MCB

ANNUAL REPORT 2025

The Directors of The Mauritius Commercial Bank Limited are pleased to present its Annual Report for the year ended 30 June 2025.

The Annual Report was approved by the Board of Directors on 19 September 2025.

Simon WALKER
Chairperson

Thierry HEBRAUD
Chief Executive Officer

Our purpose

Success Beyond Numbers

We use **finance as a force for good** in creating a **sustainable** and **inclusive** future for the **Customers** and **Communities** we serve.

VISION 2030

To be the **leading Banking Group** in our **Home markets** and a **top-tier African CIB** and **Private Banking institution**, recognised for **Excellence** and **Innovation**

Our core values	Shared ways of working
Service	Make things simple
Integrity	Act responsibly
Innovation	Push boundaries
Respect	Create positive impact
Teamwork	Build partnerships

VISION 2030

In June 2025, we launched **Vision 2030**. It serves as our anchor, steering strategic choices that will shape our journey over the next five years to:

Lead in our Home markets

by being the preferred financial partner for our clients through unrivalled service and pioneering solutions, while acting as a catalyst for socio-economic progress

Build a top-tier African Corporate and Investment Bank (CIB) and Private Banking Institution

by deepening our expertise, being the trusted adviser for doing business in Africa and partnering in the continent's just transition

Win in the Workplace

by attracting and empowering top talent, developing leaders who inspire, and foster a high-performance, purpose-driven culture

VISION 2030

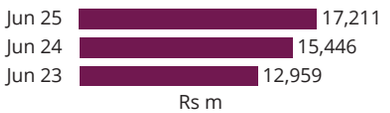
Financial highlights

Financial performance

Net profit

Rs 17,211 m

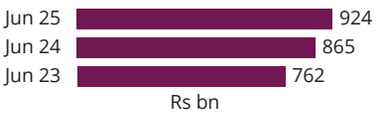
+11.4%



Total assets

Rs 924 bn

+6.7%



Market positioning

Customer loans

Rs 386 bn

-1.4%

Customer deposits

Rs 682 bn

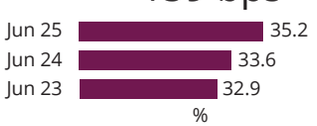
+7.4%

Efficiency and return ratios

Cost-to-income

35.2%

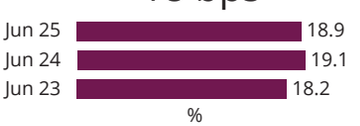
+159 bps



Return on equity

18.9%

-18 bps



Asset quality and capitalisation

Gross NPL ratio

2.7%

-7 bps

Capital adequacy ratio

21.1%

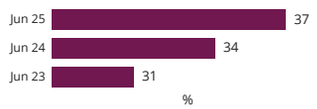
+131 bps

Non–financial highlights

Employees

Workforce

Women at middle and senior management level



Trust index

69%

MCB has been accredited Great Place to Work®

Customers

Overall customer base

Net Promoter Score

Shareholders and investors

AAA

Issuer rating – CARE Ratings (Africa) Private Limited

Pertains to the servicing of financial obligations in Mauritius

Baa3/P-3

Long-term / short-term deposit ratings – Moody's Ratings

Economies, societies and communities

Amount spent by MCB Forward Foundation

22%

Cash to digital payment ratio

~ 4.5%

of the total value added generated in Mauritius

~ 14%

of total corporate tax paid in Mauritius

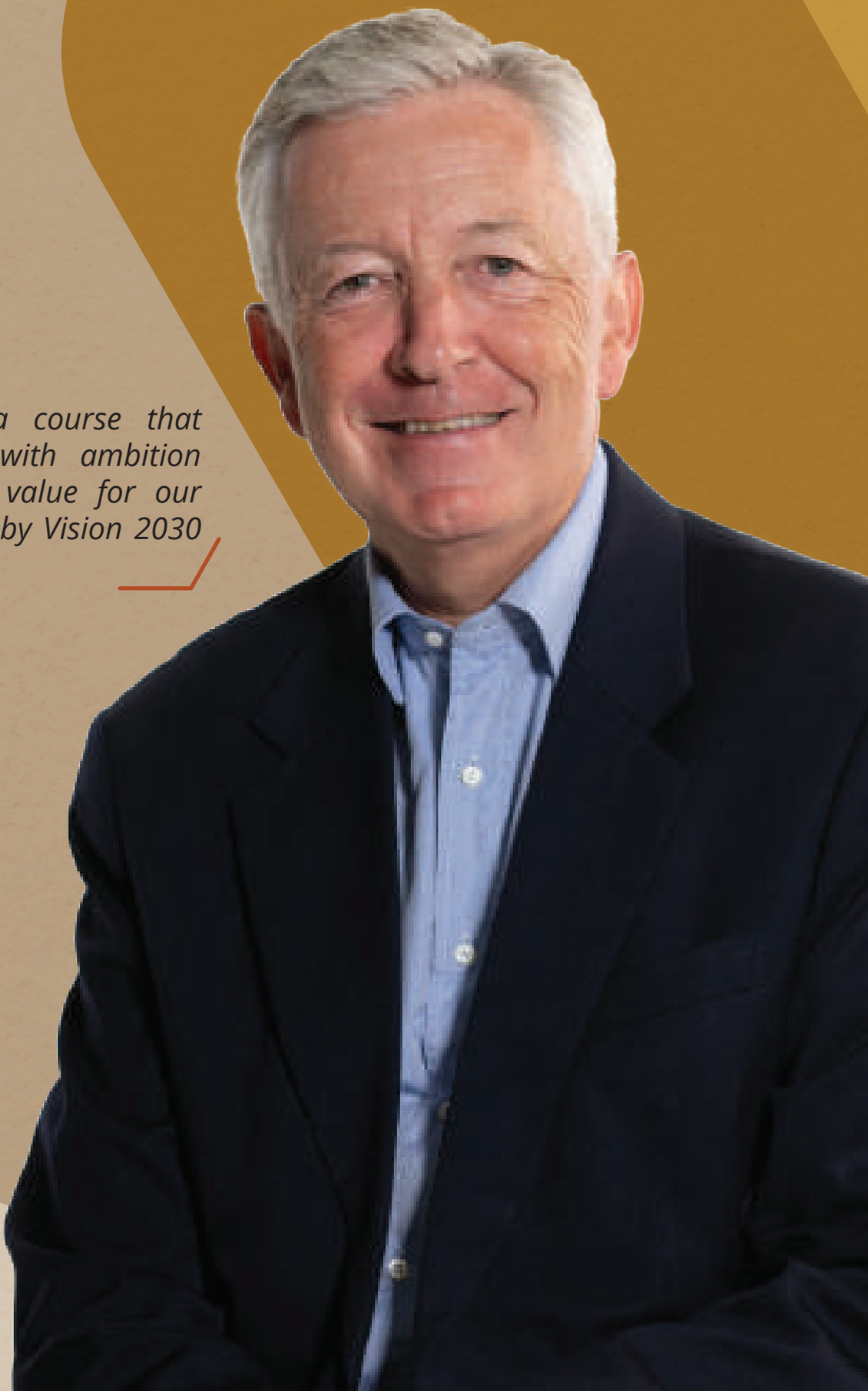
Inclusive of levies on income

Note: Figures are as at 30 June 2025, unless otherwise stated

Read more about our key stakeholders on pages 34 to 35

Read more in the Sustainability Report on our website

"We are charting a course that balances prudence with ambition to create long-term value for our stakeholders, guided by Vision 2030 and our purpose."



Reflections from the Chairperson

A new responsibility, a shared vision

It is with great honour that I present my first statement as Chairperson of MCB Ltd, an 187-year-old institution that continues to evolve with strength and purpose amidst changing times. I would like to acknowledge my predecessor, Jean-François Desvaux De Marigny, whose foresight helped shape the Bank's current trajectory. In the context of chairing the Risk Monitoring Committee and actively participating in Board meetings, I have had the opportunity to collaborate with all of my fellow directors whose insights I deeply value. I look forward to building on this collective experience as we guide the Bank through its next chapter shaped by Vision 2030 and driven by a commitment to long-term value creation for our stakeholders.

In the context of a volatile and challenging operating environment, the Bank delivered encouraging results in FY 2024/25, with net profit after tax rising by 11.4% to Rs 17,211 million. This was underpinned by a 13.9% increase in operating income, driven by growth in net interest income on the back of an expansion in interest earning assets as well as higher non-interest income, supported by payments, global markets and foreign exchange activities. Importantly, we upheld a sound financial position, evidenced by healthier credit quality and solid capital ratios. The Board is also pleased with the organisation's progress across the set of strategic and operational indicators captured in the scorecard, which serves to reinforce the alignment between our strategic ambitions and execution capabilities.

"Strong governance continues to underpin our ability to navigate complexity and deliver long-term value."

Achievements that inspire confidence

The Bank's achievements and sound fundamentals have been recognised on the international stage, reaffirming our reputation as a leading and trusted financial institution. A particular source of pride was MCB being named African Bank of the Year by The Banker, a historic first for a Mauritian bank. This prestigious accolade, alongside honours from African Banker and Euromoney, reflects the strength of our results, the professionalism of our people as well as our ability to create value for our multiple stakeholders.

What is equally inspiring is witnessing the positive strides we are making in fostering the right culture in the workplace. During the year under review, MCB was officially certified as a Great Place to Work, a recognition that reflects the credibility, respect, fairness, pride and camaraderie that define our workplace. The Board and I are very encouraged by this achievement, which underscores the impact of our efforts to support the CEO and his team in promoting inclusion, a sense of belonging and shared ways of working. Our Equal Salary Certification stands as a further testament to our unwavering commitment to fairness and equality across the organisation.

Strengthening our franchise

On the business development front, we consolidated our status as the leading bank in Mauritius with market shares of 50% of local currency deposits and 39% of domestic credit. During the year, we broadened our offering with targeted financial solutions, including new housing and business products, and deepened our support for entrepreneurs and MSMEs. To make banking more seamless and support the transition towards a cash-lite society, we continued to advance our digital offering, notably through enhanced features on MCB Juice. Furthermore, we remained actively engaged in supporting Mauritian corporates in their expansion journeys and also in accelerating their transition towards more sustainable business models.

In parallel, we pursued our international growth agenda. Leveraging the Mauritius IFC and our commercial hubs, we reinforced our positioning as a specialist bank in niche segments. During the year, we further upheld our involvement in energy and commodities financing, expanding our footprint in the gas segment, while advancing our power and infrastructure franchise and exploring opportunities in metals and minerals to fund critical energy projects. We remained committed to supporting Africa's just transition by advancing climate mitigation and adaptation efforts, with the USD 120 million credit line from Proparco fully disbursed. In wealth management, capitalising on our leading position in Mauritius, we strengthened our regional positioning by delivering a more holistic and personalised service experience to affluent and high-net-worth clients.

Upholding our commitment to governance and sustainability

Strong governance continues to underpin our ability to navigate complexity and deliver long-term value. We strengthened our oversight framework by establishing a joint Cyber and Technology Risk Committee, underscoring our proactive stance towards emerging risks in a highly digital landscape. The good rapport between the Board, the CEO Thierry Hebraud and the Leadership team, along with synergies with MCB Group, continue to foster sound decision-making, effective execution and stakeholder confidence. The Board is pleased by the move to elevate technology and customer experience as distinct areas of executive focus, with the forthcoming recruitment of a Chief Information Officer and a Chief Experience Officer set to further enhance our digital capabilities and client-centricity. In this context, we are embracing the transformative potential of Artificial Intelligence, with a focus on responsible innovation. In parallel, we remain steadfast

Reflections from the Chairperson

in our commitment to sustainability and inclusion. Our business integrates environmental responsibility with social equity, ensuring that our strategic decisions reflect the values of a diverse and resilient organisation, further evidenced by a female-to-male employee ratio standing at 55% and the share of women in middle and senior management climbing to 37%.

In August 2025, the Supreme Court of Mauritius delivered its judgment regarding internal control shortcomings identified in the MCB vs ICAC case dating back more than two decades. While we have applied for leave to appeal to the Judicial Committee of the Privy Council, I wish to reassure all our stakeholders that the Bank has, since 2002, undertaken a comprehensive transformation of its governance framework. We have significantly strengthened our risk management and internal control systems, embedding a culture of accountability, transparency and continuous improvement across the organisation.

"What is equally inspiring is witnessing the positive strides we are making in fostering the right culture in the workplace."

Looking ahead with confidence

As we look to the future, we remain mindful of the uncertainties that continue to shape the global, regional and domestic landscapes. Yet, we approach these challenges with a sense of preparedness and adaptability that has long defined MCB's journey. Our strong fundamentals, agile mindset and commitment to responsible leadership position us to navigate complexity while seizing opportunities for growth and innovation. We are charting a course that balances prudence with ambition to create long-term value for our stakeholders, guided by Vision 2030 and our purpose. I would like to express my sincere gratitude to our customers for their continued trust and to all our staff whose dedication and professionalism remain the cornerstone of our success.

On behalf of the Board, I extend heartfelt thanks to my fellow directors for their counsel and commitment. I also wish to acknowledge those who retired during the year and thank them for their invaluable contributions and welcome our newly appointed directors whose experience and perspectives will enrich our collective stewardship. Together, with our people, partners and clients, we move forward with optimism - united in our pursuit of shared success that goes beyond numbers and rooted in impact and enduring relationships.

Simon WALKER
Chairperson

Board of Directors

Chairperson

Simon WALKER *(Chairperson as from December 2024)*
Jean-François DESVAUX DE MARIGNY *(until December 2024)*

Independent Non-Executive Directors

Johanne HAGUE
Craig McKENZIE
Su Lin ONG

Non- Executive Director

Jean Michel NG TSEUNG

Executive Directors

Dipak CHUMMUN *(as from December 2024)*
Thierry HEBRAUD

Secretary to the Board:

MCB Group Corporate Services Ltd
(represented by Marivonne OXENHAM)

Committees of the Board

Risk Monitoring Committee

Craig McKENZIE *(Chairperson as from January 2025)*
Jean-François DESVAUX DE MARIGNY *(until December 2024)*
Thierry HEBRAUD
Jean Michel NG TSEUNG
Simon WALKER *(Chairperson until December 2024)*

Secretary: *Frederic PAPOCCHIA*

Audit Committee

Su Lin ONG *(Chairperson)*
Johanne HAGUE
Craig McKENZIE

Secretary: *MCB Group Corporate Services Ltd (represented by Marivonne OXENHAM)*

Supervisory and Monitoring Committee

Simon WALKER *(Chairperson)(as from January 2025)*
Jean-François DESVAUX DE MARIGNY *(Chairperson) (until December 2024)*
Dipak CHUMMUN *(as from January 2025)*
Thierry HEBRAUD *(also acts as Secretary)*

Cyber and Technology Risk Committee

Su Lin ONG *(Chairperson representing MCB Ltd)*
Simon WALKER *(as from August 2025)*
Thierry HEBRAUD

Directors from MCB Group Ltd
Cedric JEANNOT *(Chairperson representing MCB Group Ltd)*
Dipak CHUMMUN *(from January to July 2025)*
Stephen DAVIDSON *(as from January 2025)*
Didier HAREL *(up to November 2024)*
San SINGARAVELLOO *(as from January 2025)*
Jean Michel NG TSEUNG

Secretary: *MCB Group Corporate Services Ltd (represented by Marivonne OXENHAM)*

Nomination and Remuneration Committee

Simon WALKER *(Chairperson as from January 2025)(also acts as Secretary)*
Jean-François DESVAUX DE MARIGNY *(Chairperson)(acted as Secretary)(until December 2024)*
Johanne HAGUE
Thierry HEBRAUD
Jean Michel NG TSEUNG *(as from January 2025)*

Leadership team

Management Committee

Thierry HEBRAUD	**Chief Executive Officer**
Dipak CHUMMUN	Chief Finance Officer
Ashvin DEENA	Global Head - Coverage
Mathieu DELTEIL	Global Head – Structured Finance
Allan FREED	Head - Human Resources
Hemandra Kumar HAZAREESING	Chief Operating Officer
Frederic PAPOCCHIA	Chief Risk Officer
Parikshat TULSIDAS	Head – Financial Markets
Anju UMROWSING-RAMTOHUL	Head – Domestic Banking

Stephanie AH TOW	Head – Compliance
Matthieu BENOIT	Head – Customer Experience and Marketing
Hema CEDERHAGE	Head – Securities Services
Pamela CHAN KING YUEN	Head – Business Banking
Koomaren CUNNOOSAMY	Head – Debt Restructuring and Recovery Management
François DESVAUX DE MARIGNY	Head – Private Wealth Management
Vanessa DOGER DE SPEVILLE	Head – Sustainability, Reputation and Engagement
Eddie EMMANUEL	Head – Internal Audit
Youri HAREL	Head – Specialised Finance
Jean-François HENRI	Head – Facilities Management and Procurement
Patrice HERVE	Head – Technology
Vicky HURYNAG	Head – Strategy, Research and Development
Bernard JACKSON	Head – Retail
Anbar JOWAHEER	Head – Strategic Funding
Joel LAMBERT	Head – Legal
Bhavish NAECK	Head – Finance
Vikash NATHOO	Head – Enterprise Risk
Stephanie NG TSEUNG-YUE	Head – Payments
Krishen PATTEN	Head – Financial Risk
Lindley PERRINE	Head – Treasury Management
Rajeshwar PERTAB	Head – Middle Office, Corporate and Institutional Banking
Neekeea RAMEN	Head – Credit Management
Abraham RAWAT	Head – Banking Operations
Aldo SYDONIE	Head – Mauritian and Regional Corporates

Contents

16 About this report

19 Our corporate profile

31 Value creation for our stakeholders

43 Delivering on our strategic objectives

69 Chief Finance Officer report

85 Corporate governance report

125 Company Secretary's certificate

127 Risk and capital management report

181 Financial Statements

321 Administrative information

About this Report

Philosophy of the Annual Report

This Annual Report (the 'Report') presents a holistic view of how MCB Ltd creates, delivers and preserves value over the short, medium and long term for all its stakeholders. It is prepared in alignment with key principles and requirements set out in the reporting framework of the International Integrated Reporting Council, reflecting our commitment to transparency, accountability and long-term value creation.

Integrated reporting process

Compilation of the Report
in line with

- Integrated Reporting Framework & Global Reporting Initiative (GRI) standards
- Local and international regulations, codes & standards

Ensuring integrity of the Report
using a Coordinated Assurance Model

- Oversight by independent external auditors
- Review by Management as well as Chairperson of the Board and relevant committees

Approval of the Report
at Board level

- The Annual Report and Financial statements are approved by the Board of Directors
- The Corporate Governance Report is discussed at the Nomination and Remuneration Committee

Our reporting suite

This **Annual Report** is our primary report to our stakeholders, namely our employees, customers, shareholders and investors, and economies, societies and the communities we serve.

This Annual Report is complemented by our Sustainability Report, which highlights initiatives across our three sustainability impact areas, namely: (i) development of vibrant and sustainable local and regional economies; (ii) contribution to our cultural and environmental heritage; and (iii) promotion of individual and collective well-being.

The reports can be accessed on our websites. They are available in a format that is fully adapted to smartphones, tablets and computers. This allows for an enjoyable reading experience, while making it easy to navigate between sections and share key information from the report. The latter can, thus, be conveniently broadcast on social media platforms as well as on instant messaging services.

Our reporting boundary and scope

Reporting period

The Report is published annually and covers the period spanning 1 July 2024 to 30 June 2025. Material events taking place after this date and until approval of the Report by the Board of Directors of MCB Ltd have also been communicated.

Financial and non-financial reporting

The information presented in this Report pertains to MCB as a standalone entity unless otherwise stated. For transparency and comprehensive reporting, consolidated financial statements, which include the financial position of the Bank and its subsidiaries are also provided.

The Report also extends beyond financial reporting and provides insights on the Bank's non-financial performance and positioning in relation to its key stakeholders, which have a significant influence on its ability to create value.

Report content and materiality

We apply the concept of materiality in deciding about which information is to be included in this Report. We consider any theme as being material if it has the capacity to significantly impact revenue generation, value creation and the organisation's corporate culture.

Specific areas of reporting

The Report details the organisation's strategic and operational progress during the year under review. It covers our operating environment, business model and strategy, performance, stakeholder engagement, risk management, and corporate governance adherence.

Capital types

This Report explains our dependence and impact on capital types, defined in the Integrated Reporting Framework, that are important to achieving the performance expectations related to our objectives in the medium term.

Operating business

The Report sheds light on activities undertaken across the different segments of the Bank.

Icons used in this report

Stakeholders	Capital types	Sustainable Development Goals (SDGs)	Others
Customers Shareholders and investors Economies, societies and communities Employees	Financial capital Social and relationship capital Natural capital Human capital Intellectual capital Manufactured capital	The Group has identified 16 of the 17 SDGs of the United Nations where it believes it can generate meaningful value through its operations.	*Read more in this Annual Report* *Read more in the Sustainability Report on our website* *Find out more online (i.e. across MCB websites)*

Vision 2030

Lead in our Home markets

Who we are

Established in 1838, MCB Ltd is the longest standing and leading banking institution in Mauritius. Over time, we have diversified our business activities across market segments and geographies by enhancing our role as a specialist bank, with a particular focus on regional expansion in Africa.

MCB Ltd

While being headquartered in Mauritius, the Bank leverages synergies among business lines and with MCB Group entities as well as partnerships with external parties.

- Banking subsidiaries of the Group
- Representative/Advisory Offices of the Bank *(Commercial hubs)*
- Group associate (Banque Française Commerciale Océan Indien)

Credit ratings

Moody's Ratings
Deposit ratings
Baa3/P-3 (Negative)

Care Ratings (Africa) Private Limited
Issuer rating
AAA (Stable)

Pertains to the servicing of financial obligations in Mauritius

Our channels

38 Branches/kiosks

182 ATMs

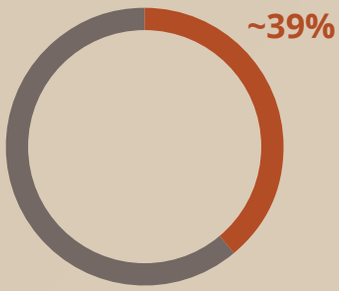
679,189 MCB Juice subscribers

Presence in
11 countries
MCB Group Ltd

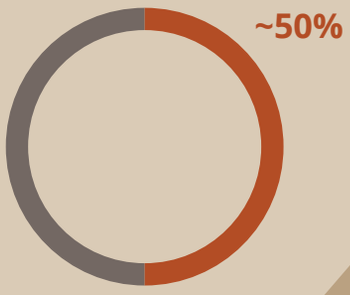
Wide network of correspondent banks
~100 in Africa

Our domestic market shares

Domestic credit to the economy



Local currency deposits



Note: Figures are as at 30 June 2025

The Banker

Bank of the Year Awards 2024

MCB was named **African Bank of The Year by The Banker**, becoming the first Mauritian bank to receive this continental award - a recognition attributed to our expansion beyond Mauritius and strong performance in trade finance, digital solutions, international operations and sustainable finance

Africa

Best Regional Bank - Southern Africa
Africa Banker Awards 2025

Best Custodian in Sub Saharan Africa
Global Custodian 2025

Bank of the Year - Africa
The Banker Bank of the Year Awards 2024

Mauritius

Best Bank in Mauritius
The Banker Bank of the Year Awards 2024

Best Bank in Mauritius
Euromoney Awards for Excellence 2025

Trustworthy Brand | Employer Brand | Innovative Brand | Local Heritage Brand (2nd)
Top Brands of Mauritius by Kantar, Brand Magic Summit 2025

Best Trade Finance Bank in Mauritius
Global Trade Review 2025

Winner in the Financial Services category
PwC Sustainability Awards 2024

Best Private Bank | Best for Digital Solutions | Best for Discretionary Portfolio Management
Euromoney Private Banking Awards 2025

Bank of the Year
CEO Summit, Indian Ocean 2024

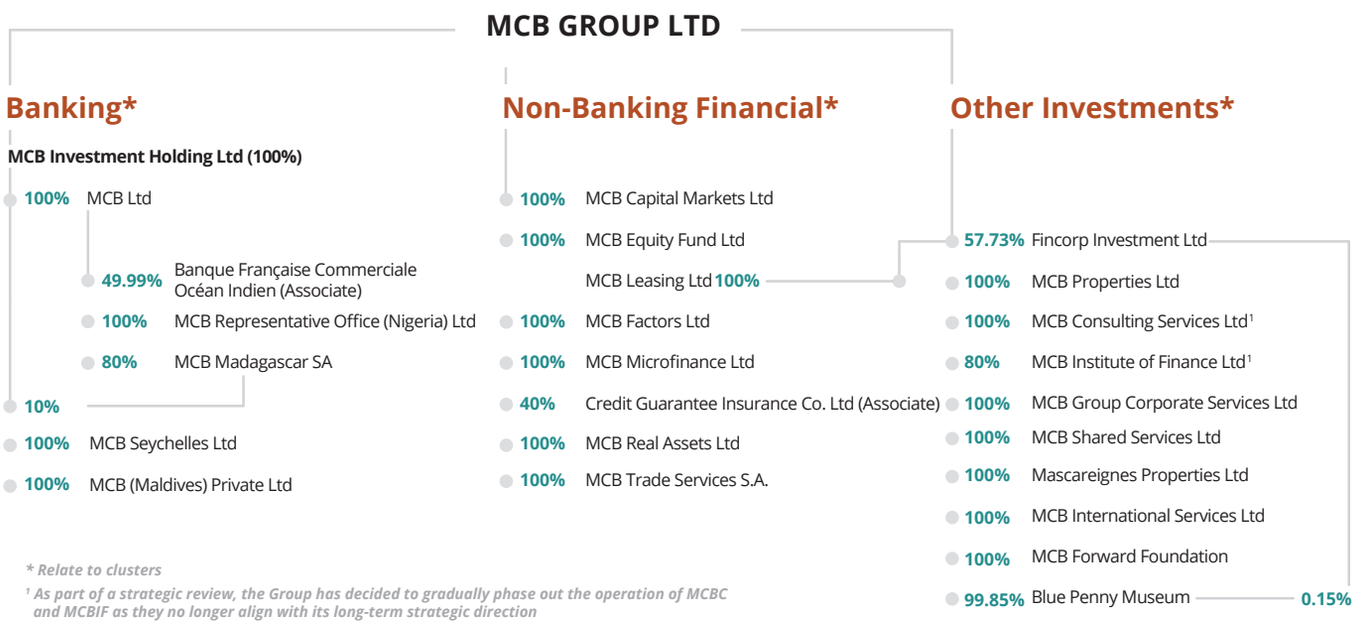
Best Private Bank in Mauritius
PWM/ The Banker Global Private Banking Awards 2024

Best Cash Management Bank in Mauritius
Global Finance Magazine 2025

How we operate

MCB Group structure

MCB Ltd is a wholly-owned subsidiary of **MCB Investment Holding Ltd**, itself a wholly-owned subsidiary of **MCB Group Ltd**. The latter is the ultimate holding company of MCB Group's entities. The subsidiaries and associates of MCB Group Ltd operate under three distinct clusters, namely 'Banking', 'Non-banking financial', and 'Other investments'.

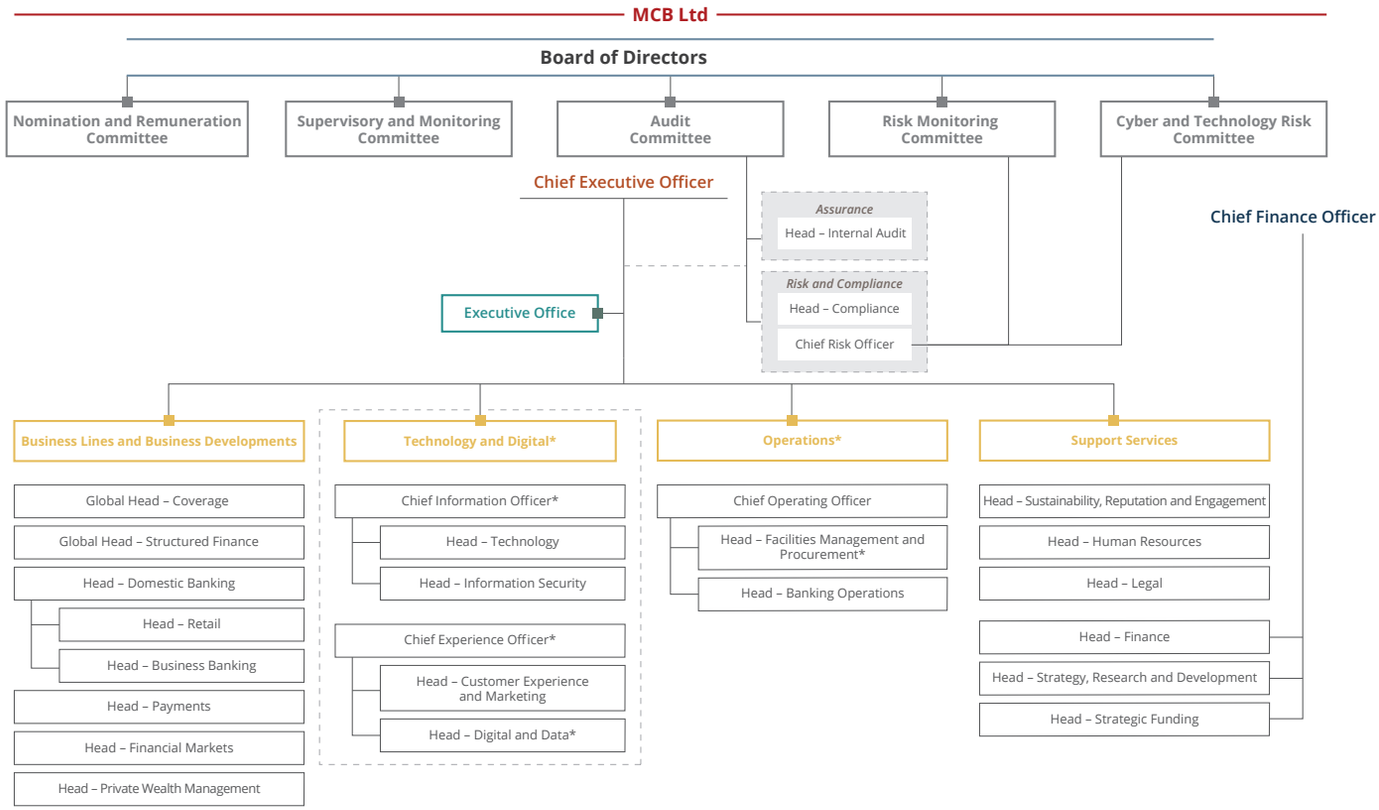


** Relate to clusters*

[1] As part of a strategic review, the Group has decided to gradually phase out the operation of MCBC and MCBIF as they no longer align with its long-term strategic direction

Organisation chart of the Bank

Our strategy execution is enabled by key operating pillars, which comprise business lines as well as coverage and support functions. Appropriate frameworks and policies guide our operations and ensure that the Bank works in an integrated way.



The Chief Risk Officer reports to the Audit Committee on risk matters relating to Enterprise Risk (except Cyber & Information Security), to the Cyber and Technology Risk Committee on Cyber & Information security matters, and to the Risk Monitoring Committee on matters relating to the monitoring and management of the other risk areas

** Realignment exercise in progress*

In line with its strategic orientations and advocated practices, the Bank conducted business transformation and realignment initiatives in recent periods, with the functioning and operating models of business segments being reviewed.

- The Bank has recently reviewed the operating model of its Corporate and Institutional banking division to lay the foundations for a future-ready Corporate and Investment Bank in line with our growth ambitions. The new structure is organised around two clusters: (i) Global Coverage, consisting of frontline teams that cover corporate clients, funds and financial institutions in Mauritius and international markets, including operations in our commercial hubs, alongside incorporating the transaction banking function; and (ii) Global Structured Finance, comprising teams that manage structured lending and trading needs of clients in energy, commodities and infrastructure sectors, as well as the credit structuring, syndication and sustainable finance units. The Heads of the clusters jointly lead the business development and middle office enablement functions.

- The Bank has initiated a strategic realignment to elevate technology and customer experience as distinct areas of executive focus, ensuring alignment with our organisational vision and responsiveness to evolving market dynamics. Recruitment is in progress for a Chief Information Officer (CIO), to provide strategic leadership across all technology functions including Information Security, and for a Chief Experience Officer (CXO), who will lead our customer experience and digital journeys. In parallel, a new Chief Operating Officer (COO) has been appointed to oversee the reviewed Operations cluster, encompassing Banking Operations and Facilities Management, with a mandate to drive operational excellence.

- A Strategic Funding Strategic Business Unit (SBU) has been established under the purview of the Chief Financial Officer. The unit is responsible for managing and negotiating funding lines, developing relationships with Development Finance Institutions (DFIs) and overseeing Investor Relations.

Our market operations

The Bank has strengthened its leadership in the domestic market while building a strong presence in selected corporate and institutional segments across Africa. It harnesses synergies with other Group entities and external partners, supported by a network of correspondent banks and strategically positioned commercial hubs in Johannesburg, Nairobi, Lagos, Paris and Dubai. It delivers a palette of financial products and services across its client segments as follows:

Our lines of business

Retail

- The Bank caters for the day-to-day and lifetime needs of its individual customers. In addition to lending and deposit facilities, adapted account packages are offered to individual customers across income and age groups.
- We offer digital and innovative payments solutions to help our clients manage their money on-the-go with convenience. Our customers can avail of multiple channels and platforms to carry out their banking transactions. Furthermore, in collaboration with other MCB Group entities, clients can benefit from investment solutions, which are tailored to their specificities.

Business Banking

- Recognising the significance of Micro, Small and Medium Enterprises (MSMEs) as well as Mid-Market Enterprises (MMEs) in the economic development of Mauritius, we provide them with tailored solutions to meet their growth endeavours and accompany them throughout their business development cycle alongside facilitating their access to new markets and alternative sources of finance.

Private Wealth Management

- The Bank provides tailored solutions geared towards the safeguard, growth and transmission of the assets of its clients, both domestically and abroad. In particular, it is dedicated to providing day-to-day banking and financial solutions as well as a range of wealth management and advisory services to meet client needs.
- The Bank acts as a direct point of contact for attending to the needs of External Asset Managers, be it locally or internationally. It offers custodian services as well as real time execution services across asset classes through its open architecture and transactional banking services.

Corporate and Institutional

- The Bank assists large local and international corporates as well as institutional clients in meeting their growth ambitions.
- Our Global Coverage team supports corporates and funds in home markets and across international markets, with a focus on clients conducting business within and into Africa, by providing bespoke credit, transactional and investment solutions. It also forges strong partnerships with other financial institutions to enhance our service offerings in foreign markets.
- Our Global Structured finance team serves clients in the Energy, Metals and Power & Infrastructure sectors and beyond by delivering tailored solutions, including structured commodity trade financing, project financing and sustainable finance offerings, designed to meet their diverse and specialised needs.

Our extensive and customised financial solutions

Through its multiple channels, the Bank provides its clients in Mauritius, regionally and internationally, with customised and innovative financial solutions as well as dedicated advice to meet their ambitions.

Individuals

Everyday Banking

- Deposit accounts (current & savings)
- Multi-currency accounts
- Cross-Currency transfer & remittances (Forex Transactions)
- Overdrafts
- Debit, credit & prepaid cards
- Distribution of general insurance cover
- Account Sweep
- Direct Debit

Banking Channels

- Branch network
- ATM
- Internet banking
- Mobile banking: MCB Juice

Payment Services

- Local & international money transfers
- Mobile refill & payments
- Standing order instructions & direct debits
- Bank drafts
- Book transfers
- Bill payments

Financing Solutions

- Home loans
- Personal loans
- Education loans
- Car financing & green leases
- Green loans
- Lombard facilities

Savings & Investment

- Education plan/Retirement plan
- Investment funds
- Custodian services
- Fixed deposits
- Distribution of life insurance plans, treasury bills & government bonds

Wealth Management Solutions

- Wealth planning
- Discretionary portfolio management
- Non-discretionary investment management
- Fund selection
- Sustainable investment solutions
- Investment trade execution
- Structured products
- Access to private equity groups and deals
- Securities & custodian services
- Lombard financing

We work closely with customers to understand thier imperatives, challengers and priorities, while assisting them to design solutions adapted to hier needs. Furthermore, our business segments offer solutions conceived and managed by other MCB Group entities.

Entrepreneurs, Corporates and Institutions

Cash Management Solutions

- Electronic & mobile points of sale
- Cards acquiring services
- Business debit & deposit cards
- Business & Corporate credit cards
- Fleetman card
- E-commerce
- International transfers & remittances
- Internet Banking Pro (IB Pro) and SmartApprove App
- Bulk Payment
- Mobile banking solutions
- SWIFT gpi tracker
- Host to Host Connectivity
- SWIFT Connectivity
- SWIFT Service Bureau
- Deposit accounts
- Foreign Currency Accounts
- Cross currency transfer & remittances
- Overdrafts
- Mobile banking: MCB JuicePro
- Centralised Direct Debit
- Cash Deposit Solutions & Standing Order

Financing Solutions

- Short & long-term loans
- Sustainable loan
- Syndicated loans
- Bridging loans
- Structured finance
- Asset-based lending
- Lokal is Beautiful Scheme
- Lombard facilities
- Express overdraft, business overdrafts & working capital
- Leasing

Global Trade Solutions

- Documentary Import/Export Credit
- Stand By LC
- LC Re-issuance/Confirmation
- Avalisation
- Shipping guarantees
- Documentary Import/Export collections
- Trade payables financing
- Digital import LC
- Negotiation/Confirmed Documentary Credit Discounts
- Trade receivables financing
- Trade Protection Solution
- International Guarantees
- Global Trade Portal
- Sustainable supply chain financing
- Sustainable trade finance
- Back to back LC
- Usance Paid At Sight (UPAS) Financing
- Triangular Supply Chain Financing
- Structured Trade Financing
- Structured Commodity Finance

Business Services

- Checking facilities
- Payroll services
- Secretarial services
- Online business account opening

Investment Related Services

- Securities & custodian services
- Dual currency deposits
- Investment trade execution

Outsourcing & Advisory Services

- Payments outsourcing
- Corporate finance advisory
- Investment advisory
- Entrepreneurial community platform: punch.mu*

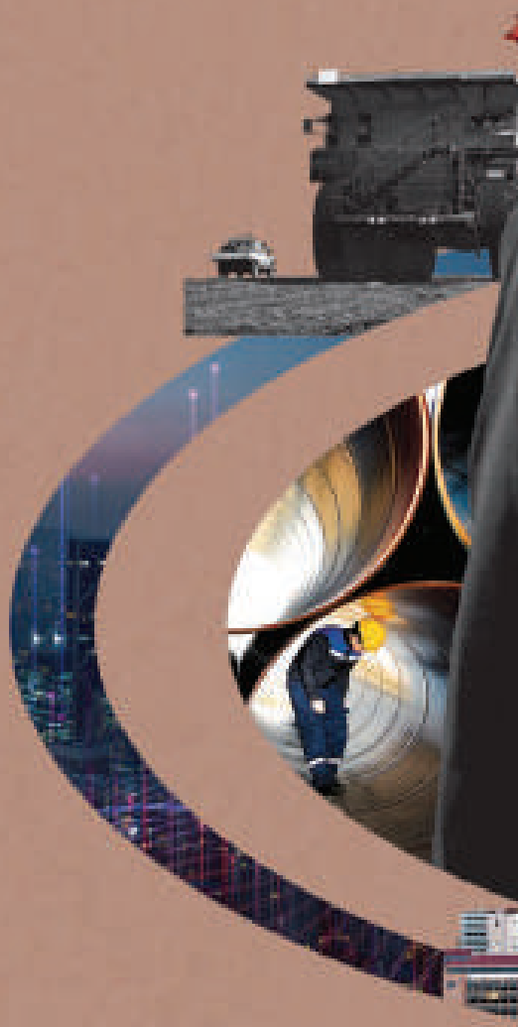
Financial Market Solutions

- Foreign exchange solutions
- Money markets & fixed income
- Hedging solutions (Foreign exchange, interest rates, commodities)
- Yield enhancement solutions
- Insights and research

** punch.mu is a B2B online marketplace which allows our local entrepreneurs to find solutions to business challenges, make meaningful connections and have access to interesting resources for growth.*

CONTENTS

Our value-creating business model	32
How we respond to stakeholder needs	34
Material matters	36



Vision 2030

Build a top-tier African Corporate and Investment Bank and Private Banking Institution

Value creation for our stakeholders

Our value-creating business model

Our value creation model illustrates how we deploy our resources and expertise to generate long-term value for our stakeholders. By aligning our activities with our strategic priorities and responding to material matters, we generate both financial and non-financial outcomes while safeguarding against value erosion.

Our inputs and resources

Financial capital

The access to capital and funding from investors and depositors that underpin our operations and activities.

Social and relationship capital

The trusted relationships built with customers, business partners and communities to deliver on our strategy and purpose.

Human capital

Our people's technical skills, competencies and their collective knowledge and motivation to innovate and develop customised solutions for our clients.

Natural capital

The use of natural resources and impact we have on the environment through our operations and the products and services we offer to our clients.

Intellectual capital

Our intangible assets, including brand, franchise, corporate culture, intrinsic knowledge and innovation spirit that enable us to offer competitive and relevant financial solutions.

Manufactured capital

The physical branch network, complemented by our modern digital assets that support the efficient conduct of operations and underpin our ability to create value.

Our strategy

Vision 2030

- Lead in our Home Markets
- Build a top-tier African Corporate and Investment Bank and Private Banking Institution
- Win in the Workplace

Our value-adding activities

Finance growth
Adapted financing and credit structuring solutions

Promote savings and investment
Deposits and investment related products and services

Enable trade and transactions
Domestic and international payments, cash management and trade finance solutions

Facilitate access to financial markets
Foreign exchange, derivatives and risk hedging instruments

Grow wealth
Asset management, private wealth and custodian services

Give Back
Socio-economic/ welfare support and sustainable development initiatives

Material matters identified in FY 2024/25

- Operating context influences
- Material sustainability topics

Read more in the Sustainability Report and our report on Materiality Analysis for MCB Ltd

Outcome

On/Above target | Below target

Creating value for our stakeholders	Measuring our impact through the Group's scorecard: Objectives	KPI	SDG Impacted
	(90%) - Consolidate and grow the core		
Employees	• Support employee engagement • Develop and retain talents	Trust Index Internal mobility rate*	3, 4, 5, 8, 10
Customers	• Improve customer satisfaction and client experience • Deepen relationships and wallet share	Net promoter score Non-interest income growth	1, 8, 10, 12
Shareholders and investors	• Drive financial performance to deliver strong returns • Grow responsibly within set risk appetite	Return on equity Operating income growth Risk barometer**	16, 17
Economies, societies and communities	• Support local economies • Enable sustainable transitions	Local market share MSCI ESG rating	3, 4, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
	(10%) - Build for the future		
	International growth	Product build-out	New markets

* *Proportion of vacancies filled internally*
** *Derived from a composite index that integrates compliance, financial and non-financial risks*

How we respond to stakeholder needs

Our actions promote the interests of our stakeholders. Our Scorecard supports alignment around shared objectives and informs performance evaluation and executive remuneration.

