



**Abridged Unaudited Interim
Financial Statements
for the Quarter ended
31 March 2024**

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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 31 March 2024.

Review of the Economy

The IMF in its World Economic Outlook report issued in April 2024 is projecting global growth at 3.2% for 2024 and global headline inflation expected to fall from an annual average of 6.8% in 2023 to 5.9% in 2024. Despite initially negative predictions for 2023, the global economy avoided a slump and the financial system proved resilient even with the effects of the wars in Ukraine and the Middle East and rise in inflation, followed by a global monetary policy tightening.

On the local front, as per the March 2024 National Accounts estimates from Statistics Mauritius, year-on-year inflation worked out to 4.9% in March 2024 compared to 9.1% in March 2023. Headline inflation for the twelve months ended March 2024 worked out to 5.8% compared to 11.1% for the same period last year. GDP is forecast to grow by 4.9% in 2024 compared to 7.0% in 2023. The continued growth momentum in the Mauritian economy for 2023, supported by key sectors, contributed to the improvement in the current account deficit to 4.5% of the GDP in 2023.

Review of Financial Performance

For the quarter ended 31 March 2024, the bank recorded a profit after tax of MUR 49.9 million compared to MUR 82.8 million for the same period last year, a drop of 39.7%. The primary reason for the decrease is the release of ECL provisions in the prior year figures due to additional provision made during the Covid period. The Operating Profit before impairment fell by 3.3% to MUR 81.2 million. The main highlights of the financial performance are as follows:

1. The bank registered a Net Interest Income of MUR 162.2 million for quarter ended 31 March 2024 compared to MUR 156.4 million for the same period last year.
2. Non-Interest Income increased by 8.3% for the quarter ended 31 March 2024 compared to the same period last year to end up at MUR 49.2 million
3. Non-Interest Expenses amounted to MUR 130.1 million for the quarter ended 31 March 2024 with personnel expenses representing 58.7%.
4. The bank’s Loans and other Advances portfolio balance increased to MUR 13.4 billion as at 31 March 2024 representing an increase of 20.8% compared to last year for the same period.
5. Deposits from Customers increased to MUR 21.9 billion as at 31 March 2024 compared to MUR 20.1 billion for the same period last year, representing a growth of 9.0%.
6. The bank’s Capital Adequacy Ratio stood at 14.5% compared to 14.2% 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 845% as at 31 March 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 10 May 2024.



Ah Foon Chui Yew Cheong
Chairperson



Brian Ah-Chuen
Executive Director



Bhanu Pratabsingh Jadoo
Chairperson Audit Committee

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2024

	Unaudited Quarter ended March 2024 MUR	Unaudited Quarter ended March 2023 MUR	Unaudited Nine Months ended March 2024 MUR	Unaudited Nine Months ended March 2023 MUR	Audited Year ended June 2023 MUR
Interest income	315,523,899	247,533,318	915,590,758	641,279,497	926,075,953
Interest expense	(153,346,399)	(91,178,868)	(437,430,675)	(218,541,792)	(329,727,500)
Net interest income	162,177,500	156,354,450	478,160,083	422,737,705	596,348,453
Fee and commission income	31,419,155	30,126,701	97,289,538	97,453,203	132,836,647
Fee and commission expense	(12,935,643)	(11,286,019)	(38,107,192)	(33,831,184)	(41,495,813)
Net fee and commission income	18,483,512	18,840,682	59,182,346	63,622,019	91,340,834
Total other income	30,673,577	26,536,986	77,899,193	66,964,681	88,883,351
Operating income	211,334,589	201,732,118	615,241,622	553,324,405	776,572,638
Non interest expenses	(130,138,167)	(117,793,385)	(377,902,098)	(327,371,302)	(484,430,128)
Operating profit before impairment	81,196,422	83,938,733	237,339,524	225,953,103	292,142,510
Allowance for credit impairment	(22,109,939)	10,181,703	(11,585,554)	22,838,143	51,275,100
Operating profit before tax	59,086,483	94,120,436	225,753,970	248,791,246	343,417,610
Income tax expense	(9,120,044)	(11,285,699)	(29,897,383)	(31,151,010)	(45,258,555)
Profit for the period	49,966,439	82,834,737	195,856,587	217,640,236	298,159,055
Other comprehensive (loss)/income Items that will not be reclassified subsequently to profit or loss:					
Net (loss)/ gain on investments in equity instruments designated at fair value through other comprehensive income	(3,424,079)	(6,569,753)	(2,353,239)	(18,085,616)	(19,605,087)
Remeasurement of retirement benefit obligation	-	-	-	-	(5,794,845)
	(3,424,079)	(6,569,753)	(2,353,239)	(18,085,616)	(25,399,932)
Items that may be reclassified subsequently to profit or loss:					
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	(188,895)	(236,277)	(556,809)	(1,294,914)	(1,900,610)
Net gain/(loss) on investments in debt instruments designated at fair value through other comprehensive income	111,451	9,316,958	17,403,854	(4,113,686)	(7,570,853)
	(77,443)	9,080,681	16,847,045	(5,408,600)	(9,471,463)
Other comprehensive (loss)/ income for the period	(3,501,522)	2,510,928	14,493,806	(23,494,216)	(34,871,395)
Total comprehensive income	46,464,916	85,345,665	210,350,393	194,146,020	263,287,660
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	0.66	1.09	2.57	2.85	3.91

