# **Abridged Unaudited Financial Statements** for the Period Ended 31 December 2017

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Unaudited Dec 17 MUR	Unaudited Dec 16 MUR	Audited Jun 17 MUR
ASSETS			
	4 405 700 747	1055 044 467	4 247 250 270
Cash and cash equivalents Due from banks	4,405,799,747	4,055,911,167	4,317,358,970
Derivative financial instruments	1,069,756,448	1,528,735,462	1,183,314,188
Loans and advances to customers	4,182,175	1,945,812	4,407,594
Investment securities	5,126,860,415	4,876,948,089	5,095,744,575
	5,971,987,648	4,841,602,924	4,716,445,587
Other assets Property and equipment	36,037,431	46,670,926	31,223,839
Intangible assets	368,143,934	219,855,326	372,510,402
Deferred tax assets	5,457,926	8,275,800	6,819,610
Deferred tax assets	22,485,978	27,175,219	24,025,071
Total assets	17,010,711,702	15,607,120,725	15,751,849,836
LIABILITIES			
Due to banks	150,015,411	37,908,527	_
Derivative financial instruments	10,022,001	4,010,914	16,531,096
Deposits from customers	15,039,229,442	13.893.805.894	13.803.065.697
Preference shares	274,273,805	331,597,046	265,749,768
Current tax liabilities	23,270,713	19,240,713	23,175,879
Other liabilities	106,925,464	82,766,953	303,047,345
Total liabilities	45 600 706 006	4.4.202.222.0.47	444450705
Total liabilities	15,603,736,836	14,369,330,047	14,411,569,785
Shareholders' Equity			
Issued capital	940,495,472	940,495,472	940,495,472
Retained earnings	388,246,014	251,029,550	322,022,542
Other reserves	78,233,380	46,265,656	77,762,037
Capital and reserves	1,406,974,866	1,237,790,678	1,340,280,051
Total liabilities and equity	17,010,711,702	15,607,120,725	15,751,849,836
Contingent liabilities	40.000.465	40.470.046	40.700.40-
Guarantees on account of customers	10,238,162	10,179,942	10,780,105
Letter of credit and other obligations on	4 400 704	024 720	
account of customers Commitments	1,192,724	931,728	1 067 475 525
Commitments	1,596,283,761	785,440,864	1,067,475,535
	1 607 714 647	796 552 534	1 078 255 640

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2017

	Unaudited Quarter ended 31 Dec 2017 MUR	Unaudited Quarter ended 31 Dec 2016 MUR	Unaudited 6 months ended 31 Dec 2017 MUR	Unaudited 6 months ended 31 Dec 2016 MUR	Audited Year ended 30 Jun 2017 MUR
Interest income Interest expense	161,769,462 (69,851,439)	163,116,425 (77,249,050)	324,978,712 (144,449,956)	322,151,549 (156,130,205)	645,237,899 (309,205,620)
Net interest income	91,918,023	85,867,375	180,528,756	166,021,344	336,032,279
Fee and commission income Fee and commission expense	26,182,239 (5,784,369)	30,848,447 (6,414,370)	50,643,181 (11,862,388)	59,667,001 (12,132,047)	112,992,592 (23,853,484)
Net fee and commission income	20,397,870	24,434,077	38,780,793	47,534,954	89,139,108
Net trading income Other operating income	27,155,199 2,027,799	15,825,443 899,979	40,779,895 5,992,241	26,706,599 1,189,973	63,830,549 4,005,926
Operating income	141,498,891	127,026,874	266,081,685	241,452,870	493,007,862
Non interest expense	(60,733,627)	(53,423,844)	(117,821,847)	(100,945,894)	(219,737,365)
Operating profit before impairmen	80,765,264	73,603,030	148,259,838	140,506,976	273,270,497
Allowance for credit impairment	(5,154,933)	(8,593,209)	(5,188,553)	(12,238,023)	(22,952,713)
Profit before taxation	75,610,331	65,009,821	143,071,285	128,268,953	250,317,784
Income tax expense	(13,450,376)	(10,766,247)	(28,033,815)	(22,513,569)	(41,809,819)
Profit for the period	62,159,955	54,243,574	115,037,470	105,755,384	208,507,965
Other comprehensive loss Items that will not be reclassified subsequently to profit or loss: Remeasurement of retirement pensio net of deferred tax	n 	-	-	-	(483,394)
Items that may be reclassified subsequently to profit or loss: Loss on remeasuring available for sale assets	(1,298,271)	(224,412)	471,343	(302,544)	(82,358)
455665	(1,298,271)	(224,412)	471,343	(302,544)	(82,358)
Other comprehensive (loss)/income for the period		(224,412)	471,343	(302,544)	(565,752)
Total comprehensive income	60,861,684	54,019,162	115,508,813	105,452,840	207,942,213
Earnings per share	0.81	0.71	1.51	1.39	2.73

