

ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2019

LCR COMMON DISCLOSURE TEMPLATE

	Unaudited Dec-19 MUR	Unaudited Dec-18 MUR	Audited Jun-19 MUR
ASSETS			
Cash and cash equivalents	1,951,361,790	3,174,990,431	2,732,131,072
Due from banks	740,801,388	1,017,830,204	698,739,467
Derivative financial assets	17,314,900	4,690,738	3,763,559
Loans and advances to customers	8,832,781,680	6,755,458,371	7,635,939,083
Investment securities	6,176,285,367	6,122,675,229	6,479,991,942
Other assets	109,791,492	102,737,441	99,997,305
Property and equipment	570,055,825	451,564,636	512,458,466
Intangible assets	1,403,260	3,254,269	2,263,140
Deferred tax assets	7,698,704	22,666,152	9,710,148
Total assets	18,407,494,406	17,655,867,471	18,174,994,182
LIABILITIES			
Derivative financial liabilities	9,516,424	5,807,447	5,812,757
Deposits from customers	15,506,107,099	15,669,086,729	15,239,475,798
Preference shares	141,694,126	141,776,466	145,202,573
Subordinated debts	505,158,048	-	505,070,890
Current tax liabilities	27,685,732	40,290,637	23,979,561
Other liabilities	355,749,039	205,603,839	484,274,838
Total liabilities	16,545,910,468	16,062,565,118	16,403,816,417
Shareholders' Equity			
Issued capital	940,495,472	940,495,472	940,495,472
Retained earnings	741,808,405	564,720,643	640,979,429
Other reserves	179,280,061	88,086,238	189,702,864
Capital and reserves	1,861,583,938	1,593,302,353	1,771,177,765
Total liabilities and equity	18,407,494,406	17,655,867,471	18,174,994,182
Contingent liabilities			
Guarantees on account of customers	386,304,281	51,693,155	118,138,466
Letter of credit and other obligations on account of customers	8,598,083	3,673,175	3,373,422
Total contingent liabilities	1,692,140,407	1,781,575,338	1,321,902,701

	Unaudited Quarter ended 31 Dec 19 MUR	Unaudited Quarter ended 31 Dec 18 MUR	Unaudited Six Months ended 31 Dec 19 MUR	Unaudited Six Months ended 31 Dec 18 MUR	Audited Year ended 30 June 19 MUR
Interest income	199,674,852	181,520,992	396,741,195	358,177,292	734,009,109
Interest expense	(71,261,838)	(60,333,837)	(142,894,372)	(120,256,241)	(251,525,883)
Net interest income	128,413,014	121,187,155	253,846,823	237,921,051	482,483,226
Fee and commission income	28,989,482	32,065,285	53,679,525	62,641,984	117,765,876
Fee and commission expense	(5,356,191)	(7,485,492)	(11,337,295)	(15,796,600)	(29,062,998)
Net fee and commission income	23,633,291	24,579,793	42,342,230	46,845,384	88,702,878
Net trading income	15,756,002	20,110,397	31,568,859	36,313,593	77,535,761
Net gain on sale of investment securities	19,395,554	516,669	27,983,994	884,493	2,293,711
Other operating income	937,223	894,217	951,591	904,067	1,282,895
Total other income	36,088,779	21,521,283	60,504,444	38,102,153	81,112,367
Operating income	188,135,084	167,288,231	356,693,497	322,868,588	652,298,471
Non interest expenses	(84,601,943)	(80,754,597)	(166,094,264)	(152,159,406)	(324,297,648)
Operating profit before impairment	103,533,141	86,533,634	190,599,233	170,709,182	328,000,823
Allowance for credit impairment	(7,250,303)	(8,507,103)	(18,155,054)	(14,238,555)	(56,721,957)
Operating profit before tax	96,282,838	78,026,531	172,444,179	156,470,627	271,278,866
Income tax expense	(7,886,921)	(7,581,892)	(12,885,862)	(14,600,507)	(47,390,626)
Profit for the period	88,395,917	70,444,639	159,558,317	141,870,120	223,888,240
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Net (loss)/gain on investments in equity instruments designated at fair value through other comprehensive income	(564,528)	476,934	3,250,557	155,322	3,147,386
Remeasurement of retirement pension net of deferred tax	-	-	-	-	(2,935,360)
	(564,528)	476,934	3,250,557	155,322	212,026
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	793,704	-	(135,147)	-	571,457
Net (loss)/gain on investments in debt instruments designated at fair value through other comprehensive income	(17,257,791)	(5,753,697)	(13,538,213)	(1,859,531)	60,047,001
	(16,464,087)	(5,753,697)	(13,673,360)	(1,859,531)	60,618,458
Other comprehensive income for the period	(17,028,615)	(5,276,763)	(10,422,803)	(1,704,209)	60,830,484
Total comprehensive income	71,367,302	65,167,876	149,135,514	140,165,911	284,718,724
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	1.16	0.92	2.09	1.86	2.94

