

ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Unaudited Mar-19 MUR	Unaudited Mar-18 MUR	Audited Jun-18 MUR
ASSETS			
Cash and cash equivalents	2,539,749,984	3,592,647,990	3,276,741,586
Due from banks	681,299,371	1,131,502,380	1,030,811,338
Derivative financial assets	24,316,474	3,370,169	4,289,595
Loans and advances to customers	7,183,544,557	5,253,099,524	6,054,488,404
Investment securities	7,571,526,829	6,757,704,598	6,223,153,289
Other assets	102,939,057	36,394,408	94,025,588
Property and equipment	468,088,162	378,660,909	394,861,578
Intangible assets	2,752,766	4,898,089	4,351,872
Deferred tax assets	23,420,345	22,399,734	21,307,487
Total assets	18,597,637,545	17,180,677,801	17,104,030,737
LIABILITIES			
Due to banks	100,023,425	-	110,061,479
Derivative financial liabilities	7,347,562	3,019,220	2,774,759
Deposits from customers	16,480,883,785	15,256,816,893	14,966,194,318
Preference shares	143,480,055	277,366,045	145,340,753
Current tax liabilities	32,341,742	29,137,859	30,924,434
Other liabilities	143,037,846	166,385,653	338,395,576
Total liabilities	16,907,114,415	15,732,725,670	15,593,691,319
Shareholders' Equity			
Issued capital	940,495,472	940,495,472	940,495,472
Retained earnings	632,566,747	437,822,830	478,528,990
Other reserves	117,460,911	69,633,829	91,314,956
Capital and reserves	1,690,523,130	1,447,952,131	1,510,339,418
Total liabilities and equity	18,597,637,545	17,180,677,801	17,104,030,737
Contingent liabilities			
Guarantees on account of customers	109,369,116	10,421,602	32,168,218
Letter of credit and other obligations on account of customers	6,413,966	15,302,184	13,459,409
Commitments	1,362,558,550	1,609,122,531	1,300,121,698
	1,478,341,632	1,634,846,317	1,345,749,325

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

	Unaudited Quarter ended 31 Mar 19 MUR	Unaudited Quarter ended 31 Mar 18 MUR	Unaudited Nine Months ended 31 Mar 19 MUR	Unaudited Nine Months ended 31 Mar 18 MUR	Audited Year ended 30 Jun 18 MUR
Interest income	185,053,451	159,927,606	543,230,743	484,906,318	653,296,994
Interest expense	(62,435,873)	(65,112,983)	(182,692,114)	(209,562,939)	(267,458,708)
Net interest income	122,617,578	94,814,623	360,538,629	275,343,379	385,838,286
Fee and commission income	28,156,308	24,294,858	90,798,292	74,938,039	104,693,292
Fee and commission expense	(6,839,771)	(5,990,044)	(22,636,371)	(17,852,432)	(24,210,364)
Net fee and commission income	21,316,537	18,304,814	68,161,921	57,085,607	80,482,928
Net trading income	19,443,962	19,358,477	55,757,555	60,138,372	85,243,497
Other operating income	1,071,288	25,740	2,859,848	6,017,981	7,884,314
Total other income	20,515,250	19,384,217	58,617,403	66,156,353	93,127,811
Operating income	164,449,365	132,503,654	487,317,953	398,585,339	559,449,025
Non interest expenses	(75,814,905)	(68,306,217)	(217,934,893)	(186,128,064)	(258,156,580)
Operating profit before impairment	88,634,460	64,197,437	269,383,060	212,457,275	301,292,445
Net impairment of financial assets	(2,749,514)	(2,804,695)	(16,988,069)	(7,993,248)	(9,538,421)
Operating profit before tax	85,884,946	61,392,742	252,394,991	204,464,027	291,754,024
Income tax expense	(16,452,486)	(11,815,926)	(41,092,411)	(39,849,741)	(49,322,296)
Profit for the period	69,432,460	49,576,816	211,302,580	164,614,286	242,431,728
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Net (losses)/gains on investments in equity instruments designated at fair value through other comprehensive income	(136,000)	-	19,322	-	-
Remeasurement of retirement pension net of deferred tax	-	-	-	-	(746,523)
	(136,000)	-	19,322	-	(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	29,510,673	-	27,651,142	-	-
Loss on remeasuring available for sale assets	-	(8,599,551)	-	(8,128,208)	(22,811,840)
	29,510,673	(8,599,551)	27,651,142	(8,128,208)	(22,811,840)
Other comprehensive income/(loss) for the period	29,374,673	(8,599,551)	27,670,464	(8,128,208)	(23,558,363)
Total comprehensive income	98,807,133	40,977,265	238,973,044	156,486,078	218,873,365
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	0.91	0.65	2.77	2.16	3.18