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2017

	Stated Capital MUR	Retained Earnings MUR	Statutory Reserve MUR	General Banking Reserve MUR	Investment Revaluation Reserve MUR	Total MUR
	WOK	WOK	WOK	WOR	WOK	WOK
At 01 July 2016 Restatement *	940,495,472	178,491,090 7,969,887	50,821,627 (5,541,075)	39,369,312 (39,369,312)	(3,434,180) 4,721,828	1,205,743,321 (32,218,672)
As restated Net profit for the period Other comprehensive loss	940,495,472	186,460,977 105,755,384	45,280,552 -		1,287,648 -	1,173,524,649 105,755,384
for the period Equity dividends	- -	- (41,186,811)	- -	- -	(302,544)	(302,544) (41,186,811)
At 31 December 2016	940,495,472	251,029,550	45,280,552	-	985,104	1,237,790,678
At 01 July 2016 Restatement *	940,495,472	178,491,090 7,969,887	50,821,627 (5,541,075)	39,369,312 (39,369,312)	(3,434,180) 4,721,828	1,205,743,321 (32,218,672)
As restated Net profit for the year Other comprehensive loss	940,495,472	186,460,977 208,507,965	45,280,552 -	-	1,287,648 -	1,173,524,649 208,507,965
for the year Transfer to statutory reserve Equity dividends	-	(483,394) (31,276,195) (41,186,811)	31,276,195	-	(82,358)	(565,752) - (41,186,811)
Equity dividends		(41,100,011)				(41,100,011)
At 30 June 2017	940,495,472	322,022,542	76,556,747	-	1,205,290	1,340,280,051
Net profit for the period Other comprehensive income for the period Equity dividends	-	115,037,470	-	-	-	115,037,470
	:	- (48,813,998)	:		471,343 -	471,343 (48,813,998)
At 31 December 2017	940,495,472	388,246,014	76,556,747	-	1,676,633	1,406,974,866

<sup>\*</sup> Details of the restatement are available on Note 41 in our Annual report.

### STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2017

	Six months ended 31 Dec 17 MUR	Six months ende 31 Dec 16 MUR	ed Year ended 30 Jun 17 MUR
Net cash generated from operating activities	1,265,334,375	(344,361,126)	3,220,154,106
Net cash used in investing activities	(1,262,113,509)	(153,623,354)	(65,316,184)
Net cash generated from/(used in) financing activities	101,201,413	(3,278,284)	-
Net increase/(decrease) in cash and cash equivalents Net foreign exchange difference Net cash and cash equivalents at beginning of period	104,422,279 (15,981,502) 4,317,358,970	(501,262,764) (65,848,415) 4,623,022,346	3,154,837,922 57,227,431 1,105,293,617
Net cash and cash equivalents at end of period	4,405,799,747	4,055,911,167	4,317,358,970

#### Comments on results

For the six months ended 31 December 2017, the bank registered a net profit before tax of MUR 143m, representing an increase of 12% compared to the same period in FY 2016/17. The performance was mainly driven by a growth of 9% in Net Interest Income and a good performance across the trading income line, generating MUR 41m, equivalent to a 53% increase period on period. Meanwhile, with the continued expansion of the bank, Non-Interest expenses totaled MUR 118m, as a result of additional recruitment of personnel and upgrading of the bank's infrastructure to better service its clients. Total loans and advances and investments stood at MUR 5.3b and MUR 6b respectively, whilst deposits and savings portfolio closed at MUR15b.

Our Non-Performing Loans ratio was at 1.6%, while the bank's Capital Adequacy Ratio sat comfortably at 14.9%.

