

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			
Cash and cash equivalents	4,405,799,747	4,055,911,167	4,317,358,970
Due from banks	1,069,756,448	1,528,735,462	1,183,314,188
Derivative financial instruments	4,182,175	1,945,812	4,407,594
Loans and advances to customers	5,126,860,415	4,876,948,089	5,095,744,575
Investment securities	5,971,987,648	4,841,602,924	4,716,445,587
Other assets	36,037,431	46,670,926	31,223,839
Property and equipment	368,143,934	219,855,326	372,510,402
Intangible 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	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			
Guarantees on account of customers	10,238,162	10,179,942	10,780,105
Letter of credit and other obligations on account of customers	1,192,724	931,728	-
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	161,769,462	163,116,425	324,978,712	322,151,549	645,237,899
Interest expense	(69,851,439)	(77,249,050)	(144,449,956)	(156,130,205)	(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	26,182,239	30,848,447	50,643,181	59,667,001	112,992,592
Fee and commission expense	(5,784,369)	(6,414,370)	(11,862,388)	(12,132,047)	(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	27,155,199	15,825,443	40,779,895	26,706,599	63,830,549
Other operating income	2,027,799	899,979	5,992,241	1,189,973	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 impairment	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 pension net of deferred tax	-	-	-	-	(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)
Other comprehensive (loss)/income for the period	(1,298,271)	(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
At 01 July 2016	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
Net profit for the period	-	105,755,384	-	-	-	105,755,384
Other comprehensive loss for the period	-	-	-	-	(302,544)	(302,544)
Equity dividends	-	(41,186,811)	-	-	-	(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	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
Net profit for the year	-	208,507,965	-	-	-	208,507,965
Other comprehensive loss for the year	-	(483,394)	-	-	(82,358)	(565,752)
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
Net profit for the period	-	115,037,470	-	-	-	115,037,470
Other comprehensive income for the period	-	-	-	-	471,343	471,343
Equity dividends	-	(48,813,998)	-	-	-	(48,813,998)
At 31 December 2017	940,495,472	388,246,014	76,556,747	-	1,676,633	1,406,974,866

* Details of the restatement are available on Note 41 in our Annual report.

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2017

	Unaudited Six months ended 31 Dec 17 MUR	Unaudited Six months ended 31 Dec 16 MUR	Audited 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	104,422,279	(501,262,764)	3,154,837,922
Net foreign exchange difference	(15,981,502)	(65,848,415)	57,227,431
Net cash and cash equivalents at beginning of period	4,317,358,970	4,623,022,346	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

	TOTAL UNWEIGHTED VALUE (quarterly average of monthly observations*) MUR M	TOTAL WEIGHTED VALUE (quarterly average of monthly observations*) MUR M
HIGH-QUALITY LIQUID ASSETS		
Total high-quality liquid assets (HQLA)	4,830	4,830
CASH OUTFLOWS		
Retail deposits and deposits from small business customers, of which:		
<i>Stable deposits</i>	-	-
<i>Less stable deposits</i>	4,543	454
<i>Unsecured wholesale funding, of which:</i>	147	15
<i>Operational deposits (all counterparties)</i>	5,783	1,446
<i>Non-operational deposits (all counterparties)</i>	367	151
<i>Unsecured debt</i>	-	-
Secured wholesale funding	-	-
Additional requirements, of which:	-	-
<i>Outflows related to derivative exposures and other collateral requirements</i>	597	597
<i>Outflows related to loss of funding on debt products</i>	-	-
<i>Credit and liquidity facilities</i>	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
Other cash inflows	594	594
TOTAL CASH INFLOWS	4,305	4,104
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

*: 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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