

ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2021

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Unaudited Mar 21 MUR	Unaudited Mar 20 MUR	Audited Jun 20 MUR
ASSETS			
Cash and cash equivalents	4,083,492,906	2,037,773,358	1,280,041,690
Due from banks	-	787,149,638	14,819,085
Derivative financial assets	5,541,467	44,123,291	2,183,441
Loans and advances to customers	10,125,841,735	10,113,331,002	9,769,375,208
Investment securities	6,065,177,903	6,588,265,863	7,114,456,335
Other assets	928,149,592	199,978,029	891,377,784
Property, equipment and right-of-use assets	593,521,943	581,768,430	600,843,664
Intangible assets	7,550,161	9,645,611	8,922,365
Deferred tax assets	32,264,530	12,914,186	23,084,417
Total assets	21,841,540,237	20,374,949,408	19,705,103,989
LIABILITIES			
Due to banks	-	197,013,083	-
Derivative financial liabilities	1,322,778	49,834,416	9,759,640
Deposits from customers	18,600,403,975	17,005,162,014	16,799,731,794
Preference shares	141,748,190	143,323,325	144,534,198
Subordinated debts	511,164,212	511,960,959	504,762,329
Current tax liabilities	31,839,751	18,061,851	8,165,603
Other liabilities	655,974,362	600,229,602	401,393,162
Total liabilities	19,942,453,268	18,525,585,250	17,868,346,726
Shareholders' Equity			
Issued capital	940,495,472	940,495,472	940,495,472
Retained earnings	757,645,480	746,085,167	677,416,500
Other reserves	200,946,017	162,783,519	218,845,291
Capital and reserves	1,899,086,969	1,849,364,158	1,836,757,263
Total liabilities and equity	21,841,540,237	20,374,949,408	19,705,103,989
Contingent liabilities			
Guarantees on account of customers	132,998,329	402,547,289	605,266,761
Letter of credit and other obligations on account of customers	-	11,993,834	11,000,000
Commitments	1,199,509,119	1,355,232,728	1,193,184,899

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2021

	Unaudited Quarter ended 31 Mar 21 MUR	Unaudited Quarter ended 31 Mar 20 MUR	Unaudited Nine Months ended 31 Mar 21 MUR	Unaudited Nine Months ended 31 Mar 20 MUR	Audited Year ended 30 June 20 MUR
Interest income	176,737,799	214,519,838	545,024,790	611,261,033	806,413,125
Interest expense	(64,000,384)	(80,227,276)	(188,925,100)	(223,121,648)	(290,014,171)
Net interest income	112,737,415	134,292,562	356,099,690	388,139,385	516,398,954
Fee and commission income	23,928,036	23,070,432	77,357,411	76,749,957	99,664,534
Fee and commission expense	(6,785,767)	(5,842,596)	(22,135,758)	(17,179,891)	(22,677,240)
Net fee and commission income	17,142,269	17,227,836	55,221,653	59,570,066	76,987,294
Net trading income	9,134,676	19,311,996	38,829,033	50,880,855	64,092,741
Net gain on sale of investment securities	34,248,874	9,758,114	38,959,411	37,742,108	104,066,571
Other operating income	478,311	-	1,892,864	951,591	1,315,546
Total other income	43,861,861	29,070,110	79,681,308	89,574,554	169,474,858
Operating income	173,741,545	180,590,508	491,002,651	537,284,005	762,861,106
Non interest expenses	(80,003,057)	(62,227,205)	(242,742,574)	(228,321,469)	(330,794,266)
Operating profit before impairment	93,738,488	118,363,303	248,260,077	308,962,536	432,066,840
Allowance for credit impairment	(123,397,984)	(112,796,739)	(149,423,298)	(130,951,793)	(310,708,038)
Operating (loss)/profit before tax	(29,659,496)	5,566,564	98,836,779	178,010,743	121,358,802
Income tax expense	(1,050,998)	(1,289,802)	(18,607,799)	(14,175,664)	(970,960)
(Loss)/profit for the period	(30,710,494)	4,276,762	80,228,980	163,835,079	120,387,842
Other comprehensive (loss)/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	4,174,740	(3,847,908)	4,684,686	(597,351)	6,190,622
Remeasurement of retirement pension net of deferred tax	-	-	-	-	(7,163,254)
	4,174,740	(3,847,908)	4,684,686	(597,351)	(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	302,289	(155,671)	(1,018,321)	(290,818)	3,300,152
Net (loss)/gain on investments in debt instruments designated at fair value through other comprehensive income	(4,559,597)	(12,492,963)	(21,565,639)	(26,031,176)	1,593,477
	(4,257,308)	(12,648,634)	(22,583,960)	(26,321,994)	4,893,629
Other comprehensive (loss)/income for the period	(82,568)	(16,496,542)	(17,899,274)	(26,919,345)	3,920,997
Total comprehensive (loss)/income	(30,793,062)	(12,219,780)	62,329,706	136,915,734	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 - (loss)/earnings per share	(0.40)	0.06	1.05	2.15	1.58

