

Abridged Unaudited Financial Statements for the Period Ended 31 March 2018

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Unaudited Mar 18 MUR	Unaudited Mar 17 MUR	Audited Jun 17 MUR
ASSETS			
Cash and cash equivalents	3,592,647,990	4,102,655,578	4,317,358,970
Due from banks	1,131,502,380	1,278,705,934	1,183,314,188
Derivative financial instruments	3,370,169	9,262,835	4,407,594
Loans and advances to customers	5,253,099,524	4,613,535,400	5,095,744,575
Investment securities	6,757,704,598	5,047,717,641	4,716,445,587
Other assets	36,394,408	31,243,834	31,223,839
Property and equipment	378,660,909	374,906,996	372,510,402
Intangible assets	4,898,089	7,547,682	6,819,610
Deferred tax assets	22,399,734	23,555,689	24,025,071
Total assets	17,180,677,801	15,489,131,589	15,751,849,836
LIABILITIES			
Derivative financial instruments	3,019,220	1,057,156	16,531,096
Deposits from customers	15,256,816,893	13,769,234,691	13,803,065,697
Preference shares	277,366,045	277,857,885	265,749,768
Current tax liabilities	29,137,859	19,459,218	23,175,879
Other liabilities	166,385,653	124,151,488	303,047,345
Total liabilities	15,732,725,670	14,191,760,438	14,411,569,785
Shareholders' Equity			
Issued capital	940,495,472	940,495,472	940,495,472
Retained earnings	437,822,830	308,613,761	322,022,542
Other reserves	69,633,829	48,261,918	77,762,037
Capital and reserves	1,447,952,131	1,297,371,151	1,340,280,051
Total liabilities and equity	17,180,677,801	15,489,131,589	15,751,849,836
Contingent liabilities			
Guarantees on account of customers	10,421,602	11,134,645	10,780,105
Letter of credit and other obligations on account of customers	15,302,184	-	-
Commitments	1,609,122,531	683,888,988	1,067,475,535
	1,634,846,317	695,023,633	1,078,255,640

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2018

	Stated Capital MUR	Retained Earnings MUR	Statutory Reserve MUR	General Banking Reserve MUR	Investment Revaluation Reserve MUR	Total MUR
At 01 July 2016	940,495,472	178,491,090	50,821,627	39,369,312	(3,434,180)	1,205,743,321
Restatement *	-	7,969,887	(5,541,075)	(39,369,312)	4,721,828	(32,218,672)
As restated	940,495,472	186,460,977	45,280,552	-	1,287,648	1,173,524,649
Net profit for the period	-	163,339,595	-	-	-	163,339,595
Other comprehensive income for the period	-	-	-	-	1,693,718	1,693,718
Equity dividends	-	(41,186,811)	-	-	-	(41,186,811)
At 31 March 2017	940,495,472	308,613,761	45,280,552	-	2,981,366	1,297,371,151
At 01 July 2016	940,495,472	178,491,090	50,821,627	39,369,312	(3,434,180)	1,205,743,321
Restatement *	-	7,969,887	(5,541,075)	(39,369,312)	4,721,828	(32,218,672)
As restated	940,495,472	186,460,977	45,280,552	-	1,287,648	1,173,524,649
Net profit for the year	-	208,507,965	-	-	-	208,507,965
Other comprehensive loss for the year	-	(483,394)	-	-	(82,358)	(565,752)
Transfer to statutory reserve	-	(31,276,195)	31,276,195	-	-	-
Equity dividends	-	(41,186,811)	-	-	-	(41,186,811)
At 30 June 2017	940,495,472	322,022,542	76,556,747	-	1,205,290	1,340,280,051
Net profit for the period	-	164,614,286	-	-	-	164,614,286
Other comprehensive loss for the period	-	-	-	-	(8,128,208)	(8,128,208)
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

* Details of the restatement are available on Note 41 in our Annual report.

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)	4,970	4,919
CASH OUTFLOWS		
Retail deposits and deposits from small business customers, of which:		
Stable deposits	-	-
Less stable deposits	4,555	456
Unsecured wholesale funding, of which:	79	8
Operational deposits (all counterparties)	6,463	1,616
Non-operational deposits (all counterparties)	358	150
Unsecured debt	-	-
Secured wholesale funding	-	-
Additional requirements, of which:		
Outflows related to derivative exposures and other collateral requirements	171	171
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	1,373	232
Other contractual funding obligations	45	45
Other contingent funding obligations	114	6
TOTAL CASH OUTFLOWS	13,158	2,682
CASH INFLOWS		
Secured funding (e.g. reverse repos)	-	-
Inflows from fully performing exposures	3,040	2,779
Other cash inflows	170	170
TOTAL CASH INFLOWS	3,210	2,949
TOTAL ADJUSTED VALUE MUR M		
TOTAL HQLA		4,919
TOTAL NET CASH OUTFLOWS		670
LIQUIDITY COVERAGE RATIO (%)		734%
QUARTERLY AVERAGE OF DAILY HQLA		4,954

