ABC BANKING CORPORATION
count on us

Abridged Unaudited Interim Condensed Financial Information for the six months ended 31 December 2024

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MANAGEMENT DISCUSSION AND ANALYSIS

ABC Banking Corporation Ltd (the "Bank") is pleased to present the abridged unaudited interim condensed financial information of the Bank for the six months ended 31 December 2024.

Review of the Economy

According to the World Economic Outlook update from the International Monetary Fund ("IMF"), issued in January 2025, global growth is forecast at 3.3% for 2025, falling below the 2000-19 average of 3.7%. Global inflation is expected to ease to 4.2% in 2025, with advanced economies achieving targets faster than emerging market and developing economies, reflecting differing economic dynamics and policy environments.

As per the latest data of December 2024, published by Statistics Mauritius, year-on-year inflation decreased to 2.9% in December 2024 compared to 3.9% for the corresponding period of 2023. This deceleration was driven primarily by notable reductions in transport and miscellaneous services, indicating a broader stabilization of prices across the economy.

Review of Financial Performance

For the six months ended 31 December 2024, the Bank reported an Operating income of MUR 444.4m compared to MUR 405.5m for the same period last year, an increase of 9.6%, on account of growth in the loan portfolio leading to an increase of 8.4% in net interest income. Profit after tax was at MUR 108.7m for the six months ended 31 December 2024, down by 25.5% compared to last year's figures of MUR 145.9m. This year's six months result has been affected by additional operating expenditure which were of an exceptional nature, including some related to statutory requirements. The main highlights of the financial performance are as follows:

1. The Bank registered a Net interest income of MUR 352.4 million for the six months ended 31 December 2024 compared to MUR 325.3 million for the same period last year.
2. Non-interest income increased by 14.7% for the six months ended 31 December 2024 compared to the same period last year to end up at MUR 92.0 million.
3. Non-interest expenses amounted to MUR 287.9 million for the six months ended 31 December 2024 with personnel expenses representing 55.7% (prior year: 53.9%).
4. The Bank's Loans and Advances portfolio balance increased to MUR 15.9 billion as at 31 December 2024 representing an increase of 25.8% compared to last year for the same period.
5. Deposits from Customers increased to MUR 24.5 billion as at 31 December 2024 compared to MUR 20.7 billion for the same period last year, representing a growth of 18.2%.
6. The Bank's Capital Adequacy Ratio stood at 17.5% compared to 14.9% for the same period last year. With the current capital base, the Bank has sufficient resources to meet both its regulatory requirements of 12.5% and further expand its asset base.
7. The Liquidity Coverage Ratio stood at 364% as at 31 December 2024.

The Bank's financial performance throughout the quarter demonstrates our firm commitment to meeting the Bank's set objectives in a timely and effective manner, with the support of its employees and clients.

Lakshmana Lutchmenarraidoo	**David Brian Ah-Chuen**	**Laura Yee Min Wong Sun Thiong**
Chairman of the Board	Managing Director	Chairperson Audit Committee

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Unaudited December 2024 MUR	*Restated Unaudited December 2023 MUR	Audited June 2024 MUR
ASSETS			
Cash and cash equivalents	**6,348,510,622**	4,790,681,359	4,596,690,444
Derivative financial assets	**57,830,288**	7,616,499	9,989,650
Loans and advances to customers	**15,994,085,738**	*12,709,979,850	14,270,513,029
Investment securities	**6,199,068,840**	5,764,377,182	6,653,592,914
Other assets	**272,065,159**	*214,710,757	252,583,289
Property, equipment and right-of-use assets	**524,882,020**	542,830,725	534,051,564
Intangible assets	**63,499,205**	74,706,652	68,968,713
Deferred tax assets	**9,339,161**	3,887,371	6,328,716
Total assets	**29,469,281,033**	24,108,790,395	26,392,718,319
LIABILITIES			
Due to banks	**547,763,693**	-	-
Deposits from customers	**24,475,933,644**	20,703,001,438	22,352,726,759
Derivative financial liabilities	**13,286,434**	24,008,065	4,981,376
Subordinated debts	**1,211,032,178**	505,487,328	1,210,599,154
Current tax liabilities	**22,465,406**	19,926,481	29,563,378
Other liabilities	**601,982,465**	394,894,298	318,678,382
Total liabilities	**26,872,463,820**	21,647,317,610	23,916,549,049
Shareholders' Equity			
Issued capital	**940,495,472**	940,495,472	940,495,472
Retained earnings	**1,174,801,713**	1,267,294,483	1,263,720,032
Other reserves	**481,520,028**	253,682,830	271,953,766
Capital and reserves	**2,596,817,213**	2,461,472,785	2,476,169,270
Total liabilities and equity	**29,469,281,033**	24,108,790,395	26,392,718,319
Contingent liabilities			
Guarantees on account of customers	**23,603,514**	23,095,217	39,744,640
Letter of credit and other obligations on account of customers	**-**	543,499	673,270,000
Commitments	**3,633,952,167**	3,960,602,786	2,113,916,804

**The prior year comparatives have been restated. Refer to the Audited Financial Statement on the website for more details*