	EMPLOYEES	CUSTOMERS
What they expect from us?	• Safe and enriching working conditions with flexible work practices • Empowering environment that embraces diversity, inclusivity and meritocracy principles • Strong leadership and change management • Competitive reward and effective performance management system • Training, development and career opportunities	• Innovative and customised financial solutions • Excellent service quality and competitive pricing • Safe and convenient access to financial solutions • Security and privacy of transactions and data • Effective process for dealing with complaints • Responsible banking solutions
How we engage with stakeholders and address their needs?	• Ongoing quest to identify, attract, grow and retain talents • Regular surveys to gauge employee engagement • Enrichment of our training courses, in-class and online • Adapted career architecture to align with current business realities and global best practices • Fair and robust remuneration philosophy • Provision of various fringe benefits, including staff banking facilities at preferential rates as well as the employee share option scheme • Initiatives to cater for employee health/well-being, including Flexible Working Arrangements • Social leave policy offering paid leave to engage in impactful activities • Gender Equality Charter to promote a balanced and diversified workforce • Gold Standard Management Routines to promote desired corporate culture • Succession planning to ensure the organisation's continuity, stability and long-term success • Maintenance of healthy relationships with employee representatives • Application of Group Code of Ethics and Business Conduct • Application of Code of Banking Practice • Adoption of Group Whistleblowing Policy • Launch of Employee Resource Groups to foster diverse, equitable and inclusive workplace	• Ensure prompt and reliable service via our multiple channels, including ATMs, digital platforms, contact centers, and adapted branch networks • Enrichment of our offerings in line with customer needs and market trends • Efforts to reduce waiting times and improve turnaround efficiency as well as address complaints • Ongoing client interactions to better understand and anticipate their needs by leveraging our dedicated customer lab • Compliance with data protection regulations and investments to ensure the safety and confidentiality of client information and reliability of our channels • Fair pricing and management of new and existing product offerings by dedicated committees • Transparent and timely communication through adapted channels, including on social media
Selected metrics	**69%** Trust Index score *(+12 p.p compared to the previous survey)* **57.3 %** Internal mobility rate **~ Rs 106 million** Investment in training **~ 7%** Turnover rate	Net Promoter Scores **32.7** Retail **21.1** Business Banking **33.2** Private Wealth Management **21.6** Corporate and Institutional Banking (Global Coverage)

Note: Figures are as at June 2025, unless otherwise stated

	SHAREHOLDERS AND INVESTORS	ECONOMIES, SOCIETIES AND COMMUNITIES
What they expect from us?	• Good financial performance and adequate dividends • Protection and growth of investment • Robust business model • Sound ESG practices • Rigorous risk management • Strong, experienced and diverse management • Transparent reporting and effective communication	• Initiatives to promote socio-economic progress and financial inclusion and literacy • Efficient use of natural resources and eco-friendly operations • Responsible banking practices and adherence to laws and regulations • Participation in and promotion of discussions on topical, regulatory and economic issues
How we engage with stakeholders and address their needs?	• Ensure sustainable returns through the diligent execution of our strategic endeavours • Interactions with shareholders and investors to better understand their perspectives and update them on our performance, strategy and sustainability agenda • Corporate announcements and publications, in particular quarterly financial statements and annual reports • Open, constructive and regular dialogue with rating agencies to report on our performance and prospects as well as provide comfort on our risk management and business growth foundations • Interactions with players across global markets to consolidate our FCY funding resources to support our international diversification strategy	• Regular engagement with communities in which the Bank is involved, facilitated mainly by the MCB Forward Foundation • No political donations made during FY 2024/25 • Continuous support to the Mauritian economy and modernisation of sectors across jurisdictions • Contribution to the positioning of Mauritius as a credible and competitive IFC • Key contributor to fiscal revenues in Mauritius • Full compliance with regulatory requirements and guidelines • Policies and procedures in place to detect and prevent financial crimes and prompt attendance to submission of regulatory reviews and reports • Thought leadership initiatives, conferences on topical issues, such as MCB's Trade Report, and social media blog posts, notably on the MCB Group's 'TH!NK' website and LinkedIn as well as financial literacy promotion events
Selected metrics	**18.9%** Return on equity **13.9%** Operating income growth **1.9%** Return on assets **Rs 7.1 bn** Dividend declared during the year	**A** MCB Group MSCI ESG rating **Rs 10.6 bn** Outstanding loans to MSMEs **~Rs 5 bn** Total tax paid in Mauritius **66%** of total procurement expenditure sourced from local suppliers

Note: Figures are as at June 2025, unless otherwise stated

Material matters

How we determine our material matters

The Bank's overall strategic direction and performance are influenced by developments occurring across our operating environment. Through our materiality determination exercise, we seek to identify and respond to the factors that have the greatest likelihood of impacting our value creation ability in the short, medium and long term, while assessing the severity of their potential impact on the organisation. The following section dwells on the material matters, the process through which they have been determined and our response thereto.

Our materiality determination process

Identification
We identify a list of factors taking into account:
- Our operating environment
- Stakeholder needs and expectations
- Risks and opportunities

Prioritisation
This involves ranking material matters in order of importance through an impact evaluation by ensuring:
- Alignment with the Group's strategic objectives and sustainability goals
- Stakeholder interests

Strategic integration
The matters that are crucial to value creation are integrated into our strategic planning process. This allows for the formulation of short, medium, and long-term business plans and strategic targets.

Monitoring
We regularly evaluate and reassess the impact and relevance of material matters, including risks to strategy, reputation, performance, and operations.

Material matters identified for the period under review

Operating context influences

1. **Geopolitical and macroeconomic conditions**
   Intensifying geopolitical tensions; mixed sovereign rating outcomes; FX pressures; and diverging interest rate paths
2. **Heightened regulatory demands**
   Forthcoming increase in taxation; more complex regulatory and supervisory requirements; divergent outcomes regarding inclusion of African countries on the FATF list
3. **Climate, environmental and social considerations**
   Prominent emphasis on climate change; growing focus on gender diversity, transparency and evolving disclosure requirements
4. **Cybersecurity and technological advancements**
   Data protection and privacy; increased interconnectedness, digital adoption and more sophisticated demand; accelerated AI deployment
5. **Workplace transformations and employee engagement**
   Evolving workplace culture and DEI; skills shortages and talent retention challenges; talent development; flexibility and wellbeing; succession planning
6. **Customer experience in a competitive landscape**
   Innovative product offerings and competitive pricing models; new players such as fintech or mobile money companies

Read more in the Sustainability Report and our report on Materiality Analysis for MCB Ltd

Our response to operating context influences

The following section sets out developments that have impacted our stakeholders, strategic direction and performance, as well as those likely to shape our future operating context. It also outlines how we are positioning ourselves in response to these factors.

Geopolitical and macroeconomic conditions

- Global growth remains modest, with trade tensions persisting despite some easing; inflation continues its gradual decline amidst softer commodity prices, while the US has started cutting rates, albeit at a slow pace during the year
- Sub-Saharan Africa picking up, though challenges persist in light of a difficult external context, limited fiscal space, climate shocks and social tensions, with sovereign rating pressures lingering in some countries despite upgrades in Seychelles, Nigeria, Kenya and Ghana
- Business operations continued to be impacted by FX pressures across markets
- Resilient economic expansion in Mauritius during the year in review, supported by strong tourism and construction activities. Looking ahead, growth is set to soften due to weakening external demand, the normalisation of activity in traditional sectors and the impact of fiscal consolidation measures. Inflation dropped during the financial year, albeit being on an uptrend in recent months to stand at 3.3% as at August 2025
- The Key Rate, which had been cut to 4% in September 2024, was subsequently raised by 50 basis points in February 2025, and held steady at the Monetary Policy Committee meetings in May and August. Money market yields improved during the year as excess liquidity was partly mopped up, although the recent build-up of liquidity is impacting money market rates
- Mauritius' sovereign credit rating maintained at Baa3 by Moody's with the outlook revised from stable to negative on the back of fiscal and external vulnerabilities
- Intent of the authorities to reinforce the positioning of Mauritius as a globally competitive IFC laid out in the 2025–2030 Strategy Report

Our response

- Strengthened diversification of revenue streams, notably to cushion the impact of US interest rate cuts on our results, while maintaining a prudent approach and remaining focused on niche segments
- Laid emphasis on clients with a solid track record in the corporate and institutional segment
- Offered adapted products and services to customers to meet their foreign currency needs
- Reinforced market vigilance by regularly monitoring country risk across markets
- Assessed our activities, particularly in countries that have been downgraded or have their ratings under negative outlook and accordingly, evaluated potential contingency plans
- Maintained active engagement with authorities and key stakeholders to discuss issues and advocate possible course of action

Capital impacted:
Financial I Manufactured I Social and relationship

Risks impacted

Heightened regulatory demands

- The Mauritius Deposit Insurance Scheme became effective with amendments brought in the Finance Act 2025 in respect of the setting up of a Board of Directors responsible for the conduct and oversight of the Mauritius Deposit Insurance Corporation
- Issue of Bank of Mauritius guideline on Virtual Asset related activities setting out key principles to be followed by banks involved in virtual assets activities and new guideline on Compliance Risk Management and Governance Framework aimed at strengthening oversight, particularly regarding cyber and technology risks, and promoting robust risk management practices
- Key amendments introduced in the Finance Act 2025 to have a notable impact moving forward: Increase in the fiscal burden on banks with the introduction of a Fair Share Contribution of 5% on chargeable income, including income derived from transactions with non-residents and GBCs and an Additional Fair Share Contribution of 2.5% applicable on domestic activities; removal of cap on Banks' Special Levy; banks no longer entitled to claim the 80% tax exemption on foreign dividend income; businesses receiving at least 50% of their annual turnover in foreign currency required to pay tax in foreign currency; amendments in VAT Act requiring foreign suppliers providing digital or electronic services to customers in Mauritius to register for VAT and charge VAT on their supplies
- Amendment of the Banking Act with respect to the definition of 'foreign exchange dealer' to include foreign exchange swap transactions
- Amongst African countries of interest, Tanzania removed from the FATF grey list but Côte d'Ivoire joining Kenya, Nigeria, South Africa, Angola and DRC on the list

Our response

- Maintained a proactive engagement with regulators
- Strengthened the Bank's risk management and compliance capabilities to ensure strict adherence to mandatory rules and advocated norms
- Continued to promote transparency and enhanced disclosure

Capital impacted:
Intellectual I Manufactured I Social and relationship

Risks impacted

Climate, environmental and social considerations

- Africa's energy needs remaining elevated, demanding a diversified mix of both traditional and sustainable solutions
- USD 6.5 billion by 2030 required for Mauritius to achieve its Nationally Determined Contribution (NDC) climate targets, with around 35% expected to be financed from domestic sources
- Need to integrate climate-related risks and opportunities into operations and disclosures, in line with the BoM Guideline on climate-related and Environmental Financial Risk Management and IFRS S1 and S2 sustainability reporting standards moving forward
- Pension eligibility ageing Mauritius to be gradually raised to 65 over the next five years to preserve the long-term viability of the Basic Retirement Pension system, with implications for the economy, public finances, and household income dynamics

Our response

- Expanded our sustainable finance offering both locally and abroad
- Ongoing initiatives aimed at reducing our environmental footprint and enhancing sustainability practices
- Establishment of a cross-functional working group to assess and align internal practices with the BoM Guideline on Climate-related and Environmental Financial Risk Management, and to evaluate implications of IFRS S1 and S2 sustainability disclosure standards
- Reinforced the structure and process in respect of climate, environmental and social risks
- Initiatives in favour of promoting diversity, equity and inclusion as well as employee well-being

Capital impacted:
Financial l Natural l Social and relationship l Intellectual

Risks impacted

Legal risk
Compliance risk
Strategic and business risk
Reputation risk
Business continuity risk
Climate risk
Environmental and social risk

Cybersecurity and technological advancements

- Rapid adoption of artificial intelligence transforming operations and reshaping customer interactions, while raising operational risk considerations
- New technologies, including cloud computing, driving efficiency gains and improved customer experiences, while also giving rise to heightened cybersecurity and data protection challenges
- Intent of the authorities to foster a smarter and more resilient digital economy, alongside reinforcing Mauritius' global AI positioning underlined in the Digital Transformation Blueprint 2025–2029
- Recently enacted legal recognition of electronic bills of exchange, enabling digital trade documents to be valid and enforceable

Our response

- Enhanced client engagement through the deployment of digital solutions
- Continued to reinforce our cybersecurity framework and strengthen a strong risk culture across the organisation
- Reinforced our AI capabilities and defined our AI strategy to steer adoption and integration across the organisation
- Conducted cybersecurity training/ quizzes to raise awareness and reinforce best practices
- Equipped employees with more sophisticated tools, leveraging machine learning

Capital impacted:
Intellectual l Manufactured l
Social and relationship l Human

Risks impacted

Model risk
Operational risk
Business continuity risk
Strategic and business risk
Cyber and information security risk
Legal risk
Compliance risk
Reputation risk

Workplace transformation and employee engagement

- Ongoing skills shortages in the labour market, coupled with rising demand for specialised expertise, notably in technology and other high-value fields
- Introduction of measures in the National Budget to boost openness of Mauritius to foreign talents
- 'Revenu Minimum Garanti' scheme to be maintained in Mauritius, while progressively phasing out the CSG allowances over the next three years
- Amendment to the Workers' Rights Act to extend leave to care to include parents and grandparents with medical needs, beyond just children
- Requirement to pay the 14th month allowance for the year 2024 to eligible employees

Our response

- Regular engagement with employees, including surveys and feedback mechanisms, to better understand their needs and assess motivation and satisfaction levels
- Promotion of a flexible working environment, complemented by ongoing investment in learning and development initiatives
- In line with the Workers' Rights Act, the Bank has adopted an inclusive interpretation of the leave-to-care policy, extending eligibility to the employee's spouse or partner
- Ensure our policies and practices are at least at par with regulatory requirements

Capital impacted:
Manufactured l Human l Intellectual

Risks impacted

Model risk
Operational risk
Business continuity risk
Cyber and information security risk
Strategic and business risk
Reputation risk

Customer experience in a competitive landscape

- Increasingly sophisticated customer expectations calling for tailored solutions and enhanced engagement
- Banks' margins pressurised by heightened competition in retail, corporate and payment segments, coupled with aggressive mortgage loan campaigns
- New entrants like fintechs and peer-to-peer lenders pushing banks to innovate and adapt their services

Our response

- Pursued our investment in innovative technologies to refine our product offering
- Maintained our proximity with our clients and adapting our offering to their needs
- Ongoing brand promotion initiatives showcasing our products and services
- Sustained efforts to improve customer service and elevate client experience

Capital impacted:
Manufactured l Human l
Intellectual l Social and relationship l Natural

Risk impacted

Strategic and business risk

Read more in the 'Risk and capital management' report

CONTENTS

Message from the Chief Executive Officer 45

Our strategy 47

- Governance for realising Vision 2030 47
- Progress on our strategic pillars 48
  - Lead in our home markets 49
  - Build a top-tier African Corporate and Investment Bank and Private Banking Institution 55
  - Win in the Workplace 61

Vision 2030

Win in the workplace

"The Bank has fully embraced the recently unveiled Group's Vision 2030 as the guiding light, helping us navigate uncertainty, remain focused on our purpose and drive meaningful progress for our stakeholders"

Message from the Chief Executive Officer

Reflecting on a world in flux

As I look back on the past year, I am inspired to reflect on the insights and experiences that have truly struck me – those that have shaped my perspectives, challenged my thinking and guided our journey as a Bank.

What stands out first and foremost is the unprecedented pace and complexity of change. From trade wars reshaping global supply chains to geopolitical tensions redrawing economic priorities, stability has become a scarce commodity. The rapid advancement of artificial intelligence is transforming industries, redefining how we work and raising important questions about trust, ethics and opportunity. These forces are also being felt across Africa and in Mauritius. Both have demonstrated resilience but continue to be tested by external shocks and shifting global dynamics. In Mauritius, while Moody's Ratings has affirmed the country's rating, this has been accompanied by a shift to a negative outlook, a reminder of the need to ensure fiscal sustainability in an uncertain world.

"In Mauritius, we stand as one of the largest direct value contributors to nationwide socio-development and wealth creation"

In this volatile environment, the Bank has fully embraced the recently unveiled Group's Vision 2030 as the guiding light, helping us navigate uncertainty, remain focused on our purpose and drive meaningful progress for our stakeholders. In support of this vision, we have restructured our Corporate and Institutional Banking arm, laying the foundations for a top-tier Corporate and Investment Bank, driving our growth ambitions and contributing to sustainable economic progress across Mauritius and Africa.

Demonstrating our resilience and adaptability

I continue to be impressed by the unwavering determination and agility of our teams in coping with the challenging operating landscape. This has enabled us to deliver a resilient financial performance during FY 2024/25. Net profit after tax reached Rs 17,211 million, up 11.4% year-on-year. Operating income rose by 13.9%, driven by an 11.3% increase in net interest income on account of an increase in interest-earning assets, notably from the effective deployment of our rupee excess liquidity at higher yields. Non-interest income grew by 19.3%, with net fee income up 9.3% thanks to strong performance in payments, trade finance and wealth management activities while global markets and FX activities remained buoyant. Our cost-to-income rose to 35.2%, reflecting continued investments in technology and higher system costs as well as a rise in staff costs in line with our efforts to build capacity. Asset quality improved with the gross NPL ratio falling to 2.7%, while our overall capital adequacy and Tier 1 ratios remained comfortably above regulatory thresholds at 21.1% and 18.6% respectively. We also sustained a robust liquidity profile, with a consolidated Liquidity Coverage Ratio of 621% and Net Stable Funding Ratio of 163%, underpinned by a prudent funding and liquidity strategy.

Driving strategic progress: Vision 2030 in motion

This performance reflects the disciplined and focused execution of our strategy. In Mauritius, we stand as one of the largest direct value contributors to nationwide socio-development and wealth creation, serving a broad segment of the population while also being the country's leading taxpayer and one of the largest employers. We reinforced our leadership as a universal bank, remaining a trusted partner for individuals, entrepreneurs and corporates. Driving digital adoption continued to be a key focus area. I am pleased to note that the cash-to-digital payments ratio declined to 22%, marking tangible progress towards a cash-lite society, while the volume of transactions on MCB Juice - enhanced with new features - surged by around 40% year-on-year. We also deepened our engagement with local entrepreneurs through our digital platform - punch.mu and our PUNCH community initiatives, which foster dialogue and connection. We have sustained our support to domestic corporates across economic sectors while actively contributing to Mauritius' transition to a green economy, aligned with the Government's target of increasing the share of renewable sources to 60% by 2035.

Meanwhile, we continued to expand our reach beyond Mauritius. Leveraging the Mauritius IFC and our commercial hubs, we strengthened our position as a key partner for multinational corporations and large enterprises. We consolidated our positioning as a leading African bank in oil and gas financing by building on our established track record, while navigating specific sector developments in Nigeria. In parallel, we supported key clients in financing critical infrastructure in the continent, fostering improved electrification and the gradual shift to cleaner energy. We completed a full draw-down of our USD 120 million credit line from Proparco, channeled into projects that drive climate mitigation, adaptation and resilience across Africa. We enhanced our financial markets offerings to deliver more bespoke solutions tailored to the specialised needs of our clients. We pursued efforts to boost our wealth management offering, while forging strategic partnerships across Europe, MENA, and sub-Saharan Africa. Crowning these achievements, MCB was named African Bank of the Year 2024 by The Banker - the first time a Mauritian bank has received such an honour. This recognition reflects the dedication of our teams and affirms our commitment to driving socio-economic progress across the continent.

Shaping our path to a future-proof MCB

As we chart our path forward, we are conscious that building a future-ready MCB requires more than ambition. It demands continuous introspection and clear action. We are actively reviewing our business models to ensure they are fit for

purpose and ready to scale our impact. Strengthening our foundations is essential to unlocking the full potential of Vision 2030.

Consolidating our leadership in Mauritius remains a strategic imperative. Mauritius is not only our foundation - it is the anchor of our identity. As the country's leading bank, we are committed to working in close partnership with all stakeholders to drive nationwide development and foster a more diversified, digitally enabled and sustainable economy. Elevating customer experience is central to this ambition. We are listening attentively to customer feedback, and while MCB Juice has been a successful step forward, we recognise that delivering meaningful progress demands that we go further.

Africa stands at the core of our strategy to build a top-tier Corporate and Investment Banking and Private Banking institution. Our focus remains on specialist capabilities across niche segments such as energy and commodities, infrastructure financing and critical minerals. Private equity continues to offer strong potential across Africa, where our visibility and recognition are steadily growing. While we build on the positioning of the Mauritius IFC, we are also reinforcing the capabilities of our commercial hubs and exploring opportunities to expand into global financial centers like London and key regional markets such as Abidjan. A priority is facilitating cross-border flows and expanding regional value chains. Intra-African trade, which accounts for only 16%, is far too low, as stressed in our Trade Report. We aim to support Africa's economic integration through enhanced trade and transaction value offerings.

"What struck me this year is the growing momentum behind Africa's voice in shaping its own narrative"

What struck me this year is the growing momentum behind Africa's voice in shaping its own narrative. At the recent International Trade and Forfaiting Association (ITFA) conference, I witnessed more African leaders speaking up, with a clear consensus emerging: a one-size-fits-all framework does not serve Africa's realities. The "S" in ESG must take centre stage - especially given that Africa contributes only around 4% of global CO_2 emissions yet bears a disproportionate share of climate costs, with hundreds of millions still lacking access to reliable electricity. I am proud that MCB has helped shape this dialogue, shifting the focus to social impact and enabling a just transition - one that recognises Africa's need for patient capital, flexible standards and trade finance that rewards local value creation. This is not just about sustainability. It is about dignity and long-term prosperity. As one of the few investment-grade rated banks in sub-Saharan Africa, MCB is committed to supporting the region's socio-economic progress and challenging the high-risk perception of Africa through long-term partnerships and tailored financial solutions that unlock sustainable growth.

Empowering our people and enriching our culture

At MCB, we strive to be a workplace where talent thrives and people feel empowered to make a difference. We continue to invest in employee growth, enhance the overall experience and attract capabilities aligned with our strategic ambitions. Our leadership development framework and succession planning processes ensure we identify, nurture and retain high-potential talent for critical roles across the organisation. We have made meaningful progress in advancing gender diversity, with women now representing 37% of middle and senior management. Through our Shared Ways of Working and initiatives like Employee Resource Groups, we foster a culture of inclusion, equity and authenticity, enabling our people to contribute with confidence and purpose. Our efforts to building a culture of trust were reaffirmed this year with improved scores in our annual employee engagement survey and our recognition as a Great Place to Work®. Building on this momentum, we will continue to promote collaboration, well-being and high performance towards shaping a resilient, adaptable organisation ready to seize tomorrow's opportunities.

Concluding remarks

As we close another remarkable year, I want to express my deep appreciation to all those who have contributed to our progress. Our journey under Vision 2030 is well underway - not just as a transformation agenda, but as a strategic compass guiding our ambition to become a future-ready, purpose-driven financial institution. Delivering value through innovation and operational excellence remains our focus, underpinned by our investment-grade rating and alignment with international standards. I extend heartfelt thanks to our employees for their dedication and outstanding contribution and to the Leadership Team of MCB Ltd for their unwavering support. Congratulations to Ashvin Deena, Mathieu Delteil and Hemandra Kumar Hazareesing, who have joined the Management Committee, and to Youri Harel, Pamela Chan and Eddie Emmanuel, who have joined the Leadership Team. I also thank the Boards of MCB Ltd and MCB Group Ltd for their steadfast support and strategic vision. To our customers, your trust and loyalty remain the foundation of our success. Whether at home in Mauritius or across Africa and the wider world, we know the road ahead will remain complex and fast-evolving. But complexity sharpens our resolve. What gives me confidence is not just our resilience, but our ability to evolve with purpose. Success for MCB is not just about numbers. It is about the lives we touch, the trust we earn and the legacy we build. As we look ahead, I am proud of the institution we are shaping - one that empowers people, creates lasting value and contributes meaningfully to society. The future will not be simple, but it will be ours to shape.

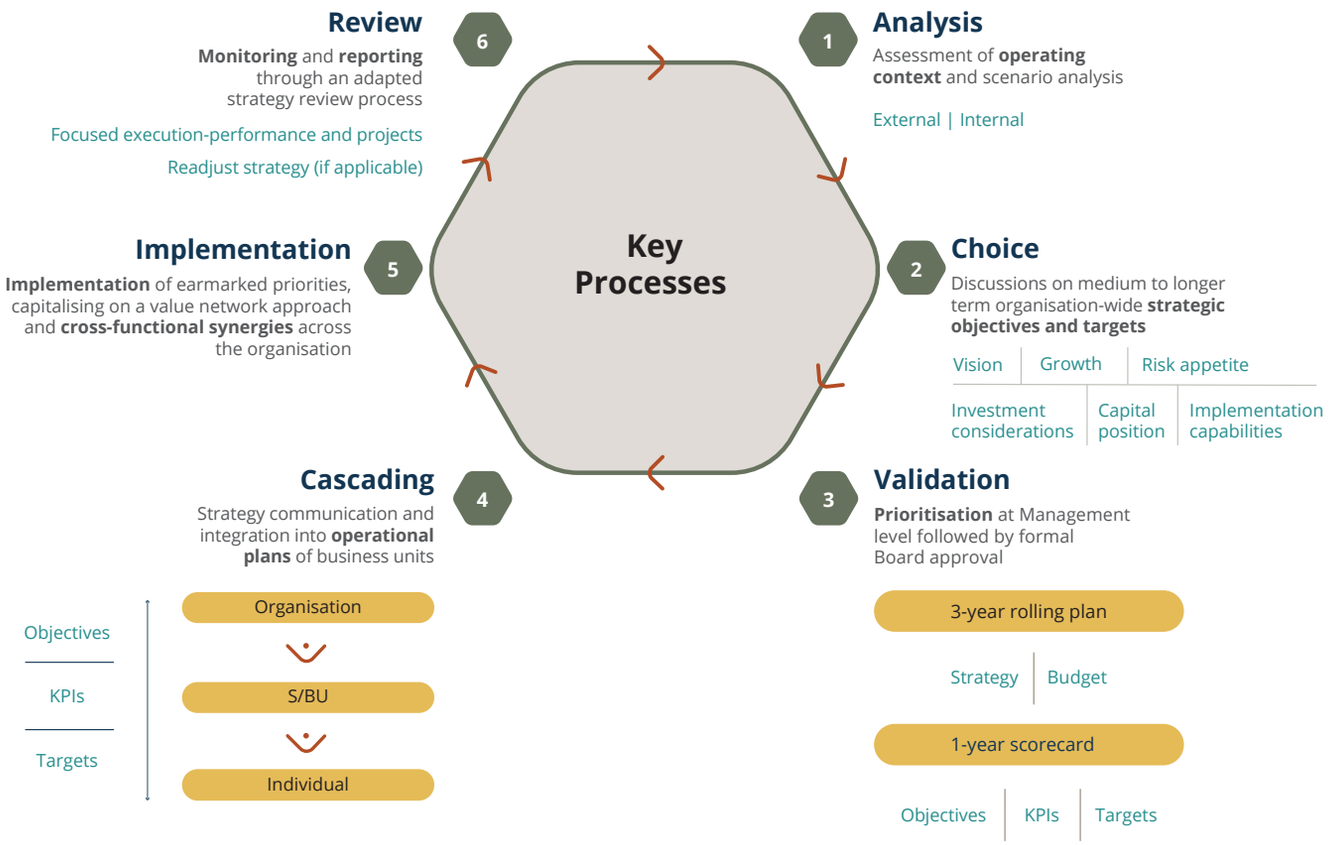
Thierry HEBRAUD
Chief Executive Officer

Our strategy

Guided by the ambition outlined in Vision 2030, the Group has defined the strategic priorities to shape its direction and actions over the next five years in a fast-changing world. These priorities are articulated around three pillars (i) leading in our home markets, namely Mauritius, Madagascar, Seychelles and Maldives by driving innovation, uplifting customer experience and supporting inclusive economic development; (ii) establishing ourselves as a top-tier Corporate and Investment Bank and Private Banking institution in Africa, contributing to the continent's socio-economic progress through trade, investment and support for a just transition; and (iii) creating a winning workplace that empowers people and fosters innovation. In doing so, we seek to create lasting value for our stakeholders and contribute to a sustainable and inclusive future. The Bank has fully aligned with the Group's Vision and remains steadfast in its commitment to translating it into meaningful and measurable outcomes.

Governance for realising Vision 2030

The Bank operates within a robust governance framework that fosters strategic alignment, clear accountability and effective execution across the organisation. The Board of MCB Ltd sets the strategic directions of the Bank and approves applicable policies, while ensuring they are well communicated and regularly reviewed for their relevance and impact. In alignment with Vision 2030 and the strategic directions set at MCB Group level, we formulate our own strategic objectives, guided by an adapted and pragmatic approach for strategy setting.



Progress on our strategic pillars

Throughout the year, we made tangible progress across our strategic pillars, with initiatives that reflect our commitment to delivering on our long-term ambition. These efforts ranged from strengthening market presence and enhancing client experience to deepening stakeholder engagement and building future-ready capabilities. The execution of our strategy was enabled by key organisational initiatives to simplify operations and enhance efficiency, while investing in our people, technology and platforms.

Among the key milestones was the successful migration and upgrade of the Group's banking entities to a unified Transact platform hosted in Mauritius, a critical enabler to drive synergies, innovation, and value creation. We also received the TMMi® (Test Maturity Model integration) Level 3 certification - the first bank in Africa to attain this level - a significant achievement that underscores our commitment to delivering high-quality, reliable solutions to our customers. Alongside further reinforcing our risk and compliance capabilities, we continued to realign our operating models across the value chain to better support business priorities and enable more effective execution. The launch of the Non-Individual Onboarding and KYC Solutions Business Unit within Banking Operations – consolidating all onboarding, amendments and KYC review activities under a single framework – marks a bold step in reshaping the way we work together and should deliver a more seamless client experience. To support our ambitions, we closed our first Dual Tranche Asia-focused Syndicated Term Loan of USD 350 million. The facility was well received and oversubscribed two times by a total of 20 banks, with several banks participating as first-time lenders to MCB Ltd. By diversifying our funding base towards Asian lenders, we also achieved a substantial reduction in our cost of borrowing.

In line with Vision 2030, we are also shaping the future by setting forward-looking strategies that anticipate emerging trends and position the Bank for sustainable growth and long-term impact.

Lead in our home markets

Our home markets remain central to our growth strategy. Guided by Vision 2030 and its purpose, Success Beyond Numbers, MCB aims to be the preferred financial partner in Mauritius by elevating customer experience, delivering pioneering solutions, and contributing meaningfully to socio-economic progress.

During FY 2024/25, we focused on elevating our customer value proposition to better support individual customers, entrepreneurs and corporates in navigating the constantly changing operating environment and pursuing their sustainable ambitions. This was underpinned by:

- Innovative, end-to-end client solutions
- Our cross-selling capabilities bolstered by Group synergies
- Closer proximity with our clients and partners
- Enriched customer experience and streamlined operations

Market shares

~50%
Share of local currency deposits

~39%
Share of domestic credit to the economy

>55%
Share of local custody assets

Strengthening market presence and client relationships

We have sustained our efforts to consolidate our positioning across established market segments, by delivering on dedicated business development initiatives and proactively responding to the evolving clients' expectations for an elevated customer experience and service.

Consolidating our positioning across market segments

Our universal banking model remains core to our strategy, providing a solid foundation to support our customers while contributing to the sustainable development of the local economy. We also upheld our leadership position across customer segments by continuously adapting our offerings to meet clients' needs and by deepening our relationships with them.

Empowering individuals through our comprehensive banking solutions

We continued to deliver meaningful value to individual customers by making banking more accessible, responsive, and impactful, with key developments outlined below:

- Helped more individuals achieve homeownership by expanding our housing loan offerings, supported by targeted campaigns and proactive outreach. This has contributed to improving market share, thus reinforcing our positioning as a prominent player in a highly competitive segment.

- Introduced alternative housing solutions through the launch of the Container House Project in April 2025, in partnership with Velogic and Sunbox. This initiative promotes low impact housing while providing an eco-responsible product offering tailored to evolving customer expectations and environmental priorities.

- Brought banking closer to communities, through the expansion of our ATM network which reached 182 locations (representing around 40% market share), bringing essential banking services to untapped areas. We also plan to replace 104 ATMs across our network by April 2026, as part of our ongoing efforts to modernise banking services and offer greater convenience to our valued clients.

- Strengthened our positioning as the trusted partner of choice for high-net-worth clients by delivering a comprehensive suite of tailored wealth management solutions, complemented by the promotion of our digital channels and offerings to enhance overall customer experience.

Supporting entrepreneurs and small businesses

We remained focused on helping MSMEs (Micro, Small and Medium Enterprises) and entrepreneurs grow, adapt, and thrive by providing bespoke financial solutions and fostering community engagement backed by targeted initiatives:

- Further supported entrepreneurship through the 'Lokal is Beautiful' scheme, which recorded a significant expansion in loan exposure following the revamp of the scheme last year. The value proposition of the scheme was also enriched with the introduction of recourse and non-recourse factoring, in collaboration with MCB Factors, tailored to the needs of MSMEs.
- Reinforced connections within the MSME community on the back of our actions to boost the visibility of entrepreneurs and prominence of their businesses through a series of adapted events for our MSME community, namely PUNCH Meets, PUNCH Coffee Circle events, and PUNCH Speaker Series.

Partnership with local players to support entrepreneurship

Our strong brand presence within the local business ecosystem is underpinned by entrepreneurship programmes leveraging strategic partnerships, notably Turbine and Association of Mauritian Manufacturers. During FY 2025, we have also collaborated with La Plage Factory to support the Punch cohort, comprising 13 entrepreneurs, by providing mentorship, curated masterclasses and access to an expansive professional network. Launched in March 2025, the initiative features monthly meet-ups to exchange insights and explore emerging trends, underscoring our commitment to fostering a resilient, future-ready economy.

Read more on how we are supporting our entrepreneurs and small businesses in the Sustainability Report on our website

Partnering with corporates to foster growth and entrench sustainability

We supported corporate clients in navigating market dynamics, advancing sustainability, and expanding regionally by implementing a series of targeted initiatives:

- Disbursed around 70% of the MCB sustainable finance credit line of Rs 10 billion, reflecting our commitment to support the local economy's transition to a greener, more sustainable future, thus enabling companies to pursue their own transition efforts.
- Continued to support our domestic clients conducting or seeking to conduct business in our home markets and in Africa. Through synergies with the Group's banking subsidiaries, we assisted our clients in their expansion and consolidation efforts in our home markets. We also financed a number of our clients in the execution of their growth strategy in Africa whilst leveraging our network of partner banks on the continent to support our clients' activities.
- Remained deeply engaged with the corporate community, working closely with our clients across economic sectors to gain a better understanding of their unique business needs and how the prevailing market conditions impact their activities. This approach has allowed us to offer bespoke solutions to enable clients to meet their strategic objectives and overcome some of their challenges.
- Launched corporate cards in foreign currencies, namely USD, EUR, GBP and ZAR, to provide greater flexibility in managing foreign currency transactions and cash flow across their international operations.

Supporting Phoenix Beverages Limited (PBL) in its strategic expansion in the Indian Ocean

The Bank, with the participation of MCB Seychelles, supported PBL in the acquisition of a majority stake in Seychelles Breweries Limited. Through this acquisition, PBL strengthens its regional footprint and reinforces its long-term growth across the Indian Ocean. This financing reflects our long-standing partnership with PBL, a prominent FMCG player in Mauritius. This transaction underscores our expertise in providing comprehensive financial solutions to drive regional growth for our clients. Our involvement is fully aligned with the Group's vision to lead in our home markets while enabling clients to pursue their expansion ambitions across the region's key markets.

Enhancing our customer experience

We further entrenched our customer-first approach by centralising and analysing feedback, integrating customer insights and driving continuous improvements for stronger engagement and more seamless interactions. Key achievements during FY 2024/25:

- Further embedded the voice of the customer as a key value driver, with more surveys and research projects undertaken.
- Reviewed our customer service standards focused on minimising waiting times and ensuring prompt client engagement, amongst others, to enhance customer experience and uphold our commitment to excellence.
- Leveraged customer complaints received to identify areas for improvement, enabling us to enhance our products and services. The share of complaints resolved within 5 days stood at around 70%.

Embedding the voice of the customer at the heart of our strategy

~ 22,000
Customer participation in surveys/research projects

>140
Number of surveys and research projects undertaken

60
Recurrent surveys (monthly/ quarterly)

35
Real Time Dashboards

Net Promoter Score

Retail (FY 2023/24:30)	Private Wealth Management (FY 2023/24:40)	Business Banking (FY 2023/24:13)	Corporate and Institutional Banking - Global coverage (FY 2023/24:6*)
33	33	21	22

** Result based on fewer touchpoints compared to FY 2024/25*

Providing pioneering solutions

We remain committed to continuously adapting our value proposition by delivering innovative solutions that are both relevant and impactful. During FY 2024/25, our efforts focused on advancing digital product development, simplifying processes, and enhancing service delivery across customer segments. These initiatives reflect our drive to stay ahead of market expectations and reinforce our leadership in solution-oriented banking.

Enhancing everyday banking with MCB Juice

In 2025, we introduced several enhancements to MCB Juice, reinforcing our position as a leader in digital banking:

• Juice Wealth – Customers can view all their investments in one place, updated in near real time of their portfolio value, holdings, and transactions going back 60 days. Trading on international markets is supported by an order flow that guides customers step-by-step, ensuring a smooth experience from placing to executing orders

• Juice Tap – A new NFC (near-field communication) payment feature that creates a digital token of the card to enable contactless transactions, in Mauritius and internationally, by simply tapping an Android or Huawei device on a POS terminal. This feature aligns with evolving trends, enhancing the overall user experience while complementing the lifestyles and needs of diverse customer segments. Several MCB cards have already been tokenised and enrolled into Juice Tap for mobile contactless payments.

• Enhanced registration security – A reinforced onboarding process requiring ID/passport capture and a selfie for new users and mPIN resets. This upgrade bolsters fraud prevention alongside existing two-factor authentication.

• In September 2025, we launched MCB Juice 5.0 which delivers a smarter, safer, and more seamless banking experience with a redesigned interface, enhanced transfer security, expanded limits and full NFC card support.

~ 13%
Visa cards tokenised as of June 2025

Empowering clients through self-service solutions

The Bank expanded its self-service capabilities with the launch of InstaBank kiosks in selected branches, offering secure card-and-PIN access to a wide range of banking services, including account management, payments, transfers, bill payments, and mobile refills. These kiosks are now available at our key branches in Port Louis, Curepipe, Grand Baie, Rose-Hill, Flacq, Triolet, Beau Plan, Quatre Bornes, and Vacoas. The rollout is ongoing and will continue to extend across our network, reinforcing our commitment to accessible and convenient banking.

To support our efforts in reducing paper usage, and to simplify account opening, the Bank introduced a self-onboarding journey for individual customers. New clients can initiate the self-onboarding process via our website, submit documents through the MoKloud application and complete the process by visiting one of our branches. This enhancement promotes onboarding speed, improves data accuracy, and supports regulatory compliance, contributing to a more efficient and environmentally conscious onboarding experience.

Upgrading MCB JuicePro 2.0 for SMEs

Our SME-focused platform saw multiple upgrades designed to deliver faster, more intuitive banking, including:

• A redesigned homepage displaying account balances, loan application status, and merchant tools

• Real-time payment dashboard with transaction status tracking

• Expanded scan to Pay functionality which now includes government billers

• Unified Statements & Advices experience across mobile and internet banking

Advancing the transition to a cash-lite economy

22%
Cash to digital ratio

-3%
Cash withdrawal

8%
Card transaction (POS)

43%
Ecommerce

97%
Juice/Maucas QR payments

Note: Above metrics relate for FY 2024/25 and indicate, except for cash to digital ratio, the y.o.y change in the volume of transactions.

We actively promoted our digital payment solutions through campaigns highlighting our secure digital channels, which enable clients to perform transactions anytime and anywhere. We pursued our efforts to increase our digital payments acceptance footprint, which now covers 17,000 merchants. Digital payments, encompassing transactions performed on our digital channels (MCB Juice, JuicePro and Internet Banking) and cards exhibited a notable increase, with the volume of MCB Juice transactions experiencing a year-on-year rise of around 40%. Over 21,000 SME debit cards were issued as at June 2025, providing a digital alternative to cheques and supporting SMEs in managing their finances more efficiently and securely.

POS modernisation

As part of its support for the cash-lite transition, we embarked on modernising POS payment terminals across all our merchants. Key benefits include:

- ✓ Enhanced customer and merchant experience through next-generation digital terminals
- ✓ Strengthened our competitive position in the merchant acquiring space
- ✓ Synergies and economies of scale
- ✓ Consistent brand experience
- ✓ Improved security and compliance
- ✓ Future-ready platform

>2,300

new Android-based terminals have been deployed in Mauritius

Advancing digital transformation – Key metrics

Payment and channel

MCB Juice

Subscribers
679,189
(+12% y.o.y)

86 CSAT

MCB JuicePro

Subscribers
35,033
(+17% y.o.y)

81 CSAT

Lending

Mortgage

Average TAT
49 days
(100% digitally processed)

84 CSAT

Unsecured personal loan

Average TAT
5 days
(100% digitally processed)

90 CSAT

SME Lending (express overdraft)

Average TAT
3 days
(100% digitally processed)

Onboarding

SME account opening

Average TAT
3 days
(76% digitally processed)

74 CSAT

Notes:
- *All figures relate to FY 2024/25, unless otherwise stated.*
- *CSAT scores, which indicate customer satisfaction, refer to June 2025.*
- *TAT (turnaround time) includes the time taken for customers to respond and excludes outliers.*

Acting as a catalyst for socioeconomic progress

We are committed to advancing the socio-economic landscape of the countries in which we operate — driving industry evolution, supporting key transitions and unlocking opportunities for our stakeholders. In doing so, we strive to foster inclusive and sustainable growth that benefits communities, businesses and economies alike. During FY 2024/25, we accordingly undertook several initiatives as highlighted below:

Driving vibrant and sustainable local and regional economies

- Renewed our support to the Association Mauricienne des Femmes Chefs d'Entreprises (AMFCE) for the third consecutive year through the nine-month Business Without Borders programme. This initiative provided practical tools and guidance to approximately 60 women entrepreneurs across the Indian Ocean region, reinforcing our commitment to inclusive growth and regional empowerment.

- Refined our sustainable finance framework by strengthening our green taxonomy and introducing a social taxonomy. Both taxonomies will broaden the scope of our sustainable financing opportunities and support our clients as we transition to a circular, low-carbon and resilient economy.

- Participated in the first SolarX Accelerator Program in Mauritius, an initiative by Business Mauritius and the International Solar Alliance to empower and support solar start-ups in Africa and the APAC region towards scaling clean energy solutions.

- Launched our Financial Literacy in Communities Project, a dedicated initiative aimed at empowering our customers and the wider community with the knowledge and tools needed to make informed financial decisions. This programme reflects our commitment to building financial confidence and resilience, ensuring that individuals from all walks of life can better manage their resources, plan for the future and seize economic opportunities.

- Supported, in collaboration with our credit insurance partners, the completion of Captain Arctic, a pioneering polar expedition vessel by Mauritius-based CNOI (Chantier Naval de l'Océan Indien) which embodies green innovation.

35 years in Rodrigues

In 2025, we proudly celebrated 35 years of presence in Rodrigues, marking a significant milestone in our journey of service and community impact.

This anniversary highlighted the strong relationships we have built with our customers over the decades and provided a platform to showcase client success stories, reinforcing how our partnership has contributed to their growth and achievements.

Preserving environmental and cultural heritage

- Organised the 3rd edition of 'Deba Klima', a nationwide debate competition designed to engage secondary school students in climate change discourse. Held in Kreol Morisien to ensure broader accessibility and understanding, the initiative encouraged participants to conduct in-depth research and present arguments on climate-related topics.

- Participated in the Group-wide Mailbox Clean-Up campaign, which focused on email hygiene, deleting over 6.2 million emails, saving 2.7 TB of disk space, and reducing the carbon footprint by 1,866 kg.

- Participated in the United Nations Environment Programme Finance Initiative Global Roundtable 2024, sharing insights as co-chair of the Principles for Responsible Banking Adaptation Working Group and highlighting efforts to address climate risks and build resilience.

Greening energy supply

The Group partnered with Omnicane, signing the EPC (Engineering, Procurement and Construction) contract with Ecoasis for the development of a 4.8MW photovoltaic solar farm at Saint Antoine under the MSDG Scheme of the CEB. Once operational, the solar farm will supply Omnicane and the Bank with clean energy that should contribute to reduce carbon emissions. This innovative project integrates an agricultural component, reflecting our shared commitment to a greener future.

Promoting individual and collective well-being

- Partnered as a platinum sponsor of the Charles Telfair Centre to foster meaningful change through the exchange of ideas, knowledge and dialogue for collective action. This partnership reflects the synergies between the Centre's mission to make SDG-aligned knowledge accessible and our sustainability focus.

- Continued our community engagement, facilitated mainly by the MCB Forward Foundation (MCBFF), which is responsible for our corporate social responsibility efforts. For FY 2024/25, an aggregate amount of around Rs 69 million was entrusted to MCBFF by MCB Ltd. Most of the funds were directed towards supporting socio-economic development through the MCB Football Academy, which aims to provide an environment conducive to child development through sport and education.

Build a top-tier African Corporate and Investment Bank and Private Banking Institution

To position ourselves as a top-tier Corporate and Investment Bank (CIB) and Private Banking (PB) Institution in Africa, we aim to serve our clients through a holistic, value-driven approach. This entails delivering a comprehensive and integrated suite of solutions spanning financing, global markets, transaction banking, investment banking and wealth management.

Our strategy is designed to address evolving client needs and capitalise on emerging opportunities to drive MCB's sustainable growth in an increasingly dynamic financial services environment. To achieve this ambition, our focus is on the following:

- Differentiated expertise: Deepening our specialisation and positioning in selected markets with bespoke, integrated and competitive solutions tailored to our customers' evolving needs.