#### 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 2017.

Copies of the interim 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

This notice is issued pursuant to DEM Rule 17 and the 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 Per Mahesh Ittoo, ACIS Company Secretary

12 February 2018

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#### LIQUIDITY COVERAGE RATIO

HIGH-QUALITY LIQUID ASSETS Total high-quality liquid assets (HQLA)  CASH OUTFLOWS Retail deposits and deposits from small business customers, of which: Stable deposits Less stable deposits Unsecured wholesale funding, of which:  Operational deposits (all counterparties)  Non-operational deposits (all counterparties)  Secured wholesale funding  Non-operational deposits (all counterparties)  Secured wholesale funding  Additional requirements, of which:  Outflows related to derivative exposures and other collateral requirements  Credit and liquidity facilities  Other contractual funding obligations  TOTAL CASH OUTFLOWS  Secured funding (e.g. reverse repos)  Inflows from fully performing exposures  1,500  Other cash inflows  Secured funding (e.g. reverse repos)  Inflows from fully performing exposures  3,711  3,510  Other cash inflows		(quarterly average of monthly observations*) MUR M	(quarterly average of monthly observations*) MUR M
Total high-quality liquid assets (HQLA)       4,830       4,830         CASH OUTFLOWS         Retail deposits and deposits from small business customers, of which:       3       -         Stable deposits       4,543       454         Unsecured wholesale funding, of which:       147       15         Operational deposits (all counterparties)       5,783       1,446         Non-operational deposits (all counterparties)       367       151         Unsecured debt       -       -         Secured wholesale funding       -       -         Additional requirements, of which:       -       -         Outflows related to derivative exposures and other collateral requirements       597       597         Outflows related to loss of funding on debt products       -       -         Credit and liquidity facilities       1,500       253         Other contractual funding obligations       75       75         Other contingent funding obligations       77       4         TOTAL CASH OUTFLOWS       13,088       2,994         CASH INFLOWS         Secured funding (e.g. reverse repos)       -       -         Inflows from fully performing exposures       3,711       3,510	HIGH-OUALITY LIOUID ASSETS		
Retail deposits and deposits from small business customers, of which:  Stable deposits  Less stable deposits  4,543  454  Unsecured wholesale funding, of which:  Operational deposits (all counterparties)  Non-operational deposits (all counterparties)  Unsecured debt  Secured wholesale funding  Additional requirements, of which:  Outflows related to derivative exposures and other collateral requirements  Outflows related to loss of funding on debt products  Credit and liquidity facilities  Other contractual funding obligations  TOTAL CASH OUTFLOWS  Secured funding (e.g. reverse repos)  Inflows from fully performing exposures  3,711  -  -  -  -  -  -  -  -  -  -  -  -	•	4,830	4,830
Stable deposits         -         -           Less stable deposits         4,543         454           Unsecured wholesale funding, of which:         147         15           Operational deposits (all counterparties)         5,783         1,446           Non-operational deposits (all counterparties)         367         151           Unsecured debt         -         -           Secured wholesale funding         -         -           Additional requirements, of which:         -         -           Outflows related to derivative exposures and other collateral requirements         597         597           Outflows related to loss of funding on debt products         -         -           Credit and liquidity facilities         1,500         253           Other contractual funding obligations         75         75           Other contringent funding obligations         77         4           TOTAL CASH OUTFLOWS         13,088         2,994           CASH INFLOWS           Secured funding (e.g. reverse repos)         -         -           Inflows from fully performing exposures         3,711         3,510	CASH OUTFLOWS		
Less stable deposits4,543454Unsecured wholesale funding, of which:14715Operational deposits (all counterparties)5,7831,446Non-operational deposits (all counterparties)367151Unsecured debtSecured wholesale fundingAdditional requirements, of which:Outflows related to derivative exposures and other collateral requirements597597Outflows related to loss of funding on debt productsCredit and liquidity facilities1,500253Other contractual funding obligations7575Other contringent funding obligations774TOTAL CASH OUTFLOWS13,0882,994CASH INFLOWSSecured funding (e.g. reverse repos)Inflows from fully performing exposures3,7113,510	Retail deposits and deposits from small business customers,	of which:	
