	(63,324,023)	(118,063,573)	(124,924,716)	(251,090,916)
Net interest income	110,090,553	121,177,395	218,083,589	243,362,275	467,923,616
Fee and commission income	30,254,480	28,039,323	62,732,368	53,429,375	110,250,797
Fee and commission expense	(9,468,053)	(8,028,348)	(17,398,507)	(15,349,991)	(29,057,422)
Net fee and commission income	20,786,427	20,010,975	45,333,861	38,079,384	81,193,375
Net trading income	14,119,828	13,668,669	25,908,783	29,694,357	51,678,809
Net (loss)/gain on sale of investment securities	(19,148)	1,018,420	(255,050)	4,710,537	110,125,879
Other operating income	1,072,060	1,414,553	1,092,085	1,414,553	2,393,259
Total other income	15,172,740	16,101,642	26,745,818	35,819,447	164,197,947
Operating income	146,049,720	157,290,012	290,163,268	317,261,106	713,314,938
Personnel expenses	(51,796,996)	(47,411,354)	(98,523,646)	(95,821,743)	(191,048,787)
Depreciation and amortisation	(10,215,122)	(8,798,103)	(20,468,946)	(18,005,458)	(36,599,430)
Other operating expenses	(26,896,796)	(24,635,559)	(53,634,518)	(48,912,316)	(102,169,854)
Non interest expenses	(88,908,914)	(80,845,016)	(172,627,110)	(162,739,517)	(329,818,071)
Operating profit before impairment	57,140,806	76,444,996	117,536,158	154,521,589	383,496,867
Allowance for credit impairment	13,226,523	(24,350,643)	(1,586,368)	(26,025,314)	(232,006,978)
Operating profit before tax	70,367,329	52,094,353	115,949,790	128,496,275	151,489,889
Income tax expense	(9,253,696)	(6,589,356)	(17,079,046)	(17,556,801)	(31,386,583)
Profit for the period	61,113,633	45,504,997	98,870,744	110,939,474	120,103,306
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Net gain on investments in equity instruments designated at fair value through other comprehensive income	8,124,480	1,175,449	8,444,131	509,946	14,566,769
Fair value gain on disposal in equity	-	-	-	-	2,492,190
Remeasurement of retirement pension net of deferred tax	-	-	-	-	9,852,397
	8,124,480	1,175,449	8,444,131	509,946	26,911,356
Items that may be reclassified subsequently to profit or loss:					
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	(11,330,623)	(806,487)	(192,032)	(1,320,610)	(35,025)
Net (loss)/gain on investments in debt instruments designated at fair value through other comprehensive income	(8,650,684)	(1,236,187)	7,236,905	(17,006,042)	(55,192,848)
	(19,981,307)	(2,042,674)	7,044,873	(36,653,304)	(55,227,873)
Other comprehensive (loss)/income for the period	(11,856,827)	(867,225)	15,489,004	(36,143,358)	(28,316,517)
Total comprehensive income	49,256,806	44,637,772	114,359,748	74,796,116	91,786,789
Weighted average number of ordinary shares	76,271,872	76,271,872	76,271,872	76,271,872	76,271,872
Basic and diluted - earnings per share	0.80	0.60	1.30	1.45	1.57

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2021

	Unaudited Six months ended Dec-21 MUR	Unaudited Six months ended Dec-20 MUR	Audited Year ended Jun 21 MUR
Net cash (used in)/generated from operating activities	(776,215,990)	740,642,840	2,630,720,976
Net cash (used in)/generated from investing activities	(312,395,859)	954,854,064	633,807,850
Net cash used in financing activities	-	(958,145)	(3,629,470)
Net (decrease)/increase in cash and cash equivalents	(1,088,611,849)	1,694,538,759	3,260,899,356
Net foreign exchange difference	44,614,469	(17,334,872)	330,834,332
Net cash and cash equivalents at beginning of period / year	4,871,775,378	1,280,041,690	1,280,041,690
Net cash and cash equivalents at end of period / year	3,827,777,998	2,957,245,577	4,871,775,378

LCR COMMON DISCLOSURE TEMPLATE

	TOTAL UNWEIGHTED VALUE (quarterly average of bi-monthly observations) (MUR. M)	TOTAL WEIGHTED VALUE (quarterly average of bi-monthly observations) (MUR. M)
HIGH-QUALITY LIQUID ASSETS		
Total high-quality liquid assets (HQLA)	4,806	4,752
CASH OUTFLOWS		
Retail deposits and deposits from small business customers, of which:		
Stable deposits	-	-
Less stable deposits	5,103	510
Unsecured wholesale funding, of which:	634	63
Operational deposits (all counterparties)	7,999	2,000
Non-operational deposits (all counterparties)	173	71
Unsecured debt	-	-
Secured wholesale funding	-	-
Additional requirements, of which:		
Outflows related to derivative exposures and other collateral requirements	39	39
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	2,005	318
Other contractual funding obligations	106	106
Other contingent funding obligations	23	1
TOTAL CASH OUTFLOWS	16,082	3,108
CASH INFLOWS		
Secured funding (e.g. reverse repos)	-	-
Inflows from fully performing exposures	2,056	1,901
Other cash inflows	40	40
TOTAL CASH INFLOWS	2,096	1,941
TOTAL ADJUSTED VALUE (MUR. M)		
TOTAL HQLA		4,752
TOTAL NET CASH OUTFLOWS		1,167
LIQUIDITY COVERAGE RATIO (%)		407
QUARTERLY AVERAGE OF DAILY HQLA		4,837

Notes:

- The reported values for 'quarterly average of bi-monthly observations' are based on the 15 Oct, 31 Oct, 15 Nov, 30 Nov, 15 Dec and 31 Dec 2021 figures. The number of data points used for the calculations are 6.
- The reported values for 'quarterly average of daily HQLA' are based on end of daily figures over the 1 October 2021 to 31 December 2021's period. The number of data points used for the calculations are 92.

As at 31 December 2021, the bank's LCR stood at 320% whereas the quarterly average of bi-monthly observations for the Quarter ended 31 December 2021 was 407%, mainly due to the significant investment in eligible securities. The bank's high-quality liquid assets (HQLA) is primarily made up of sovereign and central bank securities and the weighted value as at end of December was MUR 4.6 billion and the quarterly average of bi-monthly observations for the Quarter ended 31 December 2021 was at MUR 4.8 billion. The bank continues to monitor its liquidity position and will adjust its investment strategy to meet the prescribed requirement.

Avenue, Place d'Armes, 11328, Port Louis, Mauritius and can be viewed on our website www.abcbanking.mu.

This notice is issued pursuant to DEM Rule 18 and Rule 5 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. The Board of Directors of ABC Banking Corporation Ltd accepts full responsibility for the accuracy of the information contained in this report. The full disclosure of the bank's Liquidity Coverage Ratio is available on our website www.abcbanking.mu.

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

10 February 2022

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ABC Banking Corporation is regulated by the Bank of Mauritius