- Proximity with Clients and Partners: Establishing ourselves as the preferred financial partner for clients along trade and investment corridors into, out of and within Africa by scaling up our teams in key commercial hubs namely DIFC (UAE), Johannesburg, Nairobi, Lagos and Paris.

- Contributing to Just Transition: Supporting Africa in its journey for a just transition by addressing the pressing need for sufficient and affordable energy supply while advancing sustainable finance solutions. Our value offering to private equity funds investing in Africa which are heavily focused on ESG and impact also demonstrates MCB's commitment to sustainable financing.

In support of Vision 2030, we have restructured our Corporate and Institutional Banking division to lay the foundations for a future-ready Corporate and Investment Bank. The new structure is organised around two clusters (i) Global Coverage and (ii) Global Structured Finance. Both clusters are jointly supported by the strategic office and middle office to successfully deliver on the business strategy and objectives. The transformation aims to align the operating model more closely with the distinct needs of client segments, while fostering stronger synergies between coverage and product teams to accelerate innovation and deliver seamless client experience. Over time, we aim to evolve into a Corporate and Investment Bank distinguished by sector expertise, advanced financing, a broad suite of adapted product and value offering and enhanced advisory capabilities to drive our growth ambitions.

Laying the right foundations for MCB's future Corporate and Investment Bank

Unfolding a model adapted to **needs of clients segments**

Accelerating **product development** and reinforcing service delivery

Building scalability across the value chain, spanning people, processes and systems

In FY 2024/25, we accelerated the growth of our corporate and institutional segment through a differentiated client proposition that empowered businesses to grow and manage financial risks. We also reinforced internal capabilities, notably through strategic recruitments in our regional commercial hubs. In wealth management, building from our leadership position in Mauritius, we strengthened our regional positioning by delivering a comprehensive suite of services to affluent and high-net-worth clients. Key initiatives undertaken during the year are outlined in the following sections.

Consolidating our foothold in selected markets

Financing Africa's energy needs and sustainable development

As part of our commitment to support Africa's socio-economic development, we bolstered our structured finance capabilities and deepened our presence in strategic markets across the continent through the following endeavours:

- Strengthened our Oil and Gas franchise by building on our established track record, while navigating changing dynamics in our commodity trade finance business and supporting a robust network of world-class operators and traders. This has further elevated our brand as a trusted and reliable financial partner across Africa in this segment.
- Sustained our efforts to diversify our portfolio by shifting towards cleaner fossil fuels. We are exploring opportunities in the gas sector and in the metals and minerals space, with particular focus on base metals essential to the global energy transition.
- Continued to provide support to leading players in financing critical infrastructure projects across key geographical markets, thereby facilitating the continent's transition to cleaner, more sustainable energy, improving electrification rates and energy access while reinforcing our role as a reliable financial partner in Africa's infrastructure transformation.
- Completed a full draw-down of the USD 120 million credit line from Proparco, channelled into projects that drive climate mitigation, adaptation and resilience across Africa.
- Established the Sustainable Finance Desk to reinforce our commitment to embedding sustainability at the core of our activities. Leveraging experience in project financing and complex credit structuring, the desk positions us as a trusted partner that delivers long-term client value while advancing broader development goals, with a strong focus on sales and product innovation to drive tailored sustainable finance solutions.

Landmark energy financing to BW Energy

MCB participated in an up to USD 500 million Reserve Based Lending (RBL) facility for BW Energy, a growth-focused operator listed on the Oslo Stock Exchange with a market cap of around USD 900 million. The new facility of USD 500 million replaces the USD 300 million RBL in which MCB participated in 2023. BW Energy is a proven operator with a solid track record and assets in Gabon, Brazil and Namibia. This facility is structured around Dussafu in Gabon and is presently BW Energy's flagship asset. The company took operatorship of the asset in 2020 and ramped up its working interest production from c.8,000 bbl/d in 2020 to c.40,000 bbl/d in 2025. The increased facility will provide further liquidity to support the company's expansion.

This deal underscores MCB's position as a leading financial institution on the African continent. We are also pleased to have been appointed Facility Agent and Security Agent in a facility of this size with major international financial institutions sitting around the table, which is a testimony to the increasing visibility and reputation of our franchise on the market backed by a solid and growing relationship with the company. MCB also provides a wide range of services to BW Energy, including but not limited to commodity hedging and account services.

Brice Morlot, Chief Financial Officer of BW Energy commented: *"We are pleased to have MCB play a leading role in this transaction. Their appointment as Facility Agent and Security Agent reflects their strong capabilities and our effective collaboration. MCB has become a valued financing partner to the E&P sector, and we look forward to continuing to work together."*

Partnering with Genser Group to power West Africa

MCB is proud to be a long-standing financial partner of Genser Group, a diversified energy company with an 18-year track record in West Africa and one of the region's leading embedded power generation providers, with activities structured around three core pillars: Power Solutions, Natural Gas Solutions, and Midstream Solutions. Genser owns several operating power plants in Ghana with a projected installed capacity of over 450 MW and is the only private owner of natural gas pipeline network in Ghana.

As one of Genser Group's principal financial partners, MCB's support to Genser encompasses participation under both long term and revolving credit facilities. Building on this relationship, MCB has taken a leading role as Mandated Lead Arranger on financing requirements of Genser aimed at building additional generation capacity at existing Ghanaian power plants for export of electricity to Ivory Coast to meet the growing power demand in the country. Beyond long-term financing, MCB has also structured a bespoke invoice discounting facility to enhance Genser's liquidity management and support its day-to-day operations. MCB deeply values its partnership with Genser Group and is proud to have accompanied the group on its growth journey in recent years.

Establishing ourselves as a core bank for corporate clients and partners

We are strategically positioning ourselves as a core banking partner for large corporates locally, across the region and beyond, through a specialised and bespoke client offering, thus helping businesses to grow. The collaboration between coverage and product teams, such as Financial Markets and Global Transaction Banking, has been instrumental in servicing our clients optimally. Key initiatives undertaken during the year included:

- Delivered a tailored value proposition designed to meet the complex needs of our diverse corporate client base, through enhanced collaboration between Group entities.
- Continued to strengthen our positioning as a trusted banking partner for private equity funds, multinationals and large enterprises expanding across Africa by enhancing proximity with clients and their ecosystem, while leveraging the Mauritius IFC and other global financial hubs.
- Enhanced our financial markets offerings, including sophisticated fixed income, structured and hedging instruments, as well as cross-currency swaps backed by African local currency bonds.
- Strengthened our trading capabilities, with the aim of positioning MCB as a regional leader in G10 FX trading while capturing a prominent share of African fixed income G10 flows. Aligned with Vision 2030, we deployed an Africa-focused strategy by establishing the African Trading Desk to enhance trading execution and settlement in major African currencies. This will allow us to expand our client reach and coverage, and deliver greater value to clients and financial institution partners across the continent.

Dual Tranche facility for IHS Holding Limited

We acted as one of the Mandated Lead Arrangers (MLA) in October 2024, for a USD 439 million equivalent dual tranche (USD and ZAR) facility, committing USD 50 million towards the successful refinancing of a USD 430 million equivalent transaction for IHS Holding Limited, one of the largest independent owners, operators and developers of shared communications infrastructure in the world by tower count and listed on the New York Stock Exchange. This achievement highlights our capacity to partner with leading global banks in executing complex cross-border transactions and reinforces our standing as a trusted institution in international capital markets.

Supporting Africa's agricultural sector

We have partnered with ETG, a well-diversified conglomerate fulfilling global resource needs by connecting small African farmers to a diverse pool of buyers across the globe. We committed USD 30 million in 2024 to accompany the group in support towards African farmers to boost productivity and the sustainability mission of the group. Our financing, which included a sustainability-linked loan, is geared towards the reduction of greenhouse gas emissions, the promotion of gender equality and improved transparency in the agriculture supply chain. This achievement highlights our capacity to partner with leading conglomerates operating in Africa to execute cross-border transactions and reinforces our position as an African Bank committed to sustainability initiatives on the African continent.

Supporting corporates in their transformative journey

MCB played a key role in the successful completion of a scheme of arrangement involving ENL Limited, Rogers and Company Limited, and NewENLRogers Limited, supporting the restructuring of existing facilities and ensuring a seamless integration of banking arrangements. By working closely with the ENL and Rogers teams, MCB demonstrated its ability to accompany clients through transformative phases while positioning itself to benefit from future growth opportunities. The Bank also subscribed to Rogers' MUR 1.2 billion bond issuance, strengthening our long-standing relationship with the Rogers Group.

Leading in regional wealth management

We pursued our efforts to position ourselves as a regional leader in wealth management, leveraging our positioning and capabilities in Mauritius for premium banking and wealth management as well as the country's reputation for asset preservation. Alongside forging strategic partnerships across Europe, MENA, and sub-Saharan Africa, our endeavours included the following:

- Sustained our business development efforts and enhanced our customer value proposition through (i) the launch of MCB Wealth Global Balanced Certificate providing diversified global market exposure, (ii) the roll out of structured deposits linked to fixed-income baskets and gold shares, (iii) the introduction of wealth planning covering tax, succession and family advisory, (iv) launch, on a pilot basis, of cross-border wealth planning for clients with multi-jurisdictional assets, and (v) an enhanced foreign currency offering with preferential real estate financing for regional High Net Worth clients.

- Empowered High Net Worth Individuals and affluent customers with secure, convenient access to their portfolios and trading capabilities on foreign markets. The integration of portfolio viewing within MCB Juice has strengthened transparency and made monitoring easier. During the period, around 30,000 customers could access nearly 98,000 portfolios, spanning custody assets, CDS accounts, and MCB investment plans. Customer satisfaction remains a key focus, with a CSAT score of 75.2 reflecting positive user sentiment towards the accessibility and reliability of our digital wealth solutions.

- Developed a sustainable investment framework to guide future offerings in sustainable investment, in line with the Group's broader sustainability ambitions.

Strengthening our proximity with clients and partners

Reinforcing our presence in commercial hubs and building value-driven relationships

In advancing our regional and international growth ambitions, we continued to strengthen our proximity with our clients, build strategic alliances and expand our reach across the continent. Our initiatives during the year focused on the following:

- Scaled up on-the-ground capabilities of our regional commercial hubs through targeted recruitment in specialist areas to reinforce business origination capabilities and strengthen client relationships. We officially opened our representative office in Lagos, Nigeria which should help in deepening engagement with our existing client base while building new relationships.

- Strengthened partnerships with fiduciaries, intermediaries and external asset managers across key markets to better support our business development endeavours in selected segments.

- Reinforced our engagement with financial institutions to bolster our network of correspondent banks to enhance our transactional and payment capabilities in Africa. This enabled us to better service the cross-border investment and trade needs of our corporate client segments whilst enhancing our conversion capabilities in a broader range of African currencies.

- Supported clients in developing their own network of business partners via our Global Trade Portal, while providing a wealth of resources designed to facilitate intra-African trade.

Upholding our branding and visibility across the continent

We strengthened our brand visibility and thought leadership across Africa through high-impact initiatives and strategic engagements:

- Participated as a Diamond sponsor at the Africa CEO Forum 2025 in Abidjan, where we actively advocated Africa's sustainable economic development.

- Sponsored and featured at the 2025 AVCA Conference in Lagos on a panel discussing the evolving private equity landscape in Africa, addressing key challenges and actionable levers to enhance performance and resilience across the continent.

- Released the MCB Trade Report, titled "Harnessing Africa's Trade Potential: Strategies for Sustainable Growth" highlighting the continent's economic resilience and untapped trade opportunities.

- Hosted the third edition of our Trade Week series, "Tapping into Africa's Trade Potential with Sustainable Cross-Border Solutions in Payment and Supply Chain". The event engaged over 600 participants across Mauritius, Seychelles, Dubai, and Madagascar, underscoring our commitment to sustainable regional growth.

- Co-hosted a landmark Family-Business workshop in Barcelona in partnership with IESE Business School and the Family Business Network. The event brought together over 60 leading family businesses from 27 countries, including strong representation from 12 African nations, fostering dialogue, learning and connection.

- Contributed to the Society of Trust and Estate Practitioners (STEP) Annual Meeting 2025, participating in the panel "Attitudes to Wealth", where we engaged with industry players and thought leaders on evolving client values, the role of AI and the impact of uncertainty on trust in wealth management.

At **GTR East Africa 2025**, we delivered a keynote interview on continental shifts driving East African trade, with insights gathered from MCB's Trade Report 2025.

Scan to access the Trade Report 2025

Leveraging digital and technological capabilities for a vision-driven expansion

We continued to invest significantly in upgrading the foundational capabilities to support our ambition to become a top-tier African Corporate and Investment Bank, as illustrated by the key undertakings below:

- Migrated Calypso to the cloud with the Nasdaq Calypso CapCloud SaaS offering, aligning with our broader modernisation and business transformation strategy. MCB's partnership with Nasdaq, powered by Calypso and CapCloud, drives operational efficiency, enhances agility and scales our treasury and financial markets operations through cutting-edge cloud technology.
- Introduced MCB Wave, the new online trading platform designed to deliver seamless, efficient and smarter FX trading. With streamlined order management, powerful analytics and instant trade confirmations, MCB Wave supports clear decision-making whenever and wherever trading takes place.
- Undertook major upgrades to our Host-to-Host (H2H) platform to reinforce data security and enhance processing timelines and replaced a legacy process involving checksum validation. The upgraded encryption process has removed the need for manual validation, allowing for faster, 24/7 payment processing while mitigating risks of data tampering. These improvements deliver greater visibility, optimised liquidity, reduced settlement risks and lower operational costs for corporates. In turn, the upgrades strengthen our position as a trusted partner in driving intra-regional connectivity, empowering businesses to scale efficiently alongside fostering deeper regional integration and sustainable growth.
- Partnered with Bloomberg to enable instant routing of foreign equity orders to global exchanges while we are also working with the Stock Exchange of Mauritius (SEM) to further streamline and automate domestic trading processes.
- Progressed on developing our Portfolio Management System, which will allow our portfolio managers to efficiently create models and rebalance portfolios, ensuring alignment with investment goals, risk tolerance, compliance and strategic objectives.
- Implemented automated billing processes in T24 Securities, delivering improved accuracy, efficiency and transparency. New pricing schedules were rolled out to align with service offerings and market practices.
- Continued to bolster customer service experience by ensuring a client-centric approach in our service delivery and providing high-end solutions, including innovative digital offerings.

Key digital performance indicators for the Corporate and Institutional banking segment

Lending

Average TAT
23 days

100% digital processed

85 CSAT

CIB transactional payments

SmartApprove Subscribers
5,745

93% international Funds Transfer Payment STP rate

~85% Digital vs Manual Transfer

IB Pro

Subscribers
8,282

~80 CSAT

Number of transactions
822,299

Notes:
- *All figures relate to FY 2024/25, unless otherwise stated*
- *CSAT scores, which indicate customer satisfaction, refer to June 2025*
- *TAT (Turnaround time) includes the time taken for customers to respond and excludes outliers*

Win in the Workplace

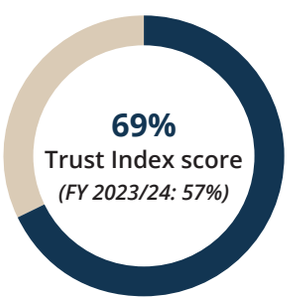
Our employees are the cornerstone of our ability to deliver on Vision 2030 and translate Success Beyond Numbers into tangible outcomes. Achieving our ambitions will require greater depth and specialisation across our talent pool as well as a strong leadership and culture. We are therefore committed to building on our existing strengths by investing in the growth and development of our people and enhancing the employee experience while attracting new talent. Our efforts are directed as follows:

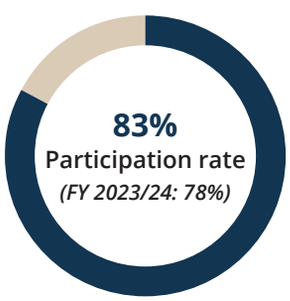
- Empowered People for exceptional performance: Attract, develop and retain top talent by fostering a culture of empowerment, excellence and continuous learning at every stage of the employee lifecycle.
- Lead with IMPACT: Build a new generation of leaders who inspire, drive impact and role model our values and Shared Ways of Working.
- Winning Together: Strengthen collaboration, agility and accountability to create a high-performance culture where our people thrive and succeed.

During FY 2024/25, we have worked towards developing a high-performing, future-ready workforce, central to our ability to grow, innovate and create sustainable value. As we look ahead to Vision 2030 and continue recruiting in our regional commercial hubs, we have launched a project to strengthen our employer brand in Mauritius and beyond, to attract top talent, boost employee pride and enhance retention. We have also continued to reinforce our teams to uphold customer service excellence, support our international expansion and strengthen risk management. Our commitment to building a culture of trust was reaffirmed this year, as we achieved a higher score in our annual employee engagement survey and were proudly recognised as a Great Place to Work®. We also received the Equal Salary Certification as a testament to our collective efforts towards maintaining gender fairness in our workplace.

Great Place To Work® Certified MAY 2025-MAY 2026 MU ™

MCB was officially certified as a **Great Place to Work®** in **FY 2025**, a globally recognised benchmark for organisational culture and employee experience. This certification reflects our strategic commitment to fostering a high-trust, inclusive, and purpose-driven workplace. The Trust Index score was underpinned by commendable performance in the category of Credibility, Pride, and Camaderie.





This recognition reflects our commitment to acting on feedback from previous employee engagement surveys, which has shaped several key initiatives, including the launch of Employee Resource Groups (ERGs) to promote inclusion and belonging, the continued reinforcement of our Shared Ways of Working and Gold Standard Management Routines.

The following sections outline the key initiatives deployed as part of our people strategy during the year under review. More information on how we strive to win in the workplace can be found in the Sustainability Report.

Attract, develop and retain top talent

Underpinned by our career architecture, our talent management framework is a core pillar of the people strategy, designed to ensure that the organisation attracts, develops and retains top talent to deliver on business objectives. It is fully integrated into different areas including learning and development and succession planning. To attract, develop and retain talent, the following initiatives were undertaken:

- Continued our regular exercise to identify critical roles and assess high potential talents within the organisation to ensure strong succession planning across the organisation.
- Provided a range of training courses to equip employees to better respond to evolving customer needs. Specialised courses were provided – e.g. through our digital and trade finance academies – to strengthen our capabilities across the value chain to support the organisation's strategic objectives. Of note, we launched our C.A.R.E Service Excellence Programme, developed in partnership with a recognised institution, as part of our commitment to delivering exceptional service and reinforcing a customer-first mindset.
- Signed landmark partnerships with Middlesex University and Charles Telfair Education, a first for MCB, to enhance educational opportunities and foster academic excellence. By combining MCB's industry expertise with the academic courses of Middlesex University and Charles Telfair Education, we aim to foster a dynamic learning environment that prepares students for the challenges of the professional world. Students that excel across various fields of study will be given access to unique employment opportunities, creating a win-win situation for students, universities and MCB.
- Pursued our efforts to strengthen our talent pipeline at entry level through our Beyond Graduate Programme, with 15 graduates enrolled in our Tech Pathway of the programme and the launch of the Financial Markets Accelerator programme.
- Held industry workshops with key academic institutions whereby subject matter experts from MCB intervened on key topics like taxation, technology, economy, data and strategy with students keen on embarking on such career paths.

Retention and turnover

~96%
Retention rate
(FY 2024: ~93%)

~7%
Turnover rate
(FY 2024: ~6%)

Percipio
(our online learning platform)

62,012
Number of learning units completed

29,673
Number of hours

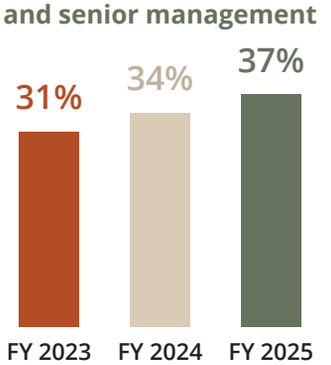
7.3
Hours spent per user on learning

Build a new generation of leaders who inspire and drive impact

Effective leadership is the catalyst that transforms vision into reality, inspiring resilient, forward-thinking leaders to drive lasting impact. Our leadership development framework and its comprehensive managerial and leadership development programmes underpin our approach to shaping a consistent leadership brand style across the organisation. During the year under review, the main initiatives to develop a cohesive and collaborative leadership included:

- Launched the latest edition of the IMPACT Programmes, a nine-month journey starting in September 2024 to uplift leadership capability and support personal and professional growth. More than 40 participants completed the programmes (IMPACT Excellence and IMPACT Accelerate).
- Selected leaders participated in INSEAD and London Business School Leadership Programmes as well as received executive coaching to hone their leadership skills.
- Implemented a 360-degree feedback exercise for the Leadership Team to enhance self-awareness, strengthen leadership impact and support continuous development.
- Advanced gender diversity in leadership, increasing the share of women in middle and senior management to 36.6%, surpassing the 2024 goal of 35% and progressing toward the 40% target by 2026.

Share of women in middle and senior management



Strengthen collaboration, agility and accountability to create a high-performance culture

The right culture is vital for an organisation because it shapes behaviours, drives engagement and creates the environment where people can perform at their best to achieve shared goals. We strive to continuously embed our values and Shared Ways of Working (SWoW) to foster a culture where people can grow, contribute meaningfully and create success beyond numbers. Towards this end, we implemented the following initiatives:

- Launched Employee Resource Groups (ERGs), which are voluntary employee-led groups created to advance DEI (Diversity, Equity, and Inclusion) initiatives and align with the core value of Respect by valuing, supporting and empowering individuals to bring their authentic selves to work.
- Onboarded a dedicated Culture and DEI Manager to advance a diverse, equitable and inclusive workplace.
- Launched Healthy 'YOU', a series of practical, energising and accessible initiatives to raise awareness and promote healthier lifestyle choices, including expert-led health talks, fitness activities and wellness opportunities.
- Deepened the integration of our SWoW through a series of structured initiatives aimed at fostering cultural alignment, including by embedding the SWoW in the performance management system.

Employee resource groups were created in the following areas:

Disability friendly

Gender equity

Wellbeing and belonging

Around 60 employees volunteered to research and propose initiatives as well as coordinate with relevant stakeholders to foster a diverse and inclusive workplace

Thierry HEBRAUD
Chief Executive Officer

From International Women's Day to a full Women's Month

We launched Women's Month under the international theme #AccelerateAction, a month-long programme of events and activities to inspire, educate and support women in their personal and professional lives.

Inspire, support and value

Workshops were organised around key themes:

- "Managing My Money for Financial Independence", dedicated to the personal financial management and economic empowerment of women.
- "Navigating the Modern Workplace", focused on developing the skills needed to thrive in a changing work environment with a focus on emotional intelligence and adaptability.

Self-care and confidence

Practical sessions were held to provide participants with useful knowledge for everyday life. These included:
• Essential advice on car maintenance and small breakdown management.
• Self-defense workshops helped to build self-confidence and personal safety.

Women's health and well-being at the forefront

The month was also an opportunity to lift taboos around women's health, with information sessions on endometriosis, polycystic ovary syndrome, and perimenopause. Facilitated by health professionals, these meetings helped to better understand the impact of these conditions and to adopt good practices in terms of hygiene and nutrition.

Can Women Have it All?

The special episode "Can Women Have it All?" of the MCB Talk podcast featured three Group employees: **Hema Cederhage (Head of Securities)**, **Anne-Claire Antoinette (Sustainability Lead)** and **Shakila Badouraly (Diversity and Inclusion Lead)**. They share their journey, the challenges of parenthood and progress on equality.

Scan to listen to the podcast

Launched in 2024 and successfully delivered in July 2025, the **MCB Uniform Project** marks a proud milestone in strengthening our collective identity and professional image.

CONTENTS

Introduction	71
Financial performance analysis	73
Performance against objectives	78
Performance against objectives by lines of business	80
Value created	81
Consolidated results	82
Outlook	83

SERVICE

Our shared ways of working

Make things simple

- We listen, observe and ask questions to understand the needs of our clients.
- We communicate clearly and build mutual respect.
- We make our products simple, fast and effortless

" The Bank plays an important role in driving value creation across our home and African markets. It is one of the most important value contributors in Mauritius, through the products and services it provides directly to people and businesses, supporting transactions and creating wealth. MCB is the largest corporate taxpayer, is one of the biggest customers for local suppliers and employs a large number of professionals on the island. Through its holding company, it also has the widest shareholder base in Mauritius."

Dipak CHUMMUN
Chief Finance Officer

Introduction

I am pleased to share my first CFO report for MCB Ltd. Beyond reviewing our performance for the financial year ended 30 June 2025, this report is also an opportunity to reflect on the progress we are making and to connect our results to the aspirations set out in our Vision 2030. My aim is to provide both a clear picture of how we have performed and created value so far as well as meaningful insights into how we are positioning the Group for long term growth and value creation.

Our results are encouraging, particularly against a backdrop of a challenging environment shaped by global political tensions and trade disruptions across our home markets and the wider African continent. The performance achieved this year, combined with our strategic pillars, provide a solid foundation for disciplined execution as we advance with focus and determination towards Vision 2030.

Economic context

International

The global economic landscape remained complex throughout the year, with persistent trade tensions and geopolitical uncertainties weighing on business and investor sentiment. Financial market volatility intensified, exerting pressure on market conditions. Inflationary pressures receded gradually with a relative decline observed in oil prices. This paved the way for monetary policy easing across major economies, with the US Federal Reserve having initiated a cautious rate-cutting cycle.

Across Africa, economic growth picked up despite the challenging external environment. Improved macroeconomic management coupled with reforms led to sovereign rating upgrades in countries like Seychelles, Nigeria, Kenya and Ghana. Nonetheless, debt sustainability concerns and currency volatility continued to challenge macroeconomic stability in several jurisdictions.

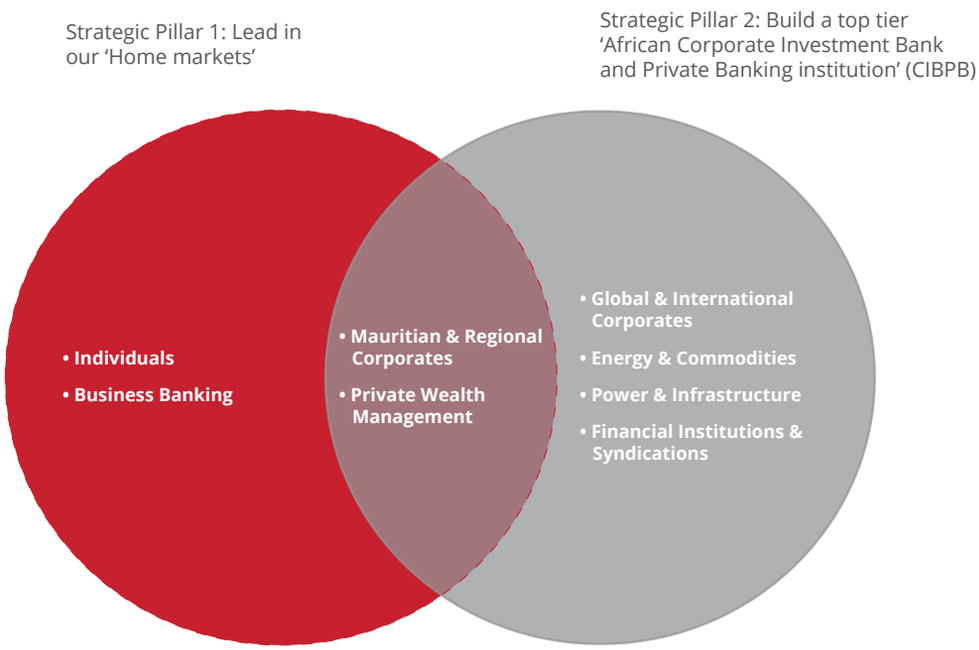
Home markets

In Mauritius, the economy maintained resilient growth, supported by tourism and construction, though signs of moderation emerged due to weaker external demand. Inflation eased during the financial year in line with softening oil prices. After a cut of 50 basis points in September 2024, the Bank of Mauritius restored the Key Rate to 4.5% in February 2025 to support a positive interest rate differential with the US Fed Funds rate. The Central Bank intervened to mop up excess liquidity, which improved money market yields during the year, although the recent liquidity build-ups have tempered short-term rates. Moody's Ratings affirmed the country's Baa3 credit rating but revised the outlook to negative, amidst concerns over fiscal metrics.

Performance across our strategic pillars

The Bank performed well during the year with solid growth recorded in core earnings across both strategic pillars.

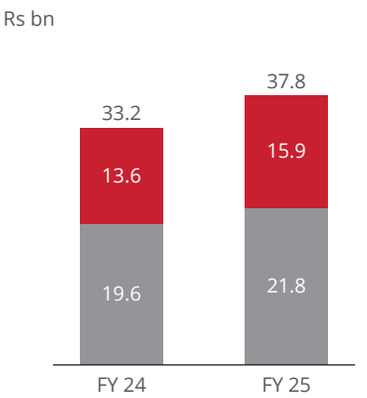
Our business model



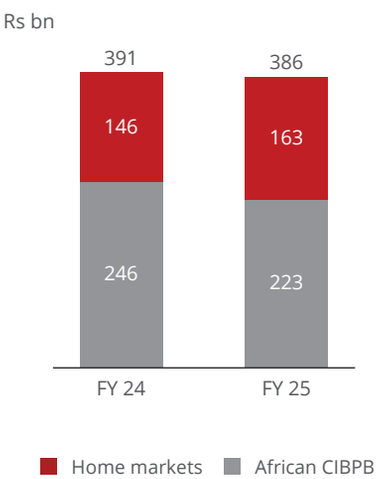
Operating income in "home markets" increased by 17.6% in FY 2024/25 to Rs 15,942 million. The Bank consolidated its leading status in Mauritius, with a notable expansion of its loan book reflecting the result of efforts to enhance customer experience and strengthen market positioning. This performance was driven by both solid growth in the individual segment as well as a pickup in corporate lending which supported net-interest income growth. Non-interest income growth was mainly driven by increased payment activity and higher profits from dealing in foreign currencies.

Operating income for "African CIBPB" increased by 11.3% in FY 2024/25 to Rs 21,815 million. We reinforced our market positioning in key segments such as power and infrastructure and private equity funds within the African region. During the second half of the year, our funded exposures in commodity trade finance for the oil and gas sector dropped amidst sector-specific developments in Nigeria. This shift reset the baseline establishing a clearer reference point from which we can sustain our progress and development. On an annual average basis, our loan portfolio improved compared to the previous year, contributing to an improvement in net-interest income. Non-interest income largely from trade finance and currency trading activities also increased, contributing positively to topline growth.

Operating income by strategic pillar



Customer loans by strategic pillar



Figures may not add up due to rounding

Note: The 'Mauritian and Regional Corporates' business line (MRC) is managed within the Corporate and Institutional banking coverage structure and serves large Mauritian and regional groups in their domestic operations and accompanies them in their development and expansion beyond the home markets. For the purposes of describing the performance by strategic pillar MRC has been classified under "Home Markets" reflecting the larger mix of domestic business they do in domestic currency. 'Private Wealth Management' on the other hand serves both domestic and foreign clients within the portfolio but with an increasing mix of foreign currency activity. For the purposes of illustrating the mix across strategic pillars, PWM has been classified under "African CIBPB".

Figures are not strictly comparable with Note 35 of the financial statements.

Financial performance analysis

Performance highlights

- Operating income was up by 13.9%, driven by growth in interest-earning assets, improved margins on rupee denominated assets and higher non-interest income.
- Cost-to-income ratio rose to 35.2% mainly associated with an increase in operating expenses linked to continued invesment in human capital and technology.
- Impairment charge dropped by 8.2%, leading to a decline of 6 basis points in cost of risk. The Gross NPL ratio declined to 2.7%.
- Share of profit of associates decreased by 3.9% to Rs 294 million due to lower profitability of BFCOI.
- Healthy liquidity positions were upheld with a net customer loans and advances to customer deposits ratio of 60.0% and net customer loans and advances to funding base of 50.9%.
- Comfortable capital positions were maintained with both the BIS and Tier 1 ratios well above regulatory requirements.

Key figures		
Rs 17.2 billion *+11.4%*	▲	**Profit for the year**
Rs 37.8 billion *+13.9 %*	▲	**Operating income**
Rs 13.3 billion *+19.3 %*	▲	**Non-interest expense**
Rs 3.1 billion *-8.2 %*	▼	**Impairment charge**
Rs 397.8 billion *-1.1%*	▼	**Gross loans**
Rs 923.6 billion *+6.7%*	▲	**Total assets**

Key ratios

Return on equity	
18.9% *(FY24: 19.1%)*	▼ **18 bps**

Cost-to-income	
35.2% *(FY24: 33.6%)*	▲ **159 bps**

Cost of risk	
0.70% *(FY24: 0.76%)*	▼ **6 bps**

Loan-to-deposit ratio*	
60.0% *(FY24: 65.0%)*	▼ **491 bps**

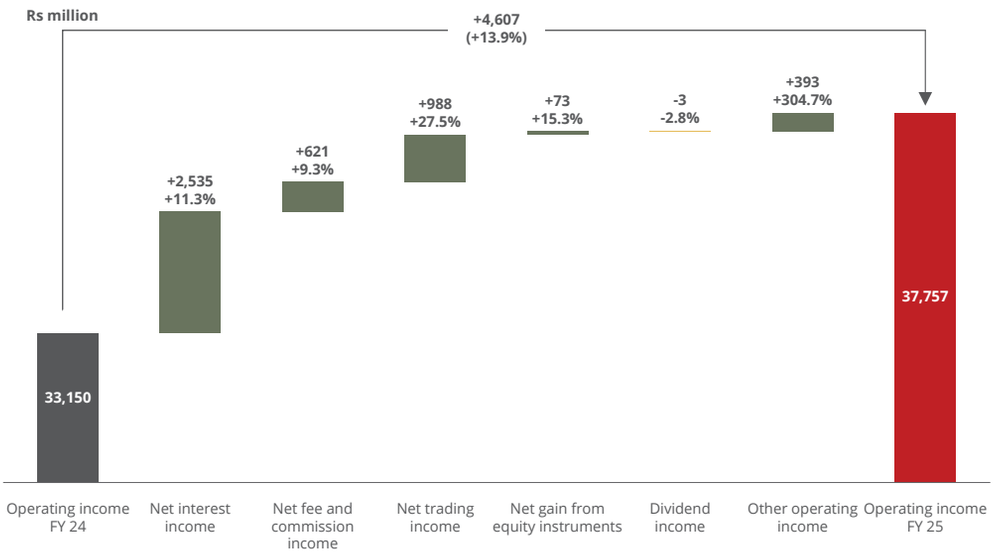
Gross NPL ratio	
2.7% *(FY24: 2.8%)*	▼ **7 bps**

Capital adequacy ratio	
21.1% *(FY24: 19.8%)*	▲ **131 bps**

**Refers to net customer loans and advances (including corporate notes) to customer deposit*

Income statement analysis

Operating income rose by Rs 4,607 million, supported by growth in both net interest income and non-interest income

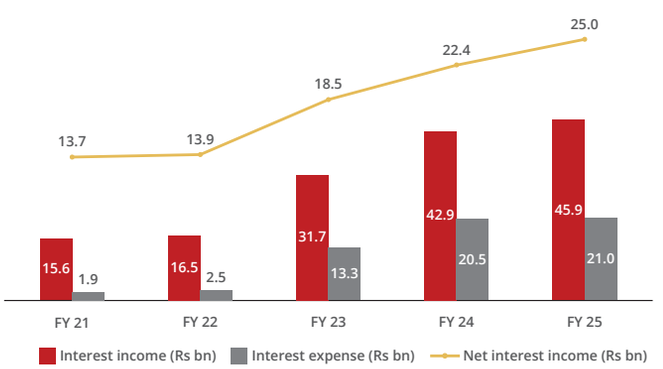


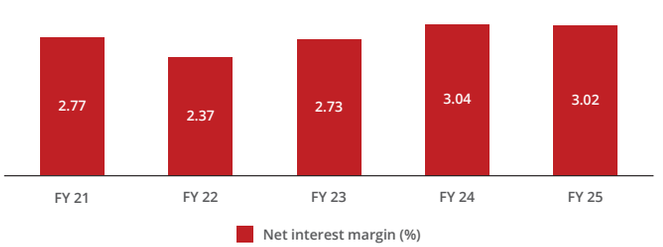
Note: Percentages refer to year-on-year changes for each item

Interest-earning assets growth and improved rupee liquidity margins drove net interest income up

Net interest income increased by 11.3% to Rs 24,956 million on account of the growth in interest-earning assets whilst overall net interest margin remained relatively flat. In Mauritius, the effective deployment of our excess liquidity at higher yields during the year and the growing loan book contributed to a rise in rupee denominated net interest income. Conversely, margins on rupee customer loans and advances declined slightly in line with heightened competition. Foreign-currency net interest income also increased with the drop in margins, linked to the fall in the USD benchmark rate being more than offset by the increase in average interest-earning assets. The Bank delivered a CAGR of 16.2% helped by business growth and rise in the interest rate over the last five years. The growth rate is expected to slow down as rates and margins continue their downward trend.

Net interest income





Continued expansion of payments and financial markets activities contributed to non-interest income growth

Non-interest income grew by 19.3% to Rs 12,801 million for the year under review reflecting a CAGR of 20.6% over the last 5 years in line with sustained efforts to diversify revenue. Having reported a non-recurring loss in FY 2023/24 arising from the disposal of the stake in Société Générale Moçambique, the growth is explained by:

- a 9.3% rise in net fee income supported by the Bank's payment, trade finance and wealth management activities;
- a 27.5% increase in net trading income reflecting higher volume of foreign currency transactions;
- higher net fair value gains of Rs 73 million on equity financial instruments. Of note, fair value changes in the Visa and MasterCard shares are no longer recorded in the Bank's income statement following the disposal of these shares to MCB Group Ltd in November 2024.

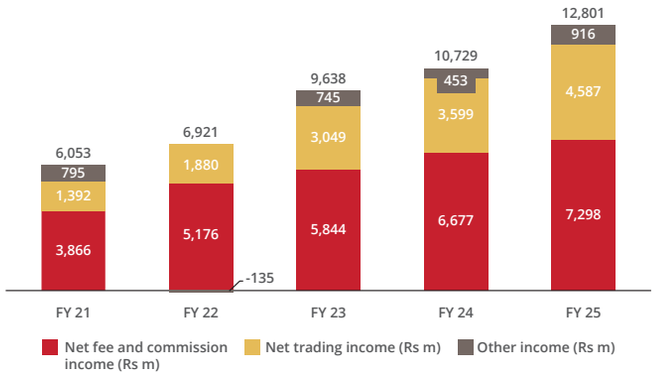
Ongoing capacity-building resulted in higher non-interest expenses

The Bank's non-interest expenses increased by 19.3% to Rs 13,281 million, reflecting continued investment to support its growth. Over the last five years, the cost base has increased by a CAGR of 18.5% reflecting its commitment to the future. Year-on-year increase in non-interest expenses is explained by:

- a rise of 20.2% in staff costs resulting from the increase in headcount linked to business growth and adjustments in salaries;
- an increase of 31.9% in IT costs associated with the continued investment in technology and higher system costs in line with our cloudification strategy, cyber-security initiatives and inflation-linked adjustments;
- a contribution of Rs 256 million to the Deposit Insurance Scheme.

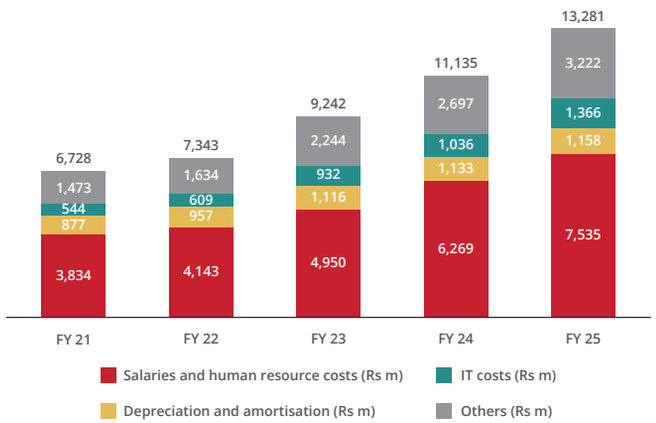
As a result, the cost to income ratio increased by 159 basis points.

Non-interest income

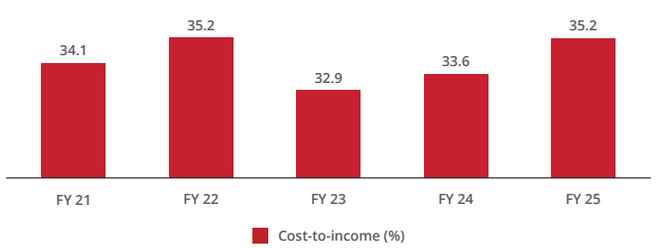


Note: Other income includes FV gain/loss on equity financial instruments, dividend income and loss/profit on disposal

Breakdown of non-interest expenses



Cost-to-income



Improving asset quality and significant recoveries led to a decrease in the cost of risk

The impairment charge decreased by 8.2% on account of successful recoveries made during the year and a lower charge for specific provisions. The cost of risk for the year decreased to 0.70% compared to 0.76% in FY 2023/24. The Bank's specific coverage ratio was 90.1% as at 30 June 2025.

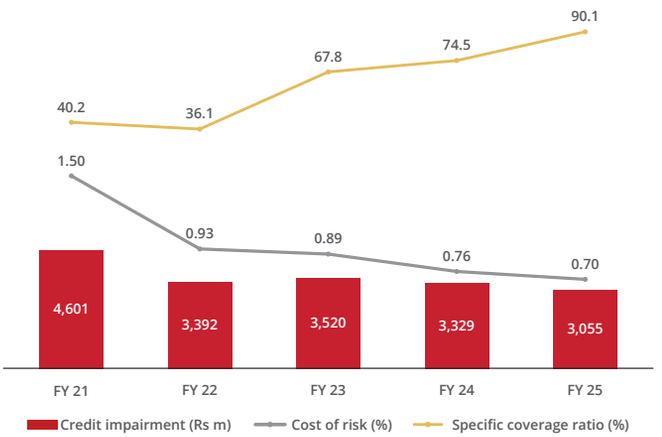
Decline in the share of profit of associates

The Bank's share of profit of associates declined by 3.9% due to the subdued performance of BFCOI, whose business activities were impacted by a severe cyclone during the year under review.

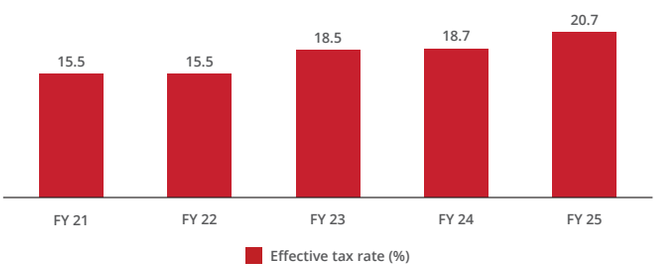
The Bank's tax charge increased in line with higher profits and changes in tax laws

The tax charge for the year increased by 27.0% in line with the growth in profit before tax and the non-recurrence of a tax credit which was booked last year in line with changes in tax laws.

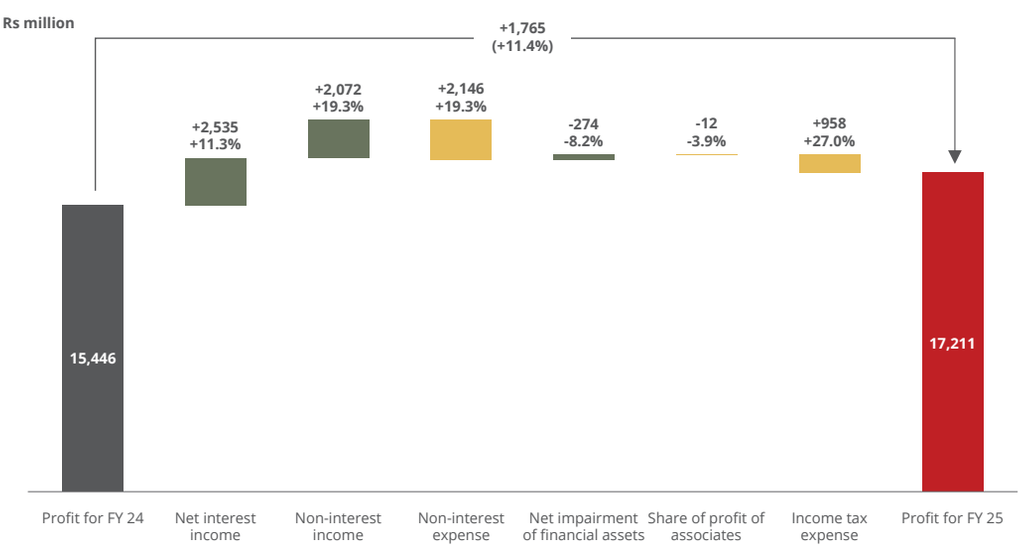
Credit impairment charges



Effective tax rate



Profit after tax increased by Rs 1,765 million, with foreign banking activities accounting for 71% of results



Note: Percentages changes refer to year-on-year changes for each item

Financial position statement analysis

Drop in gross loans (excluding corporate notes) on account of lower Commodity Trade Finance funded exposures

Gross loans (excluding corporate notes) decreased by 1.1% to Rs 397.8 billion on an end-of-period basis. This is mainly explained by the drop in funded exposures in the Commodity Trade Finance (CTF) business linked to evolving market dynamics in Nigeria with the scaling up of oil refining activities. On the other hand, a growth of 18.9% was registered in the domestic net loan book, with higher disbursements across both the individual and corporate segments. Moreover, investments in corporate notes and bonds increased further. As regards asset quality, the gross NPL improved to 2.7%.