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2024

	Unaudited Quarter ended December 2024 MUR	*Restated Unaudited Quarter ended December 2023 MUR	**Unaudited Six months ended December 2024 MUR**	*Restated Unaudited Six months ended December 2023 MUR	Audited Year ended June 2024 MUR
Interest income	**353,263,861**	*311,667,358	**703,502,193**	*609,360,476	1,281,335,946
Interest expense	**(174,590,903)**	(148,797,778)	**(351,056,015)**	(284,084,276)	(604,113,506)
Net interest income	**178,672,958**	162,869,580	**352,446,178**	325,276,200	677,222,440
Fee and commission income	**31,282,606**	*29,288,726	**63,488,651**	*58,128,106	119,485,955
Fee and commission expense	**(17,098,597)**	(13,167,761)	**(33,208,791)**	(25,171,549)	(53,739,902)
Net fee and commission income	**14,184,009**	16,120,965	**30,279,860**	32,956,557	65,746,053
Total other income	**30,233,208**	26,557,248	**61,721,280**	47,225,616	106,620,893
Operating income	**223,090,175**	205,547,793	**444,447,318**	405,458,373	849,589,386
Non-interest expenses	**(155,481,796)**	(127,846,348)	**(287,859,693)**	(249,315,270)	(510,828,571)
Operating profit before impairment	**67,608,379**	77,701,445	**156,587,625**	156,143,103	338,760,815
(Allowance for)/Reversal of credit impairment on financial assets	**(8,980,546)**	(5,074,798)	**(20,611,875)**	10,524,385	(40,619,484)
Operating profit before tax	**58,627,833**	72,626,647	**135,975,750**	166,667,488	298,141,331
Income tax expense	**(16,966,815)**	(9,375,238)	**(27,237,890)**	(20,777,339)	(40,468,556)
Profit for the period / year	**41,661,018**	63,251,409	**108,737,860**	145,890,149	257,672,775
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss, net of tax:					
Net (loss)/gain on investments in equity instruments designated at fair value through other comprehensive income	**(12,516,950)**	(347,453)	**1,199,125**	1,070,840	(19,593,708)
Remeasurement of retirement benefit obligation	**-**	-	**346,222**	-	(8,061,476)
Total of items that will not be reclassified subsequently to profit or loss, net of tax	**(12,516,950)**	(347,453)	**1,545,347**	1,070,840	(27,655,184)
Items that may be reclassified subsequently to profit or loss, net of tax:					
Reversal of/(Provision for) Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	**92,536**	(235,961)	**252,006**	(367,914)	(479,692)
Net (loss)/gain on investments in debt instruments designated at fair value through other comprehensive income	**(8,234,933)**	11,155,124	**10,112,730**	17,292,402	17,688,748
Total of items that may be reclassified subsequently to profit or loss, net of tax	**(8,142,397)**	10,919,163	**10,364,736**	16,924,488	17,209,056
Other comprehensive (loss)/ income for the period/ year	**(20,659,347)**	10,571,710	**11,910,083**	17,995,328	(10,446,128)
Total comprehensive income for the period/ year	**21,001,671**	73,823,119	**120,647,943**	163,885,477	247,226,647
Weighted average number of ordinary shares	**76,271,872**	76,271,872	**76,271,872**	76,271,872	76,271,872
Basic and diluted - earnings per share	**0.55**	0.83	**1.43**	1.91	3.38

**The prior year comparatives have been restated. Refer to the Audited Financial Statement on the website for more details*

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2024

	Issued Capital MUR	Retained Earnings MUR	Statutory Reserve MUR	Other Reserves MUR	Total MUR
At 01 July 2023	940,495,472	1,121,404,334	257,458,661	(21,771,159)	2,297,587,308
Profit for the period	-	145,890,149	-	-	145,890,149
Other comprehensive income	-	-	-	17,995,328	17,995,328
Total comprehensive income for the period	-	145,890,149	-	17,995,328	163,885,477
Equity dividends	-	-	-	-	-
At 31 December 2023	940,495,472	1,267,294,483	257,458,661	(3,775,831)	2,461,472,785
At 01 July 2023	940,495,472	1,121,404,334	257,458,661	(21,771,159)	2,297,587,308
Profit for the period	-	257,672,775	-	-	257,672,775
Other comprehensive loss	-	(8,061,476)	-	(2,384,652)	(10,446,128)
Total comprehensive income for the year	-	249,611,299	-	(2,384,652)	247,226,647
Transfer to statutory reserve	-	(38,650,916)	38,650,916	-	-
Equity dividends	-	(68,644,685)	-	-	(68,644,685)
At 30 June 24	940,495,472	1,263,720,032	296,109,577	(24,155,811)	2,476,169,270
At 01 July 2024	**940,495,472**	**1,263,720,032**	**296,109,577**	**(24,155,811)**	**2,476,169,270**
Profit for the period	**-**	**108,737,860**	**-**	**-**	**108,737,860**
Other comprehensive income	**-**	**346,222**	**-**	**11,563,861**	**11,910,083**
Total comprehensive income for the period	**-**	**109,084,082**	**-**	**11,563,861**	**120,647,943**
Transfer to other reserve	-	**(198,002,401)**	**-**	**198,002,401**	**-**
Equity dividends	-	**-**	-	**-**	**-**
At 31 December 2024	**940,495,472**	**1,174,801,713**	**296,109,577**	**185,410,451**	**2,596,817,213**

INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2024

	Unaudited Six months ended December 2024 MUR	Unaudited Six months ended December 2023 MUR	Audited Year ended Jun 2024 MUR
Net cash generated from/(used in) operating activities	**753,212,748**	(870,163,196)	(1,050,291,345)
Net cash generated from/(used in) investing activities	**450,980,387**	202,171,386	(768,382,322)
Net cash generated from financing activities	**548,218,371**	465,914	635,979,180
Net increase/(decrease) in cash and cash equivalents	**1,752,411,506**	(667,525,896)	(1,182,694,487)
Net foreign exchange difference	**(591,328)**	(111,977,532)	209,200,144
Net cash and cash equivalents at beginning of period / year	**4,596,690,444**	5,570,184,787	5,570,184,787
Net cash and cash equivalents at end of period / year	**6,348,510,622**	4,790,681,359	4,596,690,444