

# ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Unaudited Mar 20 MUR	Unaudited Mar 19 MUR	Audited Jun 19 MUR
<b>ASSETS</b>			
Cash and cash equivalents	2,037,773,358	2,539,749,984	2,732,131,072
Due from banks	787,149,638	681,299,371	698,739,467
Derivative financial assets	44,123,291	24,316,474	3,763,559
Loans and advances to customers	10,113,331,002	7,183,544,557	7,635,939,083
Investment securities	6,588,265,863	7,571,526,829	6,479,991,942
Other assets	199,978,029	102,939,057	99,997,305
Property and equipment	581,768,430	468,088,162	512,458,466
Intangible assets	9,645,611	2,752,766	2,263,140
Deferred tax assets	12,914,186	23,420,345	9,710,148
<b>Total assets</b>	<b>20,374,949,408</b>	<b>18,597,637,545</b>	<b>18,174,994,182</b>
<b>LIABILITIES</b>			
Due to banks	197,013,083	100,023,425	-
Derivative financial liabilities	49,834,416	7,347,562	5,812,757
Deposits from customers	17,005,162,014	16,480,883,785	15,239,475,798
Preference shares	143,323,325	143,480,055	145,202,573
Subordinated debts	511,960,959	-	505,070,890
Current tax liabilities	18,061,851	32,341,742	23,979,561
Other liabilities	600,229,602	143,037,846	484,274,838
<b>Total liabilities</b>	<b>18,525,585,250</b>	<b>16,907,114,415</b>	<b>16,403,816,417</b>
<b>Shareholders' Equity</b>			
Issued capital	940,495,472	940,495,472	940,495,472
Retained earnings	746,085,167	632,566,747	640,979,429
Other reserves	162,783,519	117,460,911	189,702,864
<b>Capital and reserves</b>	<b>1,849,364,158</b>	<b>1,690,523,130</b>	<b>1,771,177,765</b>
<b>Total liabilities and equity</b>	<b>20,374,949,408</b>	<b>18,597,637,545</b>	<b>18,174,994,182</b>
<b>Contingent liabilities</b>			
Guarantees on account of customers	402,547,289	109,369,116	118,138,466
Letter of credit and other obligations on account of customers	11,993,834	6,413,966	3,373,422
Commitments	1,355,232,728	1,362,558,550	1,321,902,701

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2020

	Issued Capital MUR	Retained Earnings MUR	Statutory Reserve MUR	Other Reserves MUR	Total MUR
<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	-	(1,586,356)	-	(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
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)
<b>At 31 March 2019</b>	<b>940,495,472</b>	<b>632,566,747</b>	<b>112,921,506</b>	<b>4,539,405</b>	<b>1,690,523,130</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	-	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)
<b>At 30 June 2019</b>	<b>940,495,472</b>	<b>640,979,429</b>	<b>146,504,742</b>	<b>43,198,122</b>	<b>1,771,177,765</b>
<b>At 01 July 2019</b>	<b>940,495,472</b>	<b>640,979,429</b>	<b>146,504,742</b>	<b>43,198,122</b>	<b>1,771,177,765</b>
Net profit for the period	-	163,835,079	-	-	163,835,079
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	(290,818)	(290,818)
Other comprehensive loss for the period	-	-	-	(26,628,527)	(26,628,527)
Total comprehensive income for the period	-	163,835,079	-	(26,919,345)	136,915,734
Transfer to statutory reserve	-	-	-	-	-
Equity dividends	-	(58,729,341)	-	-	(58,729,341)
<b>At 31 March 2020</b>	<b>940,495,472</b>	<b>746,085,167</b>	<b>146,504,742</b>	<b>16,278,777</b>	<b>1,849,364,158</b>

## COMMENTS

The bank registered a profit before impairment of MUR 309 million for the nine months ended 31 March 2020 compared to last year's same period of MUR 254 million representing a rise of 21.5%. For the quarter under review, the bank took a provision for impairment of MUR 113 million due to an increase in specific provisions linked to exposures being non-performing assets and also due to an increase in general provisions linked to the increased credit risk in sectors affected by Covid-19. These resulted in a Profit after tax of MUR 164 million for the nine months ended 31 March 2020 compared to last year's same period of MUR 211 million.