Increase in borrowings to diversify the Bank's funding base

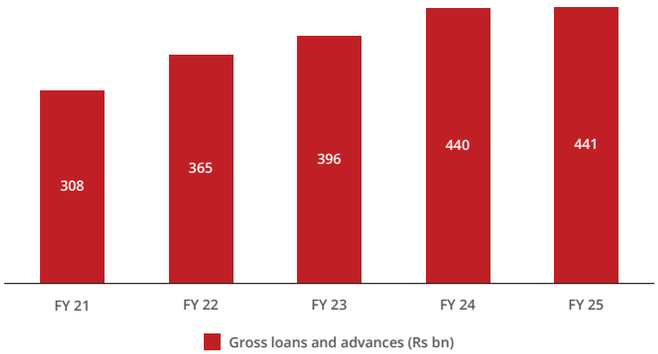
Total deposits increased by 3.5% to Rs 699.2 billion as at June 2025, reflecting the rise in rupee-denominated deposits of 12.1% while foreign currency deposits declined slightly on an end-of-period basis. 'Other borrowed funds' increased by 35.5% to Rs 84.7 billion, following the successful closure of a USD 350 million syndicated term loan facility raised by the Bank to diversify its funding base to support its international business activities. Overall, the Bank's net customer loans and advances-to-customer deposits and net customer loans and advances-to-funding base ratios stood at 60.0% and 50.9% respectively as at June 2025.

Excess liquidity deployed in placements and balances with banks

With the funding base growing at a faster rate than loans and advances, total liquid assets increased by 14.9% to Rs 472.0 billion. Cash and cash equivalents increased by 45.2%, reflecting the higher rupee placements in the Bank of Mauritius' overnight deposit facility and higher nostro balances with banks abroad. There was also a significant increase in short-term placements with foreign banks.

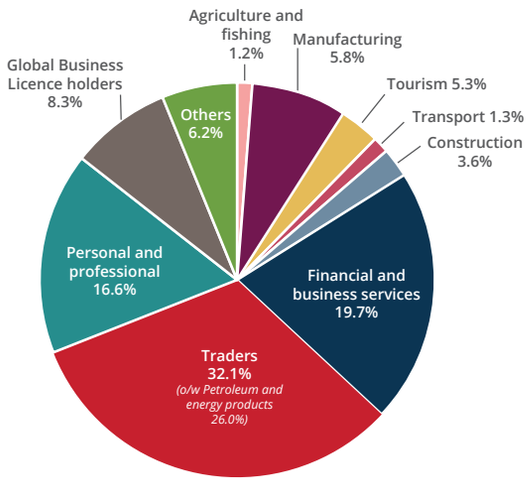
Overall, the liquid assets-to-total assets stood at 51.1% as at June 2025. The Bank's liquidity coverage ratio remained well above regulatory limits at 621% as at June 2025.

Loans and advances

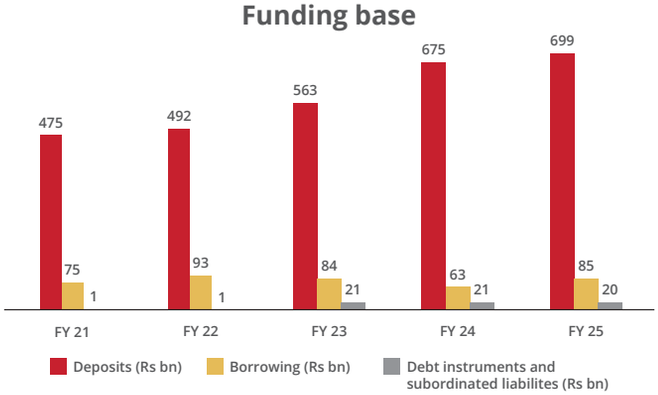


Note: Gross loans and advances figures include corporate notes

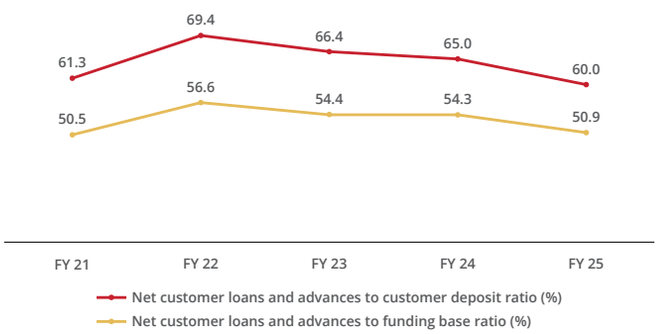
Loans to customers - Sector distribution



Funding base



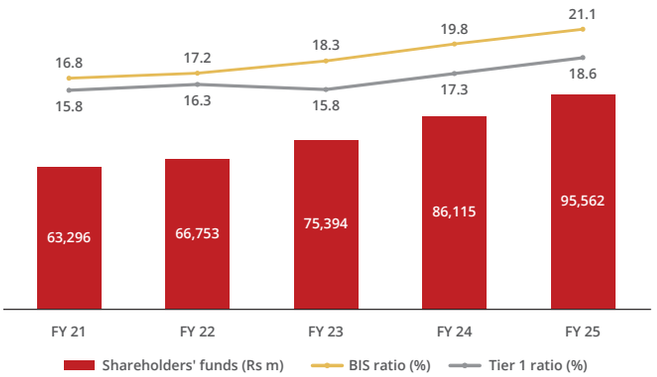
Funding ratios



Capital buffers remained solid amid slower pace of growth in assets

Shareholders' funds increased by 11.0% to Rs 95.6 billion resulting from an increase of Rs 9.0 billion in retained earnings, after accounting for dividends of Rs 7.1 billion during the financial year. Total eligible and Tier 1 capital increased by 10.2% to Rs 99.8 billion and 11.6% to Rs 88.3 billion. Combined with a 3.3% increase in risk weighted assets, overall capital adequacy ratio and Tier 1 ratios improved further to 21.1% and 18.6% respectively.

Shareholders' funds and capital adequacy



Performance against objectives

Whilst the financial statements present the figures of both MCB Ltd and its subsidiaries, comments and analyses in following sections pertain only to the figures of MCB Ltd on a stand-alone basis, unless otherwise stated.

Objectives for FY 2024/25	Performance for FY 2024/25	Objectives for FY 2025/26
Return on average Tier 1 capital Return on Tier 1 capital was expected to be close to 20%.	The Bank's return on average Tier 1 capital ratio stood at 20.6% consistent with our objectives.	Return on Tier 1 capital is projected to decline despite healthy business growth, reflecting the increase in tax rates and the expected decline in global interest rates as well as our investment in capabilities to support Vision 2030.
Return on average assets (ROA) ROA was budgeted to be around the same level as FY 2023/24 at 1.9%.	ROA stood at 1.9% in line with expectation.	ROA is also projected to decline, driven by the same factors contributing to the decrease in our return on capital.
Operating income Sustained expansion in the loan and liquid assets portfolios was expected to contribute to another notable growth in net interest income, albeit at a lower rate than in FY 2023/24, as international interest rates start to drop. Despite pressures in the local payments landscape, non-interest income was projected to increase by approximately 10%, supported by our transaction banking and financial markets activities, amongst others.	Net interest income saw a double-digit growth compared to FY 2023/24, driven by an increase in our average loan book and higher liquid assets volumes, partly offset by lower interest margins in the international segment. Non-interest income exceeded our target primarily linked to our financial markets and payment activities. Operating income grew by 13.9% year on year. *(Note: Figures exclude fair value gains on equity financial instruments in FY 2024/25 and one-off loss on sales of associate in FY 2023/24)*	Net interest income will continue to increase in line with our growth in asset base despite an expected decline in global interest rates which will adversely impact margins. Non-interest income is projected to rise at a mid-single digit rate supported by transaction banking, trade finance and financial markets activities.

Objectives for FY 2024/25	Performance for FY 2024/25	Objectives for FY 2025/26
Operating expenses We expected operating expenses to grow substantially to support our investment momentum in human capital and technology.	Operating expenses increased by 19.3% year on year, driven by an increase in headcount, continued investment in technology, inflation-linked salary adjustments and the initial contribution to the Deposit Insurance Scheme in Mauritius.	Operating expenses are expected to rise to support underlying business growth and to support initiatives geared towards delivering on our 2030 vision.
Cost-to-income ratio The cost-to-income ratio was expected to increase.	Cost-to-income ratio increased by 159 bps to 35.2% with operating expenses rising mainly due to staff numbers, average staff costs, technology and other operating expenses.	The cost-to-income ratio is expected to increase as a result of higher projected operating expenses explained above and a downward pressure on margins.
Loans and advances growth The customer loan portfolio was projected to maintain its growth trend, supported by the notable performance from international operations and efforts to strengthen our domestic position.	Average customer loans and advances grew by 5.6%, supported by both our domestic and international activities.	Growth in the customer loan and advances is expected to continue as we grow the business in line with our strategy.
Deposits growth Customer deposits were forecast to grow with the bank maintaining its efforts to mobilise foreign currency deposits.	Average customer deposits rose by 13.1% year-on-year driven primarily by strong growth in local deposits from individual segments. Average foreign currency deposits increased as well following targeted initiatives to mobilise foreign currency funding.	Overall, the Bank will continue its efforts to attract both customer and institutional foreign currency deposits to support its international business growth. The domestic market is expected to remain liquid and driven by the individual segments.
Asset quality Both cost of risk and NPL were expected to remain close to FY2023/24 level (0.8% and 2.8% respectively)	Cost of risk dropped to 0.7% (as a result of higher recoveries) and an improvement in Non-Performing Loans (NPL) ratio to 2.7%.	Cost of risk expected to increase whilst NPL is forecast to remain close to the FY 2024/25 level.
Capital management Capital adequacy ratios were expected to remain comfortably above regulatory limits.	As anticipated, the overall capital adequacy ratio stood at 21.1% up from 19.8%. The improvement was driven by the increase in profits through the year and the lower than anticipated rise in our loan portfolio.	Capital adequacy ratios are expected to remain at a prudent level with strong capital buffers.

Performance against objectives by lines of business

Objectives for FY 2024/25	Performance for FY 2024/25	Objectives for FY 2025/26
Retail The objective was to sustain the growth momentum in the average loan book and revenue whilst increasing our market share responsibly, leveraging our brand value anchored on continued improvement in customer experience and the promotion of our digital solutions by pursuing our mobile-first and omni-channel approach.	Lending growth exceeded the targets set for the year, with MCB improving its local mortgage market share whilst maintaining the credit quality of its loan book. Non-interest income was also above plan, resulting in operating income being ahead of target. Relative to the prior year, the average loan book increased by over 15%. Retail benefitted from its strong brand and ongoing efforts to enhance the level of customer service which in turn drove continuous growth in its deposit base.	MCB will continue to invest in the Retail business by enhancing its digital offering, investing in its human capital, focusing on initiatives to elevate customer experience and adapting its retail loan offering. These actions are expected to translate into continued loan book and operating income growth.
Business Banking Gross operating margin was expected to rise further, supported by growing business activities and an expansion in the loan book and deposits.	Business Banking's average loan balance and deposits were above budget, leading to a healthy net interest income performance. Non-interest income also outperformed, driven largely by customers' sustained demand for transactional services. The above factors translated into double-digit year-on-year increase in operating income.	The business will continue to invest in people and technology-enabled processes to further enhance customer experience. Business Banking aims to maintain the growth in its asset base across product categories. It also expects continued expansion in non-interest income, although at a slower pace than in FY 2024/25.
Private Wealth Management PWM's objective was to pursue its innovation journey and diversification strategy with the aim of achieving double-digit growth in its investable assets and fee-based income from Wealth Management Services.	PWM performed in line with its targets, driven by a strong performance in fee-based income, which benefited from sustained growth in assets under management. This led to a double-digit growth in operating income.	PWM remains committed to enhancing its service offering and establishing itself as a leading wealth hub. Its business development strategy, closely aligned with overseas commercial hubs, will support the growth of both its asset and client base, driving increased fee-based income.
Corporate and Institutional Banking Gross operating margin was projected to grow by 9%, driven by growth in the loan book, reflecting our international diversification strategy as well as efforts to strengthen our domestic market position. The increase in gross operating margin would be further supported by a rise in non-interest income as we continue to grow our transactional banking activities.	Operating income in FY2024/25 was broadly on target. Net interest income met budget despite lower than budgeted average outstanding loan balances during the year, reflecting higher margins on our lending. Non-interest income was marginally behind target, mainly in our commodities trade financing business. Compared with the previous year, this segment saw healthy growth on all key metrics, reflecting stronger client activity and disciplined execution across various markets despite headwinds. The business also progressed on its selective regional and international diversification agenda.	Since July 2025, this segment has been reorganised into two clusters: 'Global Coverage' and 'Structured Finance'. The segment is aiming for robust growth in operating income, underpinned by growing net interest income and fee-based income driven by transactional revenue. Loan balances are expected to expand across markets, alongside the growth of its multi-currency deposit base. One of the priorities will be on growing revenue from a broader product spectrum for international clients, whilst capitalising on and expanding the network of international offices. Consolidating customer service levels and enhancing sustainable finance and just transition solutions, will be key enablers to leading in the home markets and internationally.

Value created

The Bank plays an important role in driving value creation across our home and African markets. It is one of the most important value contributors in Mauritius, through the products and services it provides directly to people and businesses, supporting transactions and creating wealth. MCB is the largest corporate taxpayer, is one of the biggest customers for local suppliers and employs a large number of professionals on the island. Through its holding company, it also has the widest shareholder base in Mauritius.

MCB generates 42% of its revenue by serving customers in its domestic market, accounting for about 39% of credit and 50% of deposits of the banking sector in Mauritius as at June 2025. Through our presence across the island, we serve, support and help wealth creation for our society and the business community.

Our international businesses account for the bulk of the other 58% of our revenue, while contributing to 71% of our profits. This is achieved through bespoke and specialised products and services, mainly but not exclusively, delivered to international corporates and high net worth clients residing or doing business in Africa. The quality and increasing reach of MCB earned us the African Bank of the Year Award by the Banker in 2024 and contribute to the credibility and reputation of Mauritius as an International Financial Centre.

Our rich history, innovative mindset and customer-centric approach have enabled us to earn the trust of more than one million customers and build a strong franchise over the years both in Mauritius and abroad. Our financial performance allows us to reinvest in new products, digital capabilities and service enhancements that directly benefit our growing customer base. This underpins continued business growth which in turn enhances our capacity to directly and indirectly create value for our multiple stakeholders whilst retaining enough capital for future investment. We recognise the interdependency between the value the Bank generates and the value it creates for its stakeholders.

Employees

We offer fair compensation to our employees as well as several non-salary benefits with opportunities for upskilling and career development. For the year under review, a total of Rs 7.5 billion was spent on our employees – a reflection of our commitment to their growth, development and well-being.

Suppliers

We foster long-term partnerships with both local and foreign suppliers of products and services with a key focus on promoting local and responsible procurement to favour the development of the local economy. Payment to third-party providers of products and services, including for capitalised expenditures, amounted to approximately Rs 6 billion during FY 2024/25.

Shareholders and investors

We deliver consistent and sustainable financial returns with sound risk and capital management. Dividends amounted to Rs 7.1 billion, allowing the Group to maintain its dividend payout of around a third of its profits.

Authorities and societies

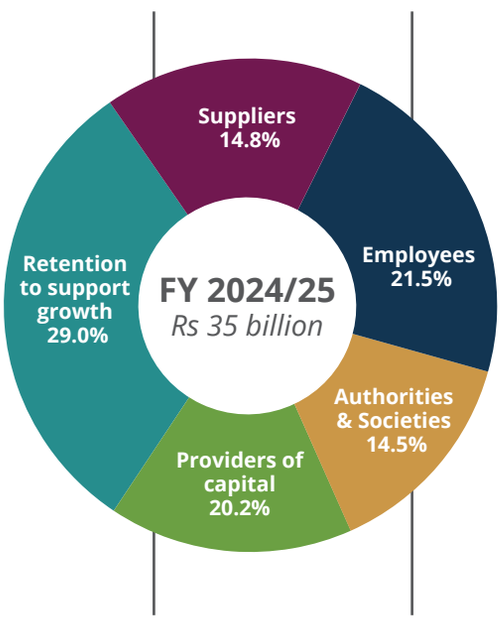
We strongly contribute to socio-economic development. MCB is the largest single contributor to corporate tax revenue and banking levy in Mauritius. For FY 2024/25, the amount of tax and levies payable by the Bank worked out to approximately Rs 4.7 billion. Following the recent national budget, this amount is expected to increase substantially in FY 25/26, further supporting Government's revenue base.

Moreover, we promote social progress and financial inclusion, environmental protection, sports, arts and culture through sponsorship programmes and initiatives channeled via MCB Forward Foundation.

Wealth created by MCB Ltd

We work with more than 1,000 suppliers of whom 75% are local

We are one of the largest single-company employers in Mauritius with a headcount of more than 4,000. Out of the remuneration paid to employees, our colleagues contributed about Rs 480 million as pay-as-you-earn income tax in Mauritius in FY 2024/25



Dividends paid to MCB Group Ltd contributes to cash distributions to more than 23,000 shareholders

We are the largest corporate taxpayer in the country and contribute to the development of communities through multiple initiatives

Note: Depreciation and amortisation have been categorised under suppliers

Consolidated results

Overview of performance

On a consolidated basis, profit after tax increased by 12.0% to Rs 17,340 million with the performance of MCB Ltd being the key driver and MCB Madagascar contributing positively to the results with a strong performance recorded for the year under review.

MCB Madagascar's gross loans and advances recorded a solid growth of 19% underpinned by sustained commercial efforts to support key corporate clients while deposits grew by 23% which contributed to a reduction in borrowings. As such, net interest income grew by 16% and coupled with the rise in non-interest income, this led to an increase of 19% in operating income. Non interest expense went up by 18%, reflecting higher staff and technology costs while impairment charges declined to Rs 107 million.

As a result, profits after tax doubled to Rs 162 million in FY 2024/25 (FY 2023/24: Rs 81 million).

Key financial indicators

	Group			Bank		
	Jun 25	**Jun 24**	**Jun 23**	**Jun 25**	**Jun 24**	**Jun 23**
Statement of profit or loss (Rs m)						
Operating income	38,464	33,706	28,613	37,757	33,150	28,118
Operating profit before impairment	24,755	22,236	19,083	24,476	22,015	18,876
Operating profit	21,593	18,751	15,501	21,421	18,686	15,356
Profit before tax	21,887	19,057	16,045	21,715	18,992	15,900
Profit for the year	17,340	15,487	13,070	17,211	15,446	12,959
Statement of financial position (Rs m)						
Total assets	937,639	877,076	771,788	923,585	865,452	761,612
Gross loans	406,388	408,884	367,814	397,750	402,188	360,818
Investment securities (net)	328,121	324,562	248,891	324,783	322,210	247,405
Total deposits	710,522	682,638	570,032	699,156	675,313	563,338
Subordinated liabilities	6,889	7,057	7,059	6,707	7,057	7,059
Debt securities	13,649	14,314	13,759	13,649	14,314	13,759
Other borrowed funds	85,671	65,355	86,517	84,742	62,529	84,422
Shareholders' funds	96,244	86,720	75,937	95,562	86,115	75,394
Performance ratios (%)						
Return on average total assets	1.9	1.9	1.8	1.9	1.9	1.8
Return on average equity	18.9	19.0	18.2	18.9	19.1	18.2
Return on average Tier 1 capital	20.5	20.6	19.5	20.6	20.7	19.5
Non-interest income to operating income	33.7	32.1	34.3	33.9	32.4	34.3
Net customer loans to customer deposit ratio	60.6	65.4	66.9	60.0	65.0	66.5
Cost-to-income ratio	35.6	34.0	33.3	35.2	33.6	32.9
Capital adequacy ratios (%)						
BIS risk adjusted ratio	20.5	19.3	18.1	21.1	19.8	18.3
of which Tier 1	*18.2*	*16.9*	*15.6*	*18.6*	*17.3*	*15.8*
Asset quality						
Non-performing loans and advances (Rs m)	12,366	12,709	12,057	11,912	12,238	11,794
Gross NPL ratio (%)	2.8	2.9	3.0	2.7	2.8	3.0
Cost of risk (%)	0.7	0.8	0.9	0.7	0.8	0.9

Notes:
(i) Group figures relate to MCB Ltd and its subsidiary companies on a consolidated basis
(ii) Non-performing loans and advances and Gross NPL ratio include corporate notes

Outlook

Looking ahead, the global economy remains prone to ongoing geopolitical and trade tensions, with spillover effects likely to impact activity levels across Africa and in Mauritius. The Bank is also likely to be impacted by a decline in US dollar interest rates and the higher tax burden imposed on banks in Mauritius as from this fiscal year. We nevertheless remain resilient in our operations and determined to pursue our strategy through disciplined prioritisation and execution. We remain fully committed to delivering superior value to all our stakeholders: our shareholders, our clients, our country and our employees. We have ambitious goals and exciting times ahead of us. We embrace them with plenty of enthusiasm.

Dipak CHUMMUN
Chief Finance Officer

CONTENTS

Our philosophy 88
Governance structure 89
- Governance framework 89
- Constitution of the Mauritius Commercial Bank Limited 91

The Board 92
- Mandate of the Board 92
- Composition and meetings 93
- Board attendance 95
- Board focus areas 96
- Directors' profiles 100
- Remuneration philosophy 104
- Directors' interests and dealings in securities 106
- Board committees 106
- Board effectiveness 113

Risk governance 116
- Risk management and internal control 116
- Information governance 116
- Internal audit 116
- External auditor 117

Directors of MCB Ltd subsidiaries 118
Management 118
Related party transactions 120
Stakeholders' relations and communication 121
Statement of Directors' responsibilities 122
Statement of Compliance 123

INNOVATION

Our shared ways of working

Push boundaries

- We stretch out of our comfort zone as we pursue continuous improvement.
- We demonstrate appetite, humility and open-mindedness for new ideas.
- We are curious - the best ideas mean nothing if we are not open to them.

Compliance with the National Code of Corporate Governance for Mauritius (2016)

To the best of the Board's knowledge, the Bank has, during the year under review, adhered to the requirements and provisions as specified in the National Code of Corporate Governance for Mauritius (2016) (the 'Code') and has explained how these have been applied.

Disclosures pertaining to the eight principles of the Code have been made in different sections of the Annual Report, as outlined below

Principles of the Code	Relevant sections of the Annual Report
Principle 1: Governance Structure	• Our corporate profile[1] • Corporate governance report
Principle 2: The Structure of the Board and its Committees	• Corporate governance report
Principle 3: Director Appointment Procedures	• Corporate governance report
Principle 4: Director Duties, Remuneration and Performance	• Corporate governance report
Principle 5: Risk Governance and Internal Control	• Corporate governance report • Risk and capital management report[2]
Principle 6: Reporting with Integrity	• Corporate governance report • Delivering on our strategic objectives[3] • Chief Finance Officer Report[4] • Sustainability Report[5]
Principle 7: Audit	• Corporate governance report • Risk and capital management report[2]
Principle 8: Relations with Shareholders and Other Key Stakeholders	• Corporate governance report • Delivering on our strategic objectives[3] • Sustainability Report[5]

Notes:
[1] *Our corporate profile' can be found on pages 19 to 29*
[2] *The 'Risk and capital management report' can be found on pages 127 to 178*
[3] *'Delivering on our strategic objectives' which contains information on our strategy execution, including our environmental and social performances can be found on pages 43 to 67*
[4] *The CFO Report provides an assessment of the Bank's results and can be found on pages 69 to 83*
[5] *The 'Sustainability Report' provides an overview of our corporate sustainability initiatives and our engagement with various stakeholders and is available on our website*

Our philosophy

The Board of MCB Ltd is committed to upholding high standards of corporate governance to support the organisation's long-term success and create sustainable value for all its stakeholders. The Board provides purpose-driven and ethical leadership, setting the tone from the top in the way that it conducts itself and oversees the management of the Bank. The Board believes that good governance is fundamental to reinforcing the Bank's values and culture by promoting accountability, transparency, effective risk and performance management, robust internal control, responsible stakeholder engagement and ethical behaviour across the organisation.

The Board of the MCB Ltd has continued to actively monitor and adapt its governance frameworks and practices in light of the increasingly dynamic and complex operating environment over the last financial year. In this respect, particular attention has been given to risks and developments relevant to the financial services industry including macroeconomic uncertainty amidst geopolitical tensions, heightened regulatory demands, digital transformation and cybersecurity threats, evolving workplace dynamics, and customer experience in a competitive landscape. Directors also pursued ongoing training to stay abreast of emerging issues and strengthen their oversight capabilities, in line with the Bank's commitment to sound corporate governance. The Bank's Corporate Governance Framework is anchored on the four pillars highlighted hereunder.

Strong commitment to ethics and values

- Adherence to the Mauritius Bankers Association's Code of Ethics and Banking Practice (2016)
- Application of the MCB Group 'Code of Ethics and Business Conduct', approved and monitored by the Board
- Whistleblowing Policy allowing all employees and other stakeholders of the Bank to report matters of concern in strict confidentiality
- Establishment of a Gender Equality Charter

Strict compliance to rules and regulations

- Compliance with the National Code of Corporate Governance for Mauritius (2016)
- Adherence to the Bank of Mauritius Guidelines
- Compliance with international reporting standards as applicable
- Adoption of the underlying Basel principles

Robust risk governance and internal control

- Board responsible for the oversight and monitoring of risk profile against risk appetite
- Strong and transparent governance framework, based on the 'three lines of defence' model
- Dedicated functions in place to ensure risks are properly identified, measured and monitored
- Provision of independent assurance by both internal and external auditors

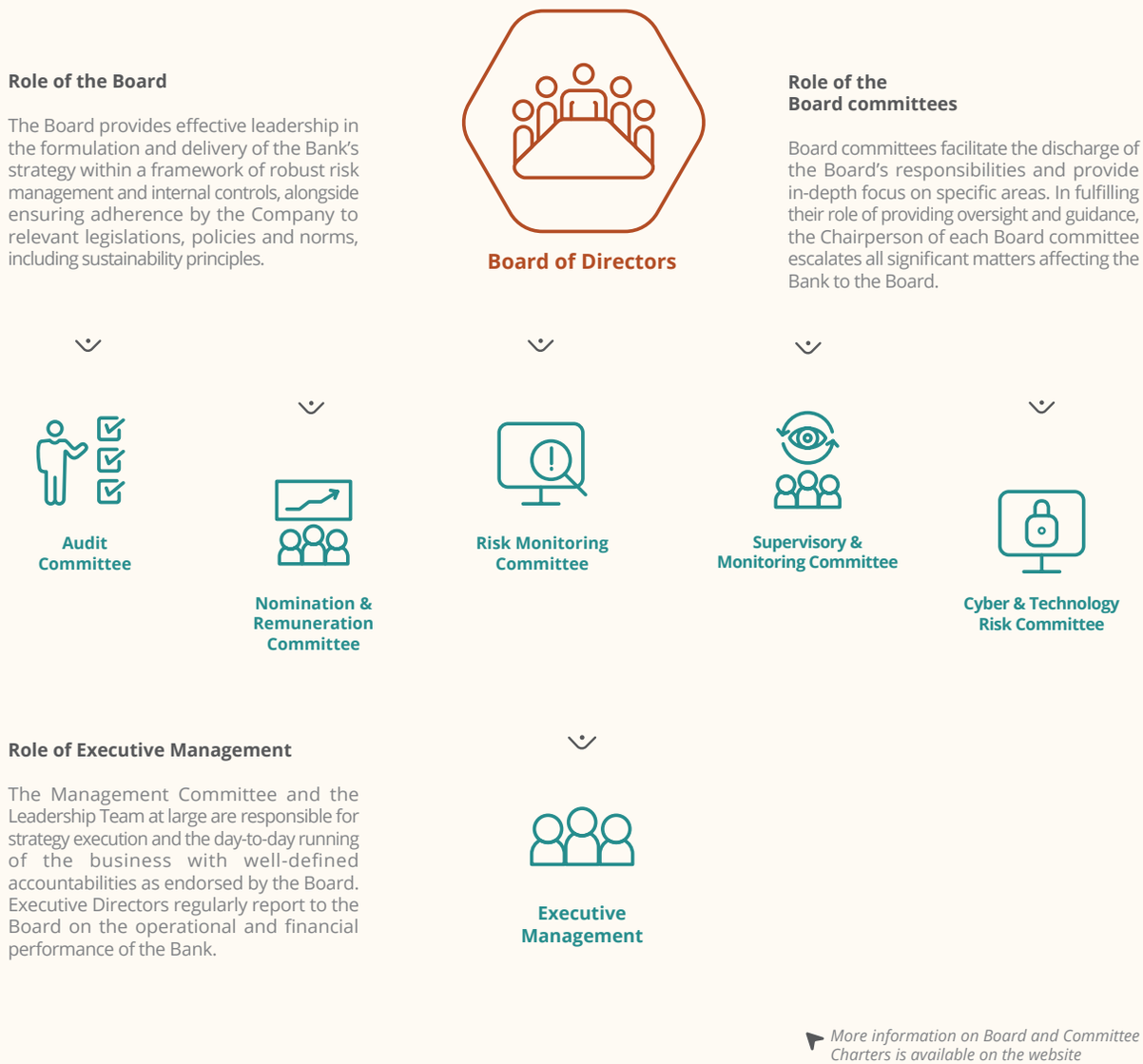
Continuous multi-stakeholder engagement

- Ongoing dialogue with the investment community, regulatory bodies and authorities
- Contribution to economic development by providing adapted financial solutions and support to our customers
- Safeguard of cultural and environmental heritage
- Promotion of community well-being and fostering of staff development and welfare

Governance structure

Governance framework

MCB Ltd is led by a committed and unitary Board, which holds the collective responsibility for strategic leadership, oversight and long-term value creation. The Bank operates within a clearly defined governance framework, which enables delegation of authority and clear lines of responsibility, while allowing the Board to retain effective control. The Board is supported by five committees, each mandated to provide counsel, recommendations and specific expert guidance on matters affecting the Bank's activities. Acting on the direction set by the Board, Management is entrusted with the operational management of the business, with their performance and actions closely monitored against set objectives and policies. The fundamental relationships among the Board, Board committees and Management as well as their main roles are illustrated in the following diagram.



The roles and responsibilities of the Chairperson, executive and non-executive directors as well as the Company Secretary are clearly defined in the Board Charter and Position Statements, which have been approved and are regularly reviewed by the Board. The role of the Chairperson is distinct and separate from that of the Chief Executive Officer. There is a clear segregation of responsibilities with the Chairperson leading the Board and the Chief Executive Officer managing the Bank's business on a day-to-day basis. The Board ascertains that the external obligations of the non-executive directors do not hinder them in the discharge of their duties and responsibilities. In this respect, the Board reviewed time commitments and external obligations of the newly appointed Chairperson and found no concerns about his ability to perform his duties effectively. The main roles and responsibilities of the Chairperson, Chief Executive Officer and directors are described in the following table.

Key roles and responsibilities

Chairperson	Chief Executive Officer	Directors
• Provides overall leadership to the Board • Ensures that the Board is effective in its duties of setting out and overseeing the implementation of the Bank's strategy • Ensures that committees are properly structured with appropriate terms of reference • Presides and conducts meetings effectively • Advises, supports and oversees the performance of the Chief Executive Officer • Ensures that directors receive accurate, timely and clear information • Participates in the selection of Board members and ensures that the Board has an appropriate mix of competencies, experience, skills and independence • Ensures that the development needs of the directors are identified and that appropriate training is provided with a view to continuously updating their skills and knowledge • Oversees the succession planning process at Board and key management positions • Maintains sound relations with stakeholders	• Manages the day-to-day operations • Develops and executes the plans and strategy of the business, in line with the policies set by the Board • Consults the Chairperson and Board on matters which may have a material impact on the Bank • Acts as a liaison between Leadership Team and the Board • Provides leadership and direction to the Leadership Team • Builds, protects and enhances the Bank's brand value • Ensures that the Bank's corporate culture and values are embraced throughout the organisation • Ensures the Bank has implemented the necessary frameworks and structures to identify, assess and mitigate risks	• Contribute to the development of the Bank's strategy • Analyse and monitor the performance of the Leadership Team against the set objectives • Ensure that the Bank has adequate and proper internal controls as well as a robust system of risk management • Ensure that financial information released to markets and shareholder is accurate • Participate actively in Board decision-making and constructively challenge, if necessary, proposals presented by Management • Provide specialist knowledge and experience to the Board • Remain permanently bound by fiduciary duties which include duties of loyalty, care and disclosure

Company Secretary

- Ensures compliance with all relevant statutory and regulatory requirements
- Develops and circulates the agenda for Board meetings
- Ensures good information flows and provides practical support to directors
- Facilitates induction of directors and provides guidance to them in terms of their roles and responsibilities
- Assists the Chairperson in governance processes such as Board and Committee evaluation
- Ensures effective communication with the shareholder and guarantees that shareholder's interests are duly taken care of

More information on the above key roles is available in the Board Charter on the website

Constitution of The Mauritius Commercial Bank Limited

The salient features of the Bank's Constitution are highlighted below:

- the Board may, subject to the Companies Act 2001 of Mauritius ("Act") and its Constitution and the terms of issue of any existing shares, issue shares of any Class at any time, to any person and in such numbers as the Board may approve. The Board shall not issue further shares unless such issue has been approved by ordinary resolution;
- the Company may purchase or otherwise acquire its own shares in accordance with, and subject to, sections 68 to 74, and 108 to 110 of the Act and may hold the acquired shares in accordance with section 72 of the Act;
- the Board may authorise a distribution by the Company, if it is satisfied on reasonable grounds that the Company will satisfy the Solvency Test immediately after the distribution;
- the quorum for a meeting of the Board is a majority of the directors;
- a director who has declared his interest in a transaction or proposed transaction with the Company, shall not be counted in a quorum present at the meeting;
- subject to the Banking Act, the directors shall have the power at any time to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors but so that the total number of directors shall not at any time exceed the number fixed in accordance with the Constitution. The directors appointed shall hold office only until the next following Annual Meeting of Shareholders and shall then be eligible for re-election;
- the Constitution of MCB Investment Holding Limited (MCBIH) provides for Reserved Matters. These provide that the representatives of the shareholder shall not vote on a shareholder's resolution of The Mauritius Commercial Bank Ltd which would trigger shareholder's rights under sections 105, 108 or 114 of the Act without prior consent of the shareholders of MCB Group Limited. Such shareholders' resolutions include:
    - adoption of a Constitution or the alteration or revocation of the Constitution;
    - reduction of the stated capital of the Company under section 62 of the Act;
    - approval of a major transaction;
    - approval of an amalgamation of the Company under section 246 of the Act;
    - putting the Company into liquidation; and
    - variation of rights attached to a class of shares.
- at each Annual Meeting, one-third of the directors for the time being, or if their number is not a multiple of three, then the number nearest to, but not exceeding one-third, shall retire from office and shall be eligible for re-election. The directors to retire every year shall be those who have been longest in the office since their last election.

More information on the Constitution is available on the website

The Board

Mandate of the Board

The Board defines the Bank's purpose, strategy and values and determines all matters relating to the direction, policies, practices, management and operations of the Bank. The Board subsequently ensures that the Bank is managed in accordance with its strategic directions and delegated authority.

Key facts (FY 2024/25)

Number of directors	Independent directors	Average length of tenure (years)	Average meeting attendance
7	57%	4.0	100%

Responsibilities

The methods through which the Board exercises its powers and discharges its responsibilities are set out in the Board Charter of MCB Ltd, which provides, *inter alia,* for the following:

- the composition of the Board, which shall comprise executive, non-executive and independent directors in compliance with applicable rules and regulations;
- the Chairperson of the Board who shall be an independent or non-executive director;
- the setting-up of Board committees;
- the establishment of the strategic objectives and corporate values and their communication throughout the organisation;
- the monitoring of the Leadership Team in respect of the implementation of Board plans and strategies, and compliance with set policies;
- the existence of clear lines of responsibility and accountability throughout the organisation and compliance with all relevant laws, regulations and codes of business practice;
- a formal and transparent directors' remuneration policy;
- the adherence to MCB Group's 'Code of Ethics and Business Conduct';
- the review of procedures and practices to ensure soundness and effectiveness of the internal control systems;
- the establishment of a robust Enterprise Risk Management system, with a view to ensuring that key risks across the Bank are effectively addressed and that risk discussions are elevated to the strategic level;
- the setting of principal guidelines and policies in respect of risk management and conduct of business for the Company; and
- the provision of timely and accurate information to relevant stakeholders.

Approval of the Board is required for, amongst other important matters, modifying the Company's Constitution, issuing fresh capital or buying back its own shares, declaring dividends, acquiring or divesting sizeable stakes in subsidiaries or associates, appointing senior officers, and establishing the remuneration of executive and non-executive directors and the Chief Executive Officer.

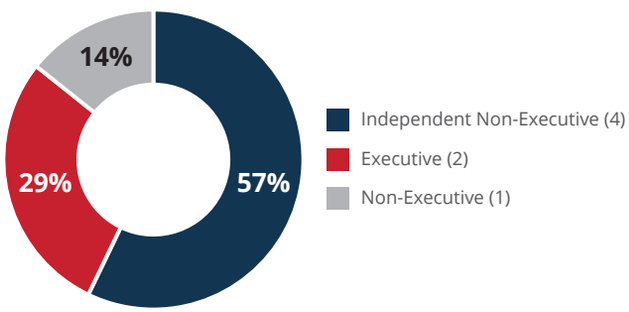
Composition and meetings

Composition

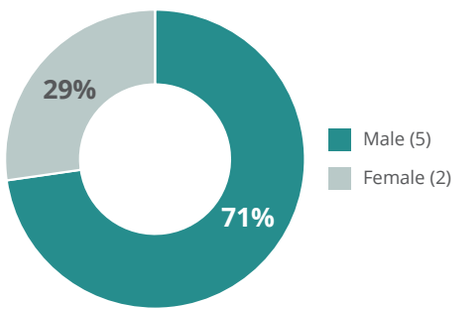
As per the Board Charter, the Board shall consist of a minimum of five and a maximum of twelve directors including the Chief Executive Officer. The Chairperson of the Board shall be an independent or a non-executive director. If the Chairperson is an independent director, the Board shall comprise at least 40% of independent directors in line with Bank of Mauritius (BoM) Guidelines. Otherwise, independent directors should make up for at least 50% of the Board. The Board, assisted by the Nomination and Remuneration Committee, regularly reviews the Board size and composition, including the independence status of the non-executive directors, in line with applicable laws and regulations. At the last Annual Meeting, Simon Walker and Su Lin Ong were re-elected as Directors in line with the Bank's constitution and Dipak Chummun, who was appointed during the year by the Board, was elected as Executive Director. Subsequently, Simon Walker was appointed as Chairperson of the Board in replacement of Jean-Francois Desvaux de Marigny who resigned in December 2024.

As at 30 June 2025, the Board comprised 7 members, bringing a diverse mix of skills, knowledge and experience. In addition, the Board seeks to promote gender diversity, with female representation on the Board currently standing at 29% in line with the minimum prescribed by the Mauritius Companies Act 2001. The average age of Board members stood at around 59 years. The Board composition at financial year end is shown hereunder.

Composition

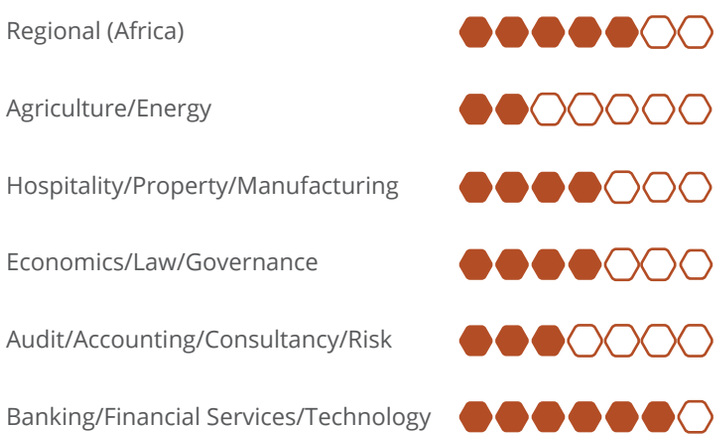


Gender



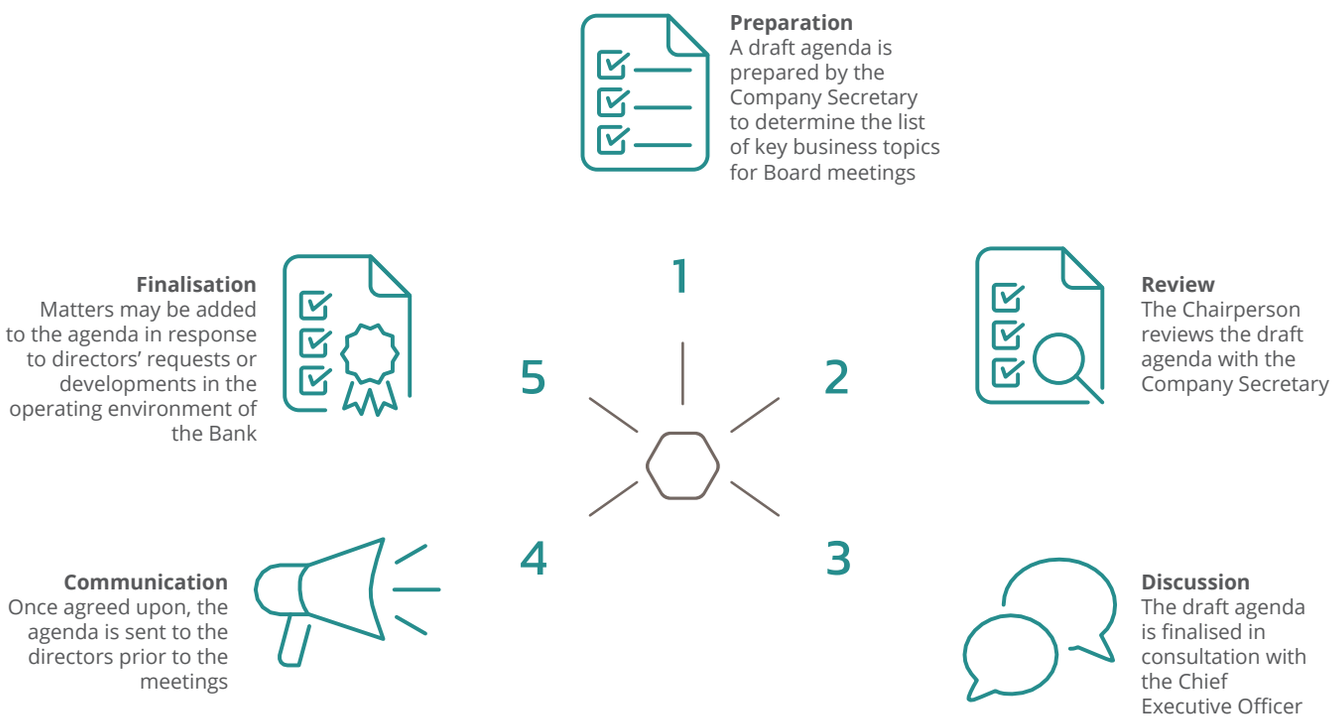
Length of tenure

Mix of skills and experience



Meetings

The Board determines the frequency of Board meetings to ensure that it can focus on and deal with important matters in a timely and efficient manner. The Board Charter requires that meetings be conducted at least on a quarterly basis. Although Board meetings follow a pre-set schedule with a provisional agenda of items for discussion, there is sufficient flexibility to include new topics while additional meetings are also called upon to effectively respond to new business needs. Meetings are convened so that directors are able to attend and participate in person. If in-person attendance is not possible, directors can join the meetings by means of audio or audio-visual communication. To help directors prepare effectively for meetings, relevant documents are provided sufficiently in advance to ensure they have enough time to digest the information for productive discussions during meetings. All materials for Board meetings are uploaded onto a secure portal, which can be easily accessed by directors. Of note, members of the Leadership Team and/or external advisors are regularly invited to attend meetings, present and discuss topical issues identified by the Board. The Chairperson presides over the Board meetings to ensure their smooth functioning and promotes open discussion and debate with the objective of maximising participation and enhancing the quality of decision-making. Non-executive directors also have the opportunity to meet the Chairperson without the presence of executive directors. The Company Secretary attends Board meetings and prepares minutes to record deliberations and decisions taken during meetings. The agenda-setting process is described in the diagram hereunder.