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 March was MUR 5.1bn (quarterly average of monthly observations for the Quarter ended 31 March 2018 was at MUR 4.9bn). For the month ending 31 March 2018, the bank's LCR stood at 674% whereas the quarterly average of monthly observations for the Quarter ended 31 March 2018 was 734%, 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 regulatory requirement.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2018

	Unaudited Quarter ended 31 Mar 18 MUR	Unaudited Quarter ended 31 Mar 17 MUR	Unaudited 9 months ended 31 Mar 18 MUR	Unaudited 9 months ended 31 Mar 17 MUR	Audited Year ended 30 Jun 17 MUR
Interest income	159,927,606	161,166,564	484,906,318	483,318,113	645,237,899
Interest expense	(65,112,983)	(77,616,427)	(209,562,939)	(233,746,632)	(309,205,620)
Net interest income	94,814,623	83,550,137	275,343,379	249,571,481	336,032,279
Fee and commission income	24,294,858	26,987,323	74,938,039	86,654,324	112,992,592
Fee and commission expense	(5,990,044)	(5,992,007)	(17,852,432)	(18,124,054)	(23,853,484)
Net fee and commission income	18,304,814	20,995,316	57,085,607	68,530,270	89,139,108
Net trading and other operating income	19,384,217	20,191,741	66,156,353	48,088,313	67,836,475
Operating income	132,503,654	124,737,194	398,585,339	366,190,064	493,007,862
Non interest expense	(68,306,217)	(58,325,251)	(186,128,064)	(159,271,145)	(219,737,365)
Operating profit before impairment	64,197,437	66,411,943	212,457,275	206,918,919	273,270,497
Allowance for credit impairment	(2,804,695)	241,464	(7,993,248)	(11,996,559)	(22,952,713)
Profit before taxation	61,392,742	66,653,407	204,464,027	194,922,360	250,317,784
Income tax expense	(11,815,926)	(9,069,196)	(39,849,741)	(31,582,765)	(41,809,819)
Profit for the period	49,576,816	57,584,211	164,614,286	163,339,595	208,507,965
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of retirement pension net of deferred tax	-	-	-	-	(483,394)
Items that may be reclassified subsequently to profit or loss:					
(Loss)/profit on remeasuring available for sale assets	(8,599,551)	1,996,262	(8,128,208)	1,693,718	(82,358)
	(8,599,551)	1,996,262	(8,128,208)	1,693,718	(82,358)
Other comprehensive (loss)/income for the period	(8,599,551)	1,996,262	(8,128,208)	1,693,718	(565,752)
Total comprehensive income	40,977,265	59,580,473	156,486,078	165,033,313	207,942,213
Earnings per share	0.65	0.75	2.16	2.14	2.73

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2018

	Unaudited 9 months ended 31 Mar 18 MUR	Unaudited 9 months ended 31 Mar 17 MUR	Audited Year ended 30 Jun 17 MUR
Net cash generated from operating activities	1,360,561,681	860,599,242	686,730,674
Net cash used in investing activities	(2,062,133,981)	(394,945,878)	(63,601,349)
Net cash used in financing activities	(48,813,998)	(235,018,208)	(235,018,208)
Net (decrease)/ increase in cash and cash equivalents	(750,386,298)	230,635,156	388,111,117
Net foreign exchange difference	25,675,318	(94,047,457)	(36,820,026)
Net cash and cash equivalents at beginning of period	4,317,358,970	3,966,067,879	3,966,067,879
Net cash and cash equivalents at end of period	3,592,647,990	4,102,655,578	4,317,358,970

Comments

For the nine months ended 31 March 2018, the bank reported a net profit before tax of MUR 204m, representing an increase of 5% compared to the same period in FY 2016/17. The performance was mainly driven by a growth in Net Interest Income and net trading income as compared to last year same period. Total Non-interest expenses was MUR 186m as at end of period, an increase of 17% due to the ongoing investment incurred on personnel and the bank's infrastructure. Gross loans and advances portfolio and the investment portfolio stood at MUR 5.4bn and MUR 6.8bn respectively whilst deposits and savings portfolio closed at MUR15.2bn. The bank's Non-Performing Loans ratio was at 1.7%, its Capital Adequacy Ratio at 13.6% and its Liquidity Coverage Ratio at 674% as at 31 March 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 2017.

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 17 and the Securities Act 2005. 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

15 May 2018

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ABC BANKING CORPORATION
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