

# ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Unaudited Dec 18 MUR	Unaudited Dec 17 MUR	Audited Jun 18 MUR
<b>ASSETS</b>			
Cash and cash equivalents	3,174,990,431	4,405,799,747	3,276,741,586
Due from banks	1,017,830,204	1,069,756,448	1,030,811,338
Derivative financial assets	4,690,738	4,182,175	4,289,595
Loans and advances to customers	6,755,458,371	5,126,860,415	6,054,488,404
Investment securities	6,122,675,229	5,971,987,648	6,223,153,289
Other assets	102,737,441	36,037,431	94,025,588
Property and equipment	451,564,636	368,143,934	394,861,578
Intangible assets	3,254,269	5,457,926	4,351,872
Deferred tax assets	22,666,152	22,485,978	21,307,487
<b>Total assets</b>	<b>17,655,867,471</b>	<b>17,010,711,702</b>	<b>17,104,030,737</b>
<b>LIABILITIES</b>			
Due to banks	-	150,015,411	110,061,479
Derivative financial liabilities	5,807,447	10,022,001	2,774,759
Deposits from customers	15,669,086,729	15,039,229,442	14,966,194,318
Preference shares	141,776,466	274,273,805	145,340,753
Current tax liabilities	50,330,053	23,270,713	30,924,434
Other liabilities	195,564,423	106,925,464	338,395,576
<b>Total liabilities</b>	<b>16,062,565,118</b>	<b>15,603,736,836</b>	<b>15,593,691,319</b>
<b>Shareholders' Equity</b>			
Issued capital	940,495,472	940,495,472	940,495,472
Retained earnings	564,720,643	388,246,014	478,528,990
Other reserves	88,086,238	78,233,380	91,314,956
<b>Capital and reserves</b>	<b>1,593,302,353</b>	<b>1,406,974,866</b>	<b>1,510,339,418</b>
<b>Total liabilities and equity</b>	<b>17,655,867,471</b>	<b>17,010,711,702</b>	<b>17,104,030,737</b>
<b>Contingent liabilities</b>			
Guarantees on account of customers	51,693,155	10,238,162	32,168,218
Letter of credit and other obligations on account of customers	3,673,175	1,192,724	13,459,409
Commitments	1,781,575,338	1,596,283,761	1,300,121,698
	<b>1,836,941,667</b>	<b>1,607,714,647</b>	<b>1,345,749,325</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2018

	Issued Capital MUR	Retained Earnings MUR	Statutory Reserve MUR	Fair Value Reserve MUR	Total MUR
<b>At 01 July 2017</b>	940,495,472	322,022,542	76,556,747	1,205,290	1,340,280,051
Profit for the period	-	115,037,470	-	-	115,037,470
Other comprehensive income for the period	-	-	-	471,343	471,343
Total comprehensive income for the period	-	115,037,470	-	471,343	115,508,813
Equity dividends	-	(48,813,998)	-	-	(48,813,998)
<b>At 31 December 2017</b>	<b>940,495,472</b>	<b>388,246,014</b>	<b>76,556,747</b>	<b>1,676,633</b>	<b>1,406,974,866</b>
<b>At 01 July 2018</b>	940,495,472	322,022,542	76,556,747	1,205,290	1,340,280,051
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)
<b>At 30 June 2018</b>	<b>940,495,472</b>	<b>478,528,990</b>	<b>112,921,506</b>	<b>(21,606,550)</b>	<b>1,510,339,418</b>
<b>At 01 July 2018</b>	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 income for the period	-	-	-	(1,704,209)	(1,704,209)
Total comprehensive income/(loss) for the period	-	141,870,120	-	(1,704,209)	140,165,911
Equity dividends	-	(55,678,467)	-	-	(55,678,467)
<b>At 31 December 2018</b>	<b>940,495,472</b>	<b>564,720,643</b>	<b>112,921,506</b>	<b>(24,835,268)</b>	<b>1,593,302,353</b>