Board attendance

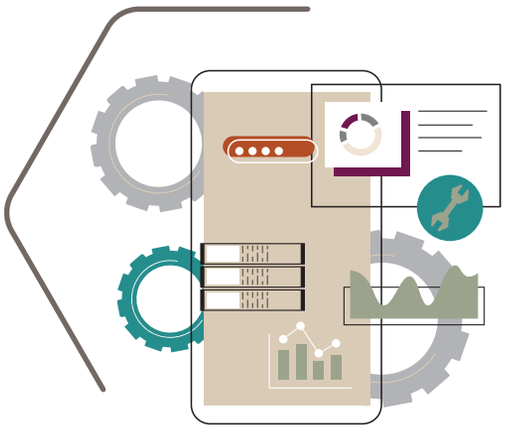
The directors who served on the Board and their attendance at Board meetings during FY 2024/25 are provided in the table hereunder.

Members	Board member since	Board status as at 30 June 2025	Meeting attendance
Jean-François DESVAUX DE MARIGNY ***(Chairperson until December 2024)***	**December 2018**	**Non-Executive Director**	**5/5**
Simon WALKER ***(Chairperson as from December 2024)***	**June 2020**	**Independent Non-Executive Director**	**10/10**
Su Lin ONG	November 2019	Independent Non-Executive Director	10/10
Johanne HAGUE	January 2022	Independent Non-Executive Director	10/10
Craig McKENZIE	December 2023	Independent Non-Executive Director	10/10
Jean Michel NG TSEUNG	August 2015	Non-Executive Director	10/10
Thierry HEBRAUD	June 2023	Executive Director	10/10
Dipak CHUMMUN	December 2024	Executive Director	5/5

Secretary to the Board: MCB Group Corporate Services Ltd (represented by Marivonne OXENHAM)

Board focus areas

A summary of the main discussions of the Board during FY 2024/25 is provided hereunder.

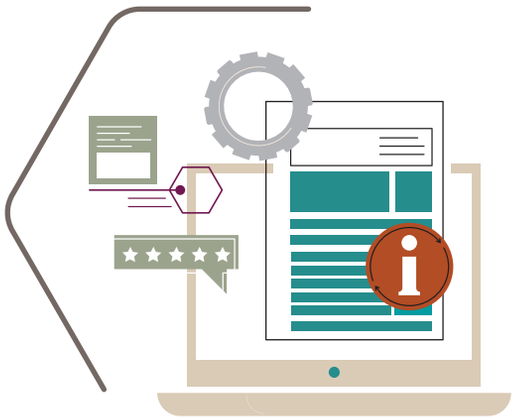


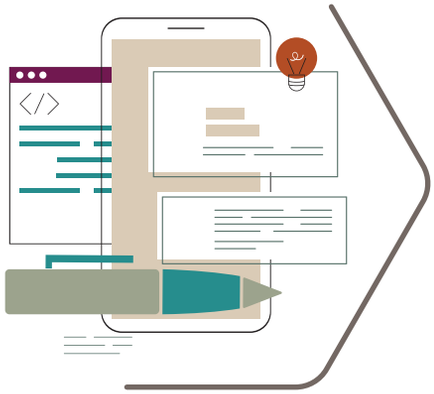
Strategy and performance

- Discussed the impact of developments in the operating environment on the strategy, financial performance, and operations of the Bank
- Assessed the impact of geopolitical conflicts and trade tensions on the Mauritian economy and on business activities of the Bank
- Reviewed and endorsed the 3-year strategic orientations and budget plans of the Bank
- Assessed the development of the growth pillars of the Bank
- Monitored the progress made on the main initiatives of the Financial Markets SBU
- Reviewed the status of implementation for the new operating model for Corporate and Institutional Banking
- Discussed the results of the 'Great Place to Work - Trust Index Survey'
- Reviewed and endorsed the Vision 2030 and its strategic pillars

Financial

- Assessed and monitored the Bank's financial performance against budget
- Discussed and approved the dividend payout
- Discussed the Bank's capital and debt raising initiatives
- Approved the financial budget





Governance and risk

- Reviewed and validated the structure, size and composition of the Board and Board Committees
- Approved upon the recommendation of the Nomination and Remuneration Committee, the appointment of Dipak Chummun as new board member
- Approved, upon the recommendation of the Nomination and Remuneration Committee, the appointment of Simon Walker as new Chairperson of the Board
- Reviewed the Board and Committee Charters and other constitutive documents
- Introduction of a Board Skills Matrix
- Approved the Directors' Development Training Programme
- Validated the setting up of a Cyber and Technology Risk Committee
- Monitored the implementation of the 2024 Board Evaluation action plan
- Reviewed the Succession Planning for the Executive Directors and the Leadership Team
- Validated the FY 2024/25 Leadership Team Scorecard
- Reviewed and approved the updated MCB Ltd Risk heat map
- Discussed the impact of stress testing scenarios
- Reviewed relevant policies and changes thereto

Recurrent agenda items

- Approved the minutes of proceedings
- Reviewed reports from Chairpersons of Board Committees
- Reviewed and approved quarterly expected credit losses (ECL) and specific provisions
- Reviewed and approved the Bank's Financial Statements on a quarterly basis
- Apprised of trends and developments in the operating environment

The Board

From left to right:
Su Lin Ong, Thierry Hebraud, Simon Walker, Jean Michel Ng Tseung, Dipak Chummun and Johanne Hague

Absent: Craig McKenzie

Directors' profiles

The Board comprises 7 directors who have a proven track record in various fields. The names of the directors who held office at the end of the financial year, together with details of their position, qualifications, experience, directorships in other listed companies in Mauritius (where applicable) and nationality are set out in the next section. Unless otherwise stated in their respective profile, directors reside in Mauritius.

KEY

AC	Audit Committee
CTRC	Cyber and Technology Risk Committee
NRC	Nomination and Remuneration Committee
RMC	Risk Monitoring Committee
SMC	Supervisory and Monitoring Committee
C	Committee Chair
M	Committee Member

Simon WALKER – Age 64

CTRC	NRC	RMC	SMC
M	C	M	C

POSITION:

Chairperson, Independent Non-Executive Director

Non-Executive Director since June 2020, Simon is the Chairperson of the Supervisory and Monitoring Committee as well as the Nomination and Remuneration Committee. He is also a member of the Risk Monitoring Committee and the Cyber and Technology Risk Committee.

QUALIFICATIONS:

BSc (Honours) in Geography (UK), Associate of the Chartered Institute of Bankers (UK) and Executive MBA (Brazil). Fellow of Mauritius Institute of Directors and Fellow of Australasian Institute of Banking and Finance

SKILLS AND EXPERIENCE:

Simon built a diversified international career in the financial services industry, having worked internationally for HSBC Holdings plc for nearly 30 years. Over this period, he has shouldered an array of senior executive positions within the group, acting namely as Country Manager, Deputy CEO, Head of Group Audit, amongst others, in its various offices worldwide. Thereafter, he had a three-year stint as Regional General Manager for Europe at Qatar National Bank SAQ in London until the end of 2015. Prior to his retirement in 2019, he was the Founder and CEO of Silver Sparkle Ltd, a web portal company operating under the Encorum brand, delivering lifelong learning solutions to the UK retirement sector. Simon also held external positions in various institutions, acting as either director or board member. He is also a member of MCB Group's Corporate Sustainability Committee (a sub-committee of MCB Group Remuneration, Corporate Governance, Ethics and Sustainability Committee) and Corporate Sustainability Committee.

NATIONALITY:

British

Thierry HEBRAUD – Age 63

POSITION:

Chief Executive Officer and Executive Director

Executive Director since June 2023, Thierry is a member of the Nomination and Remuneration Committee, the Risk Monitoring Committee and the Cyber and Technology Risk Committee as well as the Supervisory and Monitoring Committee on which he also acts as the Secretary.

QUALIFICATIONS:

Diplôme d'Etudes Supérieures de Commerce, Administration et Finance (France)

SKILLS AND EXPERIENCE:

Prior to being appointed Chief Executive Officer in January 2024, Thierry was the Head of Corporate and Institutional Banking, overseeing the coverage and product teams alongside other supporting units therein. He joined the Bank in 2019 after accumulating extensive experience in Corporate and Investment Banking over the last 35 years, holding leading positions within Crédit Agricole Group in Eastern and Central Europe, Asia, and North Africa. He is also a member of MCB Group's Corporate Sustainability Committee (a sub-committee of MCB Group Remuneration, Corporate Governance, Ethics and Sustainability Committee) and the Corporate Strategy Committee.

NATIONALITY:

French

Dipak CHUMMUN – Age 58

POSITION:

Group Chief Finance Officer and Executive Director

Executive Director since December 2024, Dipak is a member of the Supervisory and Monitoring Committee.

QUALIFICATIONS:

BSc (Honours) in Computer Science and Fellow Chartered Accountant (ICAEW UK)

SKILLS AND EXPERIENCE:

Dipak joined MCB as Group Chief Finance Officer in September 2024. He qualified as a Chartered Accountant with PwC in London with extensive experience in consulting and later moved to PwC Singapore to join its Banking Division. He then shifted to the banking industry and over two decades, developed a career with Standard Chartered Bank, Barclays, Emirates NBD and Deutsche Bank, which led him to hold senior Group, Regional and Country roles in Corporate Banking, Global Markets, Strategy, M&A, Risk and Finance principally in London, Dubai, Singapore and Frankfurt, largely focused on growing emerging markets businesses. Prior to joining MCB, Dipak spent 10 years as Group Chief Finance Officer of IBL Ltd, the largest diversified group in Mauritius. As part of his role, he chaired or sat on numerous operating company Boards in various industries including in financial services namely for Afrasia Bank Ltd, Eagle Insurance Ltd and DTOS. He has also served as Chairperson at The Stock of Exchange of Mauritius Ltd for three years and was a member of the Council of ICAEW in London. As part of his current role, he is an Executive Director of MCB Group Ltd as well as a number of other companies within the Group and sits on its various board committees including the Corporate Sustainability Committee (a sub-committee of the MCB Group Remuneration, Corporate Governance, Ethics and Sustainability Committee) and the Corporate Strategy Committee.

NATIONALITY:

Mauritian

Johanne HAGUE – Age 44

M M

POSITION:

Independent Non-Executive Director

Independent Non-Executive Director since January 2022, Johanne is a member of the Audit Committee and the Nomination and Remuneration Committee.

QUALIFICATIONS:

LLB English and French Law (UK), 'Maîtrise en Droits français et anglais' (France) and Diploma in Legal Practice (UK)

SKILLS AND EXPERIENCE:

Johanne is a tax lawyer practising at the Mauritian bar and is the founder of Prism Chambers, a boutique tax law firm in Mauritius. She is also a practising solicitor of England and Wales since 2007. She has worked for many years in London, initially at a Magic Circle law firm, Linklaters LLP and thereafter as an in-house lawyer at JPMorgan Chase Bank N.A. She has significant experience in tax legislation in the UK, Mauritius and a number of African countries and routinely advises multinational and domestic clients on their contentious and transactional tax issues. She assists clients in connection with audits, investigations and assessments by the Mauritius Revenue Authority and appears for her clients before the Assessment Review Committee and the Supreme Court of Mauritius on tax-related matters. She sits on the Tax Committee of Mauritius Finance and regularly lectures on Tax law at the Paris 2 Panthéon-Assas University and the International Bureau of Fiscal Documentation in Amsterdam. She sits on the MCB Group's Corporate Sustainability Committee (a sub-committee of the MCB Group Remuneration, Corporate Governance, Ethics and Sustainability Committee) and is also a Director of MCB Leasing Ltd, a subsidiary of MCB Group Limited.

NATIONALITY:

Mauritian

Craig McKENZIE – Age 65

M C

POSITION:

Independent Non-Executive Director

Independent Non-Executive Director since December 2023, Craig is the Chairperson of the Risk Monitoring Committee and a member of the Audit Committee.

QUALIFICATIONS:

Chartered Financial Analyst (USA), MSc in Agricultural Economics (South Africa)

SKILLS AND EXPERIENCE:

Craig is a retired Chief Executive Officer of Investec Bank (Mauritius) Limited, a subsidiary of a leading international banking group that provides a range of financial products and services to clients across various markets. He has over 30 years of experience in the banking and financial sector, with expertise in managing all aspects of banking risk. He started his career as an Associate Director at the Development Bank of Southern Africa, where he was involved in infrastructure project finance for various development initiatives in the region. He then joined Investec Bank Limited as a consultant in the treasury and specialised finance divisions, where he advised clients on various financial solutions and transactions. In 2000, he was appointed as the Chief Executive Officer of Investec Bank (Mauritius) Limited, where he led the bank's operations and strategy for 20 years until his retirement in 2020. He is currently a director and trustee of several companies and trusts, including Lango Real Estate Limited, a real estate investment fund operating in Africa and Forty-Two Point Two Limited, a company with financial interests in international asset management. He is also a member of MCB Group's Corporate Strategy Committee.

NATIONALITY:

Mauritian

Su Lin ONG – Age 65

POSITION:

Independent Non-Executive Director

Non-Executive Director since November 2019, Su Lin is the Chairperson of the Audit Committee and the Chairperson representing MCB Ltd on the Cyber and Technology Risk Committee.

QUALIFICATIONS:

Chartered Accountant (ICAEW UK), BA (Honours) in Economics

SKILLS AND EXPERIENCE:

Su Lin has 37 years of professional experience in audit, risk management, compliance and IT. In London, she has worked with Deloitte Haskins & Sells (now merged with PwC). In Mauritius, she has worked with Coopers & Lybrand (now merged with PwC), DCDM Consulting (local partner of Accenture) and KPMG Advisory Services. She has experience in working on projects in Mauritius, the Indian Ocean region and Africa.

She is a past President of the Society of Chartered Accountants in Mauritius and has been elected to the Council of the Institute of Chartered Accountants in England and Wales, London since May 2025. She is an Independent Non-Executive Director on several Boards in Mauritius where she is also the Chairperson of the Audit Committees.

DIRECTORSHIP IN OTHER LISTED COMPANIES:

Tropical Paradise Co. Ltd; Les Moulins de la Concorde Ltée; Mauritius Oil Refineries Ltd

NATIONALITY:

Malaysian

Jean Michel NG TSEUNG – Age 57

POSITION:

Non-Executive Director

Non-Executive Director since August 2015, Jean Michel is a member of the Risk Monitoring Committee, the Nomination and Remuneration Committee as well as the Cyber and Technology Risk Committee.

QUALIFICATIONS:

BSc (Honours) in Mathematics and Chartered Accountant (UK)

SKILLS AND EXPERIENCE:

Jean Michel joined MCB Ltd in January 2004 and was the Head of Corporate Banking of the Bank until July 2015, when he was appointed Chief Executive Officer of MCB Investment Holding Ltd. He trained as a Chartered Accountant with Arthur Andersen in London before becoming Partner and Head of the Audit and Business Advisory Department of De Chazal Du Mée and subsequently of Ernst & Young in Mauritius. He is currently the Chief Executive and Executive Director of MCB Group Ltd and sits on its various Board committees. He is also a Board member of several companies within MCB Group namely MCB Investment Holding Ltd, Banque Française Commerciale Océan Indien, MCB Seychelles Ltd, MCB Maldives Private Ltd, MCB Madagascar SA, MCB Capital Markets Ltd and MCB Equity Fund Ltd, amongst others.

NATIONALITY:

Mauritian

Remuneration philosophy

The Board recognises that our people are at the heart of the business and represent the greatest competitive asset in executing the Bank's strategy. In this respect, the Bank promotes a fair, result-oriented and well-governed approach to remuneration, designed to attract and retain top-tier talent business leaders and employees. All elements of the remuneration are carefully benchmarked against local and regional standards to ensure competitiveness and fairness. Whilst the remuneration practices within the Bank are structured to drive high performance in pursuit of its strategic ambitions, they also remain aligned with the Bank's values and desired behaviours to deliver our purpose.

Directors

Executive directors

The remuneration of executive directors is aligned with the overall policy for employees. It comprises a base salary and short-term benefits that reflect their specific responsibilities and level of experience. In addition, a variable component, structured as an annual bonus, forms part of the remuneration package. During the year, the Board undertook a review of its remuneration policy to strengthen the link between the annual bonus granted to the Leadership Team, including the executive directors, and the achievement of the Bank's strategic objectives. A scorecard framework was developed and embedded within the organisation through the cascading of objectives across different levels of the Leadership Team to ensure alignment. The scorecard incorporates both financial and non-financial objectives and measures, designed to enhance value for all stakeholders while providing a clear line of sight between performance (group, team and/or individual) and incentive payouts. This approach ensures that executive remuneration is closely tied to business performance, sustainable business growth, and prudent risk management.

Non-executive directors

The Bank's remuneration philosophy concerning non-executive directors, who do not hold an executive position within MCB Ltd, is summarised as follows:

- There is a basic retainer fee for each individual non-executive director reflecting the workload, size and complexity (national/international) of the business as well as the responsibility involved;
- The basic retainer fee paid to the non-executive Chairperson commensurately reflects the wider scope of responsibilities and a heavier workload, compared to other non-executive directors;
- Board Committee basic retainer fees also apply to non-executive directors, with the fees differing in accordance with the time required for preparation, the frequency and the duration of committee meetings. Chairpersons of committees are paid a higher basic retainer fee than members, reflecting the wider scope of responsibilities and heavier workload;
- There is, in addition, an attendance fee for non-executive directors in respect of their presence at meetings of the Board, respective Board committees, as well as the Annual Meeting of Shareholders; and
- No share option or bonus is granted to non-executive directors.

The following table highlights the remuneration and benefits received by the directors during FY 2024/25.

Remuneration and benefits received	Rs '000
Jean-François DESVAUX DE MARIGNY *(until December 2024)*	**2,207**
Simon WALKER	**4,205**
Johanne HAGUE	**1,505**
Craig McKENZIE	**1,773**
Su Lin ONG	**1,853**
Jean Michel NG TSEUNG[1]	**-**
Total Non-Executive	***11,543***
Thierry HEBRAUD	**47,574**
Dipak CHUMMUN *(as from December 2024)*[1]	**-**
Total Executive	***47,574***
Total (Non-Executive and Executive)	**59,117**

Note: Figures may not add up due to rounding

[1] *Remuneration and benefits received by Jean Michel NG TSEUNG and Dipak CHUMMUN are paid by MCB Group Limited in their capacity as Group Chief Executive and Group Chief Finance Officer respectively*

Group Employee Share Option Scheme

Employees of the Bank are entitled to the MCB Group Employee Share Option Scheme (GESOS), which provides them with the opportunity to partake in the growth and prosperity of the MCB Group Ltd through the acquisition of a stake therein. This acts as an additional lever to promote a performance culture alongside upholding staff motivation and commitment across the organisation. Under the scheme, employees are granted non-transferable options to buy MCB Group Ltd shares with a maximum of 25% of their annual performance bonus. The options, which can be exercised over a period of one year starting mid-October through four specific windows, carry a retention period of three years. The option price is based on the average of the share price over the quarter prior to the date on which the options are granted, to which a discount of 10% is applied. Members of the Leadership Team are, however, not entitled to such discount. Once issued, the shares rank *pari passu* as to dividend, capital, voting rights and in all other respects with the existing shares of MCB Group Ltd. The table below provides the details of the options granted and exercised under the GESOS in FY 2024/25 as well as the percentage exercised for the previous offering.

	Leadership Team	Other employees	Total
Percentage exercised from October 2023 GESOS offering	**45%**	**36%**	**38%**
Number of options granted in October 2024	**120,743**	**705,914**	**826,657**
Initial option price (Rs)	420.25	378.00	-
Number of options exercised to date	43,588	208,704	252,292
Value (Rs)[1]	18,317,857	78,890,112	97,207,969
Percentage exercised	36%	30%	31%
Number of employees	14	943	957
Available for the 4th window expiring in mid-October 2025	**77,155**	**497,210**	**574,365**

[1]*Based on initial option price*

Directors' interests and dealings in securities

MCB Investment Holding Ltd being the sole direct shareholder of MCB Ltd, the directors do not hold shares in the Bank. However, regarding directors' dealings in MCB Group's securities, the directors confirm that they have followed the absolute prohibition principles and notification requirements of the 'Model Code for Securities Transactions by Directors of Listed Companies' as detailed in Appendix 6 of the Stock Exchange of Mauritius Listing Rules.

The Company Secretary maintains a Register of Interests. Upon their appointment, all new directors are required to provide written notification of their interest as well as the interest of their closely related parties in MCB Group's securities, to the Company Secretary.

The following tables itemise the interests of the directors in MCB Group's listed securities as at 30 June 2025 as well as the transactions effected by them during the year under review.

Interests in MCB Group Ltd Ordinary shares as at 30 June 2025	Number of Ordinary shares	
	Direct	Indirect
Jean Michel NG TSEUNG	100,452	-
Su Lin ONG	16,902	59,087
Simon WALKER	-	22,682

Transactions during FY 2024/25	Number of Ordinary shares					
	Purchased		Sold		Others*	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Jean Michel NG TSEUNG	-	-	-	-	25,681	-
Su Lin ONG	-	-	-	-	924	2,729
Simon WALKER	-	-	-	-	-	16,552

**Others refer to shares transacted through the Group's Scrip Dividend Scheme and Group Employee Share Option Scheme*

Interests in Fincorp Investment Ltd as at 30 June 2025	Number of shares	
	Direct	Indirect
Simon WALKER	-	10,320

Interests in MCB Group Limited Senior Unsecured Floating Rate notes as at 30 June 2025	Number of shares	
	Direct	Indirect
Simon WALKER	-	750

Directors' service contracts

There were no service contracts between the Company and its directors during the year under review.

Board committees

The Board has delegated authority to various Board committees to provide specialist guidance and make recommendations, through established reporting mechanisms, on areas and matters entrusted to them. Each committee has its own charter, as approved by the Board and reviewed as required, which sets out, *inter alia*, its roles, responsibilities, composition and meeting requirements. In line with the BOM's guideline on Cyber and Technology Risk Management, which requires expertise in cyber and technology related matters on the Board, the Cyber and Technology Risk Committee operates as a joint committee to leverage the knowledge and experience of members from both MCB Ltd and MCB Group Ltd.

The mandate, composition and focus areas covered by the five Committees namely: (i) Risk Monitoring Committee; (ii) Audit Committee; (iii) Nomination and Remuneration Committee; (iv) Cyber and Technology Risk Committee and (v) Supervisory and Monitoring Committee are presented in the next section.

Risk Monitoring Committee (RMC)

Key facts (FY 2024/25)

Average length of tenure (years)	4.5
Number of meetings	5
Average meeting attendance	100%

Current members	Committee member since
Craig MCKENZIE ***(Chairperson)***	**January 2024**
Simon WALKER	June 2020
Thierry HEBRAUD	January 2024
Jean Michel NG TSEUNG	August 2015

Secretary: Frederic PAPOCCHIA (Chief Risk Officer)

Mandate

The RMC assists the Board in setting up risk mitigation strategies and in assessing and monitoring the risk management process of the Bank. It also advises the Board on risk issues and monitors the risk of the different portfolios against approved risk appetite parameters, in compliance with relevant regulations and advocated norms.

Composition and meetings

As per its Charter, the RMC shall consist of the Chief Executive Officer and at least three non-executive directors. The Chairperson of the Committee shall be an independent non-executive director. The RMC meets at least quarterly and on an ad hoc basis when required.

Focus areas in FY 2024/25

Key topics discussed

- Review and recommend to the Board the updated risk appetite, including stress testing of the 3-year budget approved at Board as well as quarterly risk-weighted assets (RWA) limits
- Quarterly monitoring of risk appetite targets/ limits/parameters including RWA limits
- Review and recommend to the Board the updated country risk limits
- Quarterly monitoring of country risk appetite limits
- Follow-up and monitoring of early warning indicators used as a basis to trigger stress testing
- Review and recommend to the Board the annual ICAAP stress testing exercise and findings
- Review and recommend to the Board quarterly asset classification, loan loss allowances (including expected credit losses) and write-offs review and follow-up on large sensitive credit files
- Review Capital Management with a view to ensuring target CAR and CAR Tier 1 ratios are met
- Follow-up of trading book and FX Profit or Loss Report produced by the Market Risk and Product Control Unit
- Review Credit Risk Policy
- Review Market Risk Policy
- Review Environment and Social Risk (ESR) Policy
- Review and monitor asset liability management risk with a focus on FCY loan to deposit ratio as well as interest rate gap to assess potential earnings impact in case of a potential drop of interest rates
- Review and recommend to the Board the Market Risk and Asset and Liability Risk Limits
- Quarterly monitoring of the Environmental and Social Risk Management report
- Review of a high-level Mauritian and Regional Corporate Risk Appetite
- Follow-up on material legal risks
- Monitor the impact of a potential Moody's country credit rating downgrade

More information on the Risk Monitoring Committee Charter is available on the website

Audit Committee (AC)

Key facts (FY 2024/25)

Average length of tenure (years)	3.5
Number of meetings	8
Average meeting attendance	100%

Current members	Committee member since
Su Lin ONG ***(Chairperson)***	**November 2019**
Johanne HAGUE	January 2022
Craig MCKENZIE	January 2024

Secretary: MCB Group Corporate Services Ltd (represented by Marivonne OXENHAM)

Mandate

The AC assists the Board in the oversight of the financial reporting process to ensure the balance, integrity and transparency of the financial information published by MCB Ltd. It monitors internal control processes and ensures compliance with relevant laws and regulations.

Composition and meetings

As per its Charter, the AC shall comprise between three and five members and shall consist solely of independent directors from whom the Chairperson shall be nominated. The Chairperson of the Board shall not be a member of the AC. The AC meets at least four times a year corresponding to the Company's quarterly reporting cycle and on an ad hoc basis when required. A member of the Risk Monitoring Committee may be requested to attend the AC whenever deemed appropriate.

Focus areas in FY 2024/25

Key topics discussed

- Interim and audited Financial Statements published by the Bank with recommendations made to the Board
- Reports from internal and external auditors and actions taken accordingly
- Internal control review
- Compliance plans and reports
- AML/CFT review
- Operational risk review
- Risk Heat Map review
- Audit plans of internal and external auditors
- Review of relevant policies
- Review of training and awareness campaigns relating to risk and compliance

More information on the Audit Committee Charter is available on the website

Nomination and Remuneration Committee (NRC)

Key facts (FY 2024/25)

Average length of tenure (years)	**2.1**
Number of meetings	**5**
Average meeting attendance	**100%**

Current members	Committee member since
Simon WALKER ***(Chairperson and Secretary)***	**June 2020**
Johanne HAGUE	January 2024
Thierry HEBRAUD	January 2024
Jean Michel NG TSEUNG	January 2025

Mandate

The NRC assists the Board by making recommendations regarding of nominations and remuneration for the Board and Committee members as well as the Chief Executive Officer and Senior Officers who are part of the Leadership Team of the Bank.

Composition and meetings

As per its Charter, the NRC shall comprise between three and five members, the majority of whom shall be independent non-executive directors. The Chairperson shall be an independent or a non-executive director and the Chief Executive Officer may be a member of the NRC. The NRC meets at least twice a year and on ad hoc basis when required.

Focus areas in FY 2024/25

Key topics discussed

- Board Committees composition
- Succession plan for leadership roles, including strategic talent acquisition
- Appointments to the Leadership Team
- Introduction of Scorecard for the Leadership Team
- Board skills matrix
- Directors' training
- Approval of salary reviews and bonuses for the Leadership Team as well as for all other employees
- Directors' fees for Board and Board committees
- Board Succession Plan including the appointment of a new Director

More information on the Nomination and Remuneration Committee Charter is available on the website

Cyber and Technology Risk Committee (CTRC)

Key facts (FY 2024/25)

Average length of tenure (years)	**0.7**
Number of meetings	**4**
Average meeting attendance	**100%**

Current members	Committee member since
Su Lin ONG *(Chairperson representing MCB Ltd)*	**October 2024**
Cedric JEANNOT *(Chairperson representing MCB Group Ltd)*	**October 2024**
Simon WALKER	August 2025
Thierry HEBRAUD	October 2024
San SINGARAVELLOO *(MCB Group Ltd)*	January 2025
Stephen DAVIDSON *(MCB Group Ltd)*	January 2025
Jean Michel NG TSEUNG *(MCB Group Ltd)*	October 2024

Secretary: MCB Group Corporate Services Ltd (represented by Marivonne OXENHAM)

Mandate

The CTRC is a joint Committee of the boards of MCB Ltd and MCB Group Ltd which assists in defining the risk strategies and assessing and monitoring the cyber, information and technology risk management of MCB Group Ltd and its subsidiaries. The Committee advises both Boards on cyber, information and technology risks and monitors the risk levels and risk postures against the set risk appetites.

Composition and meetings

As per its Charter, the CTRC shall consist of a minimum of six members, of whom two independent directors shall be from MCB Group Ltd and two independent directors from MCB Ltd. The Committee shall also consist of two Chairpersons, one Chairperson appointed by the Board of MCB Group Ltd and the other Chairperson appointed by MCB Ltd, who will co-chair the Committee. The latter shall meet at least quarterly or more frequently as circumstances require.

Focus areas in FY 2024/25

Key topics discussed

- Review of the effectiveness of cyber and technology risk management and control system
- Review of the cyber resilience strategy
- Review of the cyber and technology risk appetite and risk tolerance
- Approval of the cyber and technology risk management framework
- Update of cyber and technology risk policies
- Review of cyber strategic risk areas
- Update on the key cybersecurity projects

More information on the Cyber and Technology Risk Committee Charter is available on the website

Supervisory and Monitoring Committee (SMC)

Key facts (FY 2024/25)

Average length of tenure (years)	1.0
Number of meetings	46
Average meeting attendance	98%

Current members	Committee member since
Simon WALKER ***(Chairperson)***	**January 2025**
Thierry HEBRAUD (also acts as Secretary)	July 2023
Dipak CHUMMUN	January 2025

Mandate

The SMC assists the Board in setting the development strategy and objectives of MCB Ltd whilst monitoring and measuring the Bank's performance against such strategy. It oversees the overall management of the Bank in accordance with set policies.

Composition and meetings

As per its Charter, the SMC shall consist of at least two members, including the Chairperson and the Chief Executive Officer. Any two members of the Committee shall form a quorum, provided that one of them is the Chairperson. In the absence of the Chairperson or the Chief Executive Officer, a non-executive or independent director, appointed by the Board or the NRC, shall act as member. The SMC shall meet regularly and on an ad hoc basis when required.

Focus areas in FY 2024/25

Key topics discussed

- Impact of developments in the operating environment on the strategy, financial performance and operations of the Bank
- Review of financial performance
- Capital and funding initiatives as well as the liquidity position of the Bank
- Major credit risk issues and large credit exposures ratification
- Approval of policies, procedures and terms of reference
- Delegation of powers and authority as well as review of authorised signatories for specific purposes
- Review of cloud-based outsourcing services and material outsourcing services
- HR matters including requests for early retirements
- Investment and immovable property acquisition opportunities
- Progress on key organisation-wide initiatives, including major projects
- Legal, operational and compliance matters

More information on the Supervisory and Monitoring Committee Charter is available on the website

Attendance at Board Committees' meeting

The table below provides an overview of the Directors' attendance at the Board Committees during FY 2024/25.

Directors	RMC	AC	NRC	CTRC	SMC
● *Chairperson as at 30 June 2025*					
MCB Ltd Directors attendance					
Jean-Francois DESVAUX DE MARIGNY *(until December 2024)*	3/3		2/2	2/2	23/23
Simon WALKER [1]	5/5		5/5 ●		23/23 ●
Johanne HAGUE		8/8	5/5		
Craig MCKENZIE	5/5 ●	8/8			
Su Lin ONG		8/8 ●		4/4 ●	
Dipak CHUMMUN				1/1	17/19
Thierry HEBRAUD	5/5		5/5	4/4	46/46
Jean Michel NG TSEUNG [2]	5/5		2/2	4/4	
MCB Group Ltd Directors attendance					
Didier HAREL *(until November 2024)*				2/2	
Cédric JEANNOT				4/4 ●	
Stephen DAVIDSON				1/1	
San SINGAVELLOO				1/1	

1. Simon WALKER joined the SMC in FY 2024/25

2. Jean Michel NG TSEUNG joined the NRC in FY 2024/25

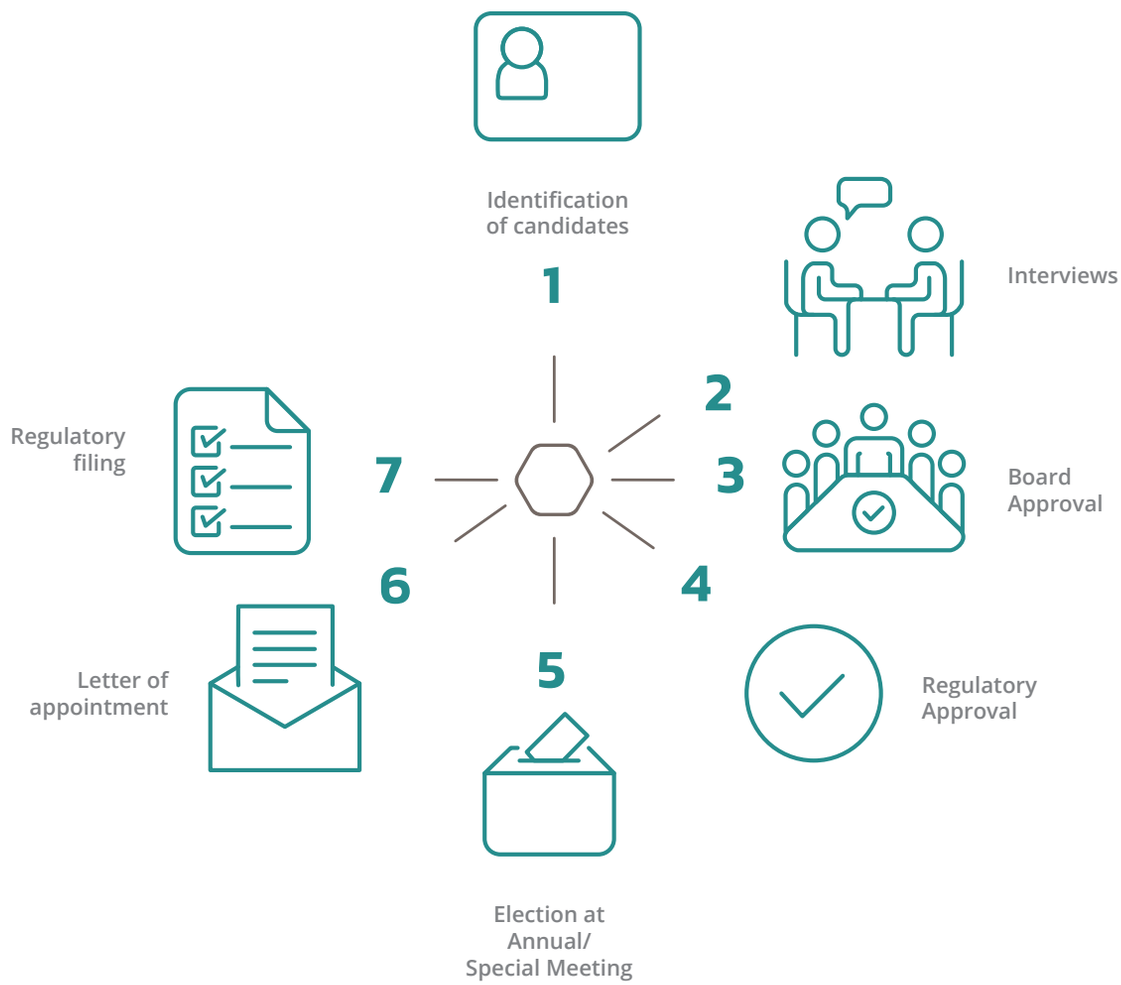
Board effectiveness

Nomination process

The Board has a formal and transparent process in place for the nomination and appointment of directors. In fulfilling this duty, the Board is supported by the Nomination and Remuneration Committee (NRC), which is responsible for overseeing Board directorship's renewal and succession planning. The NRC reviews the size, structure and composition of the Board on an annual basis or more frequently when considering Board member appointments. The Board places high emphasis on ensuring its membership reflects diversity to provide the range of perspectives and insights needed to support good decision-making in the execution of the Bank's strategy. The NRC considers that the size of the Board contributes to its effectiveness.

The NRC is responsible for identifying candidates, carrying out interviews and recommending potential directors to the Board for its approval. Appointment of prospective candidates is based on merit and due consideration is given to, amongst others, specific skills, expertise, knowledge, experience and their background, including the value the individual can bring to the overall Board performance. In addition, the NRC considers gender diversity, independence and time commitment of prospective Board members. Prior to their appointment, non-executive directors are advised of expected time commitments and are required to devote such time as is necessary to discharge their duties effectively. The Board is satisfied that there are no directors whose time commitments represent a matter of concern.

The nomination and appointment process of directors for the Board is highlighted in the diagram below.



Note: The process above describes the appointment of a director at the Annual Meeting. Directors may be appointed outside of the Annual Meeting through a formal process involving a Letter of Appointment and completion of regulatory filings. The appointment of the director is then ratified by shareholders at the Annual Meeting.

Whilst seeking to retain a core set of directors with long-standing knowledge, the Board recognises the importance of rotation of Board members to ensure that there is a good balance between continuity and fresh perspectives. It is worth highlighting that at each Annual Meeting, one third of Board members, notably those who have been longest in office, are required to retire, while being eligible to stand for re-election.

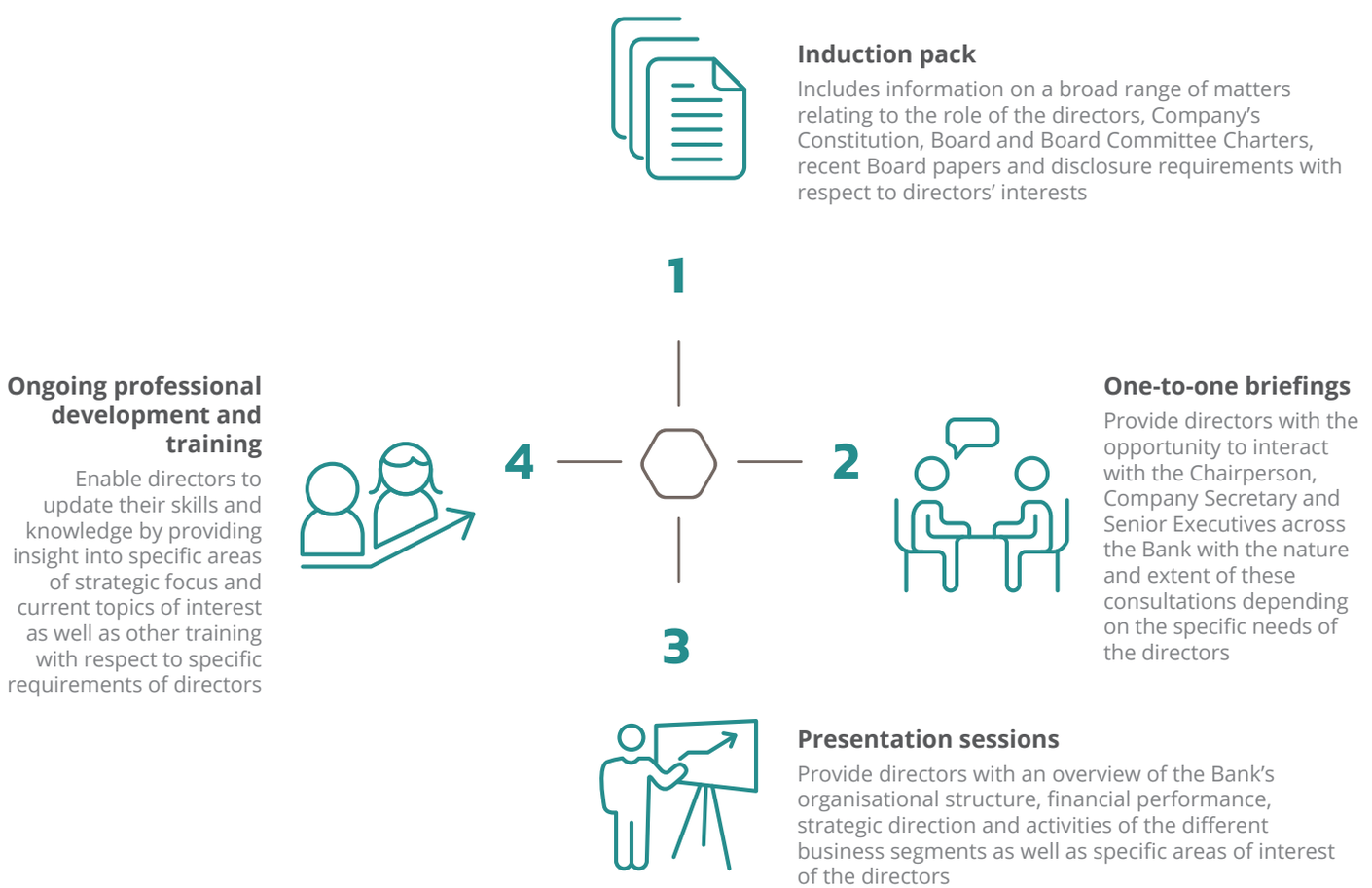
Board induction and training

All new directors, upon joining the Board, receive a comprehensive induction programme tailored to their specific requirements. The training seeks, *inter alia*, to make them aware of their legal duties and facilitate their understanding of the Bank's structure and business operations, its strategic priorities and current challenges. The objective of the programme is to enable newly appointed directors to be well equipped from the outset to contribute effectively to strategic discussions and oversight of the Bank.

Similarly, continuous development of directors is deemed essential to maintaining a highly engaged, well-informed and effective Board. In this respect, the Chairperson of the Board is responsible to ensure that the development needs of the directors are identified, and appropriate training is provided to enhance their skills and knowledge. Directors are also given the opportunity to request specific training, which they consider necessary to assist them in carrying out their duties effectively. The Company Secretary co-ordinates the training plan for the directors, which is reviewed on a regular basis to ensure its pertinence, with a training log maintained for each director.

During the year under review, as part of the ongoing development programme, training sessions have been offered across a range of topics to deepen understanding of the evolving business landscape and facilitate advanced discussion. In this respect, the directors participated in a workshop on the implications of global geopolitical trends and macroeconomic shifts on corporate governance frameworks, strategic decision-making, risk management oversight, amongst others. Recognising the profound impact of artificial intelligence (AI) on the financial services sector, Board members attended a training session led by EY Mauritius partners and AI specialists. The directors obtained strategic insights into AI's transformative potential, as well as the ethical, policy and data governance challenges that accompany its growing adoption. Through case studies and practical approaches shared during the session, the directors gained a clearer understanding of how to navigate emerging risks while positioning the Bank to harness AI's opportunities. In addition, the directors attended an 'Emotional Intelligence' (EQ) workshop which fostered greater self-awareness and empathy, reinforcing Board members ability to lead with emotional excellence. This is particularly relevant given the Board's focus on organisational culture, workforce engagement, and responsible conduct in a transforming workplace. They also completed in-house e-learning courses on anti-money laundering, counter terrorism and proliferation financing and data privacy and cybersecurity, including an online test to assess their understanding.

An outline of the induction and training programme is set out in the diagram hereunder.

