

ABC Banking

# UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED 30 SEPTEMBER 2026

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# MANAGEMENT DISCUSSION AND ANALYSIS

ABC Banking Corporation Ltd (the "bank") is pleased to present the condensed interim financial information of the Bank for the quarter ended 30 September 2026.

**Review of the Economy**

The global economy remained resilient, supported by technology and AI-related investment. According to the latest IMF World Economic Outlook, global growth is projected at 3.1% in 2026 and 3.4% in 2027, while global inflation is expected to ease from 4.7% in 2026 to 4.1% in 2027, despite continued geopolitical and trade-related uncertainties.

The Mauritian economy remained resilient, supported by activity in key sectors, including tourism and financial services. According to the latest estimates from Statistics Mauritius, GDP is projected to grow by 3.0% in 2026, following growth of 3.5% in 2025. Annual average inflation stood at 4.1% in September 2026, while the Bank of Mauritius maintained the Key Rate at 4.75%, reflecting a cautious monetary policy stance amid ongoing external doubts.

**Review of Financial Performance**

For the three months ended 30 September 2026, the Bank reported an Operating income of MUR 325.3 million compared to MUR 280.3 million for the same period last year, a 16.1% increase largely attributable to a 23.9% growth in net interest income and a 59.0% increase in net fee income. Profit before tax was MUR 143.1 million for the three months ended 30 September 2026, up by 28.2% compared to last year (MUR 111.6 million). The main highlights of the financial performance are as follows:

1. The Bank registered a net interest income of MUR 254.1 million for the three months ended 30 September 2026 compared to MUR 205.1 million for the same period last year.
2. Non-interest income decreased by 5.3% for the three months ended 30 September 2026 compared to the same period last year, reaching MUR 71.2 million due to lower income from forex trading.
3. Non-interest expenses amounted to MUR 177.8 million for the three months ended 30 September 2026 with personnel expenses representing 55.9% (prior year: 54.5%).
4. The Bank's Loans and Advances portfolio increased to MUR 19.3 billion as at 30 September 2026 representing an increase of 12.1% compared to same period, last year.
5. Deposits from Customers increased to MUR 36.3 billion as at 30 September 2026 compared to MUR 27.9 billion for the same period last year, representing a growth of 30.0%.
6. The Bank's Capital Adequacy Ratio stood at 15.8% as at 30 September 2026 (16.1% as at 30 June 2026). 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 416% as at 30 September 2026 compared to 385% for the same period last year.

The Bank's financial performance throughout the period 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.

*Statement of Corporate Governance in Management Discussion Analysis*

The Bank continues to adhere to the principles and practices outlined in the Code of Corporate Governance of Mauritius. There have been no material changes to the Bank's governance framework, policies or procedures during the reporting period. For the period under review, the Board comprised 9 members during the quarter ended 30 September 2026. There has been no change in the board and committee composition this quarter. The Board remains fully committed to maintaining robust governance practices, ensuring full compliance with applicable regulations and safeguarding the interests of all stakeholders.

Chairman of the Board
Lakshmana Lutchmenarraidoo

Managing Director
Brian Ah-Chuen

Chairperson Audit Committee
Laura Wong Sun Thiong

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2026

| | **Unaudited September 2026 MUR 000** | Unaudited September 2025* MUR 000 | Audited June 2026 MUR 000 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | **8,306,336** | 7,910,515 | 10,737,863 |
| Due from banks | **668,776** | - | 474,460 |
| Derivative financial assets | **33,243** | 13,005 | 15,098 |
| Loans and advances to customers | **19,264,437** | 17,179,239 | 19,078,188 |
| Investment securities | **11,149,149** | 6,240,968 | 10,407,154 |
| Other assets | **139,972** | 159,108 | 141,187 |
| Property, equipment and right-of-use assets | **84,486** | 59,391 | 91,300 |
| Intangible assets | **34,830** | 29,678 | 32,088 |
| Deferred tax assets | **1,169,324** | 1,040,113 | 1,092,138 |
| **Total assets** | **40,850,553** | 32,632,017 | 42,069,476 |
| **LIABILITIES** | | | |
| Due to banks | **351,644** | 333,282 | 816,089 |
| Deposits from customers | **36,257,544** | 27,897,543 | 36,605,485 |
| Derivative financial liabilities | **13,224** | 15,784 | 15,693 |
| Subordinated debts | **697,451** | 696,343 | 707,296 |
| Current tax liabilities | **113,732** | 88,627 | 76,109 |
| Other liabilities | **362,943** | 708,130 | 868,123 |
| **Total liabilities** | **37,796,538** | 29,739,707 | 39,088,795 |
| **Shareholders' Equity** | | | |
| Issued capital | **940,495** | 940,495 | 940,495 |
| Retained earnings | **1,504,617** | 1,410,287 | 1,401,347 |
| Other reserves | **608,903** | 541,525 | 638,839 |
| **Capital and reserves** | **3,054,015** | 2,892,308 | 2,980,681 |
| **Total liabilities and equity** | **40,850,553** | 32,632,017 | 42,069,476 |
| **Contingent liabilities** | | | |
| Guarantees on account of customers | 291,294 | 120,858 | 370,962 |
| Letter of credit and other obligations on account of customers | 254,752 | - | 131,302 |
| Commitments | 2,955,279 | 1,803,077 | 2,425,501 |

**Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers.*

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2026

| | **Unaudited Quarter ended September 2026 MUR 000** | Unaudited Quarter ended September 2025 MUR 000 | Audited Year ended June 2026 MUR 000 |
|---|---|---|---|
| Interest income | **472,768** | 404,077 | 1,664,749 |
| Interest expense | **(218,667)** | (198,945) | (800,695) |
| ***Net interest income*** | **254,101** | 205,132 | 864,054 |
| Fee and commission income | **44,435** | 33,114 | 142,972 |
| Fee and commission expense | **(15,930)** | (15,182) | (60,510) |
| ***Net fee and commission income*** | **28,505** | 17,932 | 82,462 |
| Total other income | **42,726** | 57,248 | 201,150 |
| Operating income | **325,332** | 280,313 | 1,147,666 |
| Personnel expenses | **(99,323)** | (86,150) | (375,737) |
| Depreciation and amortisation | **(17,513)** | (15,932) | (71,058) |
| Other operating expenses | **(61,001)** | (55,865) | (268,271) |
| **Non-interest expenses** | **(177,837)** | (157,947) | (715,066) |
| **Operating profit before impairment** | **147,495** | 122,366 | 432,600 |
| Allowance for credit impairment on financial assets | **(4,405)** | (10,776) | (30,010) |
| **Operating profit before tax** | **143,090** | 111,589 | 402,590 |
| Income tax expense | **(36,135)** | (26,294) | (105,632) |
| **Profit for the period/ year** | **106,955** | 85,295 | 296,958 |
| **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 | **12,724** | 7,453 | (10,688) |
| Deferred tax credit on retirement benefit obligation | **-** | 654 | - |
| Remeasurement of retirement benefit obligation | **-** | - | (123) |
| **Total of items that will not be reclassified subsequently to profit or loss, net of tax** | **12,724** | 8,106 | (10,811) |
| **Items that may be reclassified subsequently to profit or loss, net of tax:** | | | |
| Reversal of/(allowance for) expected credit loss relating to debt instruments measured at fair value through other comprehensive income | **251** | (24) | 1,909 |
| Net (loss)/gain on investments in debt instruments measured at fair value through other comprehensive income | **(46,596)** | 5,149 | (13,444) |
| **Total of items that may be reclassified subsequently to profit or loss, net of tax** | **(46,345)** | 5,125 | (11,535) |
| **Other comprehensive(loss) /income for the period/year** | **(33,621)** | 13,231 | (22,346) |
| **Total comprehensive income for the period/year** | **73,333** | 98,527 | 274,612 |
| Weighted average number of ordinary shares | **76,272** | 76,272 | 76,272 |
| **Basic and diluted - earnings per share** | **1.40** | 1.12 | 3.89 |

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2026

| | Issued Capital MUR 000 | Retained Earnings MUR 000 | Statutory Reserve MUR 000 | Other Reserves MUR 000 | Total MUR 000 |
|---|---|---|---|---|---|
| **At 01 July 2025** | 940,495 | 1,301,262 | 353,204 | 198,820 | 2,793,781 |
| Profit for the period | - | 85,295 | - | - | 85,295 |
| Other comprehensive income | - | 654 | - | 12,577 | 13,231 |
| Total comprehensive income for the period | - | 85,949 | - | 12,577 | 98,527 |
| Transfer to Other reserves | - | 23,076 | - | (23,076) | - |
| **At 30 September 2025** | 940,495 | 1,410,287 | 353,204 | 188,321 | 2,892,308 |
| | | | | | |
| **At 01 July 2025** | 940,495 | 1,301,262 | 353,204 | 198,820 | 2,793,781 |
| Profit for the year | - | 296,958 | - | - | 296,958 |
| Other comprehensive income | - | (123) | - | (22,223) | (22,346) |
| Total comprehensive income for the year | - | 296,835 | - | (22,223) | 274,612 |
| Transfer to statutory reserve | - | (44,544) | 44,544 | - | - |
| Transfer to other reserve | - | (64,494) | - | 64,494 | - |
| Equity dividends | - | (87,712) | - | - | (87,713) |
| **At 30 June 2026** | 940,495 | 1,401,347 | 397,748 | 241,090 | 2,980,681 |
| | | | | | |
| **At 01 July 2026** | **940,495** | **1,401,347** | **397,748** | **241,090** | **2,980,681** |
| Profit for the period | **-** | **106,955** | **-** | **-** | **106,955** |
| Other comprehensive income | **-** | **-** | **-** | **(33,621)** | **(33,621)** |
| Total comprehensive income for the period | **-** | **106,955** | **-** | **(33,621)** | **73,334** |
| Transfer to other reserve | **-** | **(3,686)** | **-** | **3,686** | **-** |
| **At 30 September 2026** | **940,495** | **1,504,616** | **397,748** | **211,155** | **3,054,015** |

# CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2026

| | Unaudited Quarter ended September 2026 MUR 000 | Unaudited Quarter ended September 2025* MUR 000 | Audited Year ended Jun 2026 MUR 000 |
|---|---|---|---|
| **Net cash generated from operating activities** | **(1,682,219)** | (40,262) | 7,015,672 |
| **Net cash (used in)/generated from investing activities** | **(785,346)** | (871,805) | (5,118,485) |
| **Net cash (used in)/generated from financing activities** | **(32,294)** | 7,245 | (119,336) |
| **Net increase in cash and cash equivalents** | **(2,499,859)** | (904,822) | 1,777,851 |
| Net foreign exchange difference | **68,332** | 105,638 | 250,313 |
| Net cash and cash equivalents at beginning of period / year | **10,737,863** | 8,709,699 | 8,709,699 |
| **Net cash and cash equivalents at end of period / year** | **8,306,336** | 7,910,515 | 10,737,863 |

**Movement from due to banks has been reclassified from cash flows from financing activities to cash flows from operating activities.*

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ABC Banking



ABC Banking Corporation Ltd is a bank duly licensed and regulated by the Bank of Mauritius.