

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	2017 MUR	2016 Restated MUR	2015 Restated MUR
ASSETS			
Cash and cash equivalents	4,317,358,970	3,966,067,879	4,210,012,660
Due from banks	1,183,314,188	1,456,600,322	1,741,282,524
Derivative financial instruments	4,407,594	4,478,577	140,379
Loans and advances to customers	5,095,744,575	4,594,454,589	3,009,403,872
Investment securities	4,716,445,575	4,832,329,437	3,077,401,503
Other assets	31,223,839	11,537,022	20,262,326
Property and equipment	372,510,402	222,202,278	222,920,721
Intangible assets	6,819,610	9,716,195	12,081,248
Deferred tax assets	24,025,071	27,044,221	16,090,417
Total assets	15,751,849,836	15,124,430,520	12,309,595,650
LIABILITIES			
Due to banks	-	140,006,397	-
Derivative financial instruments	16,531,096	692,898	116,810
Deposits from customers	13,803,065,697	13,368,862,538	11,302,333,482
Preference shares	265,749,768	320,758,971	320,726,882
Current tax liabilities	23,175,879	33,230,172	1,387,050
Other liabilities	303,047,345	87,354,895	99,185,507
Total liabilities	14,411,569,785	13,950,905,871	11,723,749,731
Shareholders' Equity			
Issued capital	940,495,472	940,495,472	506,699,200
Retained earnings	322,022,542	186,460,977	56,345,374
Other reserves	77,762,037	46,568,200	22,801,345
Capital and reserves	1,340,280,051	1,173,524,649	585,845,919
Total liabilities and equity	15,751,849,836	15,124,430,520	12,309,595,650

These financial statements have been approved and authorised for issue by the Board of Directors on 26 September 2017

Hon. Y.K.J. Yeung Sik Yuen, G.O.S.K. Chairman
Professor Donald Ah-Chuen, G.O.S.K. Managing Director
Sydney Ah Yoong Chairperson of Audit Committee

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	2017 MUR	2016 Restated MUR	2015 Restated MUR
Interest income	645,237,899	568,364,546	446,569,983
Interest expense	(309,205,620)	(300,366,712)	(270,914,123)
Net interest income	336,032,279	267,997,834	175,655,860
Fee and commission income	112,992,592	128,142,987	99,801,592
Fee and commission expense	(23,853,484)	(27,486,119)	(19,315,322)
Net fee and commission income	89,139,108	100,656,868	80,486,270
Net trading income	63,830,549	65,420,427	56,992,513
Other operating income	4,005,926	1,545,861	9,733,540
Total other income	67,836,475	66,966,288	66,726,053
Operating income	493,007,862	435,620,990	322,868,183
Personnel expenses	(127,203,015)	(100,909,341)	(87,798,992)
Depreciation and amortisation	(19,358,710)	(16,846,870)	(15,450,885)
Other operating expenses	(73,175,640)	(70,250,415)	(71,534,668)
Non interest expenses	(219,737,365)	(188,006,626)	(174,784,545)
Operating profit before impairment	273,270,497	247,614,364	148,083,638
Allowance for credit impairment on financial assets	(22,952,713)	(61,431,636)	(83,899,965)
Operating profit before tax	250,317,784	186,182,728	64,183,673
Income tax expense	(41,809,819)	(24,575,042)	(5,650,585)
Profit for the year	208,507,965	161,607,686	58,533,088
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of retirement pension, net of deferred tax	(483,394)	852,957	-
Items that may be reclassified subsequently to profit or loss, net of tax:			
Fair value realised on disposal of available-for-sale financial assets	(82,358)	(389,784)	(83,468)
(Loss)/gain arising during the year	(82,358)	(474,298)	(22,177)
Other comprehensive (loss)/income for the year	(565,752)	378,659	(22,177)
Total comprehensive income for the year	207,942,213	161,986,345	58,510,911
Earnings per share			
Basic and diluted	2.73	2.92	1.37

