

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	2015	2014	2013 Restated
ASSETS	Rs	Rs	Rs
Cash and cash equivalents	4,209,338,745	2,805,820,364	1,180,200,869
Loans to and placements with banks	1,293,205,330	410,357,000	985,271,614
Loans and advances to customers	3,022,540,573	2,611,531,008	2,440,553,848
Investment securities	3,023,798,745	2,549,821,997	2,166,577,625
Property, plant and equipment	222,920,721	140,519,789	119,585,273
Intangible assets	12,081,248	13,669,563	15,185,060
Deferred tax assets	12,104,927	13,891,899	7,879,126
Current tax assets	-	-	3,920,166
Other assets	535,203,124	487,445,589	399,328,701
Total assets	12,331,193,413	9,033,057,209	7,318,502,282
LIABILITIES			
Deposits from customers	11,210,088,967	8,258,162,243	6,593,970,793
Other borrowed funds	-	1,180,207	50,378,328
Current tax liabilities	1,006,333	7,511,567	-
Other liabilities	191,430,021	194,052,836	171,233,815
Preference shares	320,726,882	182,407,187	182,407,187
Total liabilities	11,723,252,203	8,643,314,040	6,997,990,123
Shareholders' Equity			
Stated capital	506,699,200	356,699,200	304,871,110
Retained earnings/(Accumulated losses)	49,836,305	2,360,009	(6,095,409)
Other reserves	51,405,705	30,683,960	21,736,458
Capital and reserves	607,941,210	389,743,169	320,512,159
Total equity and liabilities	12,331,193,413	9,033,057,209	7,318,502,282

These financial statements have been approved and authorised for issue by the Board of Directors on 31 August 2015

Hon. Y.K.J Yeung Sik Yuen, G.O.S.K.
Chairman

Professor Donald Ah-Chuen, G.O.S.K.
Managing Director

Robert Chung Tung
Chairman of Audit Committee



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014	2013 Restated
	Rs	Rs	Rs
Interest income	446,569,983	383,602,068	338,143,578
Interest expense	(270,914,123)	(268,857,872)	(262,576,399)
Net interest income	175,655,860	114,744,196	75,567,179
Fee and commission income	56,878,127	47,542,671	34,063,579
Fee and commission expense	(19,315,322)	(5,796,650)	(1,819,185)
Net fee and commission income	37,562,805	41,746,021	32,244,394
Dividend income	114,715	705,255	592,620
Other trading income	98,505,914	45,902,100	15,131,445
Other income	9,618,825	1,624,157	4,446,239
	108,239,454	48,231,512	20,170,304
Operating income	321,458,119	204,721,729	127,981,877
Personnel expenses	(87,798,992)	(64,694,724)	(52,947,195)
Depreciation and amortisation	(15,450,885)	(11,263,285)	(8,420,701)
Other expenses	(71,534,668)	(48,063,214)	(46,470,984)
Non interest expense	(174,784,545)	(124,021,223)	(107,838,880)
Operating profit before impairment	146,673,574	80,700,506	20,142,997
Allowance for credit impairment on financial assets	(71,569,014)	(62,550,915)	(12,427,111)
Operating profit before tax	75,104,560	18,149,591	7,715,886
Tax expense	(6,884,342)	(3,005,747)	(1,789,680)
Profit for the year	68,220,218	15,143,844	5,926,206
Other comprehensive (loss)/income Items that may be reclassified subsequently to profit or loss:			
Fair value realised on disposal of available-for-sale financial assets	(83,468)	-	(3,936,792)
Gain on remeasuring available-for-sale financial assets	61,291	2,259,076	419,575
Other comprehensive (loss)/income for the year	(22,177)	2,259,076	(3,517,217)
Total comprehensive income	68,198,041	17,402,920	2,408,989
Earnings per share			
Basic	1.60	0.47	0.23

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Stated capital	Retained earnings/ (Accumulated losses)	Statutory reserve	General banking reserve	Investment revaluation reserve	Total
	Rs	Rs	Rs	Rs	Rs	Rs
At 1 July 2012-as previously reported	234,516,240	(5,875,610)	10,960,152	-	3,042,264	242,643,046
Adjustment	-	(900,927)	-	6,006,181	-	5,105,254
At 1 July 2012-restated	234,516,240	(6,776,537)	10,960,152	6,006,181	3,042,264	247,748,300
Profit for the year	-	5,926,206	-	-	-	5,926,206
Other comprehensive loss	-	-	-	-	(3,517,217)	(3,517,217)
Total comprehensive income/(loss) for the year	-	5,926,206	-	-	(3,517,217)	2,408,989
Right Issue	70,354,870	-	-	-	-	70,354,870
Transfer to general banking reserve	-	(4,356,147)	-	4,356,147	-	-
Transfer to statutory reserve	-	(888,931)	888,931	-	-	-
At 30 June 2013 - restated	304,871,110	(6,095,409)	11,849,083	10,362,328	(474,953)	320,512,159
At 1 July 2013	304,871,110	(6,095,409)	11,849,083	10,362,328	(474,953)	320,512,159
Profit for the year	-	15,143,844	-	-	-	15,143,844
Other comprehensive income	-	-	-	-	2,259,076	2,259,076
Total comprehensive income for the year	-	15,143,844	-	-	2,259,076	17,402,920
Rights issue	51,828,090	-	-	-	-	51,828,090
Transfer to statutory reserve	-	(2,271,577)	2,271,577	-	-	-
Transfer to general banking reserve	-	(4,416,849)	-	4,416,849	-	-
At 30 June 2014	356,699,200	2,360,009	14,120,660	14,779,177	1,784,123	389,743,169
At 1 July 2014	356,699,200	2,360,009	14,120,660	14,779,177	1,784,123	389,743,169
Profit for the year	-	68,220,218	-	-	-	68,220,218
Other comprehensive loss	-	-	-	-	(22,177)	(22,177)
Total comprehensive income/(loss) for the year	-	68,220,218	-	-	(22,177)	68,198,041
Issue of shares	150,000,000	-	-	-	-	150,000,000
Transfer to general banking reserve	-	(10,510,889)	-	10,510,889	-	-
Transfer to statutory reserve	-	(10,233,033)	10,233,033	-	-	-
At 30 June 2015	506,699,200	49,836,305	24,353,693	25,290,066	1,761,946	607,941,210



