

# Abridged Unaudited Financial Statements for the Quarter Ended 31 December 2016

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Unaudited Dec 16 Rs	Unaudited Dec 15 Rs	Audited Jun 16 Rs
<b>ASSETS</b>			
Cash and cash equivalents	4,053,167,867	4,246,409,150	3,964,100,418
Loans to and placements with banks	999,223,000	935,650,610	969,392,050
Loans and advances to customers	4,896,751,892	4,000,328,495	4,618,384,205
Investment securities	4,771,557,192	3,686,360,387	4,762,813,460
Property, plant and equipment	219,855,326	220,793,549	222,202,278
Intangible assets	8,275,800	11,027,511	9,716,195
Deferred tax assets	21,632,325	13,332,324	21,796,869
Other assets	664,156,124	531,277,555	586,862,482
<b>Total assets</b>	<b>15,634,619,526</b>	<b>13,645,179,581</b>	<b>15,155,267,957</b>
<b>LIABILITIES</b>			
Deposits from customers	13,771,449,421	12,280,787,162	13,263,979,580
Other borrowed funds	37,908,000	264,802	140,000,000
Current tax liabilities	18,971,651	12,813,835	32,541,835
Other liabilities	203,643,208	202,892,011	192,244,250
Preference shares	331,597,046	331,910,028	320,758,971
<b>Total liabilities</b>	<b>14,363,569,326</b>	<b>12,828,667,838</b>	<b>13,949,524,636</b>
<b>Shareholders' Equity</b>			
Stated capital	940,495,472	635,407,984	940,495,472
Retained earnings	246,959,789	117,766,820	178,491,090
Other reserves	83,594,939	63,336,939	86,756,759
<b>Capital and reserves</b>	<b>1,271,050,200</b>	<b>816,511,743</b>	<b>1,205,743,321</b>
<b>Total equity and liabilities</b>	<b>15,634,619,526</b>	<b>13,645,179,581</b>	<b>15,155,267,957</b>
<b>Contingent liabilities</b>			
Guarantees on account of customers	10,179,942	10,719,238	10,051,719
Letter of credit and other obligations on account of customers	931,728	6,395,913	6,639,134
Commitments	785,440,864	306,457,978	675,453,569
	<b>796,552,534</b>	<b>323,573,129</b>	<b>692,144,422</b>

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2016

	Unaudited Quarter ended 31 Dec 16 Rs	Unaudited Quarter ended 31 Dec 15 Rs	Unaudited Six months ended 31 Dec 16 Rs	Unaudited Six months ended 31 Dec 15 Rs	Audited Year ended 30 Jun 16 Rs
Interest income	163,608,751	141,120,615	323,136,201	272,322,879	568,364,546
Interest expense	(78,308,678)	(74,547,457)	(158,249,461)	(146,235,535)	(300,366,712)
<b>Net interest income</b>	<b>85,300,073</b>	<b>66,573,158</b>	<b>164,886,740</b>	<b>126,087,344</b>	<b>267,997,834</b>
Fee and commission income	15,741,174	16,937,715	30,162,409	35,059,767	62,287,855
Fee and commission expense	(6,414,370)	(7,266,716)	(12,132,047)	(14,119,459)	(27,486,119)
<b>Net fee and commission income</b>	<b>9,326,804</b>	<b>9,670,999</b>	<b>18,030,362</b>	<b>20,940,308</b>	<b>34,801,736</b>
Trading Income	29,902,210	39,768,782	54,182,074	70,418,811	130,136,225
Other income	899,979	551,077	1,189,973	803,985	1,545,861
<b>Operating income</b>	<b>125,429,066</b>	<b>116,564,016</b>	<b>238,289,149</b>	<b>218,250,448</b>	<b>434,481,656</b>
<b>Non interest expense</b>	<b>(51,623,844)</b>	<b>(45,920,169)</b>	<b>(97,345,894)</b>	<b>(96,578,734)</b>	<b>(188,006,626)</b>
<b>Operating profit before impairment</b>	<b>73,805,222</b>	<b>70,643,847</b>	<b>140,943,255</b>	<b>121,671,714</b>	<b>246,475,030</b>
Allowance for credit impairment	(6,772,914)	(6,536,786)	(9,098,860)	(15,145,696)	(44,492,851)
<b>Profit before taxation</b>	<b>67,032,308</b>	<b>64,107,061</b>	<b>131,844,395</b>	<b>106,526,018</b>	<b>201,982,179</b>
Tax expense	(11,178,968)	(7,638,210)	(23,228,385)	(13,296,015)	(25,529,284)
<b>Profit for the period</b>	<b>55,853,340</b>	<b>56,468,851</b>	<b>108,616,010</b>	<b>93,230,003</b>	<b>176,452,895</b>
<b>Other comprehensive loss</b>					
<b>Items that will not be reclassified subsequently to profit or loss:</b>					
Remeasurement of retirement pension net of deferred tax	-	-	-	-	852,957
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Fair value realised on disposal of available-for-sale assets	-	-	-	-	(389,784)
Loss on remeasuring available-for-sale assets	(2,044,188)	(2,376,331)	(2,122,320)	(5,264,367)	(4,806,342)
	(2,044,188)	(2,376,331)	(2,122,320)	(5,264,367)	(5,196,126)
<b>Other comprehensive loss for the period</b>	<b>(2,044,188)</b>	<b>(2,376,331)</b>	<b>(2,122,320)</b>	<b>(5,264,367)</b>	<b>(4,343,169)</b>
<b>Total comprehensive income</b>	<b>53,809,152</b>	<b>54,092,520</b>	<b>106,493,690</b>	<b>87,965,636</b>	<b>172,109,726</b>
<b>Earnings per share</b>	<b>0.73</b>	<b>1.03</b>	<b>1.42</b>	<b>1.82</b>	<b>3.46</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2016