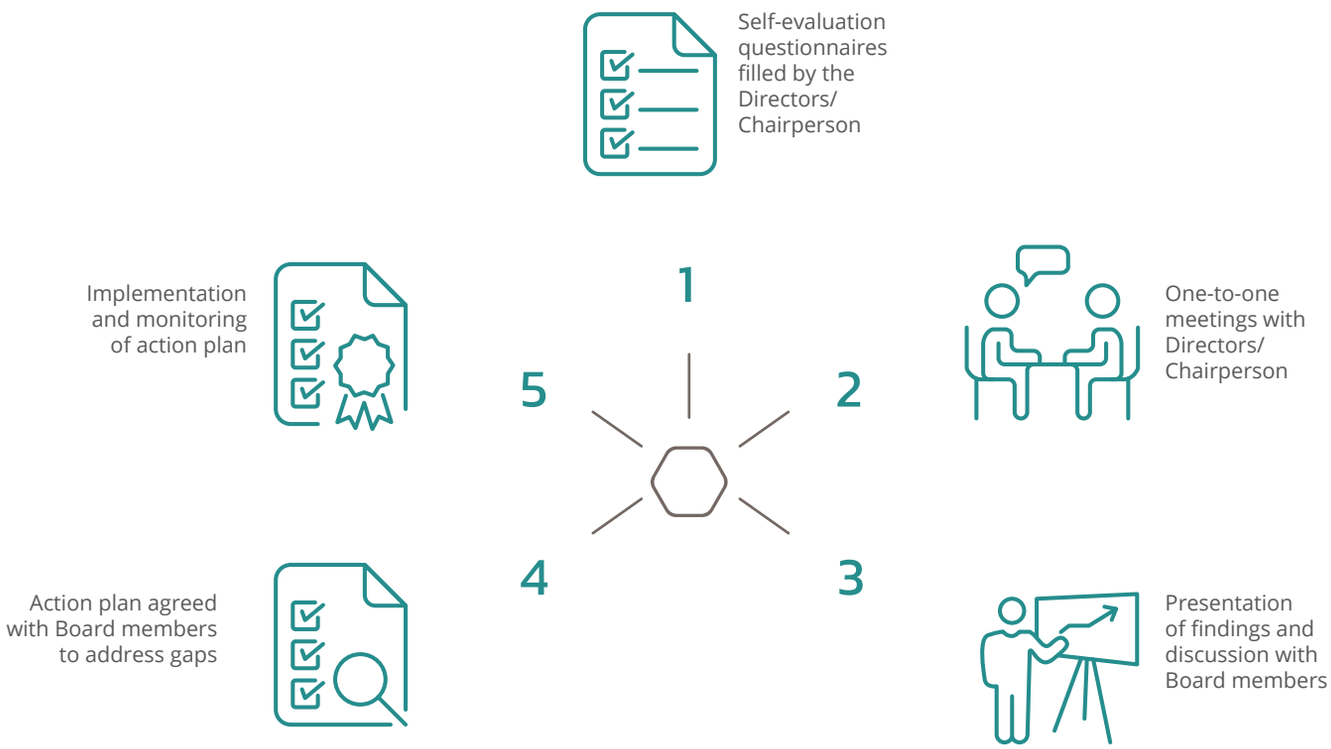


Note: Briefing and reading materials are made available on the Board Portal for consultation.

Board/Directors' performance

The Board recognises the importance of regularly reviewing its effectiveness, as well as that of its committees and individual members. In this respect, the Board generally undergoes a yearly assessment either with the support of an independent external facilitator or internally, under the oversight of the Nomination and Remuneration Committee (NRC). In FY 2023/2024, an external Board evaluation exercise of the Bank's corporate governance practices was conducted by Ernst & Young (EY) against the principles outlined in the National Code of Corporate Governance for Mauritius (2016). It was concluded that the Board and its committees are operating effectively and that directors continued to fulfil their roles as required. The report which was presented to the Board also identified a few areas of improvement, with an action plan subsequently agreed upon. In FY 2024/25, the Chairperson, with the support of the NRC, focused his attention on implementing measures to address the gaps identified in the report.

As part of its ongoing commitment to sound governance, the Board evaluation will be undertaken by an external facilitator in 2026. The external evaluation will allow the Board to review its progress on the action plan and ensure continuous improvement of the Board's performance and effectiveness. An outline of the board evaluation methodology used is provided in the diagram hereunder.



Risk governance

Risk management and internal control

The Board has the ultimate responsibility to maintain an effective risk management and internal control system, which it regularly reviews to cater for the principal and emerging risks, including those that could threaten the Bank's business model, performance, solvency, liquidity and reputation. Supported by the Risk Monitoring Committee, Cyber and Technology Risk Committee and Audit Committee, the Board ensures that the necessary structures, processes and methods for identification, evaluation and monitoring of the key risks faced by the Bank are integrated into its overall risk management framework. The Board has received assurance, through the regular reporting by the Chairpersons of relevant committees, on the adequacy of the risk management processes and systems in place over the period under review.

The Board, assisted by the Audit Committee, ensures that the internal control framework in place results in an acceptable level of risk exposure within the established internal policies and procedures and relevant laws and regulations. The Heads of Internal Audit and Compliance and Risk (for non-financial risk matters) regularly report to the Audit Committee. The Audit Committee receives feedback from the Company's internal and external auditors and engages with them in the absence of Executive Directors to ensure that there are no unresolved material issues of concern. Based on the work performed by internal and external auditors, reviews by Management and regular reporting from the Chairperson of the Audit Committee, the Board monitors the effectiveness of the internal control systems.

Information governance

The Bank places significant emphasis on confidentiality, integrity and availability of information. It ensures that a robust framework is maintained to protect its information asset and uphold the security and performance of information and Information Technology (IT) systems. The Board, assisted by the Cyber and Technology Risk Committee, is responsible for setting up and regularly reviewing relevant policies and to ensure that they are appropriately implemented while adhering to relevant rules and regulations. In this respect, access to information is only available to authorised parties. Physical and logical access controls are in place at all times with staff being regularly made aware of relevant requirements. Adoption of best practices in terms of cybersecurity risk management is actively promoted through regular training sessions and simulated phishing attacks. The Bank continues to invest in technology to enhance its operational resilience with significant investments monitored by the Board. Internal Audit provides independent assurance on the suitability of the Bank's information and IT policies while the Audit Committee evaluates the effectiveness of related internal control systems.

More details on information governance are available in the 'Information, Information Technology and Information Security Governance Policy' on the website

Internal audit

The Internal Audit SBU provides independent and objective assurance to the Board and Management on the adequacy and effectiveness of the Bank's governance, risk management, and internal control systems. Reporting directly to the Audit Committee, the function operates independently from all operational activities, in full alignment with the Bank of Mauritius guidelines and the professional standards of the Institute of Internal Auditors. In the exercise of their function, the internal auditors have sufficient access to information, records, and employees of the Bank. The approved Internal Audit Plan for 2024/2025 was executed, with reviews conducted across all significant areas of the Bank's operations, including strategic, operational, compliance, financial, and technological domains. Audit recommendations were addressed by Management and monitored to ensure timely resolution, contributing to the continued enhancement of the Bank's control environment and the protection of stakeholder value..

More information is available in the 'Risk assurance: Internal audit' section on pages 171 to 172

External auditor

With a view to ensuring the overall adequacy of the Bank's internal control framework, the Audit Committee evaluates the independence, effectiveness and eligibility of the external auditor on an ongoing basis before making a recommendation to the Board on their appointment and retention. The Audit Committee facilitates two-way communication between Management and external auditors to ensure feedback is provided and all matters are addressed, thus ensuring the effective performance of external auditors. As regards the timeframe, the duration of the audit assignment is for a period of one year with the possibility of reappointing the selected firm annually, subject to regulatory provisions and approval at the Annual Meeting of Shareholders of MCB Ltd. In this respect, the appointment of Deloitte as external auditor was approved at the Annual Meeting of Shareholders of MCB Ltd, held in December 2024. As such, Deloitte has been in office for 5 years, after being appointed as external auditor following a tender exercise in September 2019.

Non-audit services

MCB Ltd, via the Audit Committee, ensures that there is no threat to the objectivity and independence of external auditors in the conduct of the audit that could result from the provision of non-audit services by them. As such, non-audit services, which are limited to ad hoc advice and other assurance related services, are pre-approved by the Audit Committee.

Auditors' fees and fees for other services

	Group[1]	Bank	Group[1]	Bank
	Rs '000	Rs '000	Rs '000	Rs '000
Audit, Quarterly Review and Internal Control Review fees paid to:				
Deloitte Mauritius				
The Mauritius Commercial Bank Limited	23,577	23,577	22,016	22,016
Deloitte Nigeria				
The Mauritius Commercial Bank Representative Office	1,187	-	645	-
Crowe				
The Mauritius Commercial Bank Limited (DIFC Branch)	473	473	490	490
PwC Madagascar				
The Mauritius Commercial Bank Limited (Madagascar) S.A	918	-	1,002	-
Forvis Mazars				
The Mauritius Commercial Bank Limited (Madagascar) S.A	393	-	-	-
CGA				
The Mauritius Commercial Bank Limited (Madagascar) S.A	106	-	303	-
Fees for other services paid to:				
Deloitte Mauritius				
The Mauritius Commercial Bank Limited	2,075[2]	2,075[2]	1,944[2]	1,944[2]
PwC Madagascar				
The Mauritius Commercial Bank Limited (Madagascar) S.A	19	-	-	-
CGA				
The Mauritius Commercial Bank Limited (Madagascar) S.A	61	-	-	-

[1] Group figures relate to MCB Ltd and its subsidiary companies on a consolidated basis
[2] The fees for other services in 2025 and 2024 relate mainly to comforts on dividend declaration and AML/CFT review

Directors of MCB Ltd Subsidiaries

The Board composition of the subsidiaries is given below, with the corresponding Chairperson as well as Managing Director or Chief Representative Officer sitting on the respective Boards being mentioned. Changes in the Board Composition during the FY 2024/2025 and to date are also highlighted.

Subsidiary	Cluster	Directors
The Mauritius Commercial Bank Limited (Madagascar) S.A	Banking	**Jean-François DESVAUX DE MARIGNY *(Chairperson)*** Paul CORSON Désiré LEO *(until July 2024)* Vikash NATHOO Jean Michel NG TSEUNG Rony RADAYLALL *(Managing Director)* Patrick RAZAFINDRAFITO Dominic PROVENÇAL *(as from July 2024)*
The Mauritius Commercial Bank Representative Office (Nigeria) Limited *(A subsidiary of MCB Ltd)*	Banking	**Thierry HEBRAUD *(Chairperson)*** Abiodun Babatunde AZEEZ *(Chief Representative Officer)* Frederic PAPOCCHIA Murray VAN ROSSOM *(until January 2025)*

Directors of subsidiaries' remuneration

The remuneration and benefits paid to directors of subsidiaries, who did not sit on the Board of MCB Ltd during FY 2024/25 are shown below.

Remuneration and benefits received (Rs '000)	2025
Executive (Full-time)	17,523
Total	**17,523**

Management

The conduct of the business is entrusted to the Leadership Team of the Bank which has the responsibility to operate within the strategic framework, risk appetites and policies set by the Board while adhering to regulatory requirements. To this end, various committees involving the Bank's senior officers are in place to deliberate on key issues for informed decision making. The Management Committee assists the Chief Executive Officer to manage the day-to-day running of the Bank's business and affairs. Additionally, oversight and monitoring of the various risk areas within the business are exercised through dedicated committees, including, inter alia, (i) Executive Credit Committee (ii) Country Risk Committee (iii) Asset and Liability Committee (iv) Information and Operational Risk Committee (v) Compliance, Anti-Money Laundering and Legal Committee and (vi) Conduct Review Management Committee.

Profiles of the Management Committee members

The profiles of the Management Committee members as at 30 June 2025 are given hereunder. Profiles for Thierry HEBRAUD and Dipak CHUMMUN appear in the Directors' Profiles section.

***Allan FREED* – Age 47**

Head of Human Resources

QUALIFICATIONS: BA (Honours) in Political Science (UK)

SKILLS AND EXPERIENCE: Allan is a seasoned C-Suite HR Executive with a proven track record in designing and delivering strategic HR transformation projects for some of the world's most renowned organisations. His expertise lies in the intersection of business strategy execution and HR practices, fostering high-performance, results-oriented cultures, and positioning HR as a key driver of relevance with external stakeholders. He has contributed extensively to thought leadership in these areas, co-authoring and authoring numerous published works. He joined MCB in September 2022 as the Head of Culture and Leadership, where he led initiatives that empowered the organisation to excel both in the marketplace and the workplace. In March 2024, he was appointed MCB Group Head of Human Resources. In this role, his primary objective is to develop HR strategies that drive critical outcomes across the five pillars of the MCB Group Scorecard. Before joining MCB, he spent 15 years at The RBL Group, gaining extensive experience in HR consultancy across various industries and geographies. During his tenure, he was instrumental in designing and delivering customised senior executive development programs and strategic HR transformation projects for some globally renowned organisations.

***Frederic PAPOCCHIA* – Age 51**

Chief Risk Officer

QUALIFICATIONS: Degree in Finance and MBA (France)

SKILLS AND EXPERIENCE: Frederic is the Chief Risk Officer of MCB Ltd since January 2016 and also acts as the MCB Group Chief Risk Officer since August 2023. He joined the Bank in July 2012 as a Consultant to the MCB Group Chief Executive and worked on various projects in the risk arena before taking office as Deputy Chief Risk Officer in April 2014. He currently oversees the following functions namely Credit Management including Environmental and Social Risk Management, Debt Restructuring and Recovery, Enterprise Risk, Operational Risk, Cyber and Information Security, Business Continuity Management as well as Financial Risk, which comprises Credit Risk, Credit Modelling, Market Risk and Climate Risk. As part of his ongoing responsibilities, he also acts as Secretary to the Risk Monitoring Committee of the Board of MCB Group Ltd and MCB Ltd alongside sitting on dedicated risk committees and other committees of the Bank. Prior to joining MCB, he had accumulated extensive experience in management consultancy particularly in areas of risk management and regulation, during which he engaged with several large banks such as Bank of America, Société Générale and BNP Paribas, working on various assignments including the implementation of the Basel 2 and Basel 2.5 reforms, the development of stress-testing frameworks and the review of credit origination frameworks.

***Parikshat TULSIDAS* – Age 46**

Head of Financial Markets

QUALIFICATIONS: BA (Honours) Human Resource Management and Marketing (UK); London Business School Senior Executive Programme (UK)

SKILLS AND EXPERIENCE: Parikshat is a seasoned banking professional with more than 20 years of experience in leadership roles within Financial Markets and Corporate and Investment Banking across continents. He started his career within the Treasury Department at BNP International in Mauritius and has, since, worked within other renowned international banks in Mauritius, UK and Asia, with a thorough knowledge of Financial Markets, Risk Management, Financial Institutions and Securities Services. He also has a thorough understanding of African markets having covered the China – Africa corridor during his time in Beijing and having formulated the Emerging Markets Financial Institutions strategy at his previous employer. Since 2021, he heads up the Financial Markets division at MCB Ltd, which comprises the Global Markets, Treasury Management and Securities Services businesses

***Anju UMROWSING-RAMTOHUL* – Age 51**

Head of Domestic Banking

QUALIFICATIONS: MSc in Economics and Post Graduate Diploma in Banking and Finance (France)

SKILLS AND EXPERIENCE: Anju is an experienced professional with a diverse background in finance and banking. Her journey began at MCB in 2004 when she joined as Special Asset Manager. Over the years, she has taken on various leadership roles within the organisation namely as Head of Credit Management, Head of Credit Origination and Structuring for corporates as well as international customers and Head of Banking Operations before transitioning to Head of Domestic Banking since July 2024. In her current role, she has the responsibility of shaping the strategic direction and driving the growth of the Retail Banking and Business Banking divisions of the Bank in Mauritius. Prior to joining MCB, she gained valuable experience in the Corporate Banking division of the State Bank of Mauritius and The Hong Kong Shanghai Banking Corporation Ltd (Mauritius Branch).

Interest in shares

The following table gives the interests of Management Committee members in MCB Group's listed securities as at the end of FY 2023/24.

Interest as at 30 June 2025	MCB Group Limited shares		MCB Group Limited Preference shares		MCB Group Limited Senior Unsecured Floating Rate Notes	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Frederic PAPOCCHIA	32,066	-	-	-	-	-
Anju UMROWSING-RAMTOHUL	21,373	7,676	-	-	-	-

Note: The above did not hold any share in Fincorp Investment Limited as at June 2025

Remuneration

The aggregate amount paid to the Management Committee members in terms of remuneration can be found in Note 33 of the Financial Statements.

Related party transactions

For the purpose of these Financial Statements, parties are considered to be related to the Bank if they have the ability, directly or indirectly, to control the Bank or exercise significant influence over the Bank in making financial and operating decisions, or vice versa, or if they and the Bank are subject to common control. Related parties may be individuals or entities. The Bank of Mauritius Guideline on Related Party Transactions is articulated around three main elements:

- the responsibilities of the Board of Directors of a financial institution in establishing and implementing appropriate policies on related party transactions and administering the process for handling the transactions;
- the definition of the different types of related party transactions and the setting out of regulatory limits on credit exposures to related parties; and
- the definition of basic rules for monitoring and regulatory reporting of related party transactions and their disclosure in the Annual Report.

In fact, the Guideline is more stringent than the applicable International Accounting Standard (IAS 24) in that a person holding directly or indirectly 10% or more of the capital or of the voting rights of the Bank also falls within the definition of related party. As a general rule, all transactions with a related party must be carried out at arm's length i.e. on terms and conditions that are at least as favourable to the Bank as market terms and conditions.

Related party transactions include:

- loans, finance leases and service agreements;
- guarantees issued on behalf of a related party;
- investments in any securities of a related party;
- deposits and placements; and
- professional service contracts.

For regulatory reporting purposes, related party transactions are classified into three categories:

1. Directors, their close family members and any entity where any of them holds more than a 10% interest; Shareholders owning more than 10% of the financial institution's capital; Directors of any controlling shareholder; and Entities (excluding subsidiaries) where the financial institution holds more than a 10% interest.

2. Senior Management, their close family members and any entity where any of them holds more than 10% interest; Senior Management of any controlling shareholder; and Subsidiaries of the financial institution.

3. Senior Management, provided their exposures are within the terms and conditions of their employment contract. Category 3 above, as well as exposures representing less than 2% of the institution's Tier 1 capital, are excluded from regulatory limits which are set, in aggregate, at 60% of Tier 1 capital for category 1 and 150% thereof for the total of categories 1 and 2.

The Bank's policy on related party transactions sets out the rules governing the identification of related parties, the terms and conditions applicable to transactions entered with them and reporting procedures to the Conduct Review Management Committee and the Board as applicable. Note 33 to the Financial Statements sets out on- and off- balance sheet exposures to related parties as at 30 June 2025.

Aggregate exposure of related parties, including exposure of the Bank to subsidiary companies amounted to Rs 6,966 million (on-balance sheet) and Rs 3,137 million (off-balance sheet), which represented respectively 1.8% and 1.6% of Bank loans and Bank contingent liabilities as at 30 June 2025.

Exposure of the Bank's top six related parties as at 30 June 2025 were Rs 3,320 million, Rs 2,028 million, Rs 769 million, Rs 685 million, Rs 638 million and Rs 528 million. These balances represented 3.8%, 2.3%, 0.9%, 0.8%, 0.7% and 0.6% respectively of the Bank's Tier 1 capital.

None of the loans granted to related parties were non-performing as at 30 June 2025.

More information on the 'Conflicts of Interest and Related Party Transactions Policy' is available on the website

Stakeholders' relations and communication

The Board is committed to building open and trustworthy relationships with stakeholders and the public at large through regular engagement. All material business developments that influence the Bank are communicated to stakeholders in a transparent, consistent and timely manner through various communication channels. In addition to direct interactions with stakeholders, official press announcements and occasional press conferences, the Bank's website, hosted at mcb.mu, provides an adapted and comprehensive self-service interface.

Following the issuance of Senior Unsecured Notes for a notional amount of USD 300 million as part of its Global Medium Term Note Programme, the Bank organises bi-annual earnings calls after the publication of financial results. During the calls, institutional bondholders have the opportunity to interact with the Bank's management on topics related to performance, strategy and the operating environment.

Shareholder's agreement

There is currently no shareholder agreement affecting the governance of the Company by the Board.

Dividend policy

Although there is no formal dividend policy, the Company aims to supply its shareholder with adequate returns to meet the objective of MCB Group Ltd to distribute around one third of its profits while ensuring that the Bank maintains a strong level of capitalisation.

Statement of Directors' responsibilities

Company law requires the directors to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the Bank.

In preparing those Financial Statements, the directors are required to:

- ensure that adequate accounting records and an effective system of internal controls and risk management have been maintained;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether IFRS Accounting Standards have been adhered to, subject to any material departures disclosed, explained and quantified in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Bank will continue in business;
- keep proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Bank while ensuring that the Financial Statements fairly present the state of affairs of the Bank, as at the financial year end, and the results of its operations and cash flows for that period; and
- ensure that the Financial Statements have been prepared in accordance with and comply with IFRS Accounting Standards, the Mauritius Companies Act 2001, the Financial Reporting Act 2004 as well as the requirements of the Banking Act 2004 and the guidelines issued thereunder.

The directors confirm that they have complied with the above requirements in preparing the Financial Statements. The directors are also responsible for safeguarding the assets of the Bank and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities. Other main responsibilities of the directors include the assessment of the Management's performance relative to corporate objectives; overseeing the implementation and upholding of the Code of Corporate Governance; and ensuring timely and comprehensive communication to all stakeholders on events significant to the Bank.

The directors report that:

- adequate accounting records and an effective system of internal control system and risk management framework have been maintained;
- the Financial Statements fairly present the state of affairs of the Bank, as at the financial year end, and the results of its operations and cash flows for that period;
- appropriate accounting policies supported by reasonable and prudent judgements and estimates have been consistently used;
- IFRS Accounting Standards, the Mauritius Companies Act 2001, the Financial Reporting Act 2004 as well as the requirements of the Banking Act 2004 and the guidelines issued thereunder have been adhered to; and
- the Financial Statements have been prepared on the going concern basis as the Bank is likely to continue in business in the foreseeable future.

On behalf of the Board

Simon WALKER
Chairperson

Thierry HEBRAUD
Chief Executive Officer

Statement of Compliance

(Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity ('the PIE'): The Mauritius Commercial Bank Limited
Reporting Period: 1 July 2024 to 30 June 2025

We, the Directors of The Mauritius Commercial Bank Limited, confirm that, to the best of our knowledge, the Company has complied with all of its obligations and requirements under the National Code of Corporate Governance (2016).

Simon WALKER
Chairperson

Thierry HEBRAUD
Chief Executive Officer

19 September 2025

Company Secretary's certificate

Name of Public Interest Entity ('the PIE'): The Mauritius Commercial Bank Limited
Reporting Period: 1 July 2024 to 30 June 2025

In our capacity as Company Secretary, we hereby certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001 of Mauritius in terms of section 166(d).

Marivonne OXENHAM
Per MCB Group Corporate Services Ltd
Company Secretary

19 September 2025

CONTENTS

FY 2024/25 highlights 128
- The year in review from a risk perspective 128
- How we responded to our risk landscape 128
- Main priorities looking ahead 139

Our risk management strategy and framework 140
- Our underlying philosophy 140
- Key elements of our risk management set-up 141
- Governance and oversight 142
- Our risk appetite framework 146

Management of key risks 148
- Our risk management process 148
- Our processes, methodologies and positioning by risk type 149

Risk assurance: Internal audit 171
- Internal Audit approach 171
- Internal Audit strategy, methodology, and assurance 171

Capital management 172
- Our objective 172
- Our Internal Capital Adequacy Assessment Process 172
- Our capital position 174

INTEGRITY

Our shared ways of working

Act Responsibly

- We provide great service whilst embracing risk management practices.
- We speak up when something doesn't feel right.
- We admit our mistakes and share what we learn.

FY 2024/25 highlights

The year in review from a risk perspective

The environment in which we operate remained complex and volatile, with persistent headwinds influencing our operations, though the relative easing in monetary policy provided some relief in global financial conditions. In this uncertain context, our overall risk profile stayed within the established limits of our risk appetite, underpinned by robust and proactive risk management practices. We continued to actively identify and assess risks from both external and internal sources, enabling us to address potential threats and capture opportunities. In this regard, we updated our Enterprise Risk Heat Map to reflect the unfolding risk landscape and prioritise risks that could materially affect our operations, financial performance, solvency, or strategic direction.

During the year, significant progress was made in enhancing the Bank's risk management framework. Country risk management was further strengthened through targeted visits led by our newly appointed Senior Country Risk Officer, who brings deep African expertise. Recognising the growing complexity and scale of financial market activities, we formalised a Board-level risk appetite for Market Risk and Asset and Liability Management (ALM), previously set and overseen by ALCO, to enhance strategic governance. The Bank further embedded a strong risk culture across the organisation through dedicated awareness sessions, training courses and social engineering exercises. We also reinforced risk function capabilities as gauged by the successful completion of the Risk Academy pilot phase and launched a focused Employee Value Proposition to support retention and development.

The most prominent external influences impacting our risk landscape in FY 2024/25 were related to challenging geopolitical and macroeconomic conditions, heightened regulatory and fiscal requirements, rising climate, environmental and social considerations, rapid technological change and evolving cybersecurity threats, shifts in workplace dynamics and employee engagement, and the need to enhance customer experience in a competitive landscape. A description of these factors and our response thereto is provided on pages 37 to 40. To ensure appropriate coverage, we have defined the following key risks that impact our business, with the list pertaining only to major risks and thus not exhaustive.

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Our key risks

Our risk management approach remained effective, anchored on: (i) an integrated governance structure promoting sound risk standards, regularly reviewed and adapted as required; (ii) comprehensive, structured processes for identifying, evaluating, addressing and monitoring risks; and (iii) an entrenched risk culture which underpins the shared values, behaviours and practices that drive how risk is considered in decisions. We allocated our capital types prudently to opportunities consistent with our risk appetite, aiming to deliver sustainable, risk-adjusted growth and returns while protecting value for stakeholders. A snapshot of our FY 2024/25 risk profile is set out below, based on key risk indicators, with further details provided in the 'Management of key risks' section.

How we responded to our risk landscape

The following section outlines the impact of developments that occurred in our operating environment on key risks during FY 2024/25 and our response thereto. We continued to invest in strengthening our risk framework, enhancing our systems and tools, and upskilling our people, with a view to addressing risks faced.

The symbol included for each key risk below indicates the perceived change in risk profile, in inherent risk terms, of the main risks faced during FY 2024/25 compared to FY 2023/24.

Increasing Decreasing Stable

The capital types impacted by each of the key risk have also been included. Effective management of these capital types not only helps us mitigate risks but also supports our long-term growth and success in a rapidly changing landscape.

Capital types

Financial capital | Social and relationship capital | Natural capital | Human capital | Intellectual capital | Manufactured capital

Principal financial risks

Credit risk

The risk of loss should borrowers or counterparties fail to fulfil their financial or contractual obligations as and when they fall due; Credit risk includes counterparty risk, settlement risk and concentration risk (excessive build-up of exposures to a counterparty, industry, market or product, amongst others).

Capital impacted

Operating context influences: Geopolitical and macroeconomic conditions

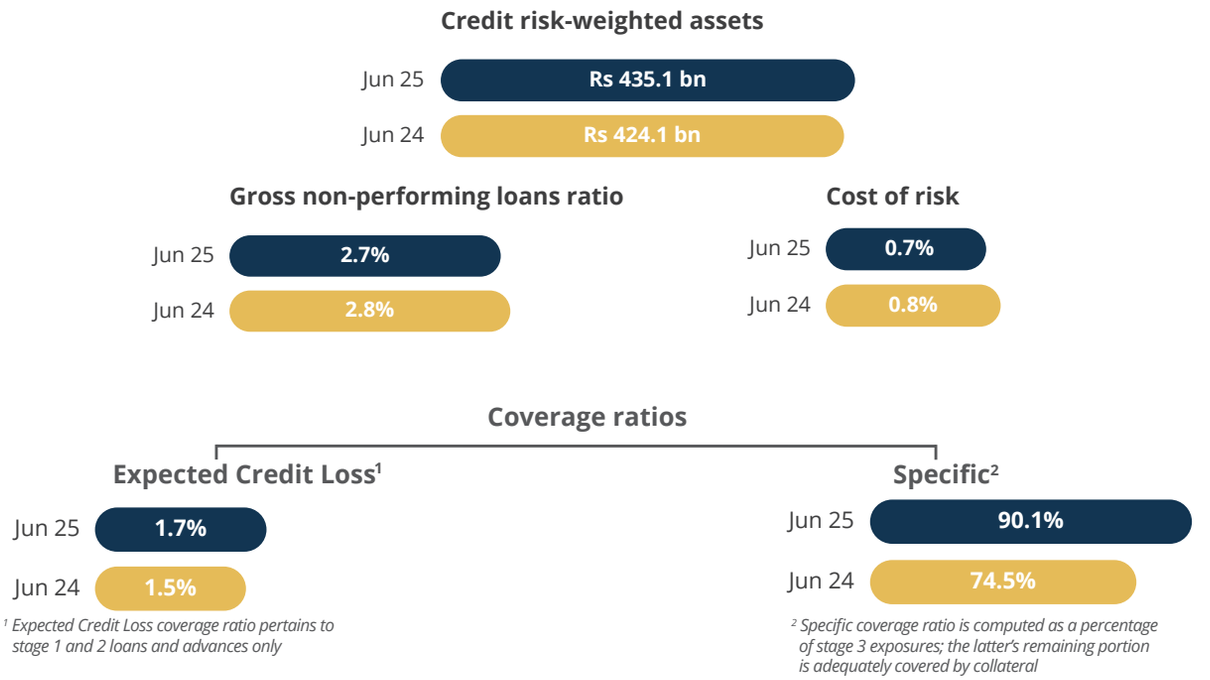
Continued economic growth, supported by gradual monetary policy easing across economies amidst declining inflation, helped stabilise credit default risks. However, the fallout from heightened geopolitical tensions and the still-elevated interest rates and currency pressures in some regional markets continue to impact debt-servicing costs.

Our response

- Maintained a vigilant and proactive approach to credit risk management, backed by careful deal structuring and assessments of borrower creditworthiness, while seeking to uphold a diversified loan portfolio
- Continuously assessed the impact of developments in the operating environment on borrowers' debt repayment capacity, with ongoing attention to foreign exchange constraints in some regional countries notwithstanding improvements observed in key jurisdictions
- Monitored the non-performing asset portfolio performance and the potential effect on credit provisions as a result of the economic and sovereign challenges
- Conducted regular rapid risk review across sensitive and high-risk sectors and geographies to ensure early identification of potential issues with existing borrowers
- Maintained proactive credit management through regular monitoring on our performing portfolio to detect early warning signs
- Successfully implemented the individual lending end-to-end efficiency programme on credit valuation chain, enhancing credit management practices and processes
- Ensured a diversified loan portfolio across sectors, setting range targets as part of the credit risk appetite

Our performance

We improved the quality of our exposures on the back of careful market endeavours and strong risk management framework, leading to lower gross non-performing loans ratio as well as reduced cost of risk (inclusive of notable recoveries made during the year), while reinforcing our provisioning levels.



Country risk

The risk of loss arising when political or economic conditions or events in a particular country inhibit the ability of counterparties in that country to meet their financial obligations.

Capital impacted

Operating context influences: Geopolitical and macroeconomic conditions

Limited fiscal space and heightened political and social tensions continue to weigh on sovereign ratings across the continent. However, recent upgrades in key African markets, backed notably by reform momentum, have helped contain overall country risk.

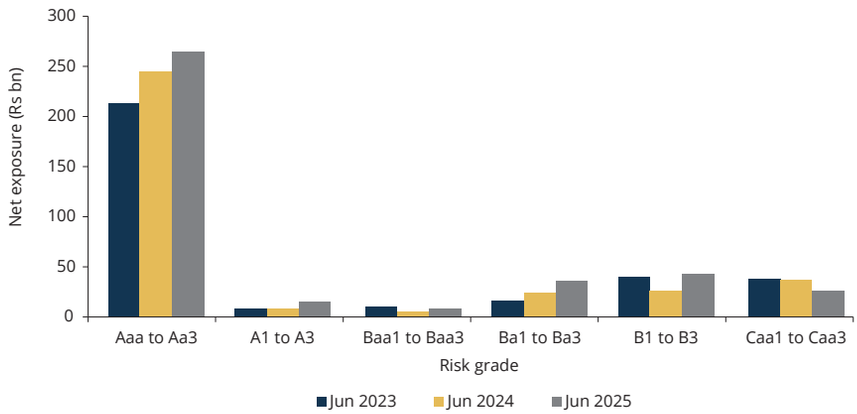
Our response

- Managed the Bank's international exposures by: (i) regularly assessing developments in countries with existing exposures; and (ii) conducting comprehensive, risk-informed assessments of new jurisdictions using open-source data and, where feasible, in-country insights
- Maintained a disciplined country-risk diversification approach through strategic allocation of exposures across multiple geographies and sectors within established risk appetite, pursuing activity selectively in markets where we have expertise
- Maintained active contingency planning and scenario analysis, with plans regularly updated to refine strategies in response to evolving country-risk dynamics
- Balanced the risk appetite to support our ambition amidst challenging macroeconomic conditions by: (i) weighing the obligor's ability to generate sufficient foreign currency to service obligations; (ii) emphasising self-liquidating, short-tenor facilities; and (iii) applying credit-risk mitigants to keep exposures at acceptable risk levels
- Conducted multidisciplinary in-country assessment visits to support our African-focused expansion, engaging with regulators, government officials, international financial institutions (e.g., IMF/World Bank), in addition to maintaining interactions with rating agencies, amongst others

Our performance

To reinforce sound country risk management, we continued to lay emphasis on diversified exposures across countries and sectors, while ensuring that our deals are appropriately selected, structured and ring-fenced.

Country risk exposures by rating



Notes:

(i) Exposures pertain to funded and unfunded financing activities as well as treasury activities

(ii) For each country, the worst of the ratings assigned by Moody's Ratings, Standard & Poor's and Fitch Ratings has been selected and converted into a Moody's equivalent rating

Market risk

Capital impacted

Market risk is the potential for losses arising from changes in the value of financial instruments resulting from adverse movements in market variables such as interest rates, foreign exchange rates and equity prices. It reflects the exposure of our trading portfolio to fluctuations in market conditions that are outside the organisation's control.

Operating context influences: Geopolitical and macroeconomic conditions | Heightened regulatory demands

Market risk has risen amidst heightened volatility, driven by uncertainty related to tariff war – although the hikes were to a lower magnitude than initially thought – ongoing geopolitical tensions, and shifts in monetary policy worldwide. These factors have impacted market liquidity and contributed to more pronounced fluctuations in asset prices.

Our response

- Applied our strong risk management frameworks, policies and standards, supported by daily limit monitoring for our market risks
- Leveraged our 'Value-at-Risk' (VaR) model, along with 'Stressed VaR' models to capture material market risks arising from trading portfolios
- Formalised the risk appetite for Market Risk at Board level, which was previously set and overseen by ALCO
- Extended monitoring hours for the Profit and Loss related to G-10 FX trading activities, notably given the volatility triggered by consecutive US tariff announcements
- Mitigated interest-rate risk through hedging and back-to-back execution, supported by sensitivity controls, such as notional limits and DV01 limits, applied across financial instruments or at the portfolio level

Our performance

Market risk-weighted assets

Jun 25 **Rs 1.3 bn**

Jun 24 **Rs 1.5 bn**

Asset and Liability Management (ALM) risk

Capital impacted

ALM risk refers to the vulnerability of the organisation's balance sheet to mismatches between the maturities, repricing, and cash flow profiles of assets and liabilities. It encompasses three core dimensions: (i) liquidity risk which arises from the inability to meet financial commitments as and when they fall due; (ii) funding risk, which is linked to the relative lack of availability of funds or the risk that a maturing liability or class of liabilities may not be able to be refinanced within a designated timeframe, resulting in potential added costs; and (iii) interest rate risk which refers to the impact of rate changes on net interest income and the economic value of equity.

Operating context influences: Geopolitical and macroeconomic conditions | Heightened regulatory demands

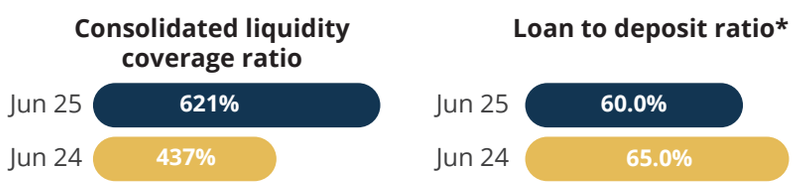
Persisting global uncertainties along with heightened competitive pressures confronting the Mauritian jurisdiction and foreign exchange constraints in regional markets are impacting Asset and Liability Management risk, particularly given their potential impact on funding stability.

Our response

- Proactively managed the funding and capital structure to ensure that the organisation is well-positioned to support business growth while maintaining financial stability
- Monitored investment performance against set objectives and risk limits; Analysed the stickiness of our foreign currency deposits and kept the foreign currency loan to deposit ratio within set target
- Conducted regular stress tests to assess the survival horizon and identify key risk indicators to be monitored
- Maintained sufficient liquidity buffers by operating within the strict risk framework and predefined limits
- USD 350m raised by the organisation in Syndicated Term Loan from Asia in line with its endeavour in diversifying funding sources
- Formalised the risk appetite for ALM at Board level, which was previously set and overseen by ALCO

Our performance

We continued to maintain comfortable buffers and sustain strong funding and liquidity positions throughout FY 2024/25.



**Refers to net customer loans and advances (including corporate notes) to customer deposits*

Capital risk

Capital impacted

The risk that arises from the possibility of having an inadequate quantity or quality of capital to meet internal business strategies, regulatory requirements or market expectations in the area of structural risk.

Operating context influences: Geopolitical and macroeconomic conditions | Heightened regulatory demands

Capital risk eased during the year, supported by sovereign rating upgrades in key African markets as well as our improved capital position, providing a strong safeguard against potential shocks despite stricter regulatory requirements.

Our response

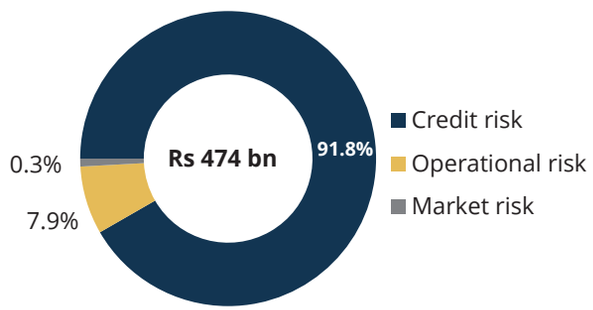
- Maintained capital levels well above minimum regulatory requirements driven by higher retained earnings, alongside optimising risk-weighted assets (RWAs) utilisation; Set RWAs limits for our Corporate and Institutional and Financial Markets activities, with monitoring conducted quarterly

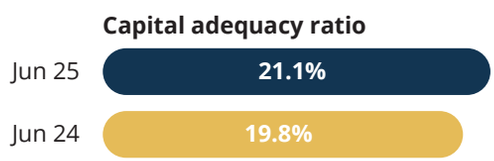
- Performed regular stress tests on the lending portfolio to ensure that there is sufficient capital to withstand any loss arising from significant exposure to a sector, single customer and group of closely related customers; Ensured that our stress testing framework caters for new regulatory requirements
- Assessed the risks that could affect our solvency ratios and closely monitored key exposures against the risk appetite limits
- Monitored closely the exposure of MCB in countries having a non-investment grade rating status

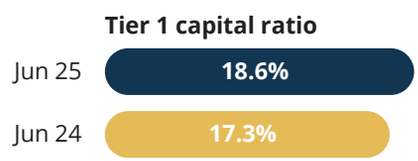
Our performance

Our capital adequacy ratios remained comfortably above the regulatory requirements of 15% in terms of capital adequacy ratio and 13% in terms of tier 1 capital ratio, supported by our strong financial performance.

Risk-weighted assets by type of risk







Principal non-financial risks

Model risk

The risk of losses as a consequence of decisions being based on the output of models that are flawed or inaccurate.

Capital impacted

Operating context influences: Geopolitical and macroeconomic conditions | Heightened regulatory demands | Cybersecurity and technological advancements | Workplace transformations and employee engagement

Model risks remained stable but required ongoing attention due to potential performance impacts from market volatility. Additionally, the growing use of sophisticated machine learning techniques produce outputs that are more complex to validate.

Our response

- Continuously improved the accuracy and robustness of our models, backed by enhanced capabilities
- Enhanced the Corporate Rating framework by upgrading the quantitative rating model using regression techniques to identify key default predictors and applying advanced statistical methods to improve the predictive accuracy of the credit ratings based on financial ratios. In parallel, a new qualitative approach has been developed to incorporate factors such as industry performance and outlook, management quality, regulatory compliance, revenue diversification, business stage and country risk, to improve overall accuracy of client credit ratings
- Included post model adjustments, management adjustments and model override to capture unexpected events
- Back-tested models to validate the performance and adequacy of our models

Operational risk

The risk of loss resulting from human factors, inadequate or failed internal processes and systems, or external events such as third-party dependencies and service provider failures. It includes fraud and criminal activity, project risk, information and IT risk.

Capital impacted

Operating context influences: Cybersecurity and technological advancements | Workplace transformations and employee engagement

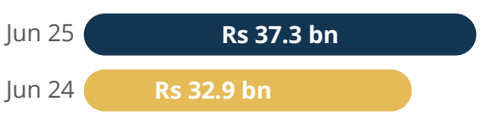
The Bank continued to face potential operational disruptions arising from the growing complexity of its activities, the rising incidence of cyber-attacks globally and an increasingly competitive labour market.

Our response

- Regularly reviewed the operational risks inherent in internal processes and client solutions, with monitoring of key operational risk indicators against acceptable tolerance limits
- Maintained effective governance systems, processes and controls to mitigate operational risks at large, particularly through the Permanent Supervision function and Operational Risk frameworks
- Embedded a robust and sound risk culture in our day-to-day business activities, namely through the ongoing delivery of our Risk Culture Programme
- Completed an extensive review of the risk and control landscape across the Bank through an update of the Operational Risk Cartography
- Conducted targeted awareness sessions to relevant audiences

Our performance

Operational risk-weighted assets



Business continuity risk

The risk of being unable to continue the delivery of products and services within acceptable time frames at predefined capacity during a disruption.

Capital impacted

Operating context influences: Cybersecurity and technological advancements | Climate, environmental and social considerations | Workplace transformations and employee engagement

The Bank continued to face business continuity risks arising from technological outages and more frequent site disruptions, including those linked to rising climatic events.

Our response

- Performed annual exercises and simulated different scenarios to test our business continuity plans and crisis management protocols; Undertook Disaster Recovery (DR) simulations and successfully executed unplanned DR exercises to test the actual readiness of our technical teams
- Continued with ongoing improvement of business continuity responses and scenario planning
- Conducted a cyber crisis management simulation, using realistic scenarios and evolving crisis events to simulate an actual cyber-attack, to rigorously test the readiness of the Bank's crisis teams

Cyber and information security risk

The risk of accidental or intentional unauthorised use, modification, disclosure, destruction or breach of information resources/systems that may have an adverse effect on the confidentiality, availability, and/or integrity of information or information systems.

Capital impacted

Operating context influences: Heightened regulatory demands | Cybersecurity and technological advancements | Workplace transformations and employee engagement

Rapid digital adoption amidst evolving customer needs has led to surging data volumes and heightened cybersecurity challenges. The rise of AI is shaping this landscape, enabling both more sophisticated cyberattacks and more effective defence mechanisms.

Our response

- Established a comprehensive cyber resilience strategy supported by a cyber and technology risk framework and appetite
- Strengthened our project risk governance framework to ensure comprehensive risk oversight across projects, with a focus on cyber and technology risks
- Further enhanced our cybersecurity posture through regular independent Penetration Testing, Vulnerability Assessments and Red Team activities by leveraging external expertise as appropriate
- Improved controls over network access and log monitoring, and continued progressing towards a Zero-Trust approach, alongside pursuing system upgrade and adding security solutions to address evolving threats
- Continued to enhance overall staff awareness of general and cybersecurity risks through risk culture campaigns
- Further performed social engineering attack simulations among our staffs to promote the adoption of best practices in terms of cybersecurity risk management
- Further enhanced the detection and monitoring of cybersecurity events through various control systems, resulting in an improved Security Operations Centre management
- Improved our cybersecurity maturity by reviewing existing and introducing new policies related to cyber and technology risk management while maintaining compliance with the relevant regulatory requirements such as the Bank of Mauritius Guideline on Cyber and Technology Risk Management
- Continued to upgrade and test our cyber response capabilities and processes
- Increased staffing in both the first and second lines of defence to better face the increasing scope and complexity of cybersecurity threats

Compliance risk

The risk arising from changes in legislation, regulations and advocated norms on the operation and functioning of the Bank. It is the risk of sanction and material financial loss or reputational damage.

Capital impacted

Operating context influences: Heightened regulatory demands | Climate, environmental and social considerations | Cybersecurity and technological advancements

The evolving breadth and complexity of regulatory requirements across markets call for continuous enhancements to our systems and procedures.