	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)	4,180	4,088
CASH OUTFLOWS		
Retail deposits and deposits from small business customers, of which:		
Stable deposits	-	-
Less stable deposits	4,363	436
Unsecured wholesale funding, of which:	532	53
Operational deposits (all counterparties)	6,307	1,577
Non-operational deposits (all counterparties)	243	99
Unsecured debt	-	-
Secured wholesale funding	-	-
Additional requirements, of which:		
Outflows related to derivative exposures and other collateral requirements	437	437
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	1,549	295
Other contractual funding obligations	72	72
Other contingent funding obligations	427	21
TOTAL CASH OUTFLOWS	13,929	2,990
CASH INFLOWS		
Secured funding (e.g. reverse repos)	-	-
Inflows from fully performing exposures	1,721	1,571
Other cash inflows	443	443
TOTAL CASH INFLOWS	2,164	2,014
		TOTAL ADJUSTED VALUE (MUR. M)
TOTAL HQLA		4,088
TOTAL NET CASH OUTFLOWS		983
LIQUIDITY COVERAGE RATIO (%)		416%
QUARTERLY AVERAGE OF DAILY HQLA		4,160

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2019

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2019

	Issued Capital MUR	Retained Earnings MUR	Statutory Reserve MUR	Other Reserve MUR	Total MUR
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	-	-	-	(1,524,509)	(1,524,509)
Restated opening balance under IFRS 9	940,495,472	478,528,990	112,921,506	(23,131,059)	1,508,814,909
Profit for the period	-	141,870,120	-	-	141,870,120
Other comprehensive loss for the period	-	-	-	(1,704,209)	(1,704,209)
Total comprehensive income for the period	-	141,870,120	-	(1,704,209)	140,165,911
Equity dividends	-	(55,678,467)	-	-	(55,678,467)
At 31 December 2018	940,495,472	564,720,643	112,921,506	(24,835,268)	1,593,302,353
At 01 July 2019	940,495,472	478,528,990	112,921,506	(21,606,550)	1,510,339,418
Impact of adopting IFRS 9	-	30,759,262	-	1,038,828	31,798,090
Restated opening balance under IFRS 9	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 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)
At 30 June 2019	940,495,472	640,979,429	146,504,742	43,198,122	1,771,177,765
At 01 July 2019	940,495,472	640,979,429	146,504,742	43,198,122	1,771,177,765
Net profit for the period	-	159,558,317	-	-	159,558,317
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	(135,147)	(135,147)
Other comprehensive loss for the period	-	-	-	(10,287,656)	(10,287,656)
Total comprehensive income for the period	-	159,558,317	-	(10,422,803)	149,135,514
Equity dividends	-	(58,729,341)	-	-	(58,729,341)
At 31 December 2019	940,495,472	741,808,405	146,504,742	32,775,319	1,861,583,938

	Unaudited Six Months ended 31 Dec 19 MUR	Unaudited Six Months ended 31 Dec 18 MUR	Audited Year ended 30 Jun 19 MUR
Net cash (used in)/generated from operating activities	(1,076,192,855)	256,865,908	(515,758,122)
Net cash generated from / (used in) investing activities	287,121,912	(100,539,150)	(325,298,577)
Net cash (used in)/ generated from financing activities	(62,150,630)	(165,739,946)	334,260,054
Net decrease in cash and cash equivalents	(851,221,573)	(9,413,188)	(506,796,645)
Net foreign exchange difference	70,452,291	(92,337,967)	(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
Net cash and cash equivalents at end of period / year	1,951,361,790	3,174,990,431	2,732,131,072

Notes:

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

As at 31 December 2019, the bank's LCR stood at 436% whereas the quarterly average of bi-monthly observations for the Quarter ended 31 December 2019 was 416%, 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 4.0 billion. (Quarterly average of bi-monthly observations for the Quarter ended 31 December 2019 was at MUR 4.2 billion). The bank continues to monitor its liquidity position and will adjust its investment strategy to meet the prescribed requirement.

Comments

The bank registered a profit before impairment of MUR 191 million for the first six months to December 2019 compared to last year's same period of MUR 171 million representing a rise of 11.7%. Profit after tax reached MUR 160 million compared to last year's same period of MUR 142 million.

The progress in our Net Interest Income by 6.7% is explained by the growth in lease and loan portfolio and investment in securities. Total Operating Income has improved by 10.5% to reach MUR 357 million compared to last year's same period of MUR 323 million and is mainly driven by the trading of investment securities. With Non-Interest Expenses of MUR 166 million, the bank's cost to income remain below 50% at 47%. Allowance for credit impairment grew to MUR 18 million with the increased loan book

The bank's total assets as at December 2019 is MUR 18.4 billion whilst saving and deposit closed at MUR 15.5 billion.

As at December 2019, the Capital Adequacy Ratio stood at 17% and Liquidity Coverage Ratio at 436%.

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 February 2020



ABC Banking Corporation is regulated by the the Bank of Mauritius.

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