

# ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2019

## STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	Unaudited Sep-19 MUR	Unaudited Sep-18 MUR	Audited Jun-19 MUR
<b>ASSETS</b>			
Cash and cash equivalents	1,766,122,286	2,949,654,405	2,732,131,072
Due from banks	694,914,355	1,152,948,341	698,739,467
Derivative financial assets	15,147,907	6,682,716	3,763,559
Loans and advances to customers	8,225,323,482	6,354,797,082	7,635,939,083
Investment securities	6,232,900,339	6,006,147,448	6,479,991,942
Other assets	121,097,673	106,025,367	99,997,305
Property and equipment	545,300,424	416,426,015	512,458,466
Intangible assets	1,821,401	3,801,575	2,263,140
Deferred tax assets	10,461,367	22,598,528	9,710,148
<b>Total assets</b>	<b>17,613,089,234</b>	<b>17,019,081,477</b>	<b>18,174,994,182</b>
<b>LIABILITIES</b>			
Due to banks	182,666,073	-	-
Derivative financial liabilities	841,669	5,770,194	5,812,757
Deposits from customers	14,567,832,873	15,073,019,676	15,239,475,798
Preference shares	140,004,922	140,035,019	145,202,573
Subordinated debts	512,006,678	-	505,070,890
Current tax liabilities	22,561,475	33,368,875	23,979,561
Other liabilities	338,229,567	183,074,769	484,274,838
<b>Total liabilities</b>	<b>15,764,143,257</b>	<b>15,435,268,533</b>	<b>16,403,816,417</b>
<b>Shareholders' Equity</b>			
Issued capital	940,495,472	940,495,472	940,495,472
Retained earnings	712,141,829	549,954,471	640,979,429
Other reserves	196,308,676	93,363,001	189,702,864
<b>Capital and reserves</b>	<b>1,848,945,977</b>	<b>1,583,812,944</b>	<b>1,771,177,765</b>
<b>Total liabilities and equity</b>	<b>17,613,089,234</b>	<b>17,019,081,477</b>	<b>18,174,994,182</b>
<b>Contingent liabilities</b>			
Guarantees on account of customers	135,084,637	31,344,980	118,138,466
Letter of credit and other obligations on account of customers	58,748,084	6,382,881	3,373,422
Commitments	1,373,864,250	1,444,659,597	1,321,902,701

## STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	Unaudited Quarter ended Sep 19 MUR	Unaudited Quarter ended Sep 18 MUR	Audited Year ended 30 Jun 19 MUR
Interest income	197,066,343	176,656,300	734,009,109
Interest expense	(71,632,534)	(59,922,404)	(251,525,883)
<b>Net interest income</b>	<b>125,433,809</b>	<b>116,733,896</b>	<b>482,483,226</b>
Fee and commission income	24,690,043	30,576,699	117,765,876
Fee and commission expense	(5,981,104)	(8,311,108)	(29,062,998)
<b>Net fee and commission income</b>	<b>18,708,939</b>	<b>22,265,591</b>	<b>88,702,878</b>
Net trading income	15,812,857	16,203,196	77,535,761
Net gain on sale of investment securities	8,588,440	367,824	2,293,711
Other operating income	14,368	9,850	1,282,895
<b>Total other income</b>	<b>24,415,665</b>	<b>16,580,870</b>	<b>81,112,367</b>
<b>Operating income</b>	<b>168,558,413</b>	<b>155,580,357</b>	<b>652,298,471</b>
<b>Non interest expenses</b>	<b>(81,492,321)</b>	<b>(71,404,809)</b>	<b>(324,297,648)</b>
<b>Operating profit before impairment</b>	<b>87,066,092</b>	<b>84,175,548</b>	<b>328,000,823</b>
Allowance for credit impairment	(10,904,751)	(5,731,452)	(56,721,957)
<b>Operating profit before tax</b>	<b>76,161,341</b>	<b>78,444,096</b>	<b>271,278,866</b>
Income tax expense	(4,998,941)	(7,018,615)	(47,390,626)
<b>Profit for the period</b>	<b>71,162,400</b>	<b>71,425,481</b>	<b>223,888,240</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Net gains/(losses) on investments in equity instruments designated at fair value through other comprehensive income	3,815,085	(321,612)	3,147,386
Remeasurement of retirement pension net of deferred tax	-	-	(2,935,360)
	<b>3,815,085</b>	<b>(321,612)</b>	<b>212,026</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	(928,851)	-	571,457
Net gains on investments in debt instruments designated at fair value through other comprehensive income	3,719,578	3,894,166	60,047,001
	<b>2,790,727</b>	<b>3,894,166</b>	<b>60,618,458</b>
<b>Other comprehensive income for the period</b>	<b>6,605,812</b>	<b>3,572,554</b>	<b>60,830,484</b>
<b>Total comprehensive income</b>	<b>77,768,212</b>	<b>74,998,035</b>	<b>284,718,724</b>
Weighted average number of ordinary shares	76,271,872	76,271,872	76,271,872
<b>Basic and diluted - earnings per share</b>	<b>0.93</b>	<b>0.94</b>	<b>2.94</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	Issued Capital MUR	Retained Earnings MUR	Statutory Reserve MUR	Other Reserve MUR	Total MUR
<b>At 01 July 2018</b>	940,495,472	478,528,990	112,921,506	(21,606,550)	1,510,339,418
<b>Impact of adopting IFRS 9</b>	-	-	-	(1,524,509)	(1,524,509)
<b>Restated opening balance under IFRS 9</b>	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
<b>At 30 September 2018</b>	<b>940,495,472</b>	<b>549,954,471</b>	<b>112,921,506</b>	<b>(19,558,505)</b>	<b>1,583,812,944</b>
<b>At 01 July 2018</b>	940,495,472	478,528,990	112,921,506	(21,606,550)	1,510,339,418
<b>Impact of adopting IFRS 9</b>	-	30,759,262	-	1,038,828	31,798,090
<b>Restated opening balance under IFRS 9</b>	940,495,472	509,288,252	112,921,506	(20,567,722)	1,542,137,508
Net profit for the year	-	223,888,240	-	-	223,888,240
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	571,457	571,457
Other comprehensive (loss)/income for the year	-	(2,935,360)	-	63,194,387	60,259,027
Total comprehensive income for the year	-	220,952,880	-	63,765,844	284,718,724
Transfer to statutory reserve	-	(33,583,236)	33,583,236	-	-
Equity dividends	-	(55,678,467)	-	-	(55,678,467)
<b>At 30 June 2019</b>	<b>940,495,472</b>	<b>640,979,429</b>	<b>146,504,742</b>	<b>43,198,122</b>	<b>1,771,177,765</b>
<b>At 01 July 2019</b>	940,495,472	640,979,429	146,504,742	43,198,122	1,771,177,765
Net profit for the period	-	71,162,400	-	-	71,162,400
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	(928,851)	(928,851)
Other comprehensive income for the period	-	-	-	7,534,663	7,534,663
Total comprehensive income for the period	-	71,162,400	-	6,605,812	77,768,212
<b>At 30 September 2019</b>	<b>940,495,472</b>	<b>712,141,829</b>	<b>146,504,742</b>	<b>49,803,934</b>	<b>1,848,945,977</b>

## STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	Unaudited Quarter ended Sep 2019 MUR	Unaudited Quarter ended Sep 2018 MUR	Audited Year ended 30 Jun 19 MUR
<b>Net cash used in operating activities</b>	<b>(1,371,857,769)</b>	<b>(323,587,255)</b>	<b>(515,758,122)</b>
<b>Net cash generated from/(used in) investing activities</b>	<b>207,644,292</b>	<b>146,583,949</b>	<b>(325,298,577)</b>
<b>Net cash generated from/(used in) financing activities</b>	<b>182,666,073</b>	<b>(110,061,479)</b>	<b>334,260,054</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(981,547,404)</b>	<b>(287,064,785)</b>	<b>(506,796,645)</b>
Net foreign exchange difference	15,538,618	(40,022,396)	(37,813,869)
Net cash and cash equivalents at beginning of period / year	2,732,131,072	3,276,741,586	3,276,741,586
<b>Net cash and cash equivalents at end of period / year</b>	<b>1,766,122,286</b>	<b>2,949,654,405</b>	<b>2,732,131,072</b>

### Comments

The bank registered a profit before impairment of MUR 87 million for the first quarter compared to last year's same period of MUR 84 million representing a growth of 3.4%. Profit after tax reached MUR 71.2 million compared to last year's same period of MUR 71.4 million.

Net interest income rose by 7.5% and is explained by the growth in lease and loan portfolio and investment in securities. Total operating income has improved by 8.3% to reach MUR 168.6 million compared to last year's same period of MUR 155.6 million. With non-interest expenses of MUR 81.5 million, the bank's cost to income remain below 50% at 48%. Allowance for credit impairment grew to MUR 10.9 million with the increased loan book. On the other hand, the non-performing loan ratio has improved from 1.3% last September to 0.8%.

The bank's total assets as at September 2019 is MUR 17.6 billion whilst saving and deposit closed at MUR 14.6 billion.

The Capital Adequacy Ratio stood at 18.7% as at September 2019 and Liquidity Coverage Ratio at 416%.

### 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 2019.

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

*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**  
ABC Professional & Secretarial Services Ltd  
Per Mahesh Ittoo, ACIS  
Company Secretary

11 November 2019

## 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)
<b>HIGH-QUALITY LIQUID ASSETS</b>		
Total high-quality liquid assets (HQLA)	4,589	4,493
<b>CASH OUTFLOWS</b>		
Retail deposits and deposits from small business customers, of which:		
Stable deposits	-	-
Less stable deposits	4,688	469
Unsecured wholesale funding, of which:		
Operational deposits (all counterparties)	5,983	1,496
Non-operational deposits (all counterparties)	297	121
Unsecured debt	-	-
Secured wholesale funding	-	-
Additional requirements, of which:		
Outflows related to derivative exposures and other collateral requirements	946	946
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	1,207	209
Other contractual funding obligations	181	181
Other contingent funding obligations	377	19
<b>TOTAL CASH OUTFLOWS</b>	<b>14,026</b>	<b>3,474</b>
<b>CASH INFLOWS</b>		
Secured funding (e.g. reverse repos)	-	-
Inflows from fully performing exposures	1,250	1,101
Other cash inflows	952	952
<b>TOTAL CASH INFLOWS</b>	<b>2,201</b>	<b>2,052</b>
		<b>TOTAL ADJUSTED VALUE (MUR. M)</b>
<b>TOTAL HQLA</b>		<b>4,493</b>
<b>TOTAL NET CASH OUTFLOWS</b>		<b>1,422</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>316%</b>
<b>QUARTERLY AVERAGE OF DAILY HQLA</b>		<b>4,536</b>

### Notes:

- The reported values for 'quarterly average of bi-monthly observations' are based on the 15th July, 31st July, 15th August, 31st August, 15th September and 30th September 2019 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 1st July 2019 to 30th September 2019's period. The number of data points used for the calculations are 92.

As at 30 September 2019, the bank's LCR stood at 416% whereas the quarterly average of bi-monthly observations for the Quarter ended 30 September 2019 was 316%, 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 September was MUR 4.0 billion (quarterly average of bi-monthly observations for the Quarter ended 30 September 2019 was at MUR 4.5 billion). The bank continues to monitor its liquidity position and will adjust its investment strategy to meet the prescribed requirement.

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