

Abridged Unaudited Financial Statements for the Quarter Ended 30 September 2018

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	Unaudited Sep 18 MUR	Unaudited Sep 17 MUR	Audited Jun 18 MUR
ASSETS			
Cash and cash equivalents	2,949,654,405	3,934,042,216	3,276,741,586
Due from banks	1,152,948,341	1,238,046,177	1,030,811,338
Derivative financial assets	6,682,716	25,306,894	4,289,595
Loans and advances to customers	6,354,797,082	4,856,142,867	6,054,488,404
Investment securities	6,006,147,448	5,448,115,744	6,223,153,289
Other assets	106,025,367	38,120,227	94,025,588
Property and equipment	416,426,015	369,543,270	394,861,578
Intangible assets	3,801,575	6,117,903	4,351,872
Deferred tax assets	22,598,528	22,216,606	21,307,487
Total assets	17,019,081,477	15,937,651,904	17,104,030,737
LIABILITIES			
Due to banks	-	-	110,061,479
Derivative financial liabilities	5,770,194	14,271,629	2,774,759
Deposits from customers	15,073,019,676	14,109,772,180	14,966,194,318
Preference shares	140,035,019	270,075,198	145,340,753
Current tax liabilities	38,388,583	35,957,820	30,924,434
Other liabilities	178,055,061	112,647,897	338,395,576
Total liabilities	15,435,268,533	14,542,724,724	15,593,691,319
Shareholders' Equity			
Issued capital	940,495,472	940,495,472	940,495,472
Retained earnings	549,954,471	374,900,057	478,528,990
Other reserves	93,363,001	79,531,651	91,314,956
Capital and reserves	1,583,812,944	1,394,927,180	1,510,339,418
Total liabilities and equity	17,019,081,477	15,937,651,904	17,104,030,737
Contingent liabilities			
Guarantees on account of customers	31,344,980	10,493,278	32,168,218
Letter of credit and other obligations on account of customers	6,382,881	-	13,459,409
Commitments	1,444,659,597	1,524,589,853	1,300,121,698

STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	Issued Capital MUR	Retained Earnings MUR	Statutory Reserve MUR	Fair Value Reserve MUR	Total MUR
At 01 July 2017	940,495,472	322,022,542	76,556,747	1,205,290	1,340,280,051
Profit for the period	-	52,877,515	-	-	52,877,515
Other comprehensive income for the period	-	-	-	1,769,614	1,769,614
Total comprehensive income for the period	-	52,877,515	-	1,769,614	54,647,129
At 30 September 2017	940,495,472	374,900,057	76,556,747	2,974,904	1,394,927,180
At 01 July 2018	940,495,472	322,022,542	76,556,747	1,205,290	1,340,280,051
Profit for the year	-	242,431,728	-	-	242,431,728
Other comprehensive loss for the year	-	(746,523)	-	(22,811,840)	(23,558,363)
Total comprehensive income/(loss) for the year	-	241,685,205	-	(22,811,840)	218,873,365
Transfer to statutory reserve	-	(36,364,759)	36,364,759	-	-
Equity dividends	-	(48,813,998)	-	-	(48,813,998)
At 30 June 2018	940,495,472	478,528,990	112,921,506	(21,606,550)	1,510,339,418
At 01 July 2018	940,495,472	478,528,990	112,921,506	(21,606,550)	1,510,339,418
Impact of adopting IFRS 9 Restated opening balance under IFRS 9	-	-	-	(1,524,509)	(1,524,509)
At 01 July 2018 (restated)	940,495,472	478,528,990	112,921,506	(23,131,059)	1,508,814,909
Profit for the period	-	71,425,481	-	-	71,425,481
Other comprehensive income for the period	-	-	-	3,572,554	3,572,554
Total comprehensive income for the period	-	71,425,481	-	3,572,554	74,998,035
At 30 September 2018	940,495,472	549,954,471	112,921,506	(19,558,505)	1,583,812,944

Comments

For the quarter ended 30 September 2018, the bank registered a Profit after Tax of MUR 71 million compared to last year's same period of MUR 53 million, representing a growth of 35%. Total Operating Income improved by 25% to reach MUR 156 million for the quarter compared to last year's same period of MUR 125 million. With non-interest expenses of MUR 66 million, the bank's Cost to Income ratio remains below 50% at 43%.

The improved performance of the bank compared to last year's same period was mainly due to an increase in interest bearing assets, thus resulting in higher net interest income. The bank's total asset base was MUR 17.0 billion while deposit and savings portfolio ended the quarter at MUR 15.1 billion.

The Capital Adequacy Ratio stood at 13.9% as at end of September 2018.

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 2018, except for the adoption of all the new standards and interpretations which are effective as from 01 July 2018.

