

ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2020

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Unaudited 31 Dec 20 MUR	Unaudited 31 Dec 19 MUR	Audited 30 Jun 20 MUR
ASSETS			
Cash and cash equivalents	2,957,245,577	1,951,361,790	1,280,041,690
Due from banks	-	740,801,388	14,819,085
Derivative financial assets	6,573,870	17,314,900	2,183,441
Loans and advances to customers	10,256,540,920	8,832,781,680	9,769,375,208
Investment securities	6,131,231,259	6,176,285,367	7,114,456,335
Other assets	945,921,472	109,791,492	891,377,784
Property, equipment and right-of-use assets	601,593,487	570,055,825	600,843,664
Intangible assets	7,963,427	1,403,260	8,922,365
Deferred tax assets	24,577,522	7,698,704	23,084,417
Total assets	20,931,647,534	18,407,494,406	19,705,103,989
LIABILITIES			
Derivative financial liabilities	7,741,269	9,516,424	9,759,640
Deposits from customers	17,862,855,300	15,506,107,099	16,799,731,794
Preference shares	140,606,785	141,694,126	144,534,198
Subordinated debts	504,861,130	505,158,048	504,762,329
Current tax liabilities	13,062,328	27,685,732	8,165,603
Other liabilities	472,640,691	355,749,039	401,393,162
Total liabilities	19,001,767,503	16,545,910,468	17,868,346,726
Shareholders' Equity			
Issued capital	940,495,472	940,495,472	940,495,472
Retained earnings	788,355,974	741,808,405	677,416,500
Other reserves	201,028,585	179,280,061	218,845,291
Capital and reserves	1,929,880,031	1,861,583,938	1,836,757,263
Total liabilities and equity	20,931,647,534	18,407,494,406	19,705,103,989
Contingent liabilities			
Guarantees on account of customers	150,495,143	386,304,281	605,266,761
Letter of credit and other obligations on account of customers	2,497,684	8,598,083	11,000,000
Commitments	1,407,809,915	1,692,140,407	1,193,184,899

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2020

	Issued Capital MUR	Retained Earnings MUR	Statutory Reserve MUR	Other Reserves MUR	Total MUR
At 01 July 2019	940,495,472	640,979,429	146,504,742	43,198,122	1,771,177,765
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	-	-	-	(10,287,656)	(10,287,656)
Total comprehensive income/(loss) 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
At 01 July 2019	940,495,472	640,979,429	146,504,742	43,198,122	1,771,177,765
Profit for the year	-	120,387,842	-	-	120,387,842
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	3,300,152	3,300,152
Other comprehensive (loss)/income	-	(7,163,254)	-	7,784,099	620,845
Total comprehensive income for the year	-	113,224,588	-	11,084,251	124,308,839
Transfer to statutory reserve	-	(18,058,176)	18,058,176	-	-
Equity dividends	-	(58,729,341)	-	-	(58,729,341)
At 30 June 2020	940,495,472	677,416,500	164,562,918	54,282,373	1,836,757,263
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	-	-	-	(16,496,096)	(16,496,096)
Total comprehensive income/(loss) 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

Comments

Approaching the one-year mark of the COVID-19 pandemic, the bank registered a profit before impairment of MUR 76.4 million for the quarter ended 31 December 2020, consistent with the previous quarter and understandably down compared to last year's same period of MUR 108.6 million. This contributed to a Profit after tax of MUR 45.5 million for the quarter compared to last year's same period of MUR 88.4 million.

The drop in Total Other Income from MUR 36.1 million to MUR 16.1 million is explained primarily by the decrease in market activities and challenging economic conditions creating less opportunities. Total operating income has decreased to MUR 157.3 million compared to last year's same period of MUR 188.1 million. With Non-interest expenses of MUR 80.8 million, the bank's Cost to income ratio stood at 51.4%.

The bank's Total assets as at 31 December 2020 was MUR 20.9 billion compared to MUR 18.4 billion same quarter last year whilst the saving and deposit balance closed at MUR 17.9 billion compared to MUR 15.5 billion compared to same quarter last year.

As at 31 December 2020, the Capital Adequacy Ratio stood at 16.2% and Liquidity Coverage Ratio at 411%.

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 2020. 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 Avenue, Place

d'Armes, 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
Per Mahesh Ittoo, ACIS
Company Secretary