Our response

- Strived to adhere to the regulatory compliance obligations by maintaining open and constructive dialogue with regulatory authorities and law enforcement agencies
- Sustained focus by the Bank to remain resilient, sound and efficient for our stakeholders, while at the same time keeping pace with the fast-changing operating environment

- Continued to gear up our overall compliance framework and enhance our policies, procedures and controls to meet heightened regulatory requirements and underpin the deployment of our activities
- Ensured ongoing enhancement of the transactional and screening alert systems and framework to reinforce effectiveness, which also included the upgrade of the Financial Crime Risk Management (FCRM) platform for SWIFT screening to enable the filtering of MX Message Types (ISO 20022)
- Reviewed and enhanced our policies and procedures to meet regulatory requirements locally and overseas. This also ensured that we continue doing business in such a manner so as to reduce any risk of our product being used for money laundering, terrorism, proliferation financing, bribery or corruption, in line with emerging legislative requirements and global best practices.
- Reviewed the Enterprise Risk Heat Map and the Enterprise Wide Risk Assessment (EWRA) from an Anti-Money Laundering/ Combating the Financing of Terrorism and Proliferation (AML/CFT) perspective, including the identification of new/ emerging risks, for validation and monitoring by the Audit Committee
- Further integrated ESG considerations into our risk management framework in compliance with international and local regulations, thereby measuring and disclosing the Bank's sustainability and societal impact of its way of doing business
- Actively participated in a project spearheaded by the Bank of Mauritius for the establishment of a Central KYC system with a view to reducing the burden, time and cost to both customers and financial institutions, in carrying out KYC document verifications.
- Reinforced the culture of compliance through regular awareness and training programmes aiming at increasing the Board members' and employees' knowledge of key policies, laws and regulations applicable to their roles and responsibilities, thereby ensuring transparency and coherence across the board. Some of the targeted trainings and awareness campaigns included 'Environmental and Social Risk Policy', 'Compliance Risk Management', 'Conflict of Interest and Related Party Transactions Policy' and 'Suspicious Transaction Reporting'.
- Pursued human capacity building within the Compliance Function, through recruitment of talented professionals, while simultaneously providing opportunities for specialised trainings to all Compliance employees

Legal risk

The risk of incurring losses, sanctions (financial loss, regulatory sanctions, damage to reputation) or operational disruption that may arise from failure or inability to comply with the rule of law (applicable laws, regulations, guidelines, codes of conduct), contractual obligations, or from unclear or equivocal legal interpretations in jurisdictions other than Mauritius.

Capital impacted

Operating context influences: Heightened regulatory demands | Climate, environmental and social considerations | Cybersecurity and technological advancements

Legal risk remained stable, supported by strong governance structures and proactive management of potential exposures across markets where we operate.

Our response

- Automated elements of legal documentation and began leveraging AI to enhance the management of legal risk, in particular, by streamlining drafting processes and strengthening control and auditability
- Upgraded the risk controls on the sanctions framework in view of the increased international pressure on Russia from Office of Foreign Assets Control (OFAC), Office of Financial Sanctions Implementation (OFSI), and EU
- Extended its network of specialised law firms to better grasp local insights and obtain actionable legal advice on sanctions matters

Strategic and business risk

The risk arising from inappropriate business decisions or strategies in relation to the operating environment. The risk is linked to changes in the business environment, regulatory decisions, client behaviours and technological progress, as well as Bank-specific factors such as poor choice of strategy and inflexible cost structures.

Capital impacted

Operating context influences: Geopolitical and macroeconomic conditions | Heightened regulatory demands | Climate, environmental and social considerations | Cybersecurity and technological advancements | Workplace transformations and employee engagement | Customer experience in a competitive landscape

Disruptions driven by developments in the operating environment across countries where we operate, including heightened competition for talents, volatile economic and market conditions along with evolving needs and expectations of our multiple stakeholders have impacted our strategic and business risks.

Our response

- Continued to appraise the implications of changes in the operating environment on our strategy and ensured focused execution of our strategic priorities
- Pursued our strategy to consolidate existing activities alongside exploring new avenues of growth opportunities
- Continued to execute our niche strategy when conducting cross-border activities which has proven to be resilient
- Engaged with authorities to promote the soundness and image of the industry/jurisdiction; Maintained regular interactions with rating agencies with processes in place for the scrutiny and dissemination of information in areas they monitor
- Reinforced our network of intermediaries and partners
- Undertook impact assessments related to a potential rating downgrade, including evaluation of potential contingency actions
- Further strengthened our internal capabilities by (i) investing in new technologies to drive customer engagement, productivity gains and operational resilience; and (ii) consolidating our talent base through dedicated initiatives to reinforce acquisition, development, retention and succession planning

Reputation risk

The risk arising from the damage to the Bank's image caused by negative media coverage, compliance failures, pending litigations or underperformance. Such damage may result in a breakdown of trust, confidence and business relationships, which may impair the Bank's ability to retain and generate business.

Capital impacted

Operating context influences: Climate, environmental and social considerations | Cybersecurity and technological advancements | Workplace transformations and employee engagement

Risks to the Bank's brand image and reputation are driven mainly by the impact of adverse developments in both the internal and external operating landscape on our relationship with stakeholders.

Our response

- Undertook daily screening of local and international media for potential reputation threats and performed daily automated customer database screening against World-Check lists for risk assessment
- Performed Customer Due Diligence and ongoing monitoring of customers flagged in adverse media
- Actively moderated our social media platforms to address comments and, if necessary, remove inappropriate content
- Dealt with customer complaints in an effective and timely manner
- Leveraged our Crisis Management Governance Structure to enhance preparedness and ensure effective response to potential disruptions
- Continued to invest in strengthening our frameworks, systems and expertise either internally or through our network of collaborators and advisors

Sustainability risks

Climate Risk

The financial risks associated with the potential impacts of climate change, which can arise through physical and/or transition risk channels such as extreme weather conditions or changes in legislations.

Capital impacted

Operating context influences: Heightened regulatory demands | Climate, environmental and social considerations

The increasing frequency of extreme weather events warrants our attention due to the potential impact on our operations, asset base and long-term resilience. This is compounded by growing regulatory focus on climate-related risks.

Our response

- Onboarded a new internationally recognised service provider to support the assessment of climate-related physical risk across our wholesale portfolio
- Defined an internal approach for the assessment of climate-related transition risk across our wholesale portfolio
- Integrated a dedicated climate risk scenario into the Bank's stress testing exercise, as part of the Risk Appetite setting process and Internal Capital Adequacy Assessment Process (ICAAP)
- Maintained active regulatory engagement through half-yearly progress updates and participation in Task Force meetings convened by the Bank of Mauritius
- Delivered on the first regulatory climate scenario analysis exercise conducted by the Bank of Mauritius

Environmental and social risk

The risks that environmental degradation and social issues result in disruptions in business activities as well as impact our customers and counterparties, while influencing our internal operations.

Capital impacted

Operating context influences: Heightened regulatory demands | Climate, environmental and social considerations

With the rise in regulatory demands and growing emphasis on sustainability, environmental and social standards are becoming prominent in the Bank's activities, influencing both financing decisions and strategic initiatives.

Our response

- Updated the internal Environment and Social Risk Policy, with more details provided on sectors covered as per our risk appetite and the escalation process of Environmental and Social (E&S) risks throughout the credit chain
- Continued to improve the Environmental and Social Risk Management (ESRM) process and monitoring integrated throughout the credit cycle, with risk categorisation based on International Finance Corporation (IFC) and Equator Principles criteria
- Developed standard Environmental & Social clauses for all working capital and trade finance facilities, requiring compliance with environmental and social laws as well as with MCB's environmental and social standards as minimum conditions
- Engaged with E&S consultants, as part of Proparco's Technical Assistance program, to build the E&S risk team's capacity on emerging risks such as Climate and Biodiversity
- Carried out team training on E&S risks across priority sectors such as renewable energy, metal and minerals and oil and gas

Main priorities looking ahead

As we look ahead, our risk management strategy remains focused on enhancing capabilities, reinforcing Group-wide practices and supporting sustainable growth. Our key areas of focus include:

- Deepening the risk culture across the organisation through the continued deployment of the Risk Culture Programme
- Ensuring that business development endeavours and strategic initiatives put forward, in line with Vision 2030, materialise in a disciplined manner on the back of effective risk oversight
- Continuing to proactively monitor country risk events as well as track the performance of our cross-border exposures towards refining our response strategies
- Enhancing our market risk oversight to ensure exposures remain within our pre-defined market risk appetite to support the Africa Trading Desk's activities
- Pursuing our cybersecurity roadmap while continuing to improve our cybersecurity posture and hygiene
- Leveraging the use of machine learning techniques to improve predictive accuracy of the credit ratings based on both financial and non-financial elements
- Continuing to support our sustainability ambitions through the application of our Environmental and Social Risk Policy and framework
- Pursuing our journey to better navigate the evolving climate risk landscape, with a focus on strengthening our capabilities, refining our methodologies and deepening integration across key business areas
- Upholding the soundness of our key financial metrics, supported by strengthened risk management and compliance mechanisms and continuous upgrades to policies, practices, and processes; maintaining close engagement with rating agencies, notably in the context of recent fiscal consolidation and budgetary measures

To achieve our strategic objectives, we will continue to leverage our robust risk management and compliance framework. Details of the latter are provided hereafter with the following sections organised around: (i) the key foundations and principles including our governance set-up; (ii) management of key risks faced and our positioning; and (iii) capital management.

Our risk management strategy and framework

Our underlying philosophy

Our general approach

The conduct of our businesses and activities inherently exposes our organisation to risks. Identifying and managing risks effectively is fundamental to the successful execution of our strategy and delivery of sustainable value to our multiple stakeholders

Our key targets and objectives

We are committed to remaining a well-capitalised bank with adequate liquidity buffers to help achieve sustainable business growth. To this end, we adopt a conservative and disciplined stance towards risk and capital management, which is ever more relevant in a highly uncertain context.

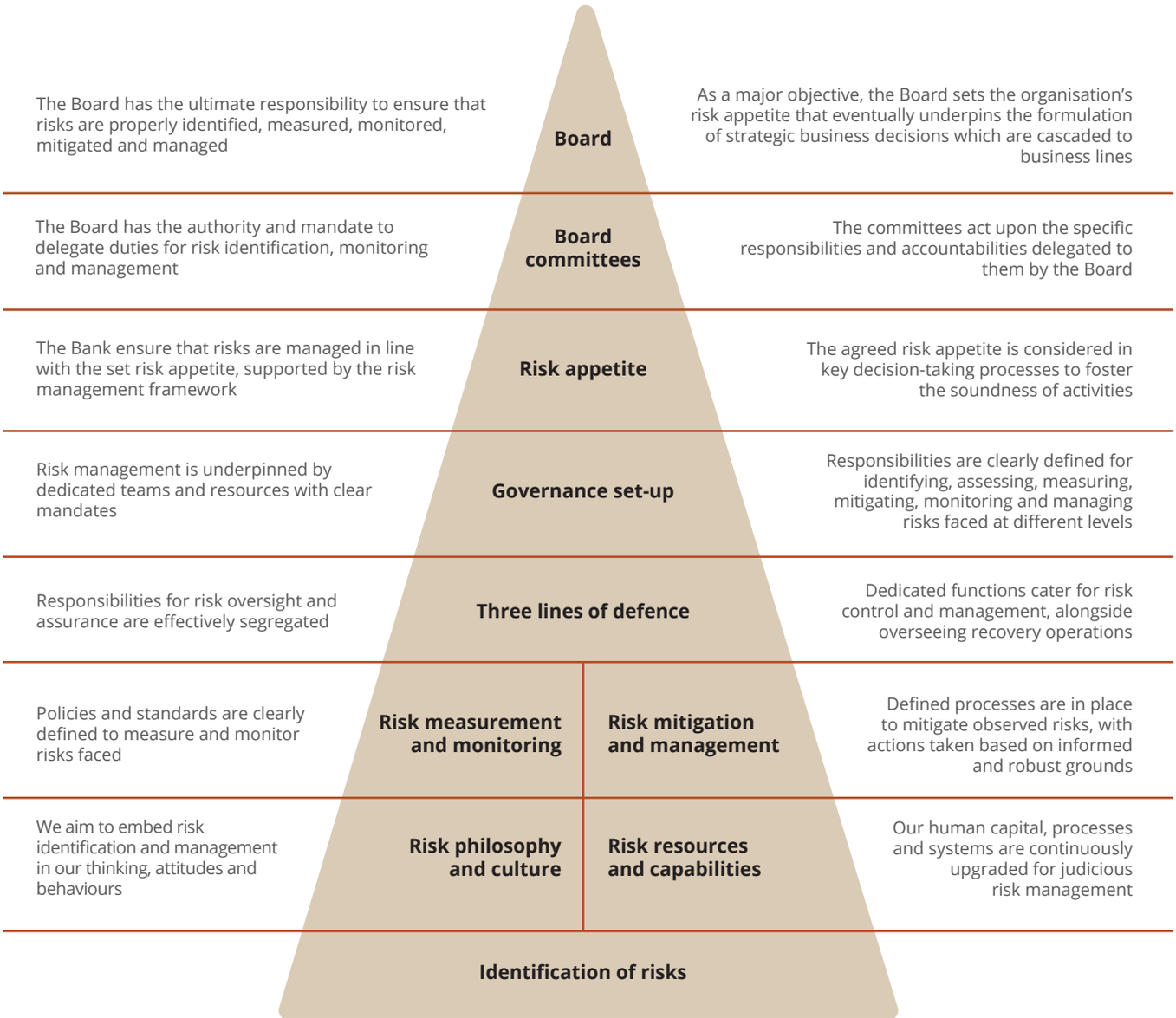
We follow a well-calibrated modus operandi to identify and assess risks faced and determine appropriate responses, alongside taking advantage of relevant opportunities to transform risk into a strategic value driver. To realise our objectives, we ensure that we embrace a solid control framework that guides employees in the way they behave and take decisions.

Key foundations

- Ensuring that risk management principles are anchored on advocated industry norms and corporate governance principles
- Upholding sound risk metrics to support prudent and informed risk-taking across all decision-making processes
- Conferring ultimate responsibility for risk management to the Board, with supervision by the latter through sub-committees
- Establishing a strong and transparent governance framework and clear segregation of duties and responsibilities for coherent risk management, with clear lines of defence, while ensuring that decisions are aligned with the Board-approved risk appetite
- Achieving an appropriate balance between risk and reward considerations to maximise shareholder returns; Having recourse to the Return on Risk-Adjusted Capital (RoRAC) metric in order to ensure that the price charged for client solutions is reasonable in relation to the relative riskiness of exposures, while providing us with an adequate rate of return
- Fostering Bank-wide adherence to a common set of behaviours, attitudes, skills and guiding courses of action in support of decision-taking

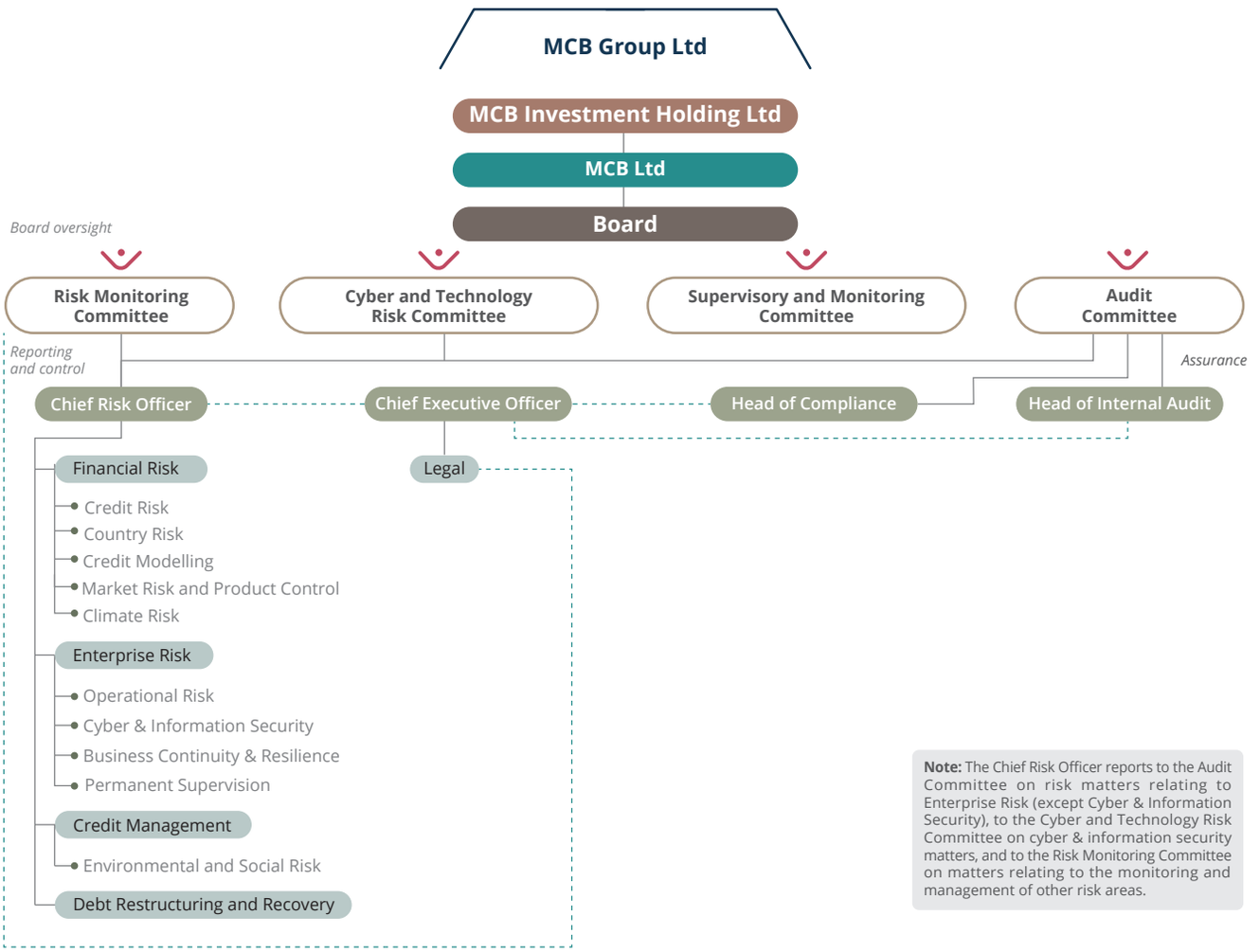
Key elements of our risk management set-up

The risk management set-up of the Bank applies to every area of its business and covers all material risks faced. It aims to ensure that the organisation adopts a consistent and integrated approach to risk identification, mitigation and management.



Governance and oversight

Our risk management framework



Note: The Chief Risk Officer reports to the Audit Committee on risk matters relating to Enterprise Risk (except Cyber & Information Security), to the Cyber and Technology Risk Committee on cyber & information security matters, and to the Risk Monitoring Committee on matters relating to the monitoring and management of other risk areas.

Board of MCB Ltd	• As highlighted before, the Board of MCB Ltd has the ultimate responsibility for ensuring adequate risk management across the Bank, in line with good corporate governance principles. It provides clear guidance for the setting out and regular review of applicable strategic thrusts, processes and policies for risk management. • As a key focus area, the Board is responsible for validating the Bank's risk appetite towards achieving its objectives. It delegates authority to Board Committees, which formulate the specific responsibilities and required policies for effective risk management.
Risk Monitoring Committee (RMC)	• It is the primary Board committee overseeing financial and legal risk matters. It assists the Board in setting up risk strategies as well as assessing and monitoring MCB's risk management process. It recommends the risk appetite in terms of credit risk and market risk/asset and liability management risk to the Board for approval and analyses risk portfolios against the risk appetite, while reviewing and exercising oversight over capital management. • The RMC is entrusted with the authority of determining the Bank's overall international capital allocation and exposure limits while monitoring country exposures against set limits at least quarterly and on an ad hoc basis when required. It approves country risk policies, proposes amendments and reviews the country risk framework and risk appetite parameters. As at end of June 2025, three of the four members of the RMC were non-executive directors, thus strengthening the Bank's independent oversight and control functions.
Other committees	• A joint Cyber and Technology Risk Committee assists the Board of Directors of MCB Group Ltd and MCB Ltd in defining risk strategies, assessing and monitoring the cybersecurity, information and technology risk. • The Supervisory and Monitoring Committee sets the overall direction for the strategic development of the Bank. It monitors the Bank's performance against such strategy. • The Audit Committee ensures that the internal control framework in place results in an acceptable level of risk exposure while guaranteeing compliance with internal established policies and relevant laws and regulations. The Internal Audit, Compliance and Risk (for non-financial risk matters) functions regularly report to the Audit Committee.

Adherence to the three lines of defence approach

Overall, the risk control framework of the Bank is anchored on the three lines of defence approach, which promotes transparency, accountability and consistency through clear identification and segregation of risks.

1st line of defence

Adopts adequate processes and mechanisms to suitably manage risks faced and escalates knowledge of risks identified in the course of activities for appropriate mitigating actions

Risk ownership

- The first line owns risks emanating from deployed business activities
- Employees engaged in client-facing divisions and support functions as well as business line managers have the first-level responsibility for day-to-day risk management in the interest of the organisationn

2nd line of defence

Establishes the limits, rules and constraints under which the first line activities shall be performed.

Risk control and compliance

- The Risk SBU is responsible to provide independent risk control. While managing key financial, operational and information risks faced by the Bank, the Risk SBU also oversees the credit management and debt restructuring and recovery operations
- The Chief Risk Officer (CRO) has direct oversight on all risk areas across the Bank while relevant Heads and Managers of the SBU establish methodologies and activities for risk measurement and regularly monitor and report risk exposures and profiles
- The Head of Compliance SBU has a direct reporting line to the Audit Committee and administratively reports to the CEO. This reporting structure confers the required independence to the Head of Compliance to discharge responsibilities to ensure compliance with applicable laws, regulations, guidelines, codes of conduct and standards of good practice

3rd line of defence

Evaluates and provides independent assurance on the effectiveness of the risk governance, control environment and risk management processes and mechanisms, in tune with business strategies and the evolving external environment.

Risk assurance

- The Internal Audit function provides independent assurance that the control objectives are achieved by the first and second lines of defence in line with the set risk appetite. It has an administrative reporting line to the Chief Executive Officer and is accountable to the Audit Committeee
- The Fraud and Investigations team undertakes monitoring for potential sources of fraud. It also carries out investigations and provides expert advice in case of suspected irregularitiess

Key responsibilities of dedicated executive committees

In addition to the Board committees and the adoption of the three lines of defence approach, the risk management framework allows for dedicated executive committees to assist in the oversight and monitoring of risk areas within the business.

Financial principal risks

Credit risk

Executive Credit Committees (ECC)

- The ECC (A), which comprises the Chief Executive Officer and the Chief Risk Officer amongst other, sanctions/declines credit applications where customer group total commitment exceeds Rs 400 million
- The ECC (B) sanctions/declines credit applications with total client commitment of up to Rs 400 million

Credit Committees (CC)

- The CC sanctions/declines credit applications where customer group total commitment is up to Rs 75 million for retail clients and Rs 150 million for corporate clients

Country Risk Committee (CoRC)

- The CoRC, which comprises the Chief Executive Officer and includes the Chief Risk Officer, is responsible for setting individual country limits within the validated risk parameters on selected countries, as well as reporting any excesses observed to the RMC, with the latter retaining the ultimate decision in terms of country limit

Conduct Review Management Committee (CRMC)

- Following the revised Guideline on Related Party Transactions in May 2022, MCB Ltd set up a Conduct Review Management Committee and dismantled the Board Conduct Review Committee. The Conflicts of Interest and Related Party Transactions policy was amended and thereafter approved by the Board of Directors of MCB Ltd in February 2023
- The CRMC, is chaired by the Chief Executive Officer, ratifies credit exposures and other transactions with related parties to any single related party and/or its group of connected counterparties, which do not exceed 2% of the Bank's Tier 1 capital or Rs 500 million, whichever is lower. For any credit exposures and other transactions with related parties that exceed the specified amounts, these are ratified by circularisation to the Board of Directors

Market risk and Asset and Liability Management risk

Asset and Liability Committee (ALCO)

- The purpose of the ALCO is to oversee the overall asset/liability position, market risks and overall balance sheet management of the Bank. The ALCO ensures that the overall asset, liability and capital positions are effectively managed and that the resulting market, liquidity and funding risks to which MCB is exposed are kept within the relevant limits and targets set by the Board and remain aligned with guidelines laid down by the Bank of Mauritius, notably stipulations relating to capital adequacy, liquidity coverage and funding stability
- The ALCO recommends all trading book limits and banking book targets for Board approval, ensuring alignment with the bank diversification and growth strategy, whether viewed from a domestic, foreign currency or consolidated perspective. it ia also responsible for the subsequent monitoring of the limits.
- The ALCO is governed by its Terms of Reference and is chaired by the Head of Finance

Non-financial principal risks

Information and Operational Risk Committee (IORC)

- Chaired by the Chief Executive Officer, the IORC acts as the focal point and coordinating committee to ensure that the management of cyber risk, including information risk and operational risks is in line with the relevant policies, guidelines and procedures of the Bank. Significant risks are reported to the IORC by the head of Enterprise Risk and then, if warranted, to the Audit Committee

Compliance, Anti-Money Laundering and Legal Committee (CALC)

- Chaired by the Chief Executive Officer, the CALC is mandated to review and monitor the compliance, anti-money laundering and legal framework of the Bank. The committee assists the Management and the Board through the Audit Committee in fulfilling their oversight responsibilities by reviewing adherence to applicable standards as well as policies/controls to be adopted, based on the identification and assessment of compliance, anti-money laundering and legal risks

Key tenets of our risk management strategy

Risk capacity

MCB determines the maximum level of risk that it can assume given its current level of resources, relevant regulatory dispositions and stakeholder requirements, to the extent that these dynamics tend to influence its ability to take risk.

Risk appetite

The Bank ensures that its activities are undertaken within the parameters of its risk appetite. The latter is subject to constraints, such as the need to *inter alia* uphold the Bank's financial soundness, foster sound and sustainable revenue growth and preserve its investment-grade credit rating.

Risk tolerance

The Bank establishes the maximum level of risk that it is willing to tolerate for a particular risk category or specific initiative, while ensuring that it achieves its business strategies and operates within its broader-level risk appetite.

Risk profile

Expressed in terms of quantitative indicators and qualitative assessments, our risk profile refers to our current net risk exposures for risk categories across customer segments and geographies. Amidst an evolving operating environment, the Bank regularly monitors its risk profile, thereby helping to prevent the level of risk from going beyond the set risk appetite.

Risk control

To maintain the size of our risk profile within our risk appetite, risk control tools and mechanisms are leveraged. Our control activities are notably underpinned by target market criteria and risk limits which place practical constraints on our activities.

Risk culture

The Bank recognises the importance of entrenching a sound risk culture to ensure that we undertake our daily business activities consistently within our risk appetite. Risk culture sets out the suitable behaviours and practices related to risk management and promotes collective responsibility whereby every employee exercises due care and makes informed and risk-based decisions while the Board sets the tone from the top. It is supported by continuous monitoring, regular awareness campaigns and staff training.

Our risk appetite framework

Framework

The framework provides an informed guidance for the management and monitoring of its risk profile in relation to the defined risk appetite.

- The Bank articulates and monitors its risk appetite, which is the reasonable quantity and type of risk that it is broadly able and willing to take in the pursuit of its strategic/financial objectives.
- The purpose of setting risk appetite is not necessarily to limit risk-taking, but to align the Bank's risk profile and strategic orientations.
- Its risk appetite is updated at least annually or on an ad hoc basis in order to reflect stakeholder aspirations and the context.

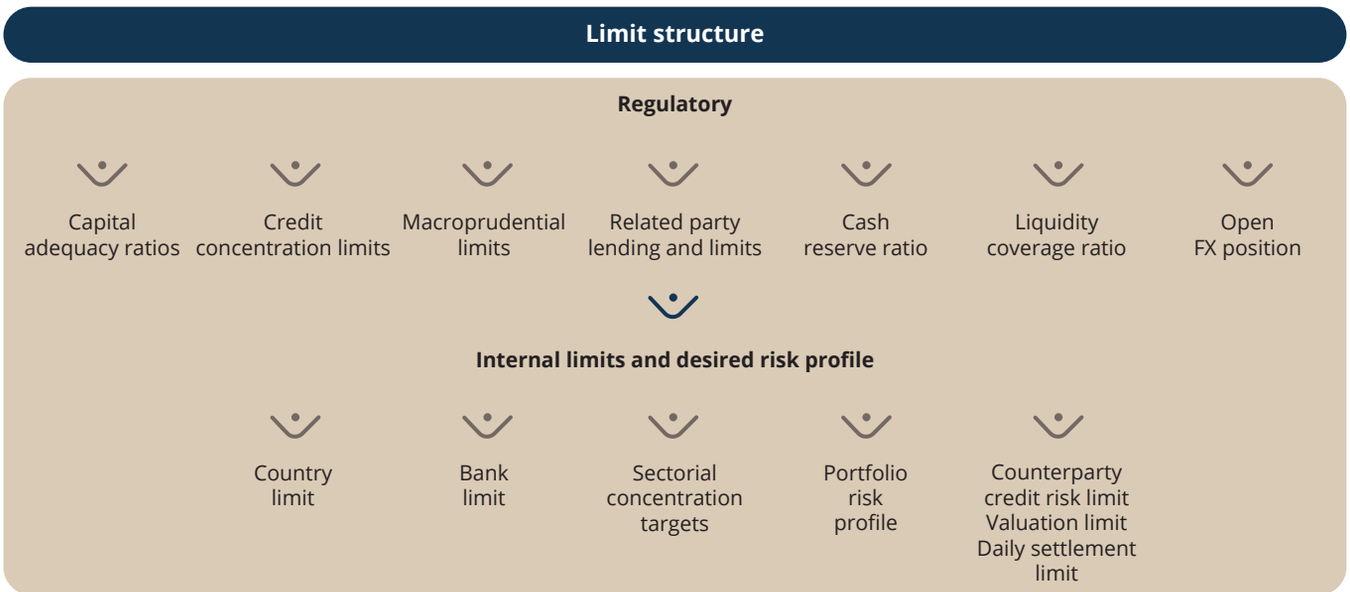
Key underpinnings

MCB Ltd *inter alia* defines its risk appetite for (i) credit risk in terms of allocation of range targets for domestic and international credit exposures, exposures by sectors as well as risk profiles and asset quality of portfolios; and (ii) market risk in terms of the splits between domestic and international markets, foreign currency and interest rate exposures, exposure allocation for position-taking and target splits in terms of exposure maturities.

For proper risk identification and quantification, the Bank caters for:

- Continuous monitoring of risk targets
- Quarterly risk reporting to RMC
- Preparation of risk reports for capital management
- Use of internally -generated and externally-sourced rating tools
- Application of a stress-testing framework

The size of the internal risk limits is a function of regulatory requirements, and the risk appetite set by the Board of MCB Ltd, after making allowance for the relevant economic and market environments. In its day-to-day business, the Bank makes use of internally generated and externally-sourced rating tools for the purpose of risk identification, quantification and monitoring.



Rating tools

Internally-developed models

Country

Country rating model (used when ratings from external rating agencies are not available)

The rating monitors macroeconomic performance, political and institutional developments, evolution of fiscal metrics, social unrest, and currency movements, amongst others

Banks

Bank rating model

The creditworthiness is assessed by assigning a score based on the bank's financial strength, the probability of receiving affiliate and/or Government support in case of financial stress as well as the sovereign risk of the country in which the institution operates

Corporate clients

Customer rating software

It evaluates the counterparty's financial position and uses MCB's historical default experience to generate ratings and probability of defaults

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External rating agencies

Country and banks

International ratings

Moody's Ratings, Fitch Ratings, Standard & Poor's and others as deemed appropriate

Corporate clients

International rating agencies including CARE Ratings (Africa) Private Limited (CRAF) and Global Credit Rating Co Ltd (GCR Ratings)

Financial securities subscribed by the Bank in favour of domestic corporate customers can be rated by CRAF and GCR Ratings, which are recognised by the Bank of Mauritius, with capital relief being applicable on investment-grade ratings

Management of key risks

Our risk management process

Our expanding portfolio and growing market presence underscore the critical importance of maintaining a continuous and integrated risk management lifecycle. The Bank's overall risk management process spans the entire cycle, enabling the proactive, disciplined, and structured identification, measurement, monitoring, mitigation, management, and reporting of risks.

1 Identification

Identification of internal and external risks related to MCB, which may directly or indirectly influence our business performance, our ability to achieve set targets as well as our overall viability over time

2 Measurement

Assessment, by means of proven methodologies, of the likelihood of identified risks to materialise (under existing or stressed conditions) as well as their likely impact and materiality under different scenarios; review of the default rates in respect of specific products; determination of capital requirements across risk types

3 Monitoring

Analysis of the sources and specificities of risks faced; appraisal of outcomes posted following the management of risks faced, while factoring in the risk appetite and set KPIs; verifying whether risk controls are efficient in both their design and operation; finding ways and means to further enhance the efficiency of risk assessment and mitigation

4 Mitigation

Adoption/enhancement of measures to reduce the level of risks faced, while deploying actions that minimise the impact should there be adverse events; establishment of an appropriate internal control framework to deal with specific risk situations

5 Management and reporting

Stress testing the resilience of selected portfolios and ensuring that sufficient capital is available to withstand potential losses; regular elaboration of accurate and relevant information on pertinent risk characteristics and trends; ensuring urgent escalation of observed events and outcomes internally and to the authorities, wherever applicable

Our processes, methodologies and positioning by risk type

Credit risk

General approach and objectives

Credit risk represents the main risk type to which we are exposed in view of the nature of its core banking operations and activities. The Bank ensures that sound credit risk management principles are adopted to uphold quality and well-diversified portfolios that are aligned with its set risk appetite and help to meet targeted risk-return considerations. In line with these principles, we actively promote, monitor and manage the quality of its credit portfolio. Both counterparty and concentration risks are duly managed, backed by market vigilance, the adoption of effective control mechanisms and the judicious diversification of portfolios across customer and industry groups, product types, maturity levels and geographies. The Bank strives to foster a strong culture of responsible lending and debt recovery, leveraging a robust risk management and control framework. We continuously reassess risk profiles in the face of the changing operating context and monitor the exposures against regulatory as well as internal limits and targets.

Governing guidelines include	Guideline on Credit Risk Management; Guideline on Standardised Approach to Credit Risk; Guideline on Credit Concentration Risk; Guideline on Classification, Provisioning and Write-off of Credit Exposures; Guideline on Cross-Border Exposure; Guideline on Stress Testing; Guideline on The Recognition and Use of External Credit Assessment Institutions; Guideline on Related Party Transactions
Internal policies include	Credit Risk Policy; Environmental and Social Risk Policy; Conflicts of Interest and Related Party Transactions Policy

Measurement and monitoring

Our credit risk measurement consists of appraising the track record of customers as appropriate for the prediction of likely future behaviours of existing accounts. The Bank assesses whether individual business areas provide sufficient contribution to the targeted risk-return profile. The aim is to ensure that capital allocation generates an optimum return for the Bank. This is achieved by channelling risk capital from low-return to high-return business areas, commensurate with the risks shouldered.

Key principles

Credit facilities granted are guided by the credit standing, source of repayment and debt servicing ability of the borrower. As a fundamental credit principle, the Bank does not generally grant credit facilities solely on the basis of the collateral provided. Collateral is taken whenever possible to mitigate the credit risk assumed, with periodic monitoring being exercised as regard the type, liquidity and volatility of the collateral value.

The Bank has established credit rating frameworks that enable the extensive usage of ratings for its portfolios. These ratings are leveraged not only in respect of loan approval, but also credit review, monitoring of risk profiles and determination of business strategies. They are used for the purpose of the stress testing and limits determination exercises.

Assessment by key business lines

Corporate portfolio

Large corporate credits are assessed on an individual basis with the support of an internally-developed Customer Rating software. The latter evaluates the counterparty's financial position and uses the historical default data of MCB's clients. The ratings and probability of default rates generated are typically used to monitor the risk profiles of the customers which consume a sizeable proportion of capital resources, and to calculate Expected Credit Losses. The counterparty risk ratings assigned to smaller businesses are primarily based on their financial strength and account performance.

Other portfolios

Credit comprising mainly residential mortgages, unsecured loans and credit cards are monitored on a portfolio basis. The credit files are assessed through credit scoring models, records from the Mauritius Credit Information Bureau, customers' behavioural records as well as the application of relevant risk acceptance criteria. In collaboration with the Retail SBU, the Business Banking SBU and Private Wealth Management SBU, the Risk SBU regularly analyses default trends, identifies the underlying root causes and subsequently channels recommendations to Management. A key objective of such initiatives is to continuously fine-tune the relevant credit scoring parameters.

Mitigation and management

Credit risk exposures are managed through robust credit assessments, structuring and monitoring processes. The Credit Management BU undertakes the daily monitoring of credit limit excesses and the review of all exposures, the frequency of which is increased in accordance to the size and likelihood of potential credit losses to ensure the timely detection of possible problem loans. Exposures showing signs of deterioration are placed on a watch list and referred to a dedicated team for closer scrutiny.

While being responsible for risk portfolio monitoring and disseminating risk measurement methodologies, the Credit Risk BU provides an independent and regular review of the aggregate loan portfolio in order to proactively manage the portfolio risk profile and minimise undue credit concentrations. Significant trends are regularly reported to the RMC, Management as well as relevant platforms including committees and forums for the different lines of business. The latter appraise the credit risk profile of portfolios, segments and products as well as financing structures, for instance, pertaining to our Energy and Commodities portfolio and financial institutions.

The main credit risk mitigation techniques applied by the Bank include security/collateral, netting, guarantees, credit insurance, comprehensive non-payment insurance and political risk cover. Exposures arising from foreign exchange and derivatives are mainly mitigated through agreements e.g. the International Swaps and Derivatives Association (ISDA) Master Agreements and Credit Support Annex (CSA) documentation, while exposures arising from repurchase agreements are mitigated through the Global Master Repurchase Agreement (GMRA).

Restructuring of facilities

Loan restructuring takes place at the request of the client to align expected cash flows to debt servicing. The restructuring exercise is done to cater for cases of financial distress faced by relevant clients and is also linked to commercial developments and occurrences of a strategic nature. It is carried out on a case-by-case basis with both quantitative and qualitative information taken into consideration. The restructuring follows the normal credit origination process under the same standards of rigorous analysis and presentation as a wholly new application. Restructuring decisions taken are normally guided by rational expectations that the financial conditions of the client will remain adequate or can be reasonably improved in the foreseeable future. The form in which the restructuring exercise takes place will depend on the situation in which the client finds itself. This might entail an extension of the facility's maturity, a moratorium on capital repayment or complete restructuring. In some instances, the restructuring has been linked to injection of equity and debt management programmes adopted by the clients, notably bonds and rights issues. The Credit Risk BU performs an independent assessment of distressed restructurings for staging purposes and to determine economic gains or losses.

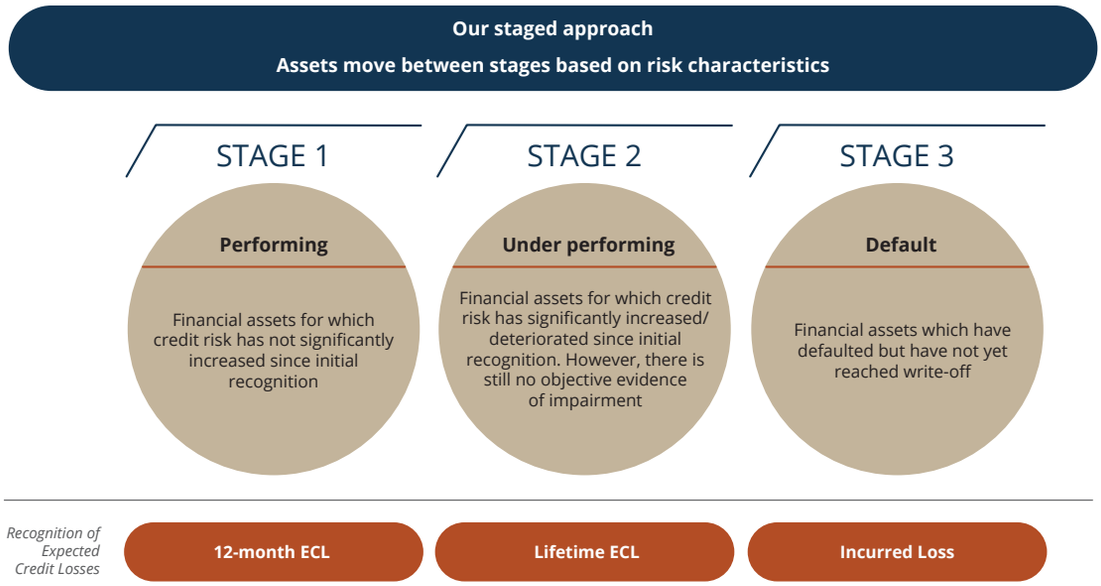
Determination and review of impairment and provisioning

This exercise is undertaken on a quarterly basis by MCB and involves the collaboration of several stakeholders across the organisation. After being reviewed and agreed upon by the RMC as well as validated by the Board, the figures are submitted to the Bank of Mauritius. The objective of this process is to ensure that financial institutions have adequate processes for determining allowance for credit losses in a timely manner and the carrying amounts of credit portfolio recoverable values. While ensuring adherence to prudential norms, which define credit as impaired if it is past due for more than 90 days, the Bank also assesses facilities granted to clients as being impaired on a case-by-case basis above a certain materiality threshold. Furthermore, loans are written off by the Bank when the prospect of recovery is poor and the loss can be reasonably determined, with MCB complying with the BoM Guideline for Classification, Provisioning and Write off of Credit Exposures. The guideline sets the foundations for a consistent and timely classification of credit exposures and complements the existing accounting standards requirements by providing a prudential backstop for credit classification and provisioning and ensuring write-off of non-performing exposures in a timely manner.

Adherence to IFRS 9 requirements

In measuring Expected Credit Losses (ECL), three main parameters are considered and estimated, namely: (i) Probability of Default (PD), which represents the likelihood of a default event occurring; (ii) Loss Given Default (LGD), which denotes the estimated losses in the event that a default occurs; and (iii) Exposure at Default (EAD), which reflects the exposure at risk at a point of default. In addition, IFRS 9 requires that allowance be made for forward-looking information in the calculation of ECL, taking into consideration past, actual and future insights on customer behaviours and macroeconomic indicators.

A three-stage approach to the impairment calculation of financial assets is applied under IFRS 9. To determine the staging status of the asset, IFRS 9 requires an assessment of whether there has been a significant increase in credit risk since initial recognition. This dictates the basis on which its ECL is calculated, as illustrated below.



In determining whether there has been significant increase in credit risk or credit deterioration, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. At MCB, quantitative and qualitative information are taken into account, based on historical customer experience and credit risk assessment. A financial asset is credit impaired and is in Stage 3 when (i) contractual payments or accounts in excess are past due by more than 90 days; and/or (ii) other quantitative and qualitative factors indicate that the obligor is unlikely to honour its credit obligations.

MCB segmented its financial assets into nine portfolios for ECL calculation, which are described as follows: (i) Retail: housing loans, other secured loans, unsecured and revolving facilities, SMEs; and (ii) Wholesale: corporate, financial institutions, sovereign, project finance, and Energy & Commodities.

- **Retail:** PD, LGD and EAD parameters are calculated on a portfolio basis, i.e. facilities having homogeneous characteristics are assumed to have similar risk behaviours and can reasonably be assigned same parameter values.
- **Wholesale:** MCB uses a combination of internal models and external benchmarking for the calculation of PDs, LGDs and EADs. Internal historical default rates and losses have been used to calibrate PDs and LGDs respectively. For portfolios where MCB has historically experienced low or no default, external benchmarking has been used for calibrating corresponding ECL parameters. Of note, PDs leverage ratings models for all wholesale portfolios, which are mapped to an Internal Master Rating Scale. As for EAD calculation, either amortisation schedules or historical data and regulatory credit conversion factors have been used as EAD ratios.

During the year under review, to facilitate informed decisions, we strengthened our modelling capabilities through the refinement of credit models to enhance our predictive accuracy whilst making adjustments to reflect the heightened uncertainty levels characterising the operating environment:

Recalibration of models: We have performed the annual recalibration of our models used for Expected Losses calculations, adding another year of historical data. The aim of the recalibration exercise was to include more recent data to reassess the statistical relevance of the variables used in our models.

