ABC BANKING CORPORATION
count on us

Abridged Unaudited Interim Financial Statements for the Quarter Ended 30 September 2024

CONTENTS

MANAGEMENT DISCUSSION AND ANALYSIS

ABC Banking Corporation Ltd (the "bank") is pleased to present the abridged unaudited interim financial statements of the bank for the quarter ended 30 September 2024.

Review of the Economy

The IMF in its World Economic Outlook report issued in July 2024 is projecting global growth at 3.2% for 2024. Global headline inflation is expected to fall from an annual average of 6.7% in 2023 to 5.9% in 2024. With the above positive turns, major central banks, such as the US Fed and the European Central Bank have started making interest cuts. However, services prices inflation is slowing the progress of disinflation, thus impacting the monetary policy normalization across the globe.

On the local front, as per the September 2024 National Accounts estimates from Statistics Mauritius, headline inflation for the twelve months ended September 2024 worked out to 3.8% compared to 11.0% for the same period last year. GDP is forecasted to grow by 6.5% in 2024 compared to 7.0% in 2023. The continued upward trend in the Mauritian economy for 2024, supported by robust performance of main economic sectors, public sector investment projects is expected to improve the current account deficit from 4.5% of GDP in 2023 to 4.3% of GDP in 2024.

Review of Financial Performance

For the quarter ended 30 September 2024, the bank reported an Operating profit of MUR 88.9m compared to MUR 78.4m for the same period last year, an increase of 13.4%, on account of growth in the loan portfolio leading to an increase of 7.0% in net interest income. Profit after tax was at MUR 67.1m for the quarter ended 30 September 2024, down by 18.8% compared to last year's figures of MUR 82.6m. The decrease is attributable to the reversal of MUR 15.6m for Expected Credit Loss (ECL) provisions for the quarter ended 30 Sep 2023. The main highlights of the financial performance are as follows:

1. The bank registered a Net interest income of MUR 173.8 million for quarter ended 30 September 2024 compared to MUR 162.4 million for the same period last year.
2. Non-interest income increased by 26.9% for the quarter ended 30 September 2024 compared to the same period last year to end up at MUR 47.6 million
3. Non-interest expenses amounted to MUR 132.4 million for the quarter ended 30 September 2024 with personnel expenses representing 57.4%.
4. The bank's Loans and other Advances portfolio balance increased to MUR 15.1 billion as at 30 September 2024 representing an increase of 20.7% compared to last year for the same period.
5. Deposits from Customers increased to MUR 22.7 billion as at 30 September 2024 compared to MUR 20.7 billion for the same period last year, representing a growth of 9.5%.
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 392% as at 30 September 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.

Approved by the Board of Directors on 12 November 2024

Ah Foon Chui Yew Cheong	**David Brian Ah-Chuen**	**Laura Yee Min Wong Sun Thiong**
Chairperson	Managing Director	Independent Director

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	Unaudited September 2024 MUR	*Restated Unaudited September 2023 MUR	Audited June 2024 MUR
ASSETS			
Cash and cash equivalents	**4,616,343,604**	4,852,772,220	4,596,690,444
Due from banks	**-**	156,484,890	-
Derivative financial assets	**6,948,903**	62,932,912	9,989,650
Loans and advances to customers	**15,117,498,019**	*12,522,760,982	14,270,513,029
Investment securities	**6,495,059,278**	5,739,490,732	6,653,592,914
Other assets	**279,303,984**	*209,970,668	252,583,289
Property, equipment and right-of-use assets	**529,381,866**	549,595,763	534,051,564
Intangible assets	**66,002,566**	78,676,089	68,968,713
Deferred tax assets	**8,375,996**	3,145,827	6,328,716
Total assets	**27,118,914,216**	24,175,830,083	26,392,718,319
LIABILITIES			
Deposits from customers	**22,650,138,571**	20,677,031,358	22,352,726,759
Derivative financial liabilities	**26,688,422**	23,743,077	4,981,376
Subordinated debts	**1,207,819,121**	512,657,534	1,210,599,154
Current tax liabilities	**41,535,511**	50,275,553	29,563,378
Other liabilities	**616,917,051**	524,472,896	318,678,382
Total liabilities	**24,543,098,676**	21,788,180,418	23,916,549,049
Shareholders' Equity			
Issued capital	**940,495,472**	940,495,472	940,495,472
Retained earnings	**1,331,143,091**	1,204,043,073	1,263,720,032
Other reserves	**304,176,977**	243,111,120	271,953,766
Capital and reserves	**2,575,815,540**	2,387,649,665	2,476,169,270
Total liabilities and equity	**27,118,914,216**	24,175,830,083	26,392,718,319
Contingent liabilities			
Guarantees on account of customers	**23,828,384**	23,395,131	39,744,640
Letter of credit and other obligations on account of customers	**-**	-	673,270,000
Commitments	**3,033,312,903**	2,982,572,202	2,113,916,804