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2020

	Unaudited Quarter ended 31 Dec 20 MUR	Unaudited Quarter ended 31 Dec 19 MUR	Unaudited Six Months ended 31 Dec 20 MUR	Unaudited Six Months ended 31 Dec 19 MUR	Audited Year ended 30 June 20 MUR
Interest income	184,501,418	199,674,852	368,286,991	396,741,195	806,413,125
Interest expense	(63,324,023)	(71,261,838)	(124,924,716)	(142,894,372)	(290,014,171)
Net interest income	121,177,395	128,413,014	243,362,275	253,846,823	516,398,954
Fee and commission income	28,039,323	28,989,482	53,429,375	53,679,525	99,664,534
Fee and commission expense	(8,028,348)	(5,356,191)	(15,349,991)	(11,337,295)	(22,677,240)
Net fee and commission income	20,010,975	23,633,291	38,079,384	42,342,230	76,987,294
Net trading income	13,668,669	15,756,002	29,694,357	31,568,859	64,092,741
Net gain on sale of investment securities	1,018,420	19,395,554	4,710,537	27,983,994	104,066,571
Other operating income	1,414,553	937,223	1,414,553	951,591	1,315,546
Total other income	16,101,642	36,088,779	35,819,447	60,504,444	169,474,858
Operating income	157,290,012	188,135,084	317,261,106	356,693,497	762,861,106
Non interest expenses	(80,845,016)	(79,582,235)	(162,739,517)	(156,054,848)	(330,794,266)
Operating profit before impairment	76,444,996	108,552,849	154,521,589	200,638,649	432,066,840
Allowance for credit impairment	(24,350,643)	(7,250,303)	(26,025,314)	(18,155,054)	(310,708,038)
Operating profit before tax	52,094,353	101,302,546	128,496,275	182,483,595	121,358,802
Income tax expense	(6,589,356)	(12,906,629)	(17,556,801)	(22,925,278)	(970,960)
Profit for the period	45,504,997	88,395,917	110,939,474	159,558,317	120,387,842
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Net gain/(loss) on investments in equity instruments designated at fair value through other comprehensive income	1,175,449	(564,528)	509,946	3,250,557	6,190,622
Remeasurement of retirement pension net of deferred tax	-	-	-	-	(7,163,254)
	1,175,449	(564,528)	509,946	3,250,557	(972,632)
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	(806,487)	793,704	(1,320,610)	(135,147)	3,300,152
Net (loss)/gain on investments in debt instruments designated at fair value through other comprehensive income	(1,236,187)	(17,257,791)	(17,006,042)	(13,538,213)	1,593,477
	(2,042,674)	(16,464,087)	(18,326,652)	(13,673,360)	4,893,629
Other comprehensive (loss)/income for the period	(867,225)	(17,028,615)	(17,816,706)	(10,422,803)	3,920,997
Total comprehensive income	44,637,772	71,367,302	93,122,768	149,135,514	124,308,839
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	0.60	1.16	1.45	2.09	1.58

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2020

	Unaudited Six Months ended 31 Dec 20 MUR	Unaudited Six Months ended 31 Dec 19 MUR	Audited Year ended 30 Jun 20 MUR
Net cash generated from/(used in) operating activities	740,642,840	(1,076,192,855)	(683,047,379)
Net cash generated from/(used in) investing activities	954,854,064	287,121,912	(653,039,830)
Net cash used in financing activities	(958,145)	(62,150,630)	(64,440,697)
Net increase/(decrease) in cash and cash equivalents	1,694,538,759	(851,221,573)	(1,400,527,906)
Net foreign exchange difference	(17,334,872)	70,452,291	(51,561,476)
Net cash and cash equivalents at beginning of period / year	1,280,041,690	2,732,131,072	2,732,131,072
Net cash and cash equivalents at end of period / year	2,957,245,577	1,951,361,790	1,280,041,690

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)	4,185	4,117
CASH OUTFLOWS		
Retail deposits and deposits from small business customers, of which:		
Stable deposits	-	-
Less stable deposits	4,223	422
Unsecured wholesale funding, of which:	160	16
Operational deposits (all counterparties)	6,811	1,703
Non-operational deposits (all counterparties)	146	60
Unsecured debt	-	-
Secured wholesale funding	-	-
Additional requirements, of which:		
Outflows related to derivative exposures and other collateral requirements	703	703
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	1,262	237
Other contractual funding obligations	58	58
Other contingent funding obligations	259	13
TOTAL CASH OUTFLOWS	13,623	3,213
CASH INFLOWS		
Secured funding (e.g. reverse repos)	-	-
Inflows from fully performing exposures	1,588	1,444
Other cash inflows	704	704
TOTAL CASH INFLOWS	2,291	2,148
TOTAL ADJUSTED VALUE (MUR.M)		4,117
TOTAL HQLA		1,138
TOTAL NET CASH OUTFLOWS		362%
LIQUIDITY COVERAGE RATIO (%)		4,153
QUARTERLY AVERAGE OF DAILY HQLA		4,153

Notes:

- The reported values for 'quarterly average of bi-monthly observations' are based on the 15 October, 31 October, 15 November, 30 November, 15 December and 31 December 2020 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 2020 to 31 December 2020's period. The number of data points used for the calculations are 92.

As at 31 December 2020, the bank's LCR stood at 411% whereas the quarterly average of bi-monthly observations for the Quarter ended 31 December 2020 was 362%, 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 4.2 billion and the quarterly average of bi-monthly observations for the Quarter ended 31 December 2020 was at MUR 4.1 billion. The bank continues to monitor its liquidity position and will adjust its investment strategy to meet the prescribed requirement.



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

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