



**Unaudited Condensed
Interim Financial Information
for the Six Months Ended**

31 December 2025

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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 six months ended 31 December 2025.

Review of the Economy

The latest IMF World Economic Outlook Update (January 2026) forecasts global growth at 3.3% in 2026, supported by strong AI-driven investment, improved financial conditions, and the private sector’s ability to adapt to shifting trade policies, including lower effective U.S. tariff rates of about 18.5% following earlier peaks. Global inflation is expected to ease globally from an estimated 4.1% in 2025 and 3.8% in 2026.

According to the latest figures released by Statistics Mauritius, year-on-year, inflation rose to 4.5% in December 2025 from 2.9% in December 2024, pointing to heightened inflationary pressures compared to the previous year. Meanwhile, headline inflation for the 12 months ending December 2025 increased to 3.7% from 3.6% recorded in 2024, indicating a broadly stable annual inflation trend.

Review of Financial Performance

For the six months ended 31 December 2025, the Bank reported an Operating income of MUR 561.5 million compared to MUR 444.4 million for the same period last year, an increase of 26.3%, largely attributable to a 63.5% growth in non-interest income and a 16.6% increase in net interest income. Profit after tax was at MUR 159.2 million for the six months ended 31 December 2025, up by 46.4% compared to last year (108.7 million). The main highlights of the financial performance are as follows:

1. The Bank registered a net interest income of MUR 411.1 million for the six months ended 31 December 2025 compared to MUR 352.4 million for the same period last year.
2. Non-interest income increased by 63.5% for the six months ended 31 December 2025 compared to the same period last year, reaching MUR 150.4 million reflecting higher income from forex trading.
3. Non-interest expenses amounted to MUR 332.4 million for the six months ended 31 December 2025 with personnel expenses representing 51.7% (prior year: 55.7%).
4. The Bank’s Loans and Advances portfolio balance increased to MUR 17.8 billion as at 31 December 2025 representing an increase of 11.3% compared to same period, last year.
5. Deposits from Customers increased to MUR 29.4 billion as at 31 December 2025 compared to MUR 24.5 billion for the same period last year, representing a growth of 20.1%.
6. The Bank’s Capital Adequacy Ratio stood at 15.8% as at 31 December 2025 (17.5% as at 31 December 2024). 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 465% as at 31 December 2025 compared to 364% 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 8 members during the quarter ended 31 December 2025, following the retirement of Mr. Patrick Andrew Dean Ah-Chuen in December 2025. There have been no further changes in the board and committee composition. 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 Lutchmenahaidoo



Managing Director
Brian Ah-Chuen



Chairperson Audit Committee
Laura Wong Sun Thiong

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Unaudited December 2025 MUR 000	Unaudited December 2024 MUR 000	Audited June 2025 MUR 000
ASSETS			
Cash and cash equivalents	6,349,194	6,348,511	8,709,699
Due from banks	1,026,039	-	159,524
Derivative financial assets	17,385	57,830	8,490
Loans and advances to customers	17,800,354	15,994,086	18,041,547
Investment securities	7,708,261	6,199,069	5,355,141
Other assets	1,093,519	272,065	999,190
Property, equipment and right-of-use assets	149,270	524,882	170,464
Intangible assets	54,755	63,499	64,027
Deferred tax assets	32,031	9,339	15,420
Total assets	34,230,807	29,469,281	33,523,501
LIABILITIES			
Due to banks	641,841	547,764	625,716
Deposits from customers	29,394,244	24,475,934	28,843,057
Derivative financial liabilities	14,270	13,286	24,816
Subordinated debts	706,853	1,211,032	706,077
Current tax liabilities	53,181	22,465	48,729
Other liabilities	456,023	601,982	481,324
Total liabilities	31,266,413	26,872,464	30,729,719
Shareholders' Equity			
Issued capital	940,495	940,495	940,495
Retained earnings	1,467,708	1,174,802	1,301,262
Other reserves	556,191	481,520	552,024
Capital and reserves	2,964,394	2,596,817	2,793,782
Total liabilities and equity	34,230,807	29,469,281	33,523,501
Contingent liabilities			
Guarantees on account of customers	151,182	23,604	149,004
Letter of credit and other obligations on account of customers	-	-	3,604
Commitments	2,050,405	3,633,952	2,335,559