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

	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	-	164,614,286	-	-	164,614,286
Other comprehensive loss for the period	-	-	-	(8,128,208)	(8,128,208)
Total comprehensive income/(loss) for the period	-	164,614,286	-	(8,128,208)	156,486,078
Equity dividends	-	(48,813,998)	-	-	(48,813,998)
At 31 March 2018	940,495,472	437,822,830	76,556,747	(6,922,918)	1,447,952,131
At 01 July 2018	940,495,472	322,022,542	76,556,747	1,205,290	1,340,280,051
Net 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	-	(1,586,356)	-	(1,524,509)	(3,110,865)
Restated opening balance under IFRS 9	940,495,472	476,942,634	112,921,506	(23,131,059)	1,507,228,553
Net profit for the period	-	211,302,580	-	-	211,302,580
Other comprehensive income for the period	-	-	-	27,670,464	27,670,464
Total comprehensive income for the period	-	211,302,580	-	27,670,464	238,973,044
Equity dividends	-	(55,678,467)	-	-	(55,678,467)
At 31 March 2019	940,495,472	632,566,747	112,921,506	4,539,405	1,690,523,130

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2019

	Unaudited Nine Months ended 31 Mar 19 MUR	Unaudited Nine Months ended 31 Mar 18 MUR	Audited Year ended 30 Jun 18 MUR
Net cash generated from operating activities	845,794,022	1,360,561,681	509,319,738
Net cash used in investing activities	(1,441,862,313)	(2,062,133,981)	(1,535,543,957)
Net cash used in financing activities	(65,716,521)	(48,813,998)	(63,733,519)
Net decrease in cash and cash equivalents	(661,784,812)	(750,386,298)	(1,089,957,738)
Net foreign exchange difference	(75,206,790)	25,675,318	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	2,539,749,984	3,592,647,990	3,276,741,586

Comments

For the quarter ended 31 March 2019, the bank registered a Profit after Tax of MUR 69 million compared to last year same quarter of MUR 50 million. Year to date, Profit after Tax reached MUR 211 million compared to last year's same period of MUR 165 million, representing a growth of 28.4%. The bank's operating income for the quarter ended 31 March 2019 was at MUR 164 million, compared to last year same quarter of MUR 133 million while year to date, the bank has achieved operating income of MUR 487 million representing an increase of 22.3% compared to last year same period. Non-interest expenses ended at MUR 76 million for the quarter ended 31 March 2019 compared to last year same quarter of MUR 68 million. Year to date, the non-interest expenses amounted to MUR 218 million compared to last year same period of MUR 186 million, representing a growth of 17.1%.

The bank achieved better results compared to last year's same period due to an increase in its interest-bearing assets, resulting in higher net interest income, and from higher fee and commission income. The bank's total assets for March 2019 stood at MUR 18.6 billion whilst deposits and savings closed at MUR 16.5 billion.

The Capital Adequacy Ratio stood at 13.7% as at end of March 2019 and Liquidity Coverage Ratio at 265%.

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

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

13 May 2019

WEAL HOUSE, Duke of Edinburgh Avenue,
Place d'Armes, 11328, Port Louis, Mauritius
Tel: (230) 206 8000 **Fax:** (230) 208 0088
Web: www.abcbanking.mu

 **ABC BANKING
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LCR COMMON DISCLOSURE TEMPLATE

	TOTAL UNWEIGHTED VALUE (quarterly average of monthly observations)	TOTAL WEIGHTED VALUE (quarterly average of monthly observations)
	MUR M	MUR M
HIGH-QUALITY LIQUID ASSETS		
Total high-quality liquid assets (HQLA)	4,523	4,437
CASH OUTFLOWS		
Retail deposits and deposits from small business customers, of which:		
Stable deposits	-	-
Less stable deposits	4,523	452
Unsecured wholesale funding, of which :	60	6
Operational deposits (<i>all counterparties</i>)	7,514	1,879
Non-operational deposits (<i>all counterparties</i>)	198	83
<i>Unsecured debt</i>	-	-
Secured wholesale funding	-	-
Additional requirements, of which:		
<i>Outflows related to derivative exposures and other collateral requirements</i>	811	811
<i>Outflows related to loss of funding on debt products</i>	-	-
<i>Credit and liquidity facilities</i>	1,353	218
Other contractual funding obligations	83	83
Other contingent funding obligations	281	14
TOTAL CASH OUTFLOWS	14,823	3,546
CASH INFLOWS		
Secured funding(e.g reverse repos)	-	-
Inflows from fully performing exposures	2,421	2,283
Other cash inflows	817	817
TOTAL CASH INFLOWS	3,239	3,100
		TOTAL ADJUSTED VALUE (MUR. M)
TOTAL HQLA		4,437
TOTAL NET CASH OUTFLOWS		1,279
LIQUIDITY COVERAGE RATIO(%)		347%
QUARTERLY AVERAGE OF DAILY HQLA		3,976

NOTES:

- The reported values for 'quarterly average of monthly observations' are based on January, February and March 2019 month end figures. The number of datapoints used for the calculation are 3.
- The reported values for 'quarterly average of daily HQLA' are based on end of daily figures over the 1 January 2019 to 31 March 2019's period. The number of data points used for the calculation are 90.

LIQUIDITY COVERAGE RATIO

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 March was MUR 5.5 billion (quarterly average of monthly observations for the quarter ended 31 March 2019 was at MUR 4.4 billion). As at 31 March 2019, the bank's LCR stood at 265% whereas the quarterly average of monthly observations for the Quarter ended 31 March 2019 was 347%, 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.