Unsecured wholesale funding, of which:  Operational deposits (all counterparties)  Non-operational deposits (all counterparties)  Secured debt  Secured wholesale funding  Additional requirements, of which:  Outflows related to derivative exposures and other collateral requirements  Outflows related to loss of funding on debt products  Credit and liquidity facilities  Other contractual funding obligations  Total cash outflows  Secured funding (e.g. reverse repos)  Inflows from fully performing exposures  147  147  158  1,446  1,510	•	-	-
Operational deposits (all counterparties) 5,783 1,446  Non-operational deposits (all counterparties) 367 151  Unsecured debt	Less stable deposits	· ·	
Non-operational deposits (all counterparties)  Unsecured debt  Secured wholesale funding  Additional requirements, of which:  Outflows related to derivative exposures and other collateral requirements  Outflows related to loss of funding on debt products  Credit and liquidity facilities  1,500  253  Other contractual funding obligations  75  Other contingent funding obligations  77  4  TOTAL CASH OUTFLOWS  Secured funding (e.g. reverse repos)  Inflows from fully performing exposures  3,711  3,510	Unsecured wholesale funding, of which:		
Unsecured debt Secured wholesale funding	Operational deposits (all counterparties)	,	,
Secured wholesale funding		367	151
Additional requirements, of which:  Outflows related to derivative exposures and other collateral requirements  Outflows related to loss of funding on debt products  Credit and liquidity facilities  1,500  253  Other contractual funding obligations  75  Other contingent funding obligations  77  4  TOTAL CASH OUTFLOWS  Secured funding (e.g. reverse repos)  Inflows from fully performing exposures  -  1,500  253  75  75  75  75  76  77  4  77  4  77  78  79  79  79  70  70  70  71  71  72  73  74  74  75  76  77  78  79  79  70  70  70  70  70  70  70  70	Unsecured debt	-	-
Outflows related to derivative exposures and other collateral requirements 597 597 Outflows related to loss of funding on debt products	Secured wholesale funding	-	-
Outflows related to loss of funding on debt products  Credit and liquidity facilities  Other contractual funding obligations  Other contingent funding obligations  75  75  Other contingent funding obligations  77  4  TOTAL CASH OUTFLOWS  13,088  2,994  CASH INFLOWS  Secured funding (e.g. reverse repos)  Inflows from fully performing exposures  3,711  3,510	•	-	-
Credit and liquidity facilities1,500253Other contractual funding obligations7575Other contingent funding obligations774TOTAL CASH OUTFLOWS13,0882,994CASH INFLOWSSecured funding (e.g. reverse repos)Inflows from fully performing exposures3,7113,510	,	uirements 597	597
Other contractual funding obligations Other contingent funding obligations Other contingent funding obligations 75 4  TOTAL CASH OUTFLOWS 13,088 2,994  CASH INFLOWS Secured funding (e.g. reverse repos) Inflows from fully performing exposures 3,711 3,510	, , , , , ,	-	-
Other contingent funding obligations 77 4  TOTAL CASH OUTFLOWS 13,088 2,994  CASH INFLOWS  Secured funding (e.g. reverse repos)	, , , , ,	· ·	
TOTAL CASH OUTFLOWS  13,088  2,994  CASH INFLOWS  Secured funding (e.g. reverse repos) Inflows from fully performing exposures  3,711  3,510	8 8		
CASH INFLOWS  Secured funding (e.g. reverse repos)  Inflows from fully performing exposures  3,711  3,510			
Secured funding (e.g. reverse repos)  Inflows from fully performing exposures  3,711  3,510	TOTAL CASH OUTFLOWS	13,088	2,994
Inflows from fully performing exposures 3,711 3,510	CASH INFLOWS		
, , , , , , , , , , , , , , , , , , , ,	Secured funding (e.g. reverse repos)	-	-
Other cash inflows 594 594	Inflows from fully performing exposures	3,711	3,510
	Other cash inflows	594	594
TOTAL CASH INFLOWS 4,305 4,104	TOTAL CASH INFLOWS	4,305	4,104

**TOTAL UNWEIGHTED VALUE** 

	TOTAL ADJUSTED VALUE MUR M
TOTAL HQLA	4,830
TOTAL NET CASH OUTFLOWS	749
LIQUIDITY COVERAGE RATIO (%)	645%
QUARTERLY AVERAGE OF DAILY HQLA	4,680

<sup>\*:</sup> reporting for the quarter ended 31 December 2017 consists of two observation points only as LCR reporting was effective as from November 2017.

#### **Liquidity Coverage Ratio**

In October 2017, the Bank of Mauritius released the revised Guideline on Liquidity Risk Management with emphasis on the adoption of the Basel Committee on Banking Supervision's (BCBS) principles, including the requirement for banks to disclose their Liquidity Coverage Ratio (LCR).

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 4.7b (Average for period November and December was at MUR 4.8b). For the month ending 31 December 2017, the bank's LCR stood at 582% whereas the average for the period November and December was 645%, 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.

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**TOTAL WEIGHTED VALUE**