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Issued Capital MUR	Retained Earnings MUR	Statutory Reserve MUR	General Banking Reserve MUR	Investment Revaluation Reserve MUR	Total MUR
At 1 July 2014 - as previously reported	356,699,200	2,360,009	14,120,660	14,779,177	1,784,123	389,743,169
Restatement	-	4,232,240	(1,861,224)	(14,779,177)	-	(12,408,161)
As restated	356,699,200	6,592,249	12,259,436	-	1,784,123	377,335,008
Profit for the year - as previously reported	-	68,220,218	-	-	-	68,220,218
Restatement	-	(9,687,130)	-	-	-	(9,687,130)
Profit for the year as restated	-	58,533,088	-	-	-	58,533,088
Other comprehensive loss	-	-	-	-	(22,177)	(22,177)
Total comprehensive income for the year	-	58,533,088	-	-	(22,177)	58,510,911
Right issue	150,000,000	-	-	-	-	150,000,000
Transfer to statutory reserve - as previously reported	-	(10,233,033)	10,233,033	-	-	-
Restatement	-	1,453,070	(1,453,070)	-	-	-
Transfer to statutory reserve - restated	-	(8,779,963)	8,779,963	-	-	-
Transfer to general banking reserve - as previously reported	-	(10,510,889)	-	10,510,889	-	-
Restatement	-	10,510,889	-	(10,510,889)	-	-
Transfer to general banking reserve - restated	-	-	-	-	-	-
At 30 June 2015 - restated	506,699,200	56,345,374	21,039,399	-	1,761,946	585,845,919
At 1 July 2015 - as previously reported	506,699,200	49,836,305	24,353,693	25,290,066	1,761,946	607,941,210
Restatement	-	6,509,069	(3,314,294)	(25,290,066)	-	(22,095,291)
As restated	506,699,200	56,345,374	21,039,399	-	1,761,946	585,845,919
Profit for the year - as previously reported	-	176,452,895	-	-	-	176,452,895
Restatement	-	(14,845,209)	-	-	4,721,828	(10,123,381)
Profit for the year as restated	-	161,607,686	-	-	4,721,828	166,329,514
Other comprehensive income/(loss)	-	852,957	-	-	(5,196,126)	(4,343,169)
Total comprehensive income/(loss) for the year	-	162,460,643	-	-	(474,298)	161,986,345
Issue of shares	433,796,272	-	-	-	-	433,796,272
Transfer to statutory reserve - as previously reported	-	(26,467,934)	26,467,934	-	-	-
Restatement	-	2,226,781	(2,226,781)	-	-	-
Transfer to statutory reserve - restated	-	(24,241,153)	24,241,153	-	-	-
Transfer to general banking reserve	-	(14,079,246)	-	14,079,246	-	-
Restatement	-	14,079,246	-	(14,079,246)	-	-
Transfer to general banking reserve - restated	-	-	-	-	-	-
Equity dividends	-	(8,103,887)	-	-	-	(8,103,887)
At 30 June 2016	940,495,472	186,460,977	45,280,552	-	1,287,648	1,173,524,649
At 1 July 2016 - as previously reported	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
Profit for the year	-	208,507,965	-	-	-	208,507,965
Other comprehensive loss	-	(483,394)	-	-	(82,358)	(565,752)
Total comprehensive income/(loss) for the year	-	208,024,571	-	-	(82,358)	207,942,213
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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	2017 MUR	2016 Restated MUR	2015 Restated MUR
Net cash generated from operating activities	686,730,674	1,032,313,953	1,585,076,029
Net cash used in investing activities	(63,601,349)	(1,775,029,364)	(549,416,138)
Net cash (used in)/generated from financing activities	(235,018,208)	565,698,782	288,065,938
Net increase/(decrease) in cash and cash equivalents	388,111,117	(177,016,629)	1,323,725,829
Net foreign exchange difference	(36,820,026)	(66,928,152)	79,662,907
Net cash and cash equivalents at beginning of year	3,966,067,879	4,210,012,660	2,806,623,924
Net cash and cash equivalents at end of year	4,317,358,970	3,966,067,879	4,210,012,660
Operational cashflows from interest and dividends			
Interest paid	329,185,394	287,696,180	274,067,225
Interest received	659,937,021	568,981,305	430,430,636
Dividend received	1,176,385	1,036,164	114,715

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF ABC BANKING CORPORATION LTD

The accompanying summary financial statements, which comprise the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, are derived from the audited financial statements of ABC Banking Corporation Ltd (the 'bank') for the year ended 30 June 2017. We expressed an unmodified audit opinion on those financial statements in our report dated 26 September 2017. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of ABC Banking Corporation Ltd.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, the Financial Reporting Act 2004 and the Banking Act 2004.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of ABC Banking Corporation Ltd for the year ended 30 June 2017 are consistent, in all material respects, with those financial statements, in accordance with International Financial Reporting Standards and comply with the Companies Act 2001, the Financial Reporting Act 2004 and the Banking Act 2004.

Other matter

This report has been prepared solely for the bank's members, as a body, in accordance with Section 205 of the Companies Act 2001.

Our audit work has been undertaken so that we might state to the bank's members those matters we are required to state to the latter in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not assume responsibility to anyone other than the bank and the bank's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Companies Act 2001

We have no relationship with or interests in the bank other than in our capacities as auditors, tax advisors and in dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the bank as far as it appears from our examination of those records.

Banking Act 2004

In our opinion, the financial statements have been prepared on a consistent basis and are complete, fair and properly drawn up and comply with the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius. The explanations or information called for or given to us by the officers or agents of the bank were satisfactory.

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance (the 'Code') as disclosed in the annual report and whether the disclosure is consistent with the requirements of the Code. In our opinion, the disclosures in the Corporate Governance report are consistent with the requirements of the Code.

ERNST & YOUNG

Ebène,
Mauritius

27 September 2017

ANDRE LAI WAN LOONG, A.C.A.

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COMMENTS FOR THE YEAR ENDED 30 JUNE 2017

In the year ended 30 June 2017, ABC Banking Corporation Ltd posted a commendable result with a profit after tax of MUR 209 million, representing an increase of 29% on prior year.

The key drivers behind the performance were the loans and advances book and the strategic portfolio of Placements and Investments that have contributed positively to the bank's overall net interest income. During the year, the bank has strengthened its work force and invested in new avenues to generate more value for its stakeholders.

At 30 June 2017, the bank's total assets base reached MUR 15.8 billion with the bank's continued focus to expand its loan book, the latter improving by 11% over the year, while the deposits and savings portfolio continued its growing trend to MUR 13.8 billion. The return on equity for our shareholders increased to 15.6% from 13.8% achieved in preceding year.

In February 2017, with the objective of extending its international reach, the bank opened its first Representative Office in Hong Kong. Following this historic milestone, the bank issued the UnionPay Diamond debit Card, a first in Africa, and its Classic equivalent as new service privileges for its growing client base.

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.

By Order of the Board

ABC Professional & Secretarial Services Ltd
Company Secretary

26 September 2017