### Comments

For the quarter ended 31 December 2018, the bank registered a Profit after Tax of MUR 70 million compared to last year's same period of MUR 62 million, representing a growth of 13.3%. Year to date, Profit after Tax reached MUR 142 million compared to last year's same period of MUR 115 million. Total Operating Income improved by 18.2% to reach MUR 167 million for the quarter compared to last year's same period of MUR 141 million. For the 6 months ended 31 December 2018, the bank accounted MUR 323 million compared to last year's MUR 266 million. With non-interest expenses of MUR 75 million, the bank's Cost to Income ratio remains below 50% at 45.3%. Year to date, the bank achieved 44.0%, 0.3% less compared to last year's same period of 44.3%.

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 asset base was MUR 17.7 billion while deposit and savings portfolio ended the quarter at MUR 15.7 billion.

The Capital Adequacy Ratio stood at 13.6% as at end of December 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 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](http://www.abcbanking.mu)

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

	Unaudited Quarter ended 31 Dec 18 MUR	Unaudited Quarter ended 31 Dec 17 MUR	Unaudited Six Months ended 31 Dec 18 MUR	Unaudited Six Months ended 31 Dec 17 MUR	Audited Year ended 30 Jun 18 MUR
Interest income	181,520,992	161,769,462	358,177,292	324,978,712	653,296,994
Interest expense	(60,333,837)	(69,851,439)	(120,256,241)	(144,449,956)	(267,458,708)
<b>Net interest income</b>	<b>121,187,155</b>	<b>91,918,023</b>	<b>237,921,051</b>	<b>180,528,756</b>	<b>385,838,286</b>
Fee and commission income	32,065,285	26,182,239	62,641,984	50,643,181	104,693,292
Fee and commission expense	(7,485,492)	(5,784,369)	(15,796,600)	(11,862,388)	(24,210,364)
<b>Net fee and commission income</b>	<b>24,579,793</b>	<b>20,397,870</b>	<b>46,845,384</b>	<b>38,780,793</b>	<b>80,482,928</b>
Net trading income	20,110,397	27,155,199	36,313,593	40,779,895	85,243,497
Other operating income	1,410,886	2,027,799	1,788,560	5,992,241	7,884,314
<b>Operating income</b>	<b>167,288,231</b>	<b>141,498,891</b>	<b>322,868,588</b>	<b>266,081,685</b>	<b>559,449,025</b>
<b>Non interest expenses</b>	<b>(75,734,888)</b>	<b>(60,733,627)</b>	<b>(142,119,988)</b>	<b>(117,821,847)</b>	<b>(258,156,580)</b>
<b>Operating profit before impairment</b>	<b>91,553,343</b>	<b>80,765,264</b>	<b>180,748,600</b>	<b>148,259,838</b>	<b>301,292,445</b>
Allowance for credit impairment	(8,507,103)	(5,154,933)	(14,238,555)	(5,188,553)	(9,538,421)
<b>Operating profit before tax</b>	<b>83,046,240</b>	<b>75,610,331</b>	<b>166,510,045</b>	<b>143,071,285</b>	<b>291,754,024</b>
Income tax expense	(12,601,601)	(13,450,376)	(24,639,925)	(28,033,815)	(49,322,296)
<b>Profit for the period</b>	<b>70,444,639</b>	<b>62,159,955</b>	<b>141,870,120</b>	<b>115,037,470</b>	<b>242,431,728</b>

### Other comprehensive income

#### Items that will not be reclassified subsequently to profit or loss:

Net gain on investments in equity instruments designated at fair value through other comprehensive income	476,934	-	155,322	-	-
Remeasurement of retirement pension net of deferred tax	-	-	-	-	(746,523)
	<b>476,934</b>	<b>-</b>	<b>155,322</b>	<b>-</b>	<b>(746,523)</b>