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

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Unaudited Quarter ended September 2024 MUR	*Restated Unaudited Quarter ended September 2023 MUR	Audited Year ended June 2024 MUR
Interest income	**350,238,332**	*297,693,118	1,281,335,946
Interest expense	**(176,465,112)**	(135,286,498)	(604,113,506)
Net interest income	**173,773,220**	162,406,620	677,222,440
Fee and commission income	**32,206,045**	*28,839,380	119,485,955
Fee and commission expense	**(16,110,194)**	(12,003,788)	(53,739,902)
Net fee and commission income	**16,095,851**	16,835,592	65,746,053
Total other income	**31,488,072**	20,668,368	106,620,893
Operating income	**221,357,143**	199,910,580	849,589,386
Non-interest expenses	**(132,377,897)**	(121,468,922)	(510,828,571)
Operating profit before impairment	**88,979,246**	78,441,658	338,760,815
(Allowance for)/Reversal of credit impairment on financial assets	**(11,631,329)**	15,599,183	(40,619,484)
Operating profit before tax	**77,347,917**	94,040,841	298,141,331
Income tax expense	**(10,271,075)**	(11,402,101)	(40,468,556)
Profit for the period	**67,076,842**	82,638,740	257,672,775
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss, net of tax:			
Net gain/(loss) on investments in equity instruments designated at fair value through other comprehensive income	**13,716,075**	1,418,293	(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	**14,062,297**	1,418,293	(27,655,184)
Items that may be reclassified subsequently to profit or loss, net of tax:			
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	**159,471**	(131,953)	(479,692)
Net gain/(loss) on investments in debt instruments designated at fair value through other comprehensive income	**18,347,663**	6,137,278	17,688,748
Total of items that may be reclassified subsequently to profit or loss, net of tax	**18,507,134**	6,005,325	17,209,056
Other comprehensive income/(loss) for the period	**32,569,431**	7,423,618	(10,446,128)
Total comprehensive income for the period	**99,646,272**	90,062,358	247,226,647
Weighted average number of ordinary shares	76,271,872	76,271,872	76,271,872
Basic and diluted - earnings per share	**0.88**	**1.08**	**3.38**

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

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Issued Capital MUR	Retained Earnings MUR	Statutory Reserve MUR	Fair value Reserve 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	-	82,638,740	-	-	82,638,740
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	(131,953)	(131,953)
Other comprehensive loss	-	-	-	7,555,571	7,555,571
Total comprehensive income for the period	-	82,638,740	-	7,423,618	90,062,358
Equity dividends	-	-	-	-	-
At 30 September 2023	940,495,472	1,204,043,074	257,458,661	(14,347,541)	2,387,649,666
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
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	-	-
Other comprehensive loss	-	(8,061,476)	-	(2,384,652)	(10,446,128)
Total comprehensive income for the period	-	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 2024	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	**-**	**67,076,842**	**-**	**-**	**67,076,842**
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	**-**	**-**	**-**	**159,471**	**159,471**
Other comprehensive income	**-**	**346,217**	**-**	**32,063,741**	**32,409,958**
Total comprehensive income for the period	-	**67,423,059**	**-**	**32,223,212**	**99,646,270**
Equity dividends	-	**-**	-	**-**	**-**
At 30 September 2024	**940,495,472**	**1,331,143,091**	**296,109,577**	**8,067,401**	**2,575,815,540**

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Unaudited Quarter ended September 2024 MUR	Unaudited Quarter ended September 2023 MUR	Audited Year ended Jun 2024 MUR
Net cash (used in)/generated from operating activities	**(166,718,973)**	(780,543,608)	(1,050,291,345)
Net cash generated/(used in) from investing activities	**185,967,923**	218,164,026	(768,382,322)
Net cash generated/(used in) from financing activities	**298,768**	266,556	635,979,180
Net increase/(decrease) in cash and cash equivalents	**19,547,717**	(562,113,025)	(1,182,694,487)
Net foreign exchange difference	**105,443**	(155,299,542)	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	**4,616,343,604**	4,852,772,220	4,596,690,444