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Unaudited March 2024 MUR	Unaudited March 2023 MUR	Audited June 2023 MUR
ASSETS			
Cash and cash equivalents	4,773,304,974	5,370,631,125	5,570,184,787
Derivative financial assets	9,820,657	35,353,403	26,136,555
Loans and advances to customers	13,397,950,469	11,091,795,636	11,271,884,668
Investment securities	7,043,301,134	5,767,760,685	5,952,304,559
Other assets	190,607,129	388,787,078	175,642,217
Property, equipment and right-of-use assets	535,675,671	563,249,625	555,659,704
Intangible assets	73,019,344	86,615,029	82,645,706
Deferred tax assets	5,036,100	4,213,636	4,245,128
Total assets	26,028,715,478	23,308,406,217	23,638,703,324
LIABILITIES			
Derivative financial liabilities	6,684,395	60,849,486	25,518,459
Deposits from customers	21,912,342,223	20,100,840,593	20,354,310,098
Subordinated debts	1,211,631,088	512,482,192	505,379,452
Current tax liabilities	24,227,634	27,584,442	39,972,753
Other liabilities	434,537,123	378,203,840	415,935,254
Total liabilities	23,589,422,463	21,079,960,553	21,341,116,016
Shareholders' Equity			
Issued capital	940,495,472	940,495,472	940,495,472
Retained earnings	1,248,616,236	1,091,404,214	1,121,404,335
Other reserves	250,181,307	196,545,978	235,687,501
Capital and reserves	2,439,293,015	2,228,445,664	2,297,587,308
Total liabilities and equity	26,028,715,478	23,308,406,217	23,638,703,324
Contingent liabilities			
Guarantees on account of customers	25,383,499	25,243,365	27,087,930
Letter of credit and other obligations on account of customers	5,185,457	-	-
Commitments	3,359,583,723	2,953,187,036	3,162,936,570

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2024

	Issued Capital MUR	Retained Earnings MUR	Statutory Reserve MUR	Other Reserves MUR	Total MUR
At 01 July 2022	940,495,472	920,289,820	212,734,803	7,305,391	2,080,825,486
Profit for the period	-	217,640,236	-	-	217,640,236
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	(1,294,914)	(1,294,914)
Other comprehensive loss for the period	-	-	-	(22,199,302)	(22,199,302)
Total comprehensive income/ (loss) for the period	-	217,640,236	-	(23,494,216)	194,146,020
Equity dividends	-	(46,525,842)	-	-	(46,525,842)
At 31 March 2023	<u>940,495,472</u>	<u>1,091,404,214</u>	<u>212,734,803</u>	<u>(16,188,825)</u>	<u>2,228,445,664</u>
At 01 July 2022	940,495,472	920,289,820	212,734,803	7,305,391	2,080,825,486
Profit for the period	-	298,159,055	-	-	298,159,055
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	-	-
Other comprehensive loss	-	(5,794,845)	-	(29,076,550)	(34,871,395)
Total comprehensive income/ (loss) for the period	-	292,364,210	-	(29,076,550)	263,287,660
Transfer to statutory reserve	-	(44,723,858)	44,723,858	-	-
Equity dividends	-	(46,525,838)	-	-	(46,525,838)
At 30 June 2023	<u>940,495,472</u>	<u>1,121,404,334</u>	<u>257,458,661</u>	<u>(21,771,159)</u>	<u>2,297,587,308</u>
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	-	195,856,587	-	-	195,856,587
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	(556,809)	(556,809)
Other comprehensive income	-	-	-	15,050,614	15,050,614
Total comprehensive income for the period	-	195,856,587	-	14,493,805	210,350,392
Equity dividends	-	(68,644,685)	-	-	(68,644,685)
At 31 March 2024	<u>940,495,472</u>	<u>1,248,616,236</u>	<u>257,458,661</u>	<u>(7,277,354)</u>	<u>2,439,293,015</u>

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024

	Unaudited Nine months ended March 2024 MUR	Unaudited Nine months ended March 2023 MUR	Audited Year ended June 2023 MUR
Net cash (used in)/generated from operating activities	(399,362,026)	1,540,455,185	2,024,808,255
Net cash (used in)/ generated from investing activities	(1,084,570,656)	611,653,606	420,772,052
Net cash generated/(used in) from financing activities	630,498,191	(44,327,989)	(48,877,864)
Net (decrease)/ increase in cash and cash equivalents	(853,434,491)	2,107,780,802	2,396,702,443
Net foreign exchange difference	56,554,678	168,240,205	78,872,226
Net cash and cash equivalents at beginning of period / year	5,570,184,787	3,094,610,118	3,094,610,118
Net cash and cash equivalents at end of period / year	4,773,304,974	5,370,631,125	5,570,184,787