#### Items that may be reclassified subsequently to profit or loss:

Net loss on investments in debt instruments designated at fair value through other comprehensive income (Loss)/profit on remeasuring available for sale assets	(5,753,697)	-	(1,859,531)	-	-
	-	(1,298,271)	-	471,343	(22,811,840)
	<b>(5,753,697)</b>	<b>(1,298,271)</b>	<b>(1,859,531)</b>	<b>471,343</b>	<b>(22,811,840)</b>

### Other comprehensive

<b>(loss)/ income for the period</b>	<b>(5,276,763)</b>	<b>(1,298,271)</b>	<b>(1,704,209)</b>	<b>471,343</b>	<b>(23,558,363)</b>
<b>Total comprehensive income</b>	<b>65,167,876</b>	<b>60,861,684</b>	<b>140,165,911</b>	<b>115,508,813</b>	<b>218,873,365</b>

### Basic and diluted - earnings

per share	0.92	0.81	1.86	1.51	3.18
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## STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2018

	Unaudited Six Months ended 31 Dec 18 MUR	Unaudited Six Months ended 31 Dec 17 MUR	Audited Year ended 30 Jun 18 MUR
<b>Net cash generated from operating activities</b>	<b>256,865,908</b>	<b>1,264,149,388</b>	<b>509,319,738</b>
<b>Net cash used in investing activities</b>	<b>(100,539,150)</b>	<b>(1,260,928,522)</b>	<b>(1,535,543,957)</b>
<b>Net cash (used in)/generated from financing activities</b>	<b>(165,739,946)</b>	<b>101,201,413</b>	<b>(63,733,519)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(9,413,188)</b>	<b>104,422,279</b>	<b>(1,089,957,738)</b>
Net foreign exchange difference	(92,337,967)	(15,981,502)	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
<b>Net cash and cash equivalents at end of period / year</b>	<b>3,174,990,431</b>	<b>4,405,799,747</b>	<b>3,276,741,586</b>

## LIQUIDITY COVERAGE RATIO

	TOTAL UNWEIGHTED VALUE (quarterly average of monthly observations) MUR M	TOTAL WEIGHTED VALUE (quarterly average of monthly observations) MUR M
<b>HIGH-QUALITY LIQUID ASSETS</b>		
Total high-quality liquid assets (HQLA)	4,045	3,970
<b>CASH OUTFLOWS</b>		
Retail deposits and deposits from small business customers, of which:		
Stable deposits	-	-
Less stable deposits	4,303	430
Unsecured wholesale funding, of which:	128	13
Operational deposits (all counterparties)	7,317	1,829
Non-operational deposits (all counterparties)	285	135
Unsecured debt	-	-
Secured wholesale funding	-	-
Additional requirements, of which:		
Outflows related to derivative exposures and other collateral requirements	853	853
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	1,397	242
Other contractual funding obligations	67	67
Other contingent funding obligations	224	11
<b>TOTAL CASH OUTFLOWS</b>	<b>14,573</b>	<b>3,581</b>
<b>CASH INFLOWS</b>		
Secured funding (e.g. reverse repos)	-	-
Inflows from fully performing exposures	3,205	3,011
Other cash inflows	855	855
<b>TOTAL CASH INFLOWS</b>	<b>4,060</b>	<b>3,866</b>

	TOTAL ADJUSTED VALUE MUR M
<b>TOTAL HQLA</b>	<b>3,970</b>
<b>TOTAL NET CASH OUTFLOWS</b>	<b>895</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>	<b>444%</b>
<b>QUARTERLY AVERAGE OF DAILY HQLA</b>	<b>4,035</b>

### 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 December was MUR 4.0 billion (quarterly average of monthly observations for the Quarter ended 31 December 2018 was at MUR 4.0 billion). As at 31 December 2018, the bank's LCR stood at 469% whereas the quarterly average of monthly observations for the Quarter ended 31 December 2018 was 444%, 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.

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](http://www.abcbanking.mu).

**By Order of the Board**  
**ABC Professional & Secretarial Services Ltd**  
Per Mahesh Ittoo, ACIS  
Company Secretary

11 February 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](http://www.abcbanking.mu)

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