	Stated Capital Rs	Retained Earnings Rs	Statutory Reserve Rs	General Banking Reserve Rs	Investment Revaluation Reserve Rs	Total Rs
<b>At 01 July 2015</b>	<b>506,699,200</b>	<b>49,836,305</b>	<b>24,353,693</b>	<b>25,290,066</b>	<b>1,761,946</b>	<b>607,941,210</b>
Issue of share capital	128,708,784	-	-	-	-	128,708,784
Net profit for the period	-	93,230,003	-	-	-	93,230,003
Other comprehensive loss for the period	-	-	-	-	(5,264,367)	(5,264,367)
Transfer to General banking reserve	-	(17,195,601)	-	17,195,601	-	-
Dividend paid	-	(8,103,887)	-	-	-	(8,103,887)
<b>At 31 December 2015</b>	<b>635,407,984</b>	<b>117,766,820</b>	<b>24,353,693</b>	<b>42,485,667</b>	<b>(3,502,421)</b>	<b>816,511,743</b>
<b>At 01 July 2015</b>	<b>506,699,200</b>	<b>49,836,305</b>	<b>24,353,693</b>	<b>25,290,066</b>	<b>1,761,946</b>	<b>607,941,210</b>
Issue of share capital	433,796,272	-	-	-	-	433,796,272
Net profit for the year	-	176,452,895	-	-	-	176,452,895
Other comprehensive profit/(loss) for the year	-	852,957	-	-	(5,196,126)	(4,343,169)
Transfer to General banking reserve	-	(14,079,246)	-	14,079,246	-	-
Transfer to Statutory reserve	-	(26,467,934)	26,467,934	-	-	-
Dividend paid	-	(8,103,887)	-	-	-	(8,103,887)
<b>At 30 June 2016</b>	<b>940,495,472</b>	<b>178,491,090</b>	<b>50,821,627</b>	<b>39,369,312</b>	<b>(3,434,180)</b>	<b>1,205,743,321</b>
Net profit for the period	-	108,616,010	-	-	-	108,616,010
Other comprehensive loss for the period	-	-	-	-	(2,122,320)	(2,122,320)
Transfer from General banking reserve	-	1,039,500	-	(1,039,500)	-	-
Dividend paid	-	(41,186,811)	-	-	-	(41,186,811)
<b>At 31 December 2016</b>	<b>940,495,472</b>	<b>246,959,789</b>	<b>50,821,627</b>	<b>38,329,812</b>	<b>(5,556,500)</b>	<b>1,271,050,200</b>

## STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2016

	Unaudited Six months ended 31 Dec 16 Rs	Unaudited Six months ended 31 Dec 15 Rs	Audited Year ended 30 Jun 16 Rs
Net cash generated from operating activities	254,462,886	584,860,160	945,869,005
Net cash used in investing activities	(22,116,626)	(668,659,454)	(1,756,799,717)
Net cash (used in)/generated from financing activities	(143,278,811)	120,604,897	565,692,385
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>89,067,449</b>	<b>36,805,603</b>	<b>(245,238,327)</b>
Net cash and cash equivalents at beginning of period	3,964,100,418	4,209,338,745	4,209,338,745
<b>Net cash and cash equivalents at end of period</b>	<b>4,053,167,867</b>	<b>4,246,144,348</b>	<b>3,964,100,418</b>

### Comments on results

The second quarter of FY 2016/17 remained a challenging period for the local banking industry, characterised by high liquidity and falling interest rates. However, the bank aimed to follow the positive momentum achieved in previous quarter.

Profit after tax for the quarter ended 31 December 2016 was MUR 55.9million, equivalent to 6% increase on prior quarter. Operating income improved by 11% to reach MUR 125.4million, driven by an encouraging performance in both Net Interest Income and Other Income.

As at the end of December 2016, the bank's total assets base was MUR 15.6 billion, while the deposits and savings portfolio ended the quarter at MUR 13.8 billion.

Based on current trends, the results for the quarter ended 31 March 2017 should show similar results achieved over the first six months.

### By Order of the Board

The abridged unaudited financial statements for the quarter ended 31 December 2016 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 2016.

Copies of the abridged unaudited financial statements 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)

The abridged unaudited financial statements are issued pursuant to DEM Rule 17 and 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**  
Company Secretary

6 February 2017

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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CORPORATION**  
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