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014	2013 Restated
	Rs	Rs	Rs
Cash flows from operating activities			
Profit before taxation	75,104,560	18,149,591	7,715,886
<i>Adjustments for:</i>			
Depreciation	12,717,336	8,683,428	5,964,852
Amortisation	2,733,549	2,579,857	2,455,849
Provision for credit impairment	71,569,014	62,550,915	12,427,111
Employee benefit liability	(101,845)	136,533	520,785
Net interest income	(175,655,860)	(114,744,196)	(75,567,179)
Exchange difference	(15,257,206)	-	-
Loss/(profit) on disposal of property, plant and equipment	1,674,236	(170,023)	(121,739)
Profit on disposal of investment securities	(9,581,619)	-	(4,034,621)
Loss on winding up of subsidiary	-	-	2,663,022
	(36,797,835)	(22,813,895)	(47,976,034)
<i>Changes in operating assets and liabilities</i>			
Increase in loans and advances to customers	(490,004,698)	(231,107,509)	(79,606,497)
Increase in other assets	(22,164,663)	(80,380,624)	(42,544,323)
(Increase)/decrease in loans to and placements with banks	(882,848,330)	574,914,614	(864,678,864)
Increase in deposits from customers	2,951,926,724	1,664,191,450	2,656,575,704
Increase/(decrease) in other liabilities	1,425,825	42,058,678	(23,729,999)
	1,521,537,023	1,946,862,714	1,598,039,987
Interest received	428,403,231	373,445,236	315,605,634
Interest paid	(260,281,832)	(274,448,669)	(219,375,613)
Income tax(paid)/ refund	(12,256,602)	2,413,213	-
Net cash generated from operating activities	1,677,401,820	2,048,272,494	1,694,270,008
Cash flows from investing activities			
Purchase of investment securities	(889,749,687)	(798,516,854)	(1,126,104,060)
Proceeds from sale and redemption of investment securities	440,589,586	417,531,560	219,801,237
Purchase of property, plant and equipment	(98,647,582)	(31,234,895)	(95,238,776)
Purchase of intangible assets	(1,145,234)	(1,064,360)	(2,310,873)
Proceeds from sale of property, plant and equipment	1,855,078	1,786,974	121,739
Net cash inflow on winding up of subsidiary	-	-	336,978
Net cash used in investing activities	(547,097,839)	(411,497,575)	(1,003,393,755)
Cash flows from financing activities			
Proceeds of debt securities issued and other borrowed funds	-	-	50,000,000
Repayment of debt securities issued and other borrowed funds	(114,062)	(50,264,266)	(251,404)
Proceeds from issue of preference shares	138,180,000	-	-
Proceeds from issue of shares	150,000,000	51,828,090	70,354,870
Interest paid on preference shares	(13,785,393)	(13,785,393)	(13,785,393)
Net cash generated from/(used in) financing activities	274,280,545	(12,221,569)	106,318,073
Net increase in cash and cash equivalents	1,404,584,526	1,624,553,350	797,194,326
Net cash and cash equivalents at beginning of year	2,804,754,219	1,180,200,869	383,006,543
Net cash and cash equivalents at end of year	4,209,338,745	2,804,754,219	1,180,200,869



Independent Auditor's Report to the shareholders of ABC Banking Corporation Ltd

This report is made solely to the shareholders of ABC Banking Corporation Ltd (the "Bank"), as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Bank's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of ABC Banking Corporation Ltd ("the Bank") which comprise the statement of financial position as at 30 June 2015 and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, the Banking Act 2004 and the Financial Reporting Act 2004. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 30 June 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

We have no relationship with, or interests in, the Bank other than in our capacities as auditors and arm's length dealings in the ordinary course of business.

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

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

Banking Act 2004

In our opinion, the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the provisions of 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.

The 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 as disclosed in the annual report and on whether the disclosures 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.

Deloitte
Chartered Accountants
31 August 2015

Jacques de C. Du Mée, ACA
Licensed by FRC



COMMENTS FOR THE YEAR ENDED 30 JUNE 2015

For the second consecutive year, ABC Banking Corporation Ltd saw its net interest income increased by more than 50% to reach MUR 176 million. Similarly, gross operating income rose sharply from MUR 205 million to MUR 321 million, representing a 57% year on year increase. During the year, the bank's share capital was increased by MUR 150 million through a rights issue, while an additional amount of MUR 138 million was raised through a private placement of Preference Shares. The capital injection has thus allowed the bank to continue on its path of sustained growth and to actually achieve beyond its set goals, thereby bringing further encouragement and determination to all its stakeholders for the coming year's operations. As at the end of June 2015, the total deposit portfolio reached an impressive MUR 11.2 billion for a relatively young bank, up from the MUR 8.3 billion achieved in the preceding year. The bank's total assets rose by 37% to reach MUR 12.3 billion while the loans and advances to customers portfolio reached MUR 3.1 billion. Building confidently on the sustained performance of prior years, the bank has successfully concluded this financial year with a net profit after tax of MUR 68.2 million.