An increase in our net interest income by 7.7% is explained primarily by the growth in the loans and advances portfolio. Total operating income has improved by 10.3% to reach MUR

537 million compared to last year's same period of MUR 487 million where another key contributor has been the good performance of the trading desk. With non-interest expenses of MUR 228 million, the bank's cost to income remain below 50%.

The bank's total assets as at March 2020 is MUR 20.4 billion whilst savings and deposits closed at MUR 17.0 billion, representing a growth of 9.6% and 3.2% respectively.

As at March 2020, the Capital Adequacy ratio stood at 15.4% and Liquidity Coverage Ratio at 412%, which are well above the regulatory limits.

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

	Unaudited Quarter ended 31 Mar 20 MUR	Unaudited Quarter ended 31 Mar 19 MUR	Unaudited Nine Months ended 31 Mar 20 MUR	Unaudited Nine Months ended 31 Mar 19 MUR	Audited Year ended 30 Jun 19 MUR
Interest income	214,519,838	185,053,451	611,261,033	543,230,743	734,009,109
Interest expense	(80,227,276)	(62,435,873)	(223,121,648)	(182,692,114)	(251,525,883)
<b>Net interest income</b>	<b>134,292,562</b>	<b>122,617,578</b>	<b>388,139,385</b>	<b>360,538,629</b>	<b>482,483,226</b>
Fee and commission income	23,070,432	28,156,308	76,749,957	90,798,292	117,765,876
Fee and commission expense	(5,842,596)	(6,839,771)	(17,179,891)	(22,636,371)	(29,062,998)
<b>Net fee and commission income</b>	<b>17,227,836</b>	<b>21,316,537</b>	<b>59,570,066</b>	<b>68,161,921</b>	<b>88,702,878</b>
Net trading income	19,311,996	19,443,962	50,880,855	55,757,555	77,535,761
Net gain on sale of investment securities	9,758,114	1,071,288	37,742,108	1,955,781	2,293,711
Other operating income	-	-	951,591	904,067	1,282,895
<b>Total other income</b>	<b>29,070,110</b>	<b>20,515,250</b>	<b>89,574,554</b>	<b>58,617,403</b>	<b>81,112,367</b>
<b>Operating income</b>	<b>180,590,508</b>	<b>164,449,365</b>	<b>537,284,005</b>	<b>487,317,953</b>	<b>652,298,471</b>
<b>Non interest expenses</b>	<b>(62,227,205)</b>	<b>(80,834,611)</b>	<b>(228,321,469)</b>	<b>(232,994,017)</b>	<b>(324,297,648)</b>
<b>Operating profit before impairment</b>	<b>118,363,303</b>	<b>83,614,754</b>	<b>308,962,536</b>	<b>254,323,936</b>	<b>328,000,823</b>
Allowance for credit impairment	(112,796,739)	(2,749,514)	(130,951,793)	(16,988,069)	(56,721,957)
<b>Operating profit before tax</b>	<b>5,566,564</b>	<b>80,865,240</b>	<b>178,010,743</b>	<b>237,335,867</b>	<b>271,278,866</b>
Income tax expense	(1,289,802)	(1,432,780)	(14,175,664)	(26,033,287)	(47,390,626)
<b>Profit for the period</b>	<b>4,276,762</b>	<b>69,432,460</b>	<b>163,835,079</b>	<b>211,302,580</b>	<b>223,888,240</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified subsequently to profit or loss:</b>					
Net (loss)/gain on investments in equity instruments designated at fair value through other comprehensive income	(3,847,908)	(136,000)	(597,351)	19,322	3,147,386
Remeasurement of retirement pension net of deferred tax	-	-	-	-	(2,935,360)
	<b>(3,847,908)</b>	<b>(136,000)</b>	<b>(597,351)</b>	<b>19,322</b>	<b>212,026</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	(155,671)	-	(290,818)	-	571,457
Net (loss)/gain on investments in debt instruments designated at fair value through other comprehensive income	(12,492,963)	29,510,673	(26,031,176)	27,651,142	60,047,001
	<b>(12,648,634)</b>	<b>29,510,673</b>	<b>(26,321,994)</b>	<b>27,651,142</b>	<b>60,618,458</b>
<b>Other comprehensive (loss)/income for the period</b>	<b>(16,496,542)</b>	<b>29,374,673</b>	<b>(26,919,345)</b>	<b>27,670,464</b>	<b>60,830,484</b>
<b>Total comprehensive (loss)/ income</b>	<b>(12,219,780)</b>	<b>98,807,133</b>	<b>111,892,775</b>	<b>238,973,044</b>	<b>284,718,724</b>
Weighted average number of ordinary shares	76,271,872	76,271,872	76,271,872	76,271,872	76,271,872
<b>Basic and diluted - earnings per share</b>	<b>0.06</b>	<b>0.91</b>	<b>2.15</b>	<b>2.77</b>	<b>2.94</b>

## STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2020

	Unaudited Nine Months ended 31 Mar 20 MUR	Unaudited Nine Months ended 31 Mar 19 MUR	Audited Year ended 30 Jun 19 MUR
<b>Net cash (used in)/generated from operating activities</b>	<b>(640,504,367)</b>	845,794,022	(515,758,122)
<b>Net cash used in investing activities</b>	<b>(194,410,113)</b>	(1,441,862,313)	(325,298,577)
<b>Net cash generated from/(used in) financing activities</b>	<b>143,294,563</b>	(65,716,521)	334,260,054
<b>Net decrease in cash and cash equivalents</b>	<b>(691,619,917)</b>	(661,784,812)	(506,796,645)
Net foreign exchange difference	(2,737,797)	(75,206,790)	(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
<b>Net cash and cash equivalents at end of period / year</b>	<b>2,037,773,358</b>	<b>2,539,749,984</b>	<b>2,732,131,072</b>

## 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

14 May 2020

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## 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)
<b>HIGH-QUALITY LIQUID ASSETS</b>		
Total high-quality liquid assets (HQLA)	4,574	4,500
<b>CASH OUTFLOWS</b>		
Retail deposits and deposits from small business customers, of which:		
Stable deposits	-	-
Less stable deposits	4,593	459
Unsecured wholesale funding, of which:	488	49
Operational deposits (all counterparties)	6,416	1,604
Non-operational deposits (all counterparties)	247	101
Unsecured debt	-	-
Secured wholesale funding	-	-
Additional requirements, of which:		
Outflows related to derivative exposures and other collateral requirements	530	530
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	1,150	219
Other contractual funding obligations	-	-
Other contingent funding obligations	556	28
<b>TOTAL CASH OUTFLOWS</b>	<b>13,981</b>	<b>2,990</b>
<b>CASH INFLOWS</b>		
Secured funding (e.g. reverse repos)	-	-
Inflows from fully performing exposures	1,414	1,250
Other cash inflows	532	532
<b>TOTAL CASH INFLOWS</b>	<b>1,946</b>	<b>1,781</b>
<b>TOTAL ADJUSTED VALUE (MUR. M)</b>		
<b>TOTAL HQLA</b>		<b>4,500</b>
<b>TOTAL NET CASH OUTFLOWS</b>		<b>1,209</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>372%</b>
<b>QUARTERLY AVERAGE OF DAILY HQLA</b>		<b>4,588</b>

## Notes:

- The reported values for 'quarterly average of bi-monthly observations' are based on the 15th January, 31st January, 14th February, 28th February, 13th March and 31st March 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 1st January 2020 to 31st March 2020's period. The number of data points used for the calculations are 91.

As at 31 March 2020, the bank's LCR stood at 412% whereas the quarterly average of bi-monthly observations for the Quarter ended 31 March 2020 was 372%, 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 March was MUR 4.6 billion and the quarterly average of bi-monthly observations for the Quarter ended 31 March 2020 was at MUR 4.5 billion. The bank continues to monitor its liquidity position and will adjust its investment strategy to meet the prescribed requirement.