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, ABC Centre, Military Road, Port Louis and can be viewed on our website www.abcbanking.mu

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	Unaudited Quarter ended Sep 18 MUR	Unaudited Quarter ended Sep 17 MUR	Audited Year ended 30 Jun 18 MUR
Interest income	176,656,300	163,209,250	653,296,994
Interest expense	(59,922,404)	(74,598,517)	(267,458,708)
Net interest income	116,733,896	88,610,733	385,838,286
Fee and commission income	30,576,699	24,460,942	104,693,292
Fee and commission expense	(8,311,108)	(6,078,019)	(24,210,364)
Net fee and commission income	22,265,591	18,382,923	80,482,928
Net trading income	16,203,196	13,624,696	85,243,497
Other operating income	377,674	3,964,442	7,884,314
Total other income	16,580,870	17,589,138	93,127,811
Operating income	155,580,357	124,582,794	559,449,025
Non interest expenses	(66,385,100)	(57,088,220)	(258,156,580)
Operating profit before impairment	89,195,257	67,494,574	301,292,445
Allowance for credit impairment	(5,731,452)	(33,620)	(9,538,421)
Operating profit before tax	83,463,805	67,460,954	291,754,024
Income tax expense	(12,038,324)	(14,583,439)	(49,322,296)
Profit for the period	71,425,481	52,877,515	242,431,728
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Net losses on investments in equity instruments designated at fair value through other comprehensive income	(321,612)	-	-
Remeasurement of retirement pension net of deferred tax	-	-	(746,523)
	(321,612)	-	(746,523)
Items that may be reclassified subsequently to profit or loss:			
Net gains on investments in debt instruments designated at fair value through other comprehensive income	3,894,166	-	-
Profit/(loss) on remeasuring available for sale assets	-	1,769,614	(22,811,840)
	3,894,166	1,769,614	(22,811,840)
Other comprehensive income/(loss) for the period	3,572,554	1,769,614	(23,558,363)
Total comprehensive income	74,998,035	54,647,129	218,873,365
Weighted average number of ordinary shares	76,271,872	76,271,872	76,271,872
Basic and diluted - earnings per share	0.94	0.69	3.18

STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	Unaudited Quarter ended Sep 2018 MUR	Unaudited Quarter ended Sep 2017 MUR	Audited Year ended 30 Jun 18 MUR
Net cash (used in)/generated from operating activities	(323,587,255)	347,075,062	509,319,738
Net cash generated from/(used in) investing activities	146,583,949	(730,027,360)	(1,535,543,957)
Net cash used in financing activities	(110,061,479)	-	(63,733,519)
Net decrease in cash and cash equivalents	(287,064,785)	(382,952,298)	(1,089,957,738)
Net foreign exchange difference	(40,022,396)	(364,456)	49,340,354
Net cash and cash equivalents at beginning of period / year	3,276,741,586	4,317,358,970	4,317,358,970
Net cash and cash equivalents at end of period / year	2,949,654,405	3,934,042,216	3,276,741,586

LIQUIDITY COVERAGE RATIO

	TOTAL UNWEIGHTED VALUE (quarterly average of monthly observations) MUR M	TOTAL WEIGHTED VALUE (quarterly average of monthly observations) MUR M
HIGH-QUALITY LIQUID ASSETS		
Total high-quality liquid assets (HQLA)	3,911	3,835
CASH OUTFLOWS		
Retail deposits and deposits from small business customers, of which:		
Stable deposits	-	-
Less stable deposits	4,227	423
Unsecured wholesale funding, of which:	168	17
Operational deposits (all counterparties)	7,199	1,800
Non-operational deposits (all counterparties)	366	151
Unsecured debt	-	-
Secured wholesale funding	-	-
Additional requirements, of which:		
Outflows related to derivative exposures and other collateral requirements	547	547
Outflows related to loss of funding on debt products	-	1
Credit and liquidity facilities	1,214	223
Other contractual funding obligations	33	33
Other contingent funding obligations	142	7
TOTAL CASH OUTFLOWS	13,896	3,200
CASH INFLOWS		
Secured funding (e.g. reverse repos)	-	-
Inflows from fully performing exposures	3,137	2,975
Other cash inflows	547	547
TOTAL CASH FLOWS	3,684	3,522

TOTAL ADJUSTED VALUE MUR M

TOTAL HQLA	3,835
TOTAL NET CASH OUTFLOWS	800
LIQUIDITY COVERAGE RATIO (%)	479%
QUARTERLY AVERAGE OF DAILY HQLA	3,976

Liquidity Coverage Ratio

The bank's high-quality liquid assets (HQLA) is primarily made up of sovereign and central bank securities and the value as at end of September was MUR 3.7 billion (quarterly average of monthly observations for the Quarter ended 30 September 2018 was at MUR 3.8 billion). As at 30 September 2018, the bank's LCR stood at 446% whereas the quarterly average of monthly observations for the Quarter ended 30 September 2018 was 479%, mainly due to the significant investment in eligible securities. The bank continues to monitor its liquidity position and will adjust its investment strategy to meet the prescribed requirement.

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.

By Order of the Board
ABC Professional & Secretarial Services Ltd
Per Mahesh Ittoo, ACIS
Company Secretary

12 November 2018

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