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2025

	Unaudited Quarter ended December 2025 MUR 000	Unaudited Quarter ended December 2024 MUR 000	Unaudited Six Months ended December 2025 MUR 000	Unaudited Six Months ended December 2024 MUR 000	Audited Year ended June 2025 MUR 000
Interest income	404,879	353,264	808,956	703,502	1,439,197
Interest expense	(198,958)	(174,591)	(397,903)	(351,056)	(729,525)
Net interest income	205,921	178,673	411,053	352,446	709,673
Fee and commission income	34,171	31,283	67,285	63,489	136,674
Fee and commission expense	(16,536)	(17,099)	(31,718)	(33,209)	(62,460)
Net fee and commission income	17,635	14,184	35,567	30,280	74,214
Total other income	57,591	30,233	114,840	61,721	270,930
Operating income	281,148	223,090	561,460	444,447	1,054,817
Non-interest expenses	(174,491)	(155,482)	(332,438)	(287,860)	(594,623)
Operating profit before impairment	106,657	67,608	229,022	156,588	460,194
Allowance for credit impairment on financial assets	(11,538)	(8,981)	(22,314)	(20,612)	(20,103)
Operating profit before tax	95,119	58,628	206,708	135,976	440,092
Income tax expense	(21,175)	(16,967)	(47,469)	(27,238)	(59,459)
Profit for the period	73,944	41,661	159,239	108,738	380,633
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	(6,238)	(12,517)	1,214	1,199	(6,672)
Deferred tax credit on retirement benefit obligation	-	-	654	-	-
Remeasurement of retirement benefit obligation	-	-	-	346	7,487
Total of items that will not be reclassified subsequently to profit or loss, net of tax	(6,238)	(12,517)	1,868	1,545	815
Items that may be reclassified subsequently to profit or loss, net of tax:					
Reversal of expected credit loss relating to debt instruments designated at fair value through other comprehensive income	946	93	922	252	390
Net gain/(loss) on investments in debt instruments designated at fair value through other comprehensive income	3,434	(8,235)	8,583	10,113	4,420
Total of items that may be reclassified subsequently to profit or loss, net of tax	4,380	(8,142)	9,505	10,365	4,809
Other comprehensive (loss) /income for the period/ year	(1,858)	(20,659)	11,373	11,910	5,624
Total comprehensive income for the period / year	72,086	21,002	170,612	120,648	386,257
Weighted average number of ordinary shares	76,272	76,272	76,272	76,272	76,272
Basic and diluted - earnings per share	0.97	0.55	2.09	1.43	4.99

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2025

	Issued Capital MUR 000	Retained Earnings MUR 000	Statutory Reserve MUR 000	Other Reserves MUR 000	Total MUR 000
At 01 July 2024	940,495	1,263,720	296,110	(24,156)	2,476,169
Profit for the period	-	108,738	-	-	108,738
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	252	252
Other comprehensive income	-	346	-	11,312	11,658
Total comprehensive income for the period	-	109,084	-	11,564	120,648
At 31 December 2024	<u>940,495</u>	<u>1,372,804</u>	<u>296,110</u>	<u>(12,592)</u>	<u>2,596,817</u>
At 01 July 2024	940,495	1,263,720	296,110	(24,156)	2,476,169
Profit for the year	-	380,633	-	-	380,633
Other comprehensive income/(loss)	-	7,487	-	(1,862)	5,624
Total comprehensive income/(loss) for the year	-	388,120	-	(1,862)	386,257
Transfer to statutory reserve	-	(57,095)	57,095	-	-
Transfer to other reserve	-	(224,838)	-	224,838	-
Equity dividends	-	(68,645)	-	-	(68,645)
At 30 June 2025	<u>940,495</u>	<u>1,301,262</u>	<u>353,204</u>	<u>198,820</u>	<u>2,793,782</u>
At 01 July 2025	940,495	1,301,262	353,204	198,820	2,793,782
Profit for the period	-	159,239	-	-	159,239
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	-	-	-	922	922
Other comprehensive income for the period	-	654	-	9,797	10,451
Total comprehensive income for the period	-	159,893	-	10,719	170,612
Transfer to other reserve	-	6,553	-	(6,553)	-
At 31 December 2025	<u>940,495</u>	<u>1,467,708</u>	<u>353,204</u>	<u>202,986</u>	<u>2,964,394</u>

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2025

	Unaudited Six months ended December 2025 MUR 000	Unaudited Six months ended December 2024 MUR 000	Audited Year ended Jun 2025 MUR 000
Net cash (used in)/generated from operating activities	(222,943)	753,213	2,793,658
Net cash (used in)/generated from investing activities	(2,342,208)	450,980	1,263,771
Net cash generated from financing activities	23,647	548,218	48,154
Net (decrease)/increase in cash and cash equivalents	(2,541,503)	1,752,412	4,105,584
Net foreign exchange difference	180,999	(591)	7,425
Net cash and cash equivalents at beginning of period / year	8,709,699	4,596,690	4,596,690
Net cash and cash equivalents at end of period / year	<u>6,349,194</u>	<u>6,348,511</u>	<u>8,709,699</u>