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2021

	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	-	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
Equity dividends	-	(58,729,341)	-	-	(58,729,341)
At 31 Mar 2020	940,495,472	746,085,167	146,504,742	16,278,777	1,849,364,158
At 01 July 2019	940,495,472	640,979,429	146,504,742	43,198,122	1,771,177,765
Profit for the period	-	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 for the period	-	(7,163,254)	-	7,784,099	620,845
Total comprehensive income for the period	-	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	-	80,228,980	-	-	80,228,980
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	(1,018,321)	(1,018,321)
Other comprehensive loss for the period	-	-	-	(16,880,953)	(16,880,953)
Total comprehensive income/(loss) for the period	-	80,228,980	-	(17,899,274)	62,329,706
At 31 Mar 2021	940,495,472	757,645,480	164,562,918	36,383,099	1,899,086,969

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2021

	Unaudited Nine months ended 31-Mar-21 MUR	Unaudited Nine months ended 31-Mar-20 MUR	Audited Year ended 30 Jun 20 MUR
Net cash generated from/(used in) operating activities	1,849,881,712	(640,504,367)	(683,047,379)
Net cash generated from/(used in) investing activities	1,054,471,431	(194,410,113)	(653,039,830)
Net cash generated from/(used in) financing activities	3,615,875	143,294,563	(64,440,697)
Net increase/(decrease) in cash and cash equivalents	2,907,969,018	(691,619,917)	(1,400,527,906)
Net foreign exchange difference	(104,517,802)	(2,737,797)	(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	4,083,492,906	2,037,773,358	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)	4,493	4,416
CASH OUTFLOWS		
Retail deposits and deposits from small business customers, of which:		
Stable deposits	-	-
Less stable deposits	4,273	427
Unsecured wholesale funding, of which:	155	16
Operational deposits (all counterparties)	7,195	1,799
Non-operational deposits (all counterparties)	126	52
Unsecured debt	-	-
Secured wholesale funding	-	-
Additional requirements, of which:		
Outflows related to derivative exposures and other collateral requirements	473	473
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	1,176	238
Other contractual funding obligations	-	-
Other contingent funding obligations	230	12
TOTAL CASH OUTFLOWS	13,628	3,015
CASH INFLOWS		
Secured funding (e.g. reverse repos)	-	-
Inflows from fully performing exposures	2,025	1,912
Other cash inflows	477	477
TOTAL CASH INFLOWS	2,502	2,389
TOTAL ADJUSTED VALUE (MUR. M)		
TOTAL HQLA		4,416
TOTAL NET CASH OUTFLOWS		759
LIQUIDITY COVERAGE RATIO (%)		582%
QUARTERLY AVERAGE OF DAILY HQLA		4,349

Notes:

- The reported values for 'quarterly average of bi-monthly observations' are based on the 15 January, 31 January, 15 February, 28 February, 15 March and 31 March 2021 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 January 2021 to 31 March 2021's period. The number of data points used for the calculations are 90.

As at 31 March 2021, the bank's LCR stood at 612% whereas the quarterly average of bi-monthly observations for the Quarter ended 31 March 2021 was 582%, 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 4.8 billion and the quarterly average of bi-monthly observations for the Quarter ended 31 March 2021 was at MUR 4.4 billion. The bank continues to monitor its liquidity position and will adjust its investment strategy to meet the prescribed requirement.

Comments

The bank registered a profit before impairment of MUR 93.7 million for the quarter ended 31 March 2021, compared to last year's same period of MUR 118.4 million. This contributed to a profit before impairment for the nine months to 31 March 2021 of MUR 248.3 million compared to same period last year of MUR 309.0 million.

The bank's cost to income stood at 49.4% with non-interest expense of MUR 242.7 million and total operating income of MUR 491.0 million for the nine months to 31 March 2021. A net gain on sale of investment securities, where the bank took advantage of market conditions, of MUR 34.2 million for the quarter contributed to this figure. With the second national lock-down and subsequently difficult economic conditions, the bank's allowance for credit impairment for the nine months to 31 March 2021 stood at MUR 149.4 million compared to MUR 131.0 million same period last year.

The bank's total assets as at 31 March 2021 was MUR 21.8 billion

compared to MUR 20.4 billion same quarter last year whilst the saving and deposit balance closed at MUR 18.6 billion compared to MUR 17.0 billion compared to same quarter last year.

As at 31 March 2021, the Capital Adequacy Ratio stood at 16.0% and Liquidity Coverage Ratio at 612%.

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, 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

7 May 2021

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