Forward-looking indicators: As recommended by the IFRS 9 guidelines, probability weighted scenarios have been incorporated to derive the forward-looking elements used in the calculation of ECLs. For both Retail and Corporate portfolios, the forward-looking component was reviewed using a refreshed set of macroeconomic indicators. A stress scenario has been integrated, applying GDP contractions observed during COVID 19 pandemic, to reflect potential impacts, direct or indirect, arising from prevailing uncertainties such as the effect of U.S. tariffs on key sectors such as tourism, agri-business and textile, the Middle East conflict, which triggered volatility in oil markets and fiscal tightening measures implemented by the Mauritian Government.

Master Rating Scale and Term Structures: The Master Rating Scale, which is a mapping of ratings to a probability of default, was updated as well as the Term Structures for the different segments of the wholesale portfolio using latest available transition matrices and default rates information.

Formulation of the Bank's Expected Credit Losses for FY 2024/25

Reflecting the proactive and prudent approach being endorsed by the Bank to hold adequate provisioning levels in light of the still unsteady operating environment, we maintained comfortable levels of ECL during FY 2024/25, underpinned by informed analyses, conservative assumptions and modelling exercises.

Our retail portfolio

With a view to providing an additional buffer for further risk mitigation and maintaining an adequate coverage ratio, we applied an additional overlay on our retail portfolio for each quarter.

Our wholesale portfolio

For each quarterly assessment, the Bank conducted an in-depth individual analysis of clients with an exposure amount of Rs 100 million or more. The outcomes were reflected, where deemed necessary and appropriate, in the clients' internal ratings (and thus in their 12-month Probability of Default) by means of rating overlays. In some cases, where we judged that the staging of the client was not reflective of the magnitude of the increase in credit risk, we proceeded with staging overlays (i.e. moving some clients of stage 1 to stage 2). In extreme cases where we found that the calculated ECL was insufficient, we applied an additional buffer in line with our conservative approach.

As at 30 June 2025, ECL amounted to Rs 8,229 million of which Rs 7,247 million pertained to stage 1 and stage 2 loans and advances, with the corresponding ECL coverage ratio standing at 1.7%. The breakdown of provisions by stages 1, 2 and 3 and portfolios is provided in Note 3(b) and by industry sectors in Note 6(b) of the Financial Statements.

Provisions as at 30 June 2024

Stages	Retail portfolios	Wholesale portfolios				
		Corporate	Financial institutions	Project finance	Sovereign	Energy & commodities
	Rs m	Rs m	Rs m	Rs m	Rs m	Rs m
Stage 1						
Exposures	62,506	226,133	94,557	3,420	336,381	256,090
Expected Credit Losses	837	2,224	356	57	138	796
Coverage ratio (%)	1.3	1.0	0.4	1.7	0.0	0.3
Stage 2						
Exposures	170	6,285	0	0	0	3,078
Expected Credit Losses	23	1,624	0	0	0	549
Coverage ratio (%)	13.4	25.8	0.0	0.0	0.0	17.8
Stage 3						
Exposures	1,137	9,025	0	24	296	1,755
Specific provisions	431	6,757	0	12	30	1,755
Coverage ratio (%)	37.9	74.9	0.0	48.5	10.0	100.0

Provisions as at 30 June 2025

Stages	Retail portfolios	Wholesale portfolios				
		Corporate	Financial institutions	Project finance	Sovereign	Energy & commodities
	Rs m	Rs m	Rs m	Rs m	Rs m	Rs m
Stage 1						
Exposures	70,739	235,966	116,356	10,947	369,898	245,849
Expected Credit Losses	489	2,675	179	439	139	1,580
Coverage ratio (%)	0.7	1.1	0.2	4.0	0.0	0.6
Stage 2						
Exposures	841	8,256	0	329	0	1,397
Expected Credit Losses	158	1,924	0	82	0	564
Coverage ratio (%)	18.8	23.3	0.0	25.0	0.0	40.4
Stage 3						
Exposures	1,235	9,004	0	0	0	1,670
Specific provisions	509	8,268	0	0	0	1,670
Coverage ratio (%)	41.2	91.8	0.0	0.0	0.0	100.0

Notes:
(i) Figures may not add up to totals due to rounding
(ii) Stage 1 comprises both on- and off-balance sheet exposures while stages 2 and 3 comprise only on-balance sheet exposures
(iii) Incurred losses do not include interest in suspense on loans and overdrafts
(iv) Figures exclude investments fair valued through other comprehensive income

Concentration risk management

The Bank promotes the diversification of its lending portfolio by setting sector limits during its annual risk appetite exercise with a view to ensuring that its performance is not negatively impacted by a large sectoral exposure default. Regular stress tests are also performed on the portfolio to ensure that the Bank holds sufficient capital to withstand any loss arising from significant exposure to a sector, single customer and group of closely-related customers. The Bank limits credit risk exposures and concentrations within the constraints of its Tier 1 capital, while complying with applicable regulatory instructions.

In FY 2024/25, we maintained a diversified market footprint across segments and geographies, which helped us remain well positioned in terms of credit concentration and within regulatory limits. Our largest credit concentration pertains to oil and gas with a major part of these exposures being of a short-term and self-liquidating nature, hence carrying a lower risk profile.

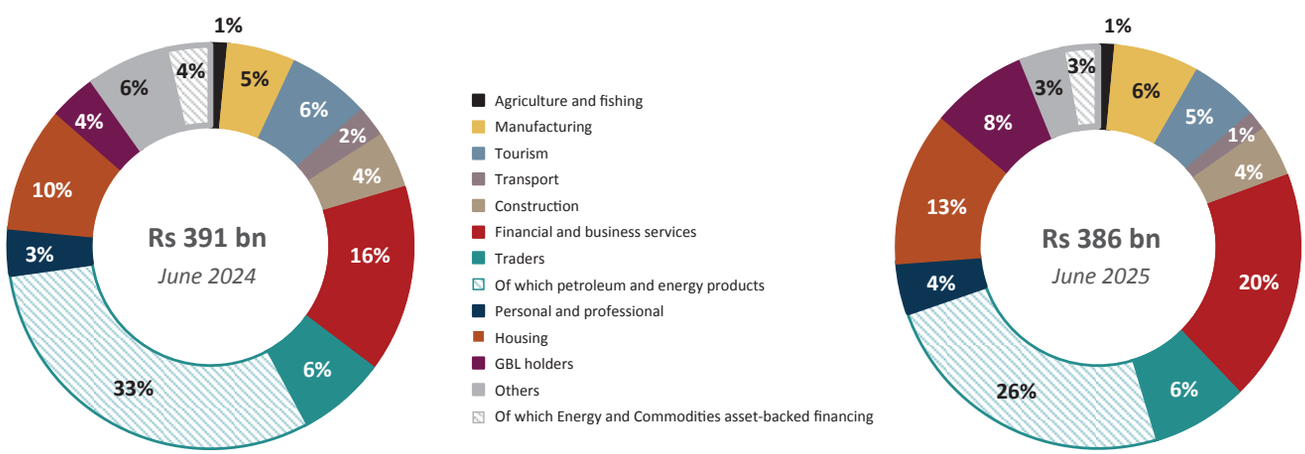
Concentration of exposures

Credit concentration limits (% of Bank's Tier 1 capital)	Regulatory requirements	MCB Ltd 30 June 2025
Aggregate credit exposure to any single customer	Not exceed 25%	21.5%
Aggregate credit exposure to any group of connected counterparties	Not exceed 40%	28.3%
Aggregate large credit exposures* to all customers and groups of connected counterparties	Not exceed 800%	354.1%

**Refer to exposures over 10% of the financial institution's Tier 1 capital*

Gross exposure as at 30 June 2025	Total gross exposure	Risk capital consumed	Risk capital consumed as a % of total credit risk capital
	Rs bn	Rs bn	%
Top 6 customers / customer groups	121.8	8.0	12.3
Total large credit exposures	312.6	14.7	22.5

Sectorwise distribution of our customer loan portfolio



Asset quality

We improved the general quality of our exposures on the back of careful market endeavours and strong risk management framework, while having also recorded successful recoveries of bad debts during the year. Our gross NPL ratio stood at 2.7% as at June 2025, down from 2.8% in June 2024. Our specific coverage ratio rose from 74.5% to 90.1%, with the remaining portion being adequately covered by collateral, suitably discounted to reflect current market conditions and expected recovery time.

Quality of exposures

June 2025	**Non-performing loans (NPLs)**		**Specific provisions**	
MCB Ltd	**Rs m**	***% of exposures***	**Rs m**	***% of NPLs***
Loans to customers				
Agriculture and fishing	180	*3.8*	80	*38.5*
Manufacturing	235	*1.0*	199	*79.2*
Tourism	3,044	*15.3*	3,506	*99.8*
Transport	20	*0.4*	14	*64.5*
Construction *(including property development)*	424	*3.1*	395	*90.7*
Financial and business services	1,306	*1.7*	1,287	*90.6*
Traders	2,164	*1.8*	2,253	*93.3*
of which petroleum and energy products	*1,670*	*1.7*	*1,878*	*100.0*
Personal and professional	921	*1.4*	435	*37.3*
of which credit cards	*48*	*4.4*	*44*	*91.7*
of which housing	*511*	*1.1*	*185*	*31.1*
Global Business Licence holders	3,033	*9.9*	4,341	*98.3*
Others	215	*0.9*	156	*69.3*
of which Energy and Commodities asset-backed financing	*0*	*0.0*	*0*	*0.0*
Corporate notes/bonds	**370**	***0.9***	**390**	***99.7***
Total	**11,912**	***2.7***	**13,056**	***90.1***

Notes:
(i) For the computation of asset quality ratios, interest in suspense on loans is excluded and exposures also include loans to banks
(ii) Figures may not add up to totals due to rounding

Country risk

General approach and objectives

MCB applies a coherent and comprehensive approach and framework as well as adequate control processes to formulate its country risk tolerance and determine exposure limits assigned to markets, alongside adhering to the regulatory guidelines.

Governing guidelines include	Guideline on Country Risk Management; Guideline on Cross-Border Exposure; Guideline on Stress Testing
Internal policies include	Credit Risk Policy

In February 2025, a Senior Country Risk Officer was appointed to head country risk function, strengthening governance and in-country assessment capability.

Measurement and monitoring

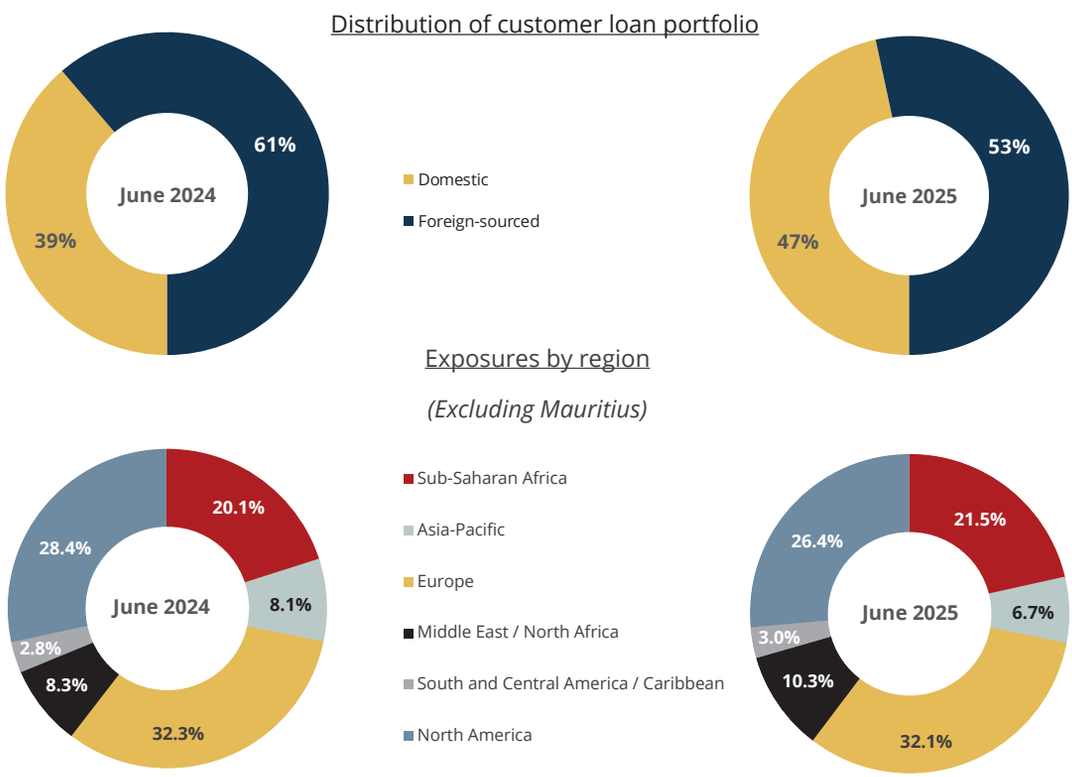
The risk appetite framework establishes clearly articulated parameters and limits that serve as guiding principles for business lines when exploring market opportunities. Target risk profiles are set at Bank level as well as for each portfolio and are complemented by target maturity profiles, consequently ensuring that our credit exposure portfolio is at all times balanced in terms of its risk profile.

We carefully monitor country risk events, including macroeconomic developments, sovereign credit worthiness, and specific occurrences such as social unrest, nationalisation and expropriation of assets, foreign exchange controls, currency depreciation/devaluation and political developments. Foreign country exposure limits are set by the Bank on the basis of (i) its current exposures and growth ambitions; (ii) assigned capital for international exposures; (iii) the prevailing economic and market environments as well as the size of economies under review; (iv) sovereign ratings; (v) its areas of expertise as far as its business involvement is concerned; and (vi) its knowledge of the economies. The Bank ensures the proactive monitoring of country risk exposures against country limits and sub-limits that have been set, while promptly reviewing such levels in case of unexpected events. MCB keeps track of the unfolding developments and business opportunities across markets of interest, using open-source data as well as insights garnered from multidisciplinary in-country assessments undertaken by Risk, Legal and Economic Research teams, as well as intelligence gathered through its partners and representative offices. Furthermore, we have also set up a list of 'restricted countries'. No limits are established for the latter countries, with activities only conducted with approval of the RMC.

Mitigation and management

With a view to fostering sound country risk management, we lay emphasis on (i) thoughtful and regular determination and review of our risk appetite, after making allowance for the evolving operating environment and our strategic ambitions; (ii) diversified exposures across countries and sectors; (iii) undertaking activities in a selective manner, while favouring areas that we are well accustomed to and for which we nurture strategic competencies and technical expertise; and (iv) ensuring that our deals are appropriately selected, structured and ring-fenced (with area specialists handling complex deals), backed by the application of a series of risk mitigants and robust methodologies.

Diversification of exposures



Note: Exposures include funded and unfunded financing exposures as well as treasury activities

Market risk

General approach and objectives

The Bank seeks to minimise the risk of losses in trading positions arising from activities undertaken in or impacted by financial markets. We ensure that an appropriate framework is in place to systematically identify, assess, monitor, control and report the market risk exposures across the trading book. These include market-contingent risks such as counterparty credit risk as well as profit and loss risks arising from market risk activities. We also detect and manage the impact of currency fluctuations, alongside properly managing the net open positions.

Our market risk management approach and framework is aligned with applicable Bank of Mauritius Guidelines, namely the Guideline on Measurement and Management of Market Risk and the Guideline on Liquidity Risk Management, as well as internationally recommended practices. The Bank clearly defines its appetite in respect of market risk and manages its exposure through risk limits, both at a dealer level on individual trading activities and overall entity level, and risk targets in the case of structural market risks. In line with relevant guidelines, the Market Risk Policy, which covers both the trading and banking books, ensures that market risk origination, settlement and control are appropriately segregated. The Market Risk and Product Control BU (MRPC BU) undertakes the monitoring and management of market risks and provides financial position and risk analysis information to the ALCO and RMC. The Board sets the risk appetite for market risk and the RMC reviews market risk and liquidity risk exposures and metrics, while also assessing regulatory and other developments.

Measurement and management

Interest rate risk

The Bank faces interest rate risk in the trading book by virtue of: (i) its primary dealership status in the local Government and BoM securities market; (ii) its trading positions in international fixed income securities; and (iii) the holding of interest rate derivatives products that are subject to daily fluctuation in rates and yields. To constrain its exposure to interest rate risk in the trading book, the Bank resorts to hedging techniques or ensures that certain exposures are conducted on a back-to-back basis. It also sets several sensitivity limits on outstanding positions, such as notional limits and DV01 limits, which measures the change in the value of a financial instrument (or portfolio) resulting from a 1 basis point change in interest rates. Such interest rate metrics are calculated by an engine on both the exposure and its hedge, and are monitored by the Market Risk and Product Control BU.

To further improve its monitoring of trading risk, the MRPC BU, through its Product Control function, monitors the daily Profit or Loss changes arising on both realised and open positions and enforces periodic stop-loss limits across horizons ranging from daily to yearly, with the ultimate objective of limiting downside exposure.

Foreign exchange risk

The Bank is subject to foreign exchange (FX) risk from an on-balance sheet perspective, i.e. as a result of imbalances witnessed between the foreign currency composition of our assets and liabilities. The risk to which we are exposed can also be viewed from an off-balance sheet angle through our outstanding positions, mainly in respect of foreign exchange forwards. Exposure to FX risk is monitored against both regulatory stipulations and internal targets, which are, especially, applied to metrics such as the foreign exchange as a percentage of the Tier 1 capital and the overall net foreign exchange risk exposure. In addition, we determine prudential trading, transactional and daily stop-loss limits as applicable.

Counterparty credit risk

In the context of trading activities, counterparty credit risk is the risk that arises if a counterparty to a financial contract defaults before the contract expires. Given that the future value of the over-the-counter derivatives portfolio is uncertain and changes as a function of market factors such as interest rates or exchange rates, the counterparty risk exposure dynamically varies over the lifetime of the portfolio. MCB manages this type of risk by setting settlement, tenor and valuation limits as well as through the execution of formal international market agreements such as those governed by the International Swaps and Derivatives Association and International Security Management Association. It also performs collateral margin calls in accordance with European Market Infrastructure Regulation, while determining whether the value of the outstanding exposures is within MCB's or the counterparty's favour.

Asset and Liability Management risk

The Bank adopts a structured approach to managing Asset and Liability Management (ALM) risk, with the objective of safeguarding balance sheet integrity and supporting financial resilience. This involves the continuous oversight of three key dimensions - interest rate risk, liquidity risk and funding risk - through robust governance and sound policies. The overarching aim is to ensure that mismatches in asset and liability profiles are effectively monitored and managed, in alignment with regulatory expectations and strategic priorities, as well as hedging strategies.

Interest rate risks in the banking book

Measurement, monitoring and management

In the banking book, the Bank's primary exposure to interest rate risk stems from mismatches in the reset dates of its on- and off-balance sheet assets and liabilities. The resulting mismatch is monitored through the conduct of interest rate gap analysis on the net interest income (NII). The Bank limits this source of risk through the application, in most cases, of floating interest rates that are linked to benchmark rates.

The Bank mitigates interest rate risk in the banking book through interest rate risk gap analysis and by monitoring the potential 1- year impact on earnings under hypothetical scenarios, measured against predefined limits, with close oversight by ALCO. Behavioural assumptions are also applied to non-maturity deposits and prepayment profiles to ensure that exposures are realistically assessed. This approach ensures that risks remain within appetite while safeguarding both earnings and the economic value of the balance sheet.

Liquidity and funding risk

General approach and objectives

The Bank is committed to maintaining robust funding and liquidity positions that support its business development ambitions. While it accesses wholesale markets as and when required, the Bank prioritises sources of funding that are cost-efficient, diversified, and stable, with a primary focus on customer deposits. Furthermore, an appropriate level of liquid assets is kept to ensure that obligations can be met within a reasonable time-frame.

The ALCO oversees the management of liquidity and funding risk in line with regulatory requirements and internationally recommended practices. The ALCO has set robust strategies, policies, processes and systems for the identification, measurement, management and monitoring of liquidity risk over an appropriate set of time horizons. The RMC also reviews a summary of liquidity risk exposures and metrics, while assessing regulatory and other developments affecting the Bank in this respect. The Market Risk Policy stipulates that liquidity risk oversight is conducted independently of the risk-taking units, reinforcing our commitment to sound risk management practices.

Measurement and monitoring

Funding and liquidity risk is measured and monitored separately for each material currency and on a consolidated level. The Bank assesses funding and liquidity positions with respect to obligations under both Business As Usual (BAU) and stressed conditions. MCB Ltd sets its internal targets on key regulatory measures such as the liquidity coverage ratio (LCR) for significant currencies, whilst monitoring other ratios and Early Warning Indicators to assess its liquidity situation. The key actions undertaken to ensure that funding and liquidity risk is effectively measured and monitored at the Bank include the following:

- Robust Contingency Funding Plan in place which *inter alia* provides for active monitoring and reporting of Early Warning Indicators and courses of action under a liquidity stress; Scenario analysis conducted by simulating withdrawal of funds e.g. withdrawal of USD current accounts under severe stress scenarios; Uncommitted money and short-term forex swap and repo lines regularly tested for liquidity depth

- Maintenance of adequate high-quality liquid assets (HQLA) buffer as well as achievement of conservative maturity transformation and operational deposit optimisation to ensure compliance with the LCR with monitoring/reporting for assets and liabilities denominated in significant currencies. This entails close monitoring of the LCR and circulation of the ratio to Management on a daily basis. LCR, along with other liquidity indicators, such as gap analysis and BIS net stable funding ratio (NSFR), are presented to the ALCO on a monthly basis and to the RMC on a quarterly basis; Carrying out of frequent simulation on LCR, based on what-if investment in HQLA and renewal of wholesale market funding

- Diversification of balance sheet funding sources with a mix of internal treasury surplus, institutional lines of credit and trade refinancing lines

- Active monitoring and management of daily liquidity through a daily Operational Cash Flow model, which provides the Bank with daily cash flow projection over different time bands under various scenarios

Mitigation and management

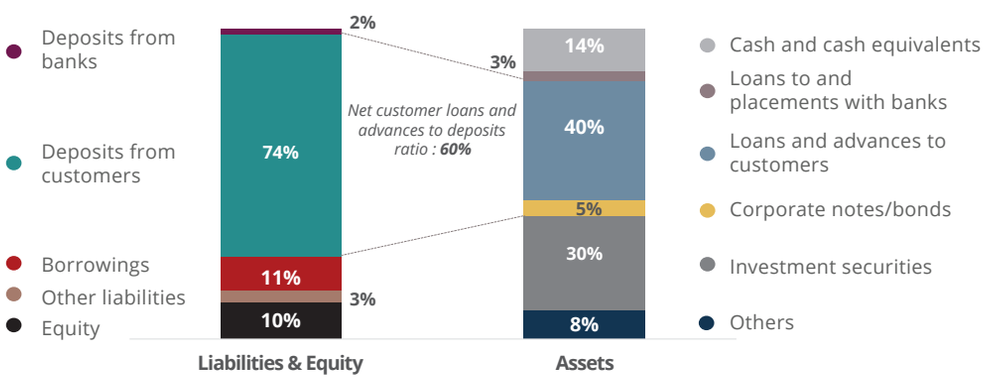
The Bank diligently manages and diversifies the funding and maturity profile of the balance sheet in order to ensure that we can successfully deploy its strategic endeavours over the short and longer runs.

To achieve this, the Bank employs a methodical approach that involves creating a time ladder of continuous assets and liabilities cash flows. This approach minimises the risk of undue accumulation of cash flows in any single time segment, especially those falling due in the near future, thereby maintaining a balanced and resilient liquidity profile. We use cash and liquidity gap profiles for both local and significant foreign currencies to analyse and monitor the impact of projected disbursements by lines of business. We also undertake the behavioural analysis of their non-maturity current and savings account balances to assign an actuarial maturity profile that accurately reflects the stickiness and stability of these balances.

The stock of liquid assets is proactively managed to cover day-to-day cash management needs as well as to provide for an adequate coverage of the risk-weighted cash outflows associated with the standardised crisis scenario under the Basel III framework for liquidity coverage ratio. The components of the liquid assets buffer are also managed taking into account market risk volatility, the credit risk weighting and the low returns typically associated with holding such highly liquid assets. This prudent management ensures that the Bank remains well-prepared to address potential liquidity challenges without compromising their financial stability.

During the year under review, we took proactive measures to maintain substantial buffers in light of the prevailing economic environment, with the Bank continuing to display strong funding and liquidity positions in FY 2024/25. We have been active across multiple markets to secure sufficient funding resources to support our growth ambitions. In this respect, we leveraged placements from banks and repurchasing agreements. Over the past years, the Bank has strengthened its liquidity and funding position through successful funding initiatives. These strategic moves have strengthened the Bank's overall financial position and underscore its commitment to maintaining a robust and diversified funding base. Building on this momentum, in FY 2024/25, the Bank secured new USD 350 million syndicated facilities from the Asian market and repaid maturing syndicated facilities.

Asset funding structure as at June 2025



Liquidity and funding positions

Liquidity coverage ratio (LCR)

In alignment with Basel III rules, the objective of the LCR is to promote the short-term resilience of a bank to liquidity shocks. The LCR ensures that the Bank maintains an adequate reserve of unencumbered high-quality liquid assets (HQLA), which can quickly be converted to cash to cover cash outflows during a 30 calendar day period of significant liquidity stress. As per local regulations, the LCR is computed as the ratio of the stock of unencumbered HQLA to the net cash outflows over the next 30 days in the event of an acute liquidity stress scenario. Since 31 January 2020, the minimum regulatory LCR has been elevated to 100% for MUR, as well as for material foreign currencies, and consolidated LCR. Furthermore, in September 2020, the Guideline on Liquidity Risk Management was revised to provide that banks shall immediately notify the Bank of Mauritius of the use of HQLA denominated in major currencies that are freely convertible, transferable and actively traded in global foreign exchange markets to cover liquidity needs in other such major currencies, amongst others.

As at 30 June 2025, MCB operated comfortably above the stipulated LCR requirements. It reported a consolidated LCR of 621%, reflecting a stable liquidity position with sufficient HQLA to fund cash outflows over the next 30-day period. At currency level, with the Bank's LCR in dollar terms standing at 306% as at 30 June 2025. It can be noted that HQLA eligible for the purpose of calculating the LCR as per set rules consist of cash or assets that can be converted into cash at little or no loss of value in markets. In this light, MCB diligently managed its investment portfolio, holding suitable levels of investment in sovereign and cash liquid assets. This strategic approach not only contributes to meeting regulatory requirements but also reinforces the Bank's readiness to navigate various market conditions while preserving value and stability.

Net stable funding ratio (NSFR)

Under Basel III, the NSFR aims to strengthen the resilience of a bank over a longer time horizon. It achieves this by requiring the bank to maintain a stable funding profile relative to the composition of its assets and off-balance sheet activities so as to mitigate any future funding stress. The NSFR effectively recognises a bank's maturity transformation role in the credit creation and resource allocation process. It seeks to limit the bank's over-reliance on short-term wholesale funding or the running of large funding gaps meant to sustain rapid balance sheet growth.

In June 2024, the Bank of Mauritius issued a guideline mandating that banks maintain an NSFR of at least 70% for all material currencies and on a consolidated basis. This minimum requirement increased to 100% by December 2024. Although this regulation has only recently been introduced, MCB Ltd has, since long, been monitoring its NSFR performance to ensure stable funding structure. As at 30 June 2025, MCB Ltd reported an NSFR of 163%, well above the regulatory requirements. This accomplishment underscores the Bank's proactive approach in ensuring a robust and balanced funding structure, contributing to its long-term stability and resilience.

Consolidated liquidity coverage ratio

As at 30 June 2025	Total unweighted value (quarterly average of bimonthly observations)	Total weighted value (quarterly average of bimonthly observations)
	Rs m	Rs m
High-quality liquid assets		
Total high-quality liquid assets (HQLA)	326,737	326,585
Cash outflows		
Retail deposits and deposits from small business customers, of which:		
Less stable deposits	*338,141*	*30,294*
Unsecured wholesale funding, of which:		
Operational deposits (all counterparties)	*13,634*	*3,409*
Non-operational deposits (all counterparties)	*284,225*	*120,188*
Secured wholesale funding		
Additional requirements, of which:		
Outflows related to derivative exposures and other collateral requirements	*38,368*	*38,368*
Credit and liquidity facilities	*15,253*	*1,343*
Other contractual funding obligations	340	340
Other contingent funding obligations	222,606	11,130
Total cash outflows	**912,568**	**205,072**
Cash inflows		
Inflows from fully performing exposures	163,519	119,016
Other cash inflows	73,021	38,356
Total cash inflows	**236,540**	**157,372**

	Total adjusted value
	Rs m
Total HQLA	**326,585**
Total net cash outflows	**52,560**
Liquidity coverage ratio (%)	**621%**

Model risk

General approach and objectives

MCB makes use of models for a broad range of business and risk management activities, such as in the credit approval process, valuation of risk exposures, stress testing exercises and pricing strategies. Such applications invariably give rise to risks of model errors that could expose the organisation to financial loss or reputational damage. The Bank is determined to enhance its model risk management framework, alongside strengthening capabilities to minimise uncertainty of output and cater for the increasing complexity of models. We adopt best practices for transparent model development, implementation, and validation. Model risk oversight is assumed by the Model Review Committee, which is chaired by the Chief Risk Officer, and is responsible for validating all new, updated or recalibrated models and assessing if models are fit for purpose, efficient and make business sense.

Governing guideline	Guideline on Stress Testing
Internal policy	Credit Risk Policy

Mitigation and management

Policies and procedures are in place to ensure the effective development, deployment and validation of models and adequate performance monitoring thereof. Model development data, which are guided by principles of transparency, explainability and auditability, are thoroughly assessed before use. Before models are deployed, they go through an internal validation process covering dimensions such as data sampling, variable treatments, variable selection, model design, and measure of model performance during back-testing exercises, among others. All relevant stakeholders are involved during the development phases of the models. In addition, Management and model sponsors are regularly updated, at each critical milestone, of model development and deployment. The organisation's business rules are implemented in certain cases to make models more rigorous in areas which cannot be directly modelled. These rules, which are continuously adapted to reflect prevailing economic and market conditions, are also helpful in cases of severe economic downturns where models might not perform as expected. Moreover, in order to curtail the risk of losses from incorrect model decisions in loan approvals, automated model decisions are meticulously designed and allowed within a pre-set maximum loan limit. Furthermore, models are periodically assessed following their deployment in areas such as drift in model input and model accuracy. In addition, once sufficient historical data points are available, back-testing of models are set to be undertaken to cross-check their robustness.

Operational risk

General approach and objectives

The Bank aims to identify, mitigate and manage operational risks across activities, processes and systems in line with the defined risk tolerance. The objective is to underpin the continuity of our operations and anchor a solid platform to provide customers with seamless services. Towards determining the operational risk tolerance levels, we set risk acceptance and mitigation limits in respect of the principal categories of operational risk as appropriate.

Governing guidelines include	Guideline on Operational Risk Management and Capital Adequacy Determination; Guideline on Maintenance of Accounting and Other Records and Internal Control Systems
Internal policies include	Operational Risk Policy; Fraud Policy

Measurement and monitoring

The determination of the Bank's risk exposures is anchored on the regular review of operational risks inherent in people, internal processes, client solutions and external factors, with monitoring thereof performed against risk tolerance limits. MCB Ltd applies the Alternative Standardised Approach for calculating and reporting its operational risk capital charge. Information on operational risk events is recorded in centralised databases, which enables systematic root cause and trend analysis for corrective actions.

Mitigation and management

The Operational Risk BU is responsible for the identification, assessment and management of related risks. It should be noted, however, that operational risk management forms part of the day-to-day responsibilities of all employees of the Bank.

Operational risk mitigation relies on appropriate processes and systems, backed by the clear segregation of duties, dual control as well as the regular verification and reconciliation of transactions. The control environment is based on the appropriate risk culture, fostered through risk awareness sessions targeting relevant audiences. An overview of both Operational Risk and Business Continuity Management is provided – in the form of a dedicated induction course – to new employees joining the Bank. The latter's Operational Risk Management Framework relies on three primary lines of control, as shown below.

Primary lines of control

Risk ownership	Risk control	Independent assurance
Business units	**Audit Committee/IORC/ Operational Risk BU**	**Internal/External Audit**
• Implement internal control procedures • Identify inherent risks in products, activities, processes and systems • Initiate actions and apply mitigation strategies • Report risk incidents	• Oversee the implementation of policies • Implement integrated risk framework • Report on inherent and residual risks • Monitor corrective actions • Promote operational risk culture across the Bank	• Verify the effectiveness of the overall operational risk framework

Operational risks are managed in a timely and effective manner through adherence to good practices for the prompt identification of risk incidents, the initiation of appropriate remedial actions and reporting of such incidents to the Operational Risk BU. The Operational Risk Cartographies of the various SBUs of the Bank are regularly updated and leveraged for the assessment of operational risks and the implementation of relevant controls. Further, operational risk at the Bank is transferred to some extent through insurance policies or outsourcing of non-banking activities where appropriate.

Health and safety

The Bank is committed to providing the highest standards of safety and health across all our business activities and on all MCB premises. Towards this end, it ensures compliance with the provisions of relevant legislations, namely the Occupational Safety and Health Act in Mauritius and other associated laws and regulations. Risk control measures are implemented through safety and health audits carried out during on-site inspections, with the latter aimed at identifying hazards and risk factors that have the potential to cause harm to the safety and health of people on our premises. The audits also seek to determine the appropriate ways to eliminate such hazards in order to protect our staff and clients. By fostering a safety culture throughout the Bank, we are able to prevent accidents, reduce injuries, and create a secure environment for everyone.

Business continuity risk

General approach and objectives

A robust and proactive approach to Business Continuity Management (BCM) is adopted by the Bank to ensure that we continue to conduct our key business activities and deliver products and services in case of unforeseen events or business disruptions at acceptable pre-defined service levels. We aim to minimise the potential damage that such disruptions can cause to people and business activities, while setting forward to safeguard their reputation and the interests of key stakeholders by effectively planning for and responding to incidents.

Governing guidelines include	Guideline on Operational Risk Management and Capital Adequacy Determination
Internal policies include	Business Continuity Management Policy

Mitigation and management

The Bank's Business Continuity Management Framework is a critical integrated component of the overarching risk management strategy. The Framework is governed by a comprehensive Business Continuity Management Policy which defines the governance structure, operational methodology, and core principles for mitigating a wide range of operational disruptions. It includes a forward-looking focus on emerging threats such as cyber risks, climate-related events, and third-party dependencies, in addition to more traditional business continuity risks like technological outages and site unavailability.

The Policy also outlines the roles and responsibilities of the Bank's leadership during a crisis. The Crisis Management Team is designated to provide centralised command and control, supported by various other specialised crisis teams and Business Continuity Champions, directly responsible for the development, periodic review, and maintenance of up-to-date recovery plans for their respective business areas.

MCB's commitment to resilience is demonstrated through its continuous cycle of refreshing and rigorously testing its contingency strategies. These exercises are conducted annually to validate their effectiveness and ensure they can be successfully applied to mitigate the impacts of a real-life crisis on the Bank's critical operations. During the year, the following simulation exercises were performed to reinforce this commitment:

- Disaster Recovery (DR) Resilience: MCB executed both planned and unplanned DR simulations throughout the year. These exercises were designed to confirm the full operability of the designated DR site in the event of a major technological outage, thereby proving the Bank's ability to maintain critical systems and data integrity.
- Cyber Resilience: The Bank conducted an immersive crisis management simulation to rigorously test the readiness of its crisis teams. This exercise utilised realistic scenarios and injects to simulate an actual cyber-attack, allowing the Bank to assess its response capabilities and coordination under pressure.
- Climate Resilience: MCB's remote-working strategy was put to a practical test during cyclonic weather conditions, where emergency operations were successfully performed from home. This real-life simulation validated the resilience of the Bank's operational infrastructure and its ability to maintain continuity of service even when traditional office sites are unavailable.

Areas for improvement and corresponding follow-up actions arising from these tests have been documented and corresponding actions implemented, showcasing MCB's proactive and continuous effort to enhance the robustness of its business continuity planning framework and its overall organisational resilience.

Cyber and information security risk

General approach and objectives

MCB adopts a dedicated approach to safeguard its information security, alongside complying with applicable regulatory requirements on data protection and ensuring that we are prepared to respond to potential cyber-attacks and threats to our information assets in a timely and effective manner. The Bank's primary objectives are to maintain the confidentiality, integrity, security, and availability of information assets stored, processed, and transmitted throughout the organisation. In addition, we aim to handle and mitigate cyber risks, establishing a strong IT platform to aid the delivery of the organisation's strategic objectives, while protecting confidentiality and preventing misuse of systems and business disruptions.

Governing laws and guidelines include	Data Protection Act (DPA); European Union's General Data Protection Regulation (GDPR); Guideline on Cyber and Technology Risk Management; Guideline on Use of Cloud Services
Internal policies	Various Cyber and Information Risk policies

Mitigation and management

Risk management implies the regular conduct of information risk assessments so as to identify issues that can potentially harm the organisation's information assets and recommend adequate mitigating controls. The Cyber & Information Security Risk (CIS) BU is responsible for, *inter alia*, developing and maintaining cyber, technology and information risk policies, in line with the evolving operating and threat landscapes, as well as requirements set by the regulator and other major stakeholders. The key objective is to ensure that an adequate level of security is maintained to protect private, confidential, personal and any other sensitive information held by the Bank. Importantly, the Bank has taken the necessary steps to ensure compliance with the requirements of the Mauritius Data Protection Act (DPA) as well as the European Union's General Data Protection Regulation (GDPR) and the different BoM guidelines.

The risk mitigation strategy encompasses regular threat and vulnerability assessments and the implementation of appropriate controls. The organisation has established comprehensive processes to manage access to logical information, ensuring that access is restricted to individuals with a justified business requirement, and is subject to continuous monitoring and control. We have cyber incident response plans (CIRP), disaster recovery plans, business continuity plans and crisis management plans that are regularly reviewed, simulated and tested. Moreover, our proactive promotion of a cyber risk culture has resulted in enhanced security awareness amongst our staff. These measures form a cohesive framework designed to protect the Bank's assets and maintain operational resilience.

The Bank's cybersecurity risk management is structured across multiple levels, each with distinct responsibilities. At the operational level, the Information Security BU manages day-to-day security operations, incident response, threat intelligence, and disaster recovery. The CIS BU provides strategic oversight, focusing on risk identification, management, policy formulation, and governance. This unit ensures compliance with security practices across all domains of cyber, information, data, and technology. Our Internal Audit function offers an independent assessment of the effectiveness of our cybersecurity measures, providing an additional layer of assurance. To maintain the efficacy of our security posture, we conduct annual audits of its information security policies and systems. The CIS BU regularly reports its findings, recommendations, and assessments to executive committees and the Audit Committee, ensuring that cybersecurity, technology risks and data protection remain at the forefront of our risk management agenda.

Recent initiatives at MCB

In addition to initiatives already highlighted, MCB has deployed several initiatives to uphold the robustness of its information risk and privacy framework:

- The Bank has continuously tested its external-facing and internal environments and proactively detected and remediated any vulnerabilities discovered
- Full compliance with the BoM Guideline on Cyber and Technology Risk Management have been monitored and maintained
- The cyber incident response processes have been enhanced, with regularly testing of our response plans to ensure that we remain resilient in the wake of a cyber incident
- Our third-party risk management framework has been strengthened to better identify, assess and mitigate related risks
- Proactive steps have been taken to improve our cyber security risk culture through various bank-wide initiatives
- General awareness on data privacy matters has been enhanced, with particular attention paid to ensure that privacy and security by design concepts become embedded within the Bank's risk culture
- Various actions, including security awareness sessions, have been continuously taken to enhance our employees' alertness to cybersecurity, with a focus on social engineering
- The Bank continues to monitor and respond to cyber threats through the use of Counter Threat Intelligence
- The Bank's security posture has improved further through the ongoing activities of a dedicated Red Team
- The security events monitoring capability of our Security Operations Centre (SOC) is continuously being refined and augmented with new use cases and increased scope

Compliance risk

General approach and objectives

Forming part of the Bank's second line of defence for managing risks, the Compliance Function is duty-bound to provide assistance to the Board and Management. This ensures that business activities are conducted in strict abidance by applicable laws, rules, regulations, industry codes of conduct, policies, standards and good governance practices. The main objectives include complying with all relevant stipulations to safeguard the organisation's assets and shield it from legal and regulatory sanctions and financial/reputation losses, while at the same time ensuring a sustainable growth both for its stakeholders and the society.

We also continually strive to ensure consistency between the conduct of business operations and the observance of relevant laws, regulations and standards of good market practices. This is achieved through the continued identification of compliance-related risks, ongoing assessments, and the design of adequate controls. As a socially responsible bank, its approach emphasises its commitment to ethical conduct and adherence to legal standards which, in turn, reinforces the trust and confidence of our stakeholders, including investors, customers and society at large. It fosters a compliance-oriented culture, supporting business lines in delivering fair outcomes for customers and preserving the Bank's reputation and in minimising the risk of investigation, prosecution, regulatory sanctions and penalties.

Governing laws and guidelines	All applicable laws, rules and regulations, including advocated norms and codes
Internal policies	Several policies including AML Policy, Customer Onboarding Policy, Policy for Outsourcing, Anti Bribery and Corruption Policy, Environmental and Social Risk Policy

Mitigation and management

Fundamentally, the Bank seeks to ensure that its core values and standards of professional conduct are maintained at every level and within all its activities and operations. Towards this end, in addition to complying with relevant external norms and requirements, we adhere to our policies, including those related to our ethical standards. In that connection, the MCB's Code of Ethics and Business Conduct, Anti-Bribery Policy, Whistleblowing Policy and Fraud Policy uphold good conduct, good order, and the values of honesty and integrity amidst the organisation. We adopt dedicated systems and processes so as to properly identify and mitigate any risks of non-compliance, alongside ensuring that we are sufficiently equipped in order to live up to the increasingly stringent regulatory environment and effectively cope with greater scrutiny by regulators and law enforcement authorities. To guarantee that our objectives are met in a consistent and judicious manner, we perform regular monitoring exercises, to ensure compliance with policies and procedures as well as ascertain that controls are operating in a sound way.

In terms of our AML/CFT obligations, we ensure that the Bank has adequate processes, systems and controls to render its services inaccessible to criminals, including money launderers and terrorists or their financiers, while tracking down suspicious activities. In that regard, the Bank makes use of tools from renowned international service providers. We ensure that staff is given appropriate training to help them identify suspicious transactions in keeping with the legal and regulatory requirements.

The Code of Ethics and Business Conduct has been revamped so that it adequately sets out the commitment of the organisation, *inter alia*, to ethical behaviour, integrity and accountability in all aspects of our business operations. It aims at providing the necessary guidance to the employees in understanding their ethical responsibilities towards their peers, clients, stakeholders and the communities in which they operate.

The Whistleblowing Policy has also been reviewed, whereby an alternative reporting process is established for use by all employees in confidence, without the risk of subsequent retaliation, victimisation, discrimination or disadvantage. The staff and external stakeholders reporting a concern are reassured that same shall remain confidential and impartial judgement will be applied in all cases.

The Bank ensures that the organisation and its staff adhere, at all times, to both the letter and the spirit of applicable laws, rules and regulations, generally accepted business and industry standards, as well as advocated norms and codes. We also promote a compliance-oriented culture with a view to supporting business lines in delivering fair outcomes for customers and preserving the Bank's reputation, while helping to achieve business development objectives.

The strategic objectives of the Compliance Function are translated in a Compliance Programme for FY 2024/25, which was devised on a risk-based approach and duly approved by the Compliance, AML and Legal Committee (CALC) and the Board of Directors through the Audit Committee. The Compliance Programme sets out its planned activities, such as the implementation and review of specific policies and procedures pertaining but not limited to governance and policy management, KYC, customer onboarding, Customer Due Diligence (CDD), Enhanced Due Diligence (EDD), managing correspondent banks' compliance queries, compliance auditing, monitoring and testing, Enterprise Wide Risk Assessment (EWRA), complaints management and educating staff on compliance matters, which are designed to fundamentally strengthen the compliance risk management culture across the Bank. Progress status updates and reports are duly reported by the Head of Compliance in the CALC and Audit Committee at least on a quarterly basis.

The focus areas of the Compliance Programme FY 2024/25 included the following:

Regulatory Liaison

- Maintaining highest levels of compliance with regulatory requirements while also paying continuous attention to the fast-changing legal framework and undertaking regular reviews of ongoing developments with respect to laws, regulations, guidelines and standards of good practice. In addition, the Bank ensures to accurately understand the impact of such regulatory amendments and to come up with necessary responses so as to effectively address any risks arising from non-adherence to such changes
- Fostering trusted relationships with regulatory and supervisory bodies by sustaining productive and value-adding dialogue and interactions

Governance and Policy Management

- Maintaining a set of robust policies and procedures to disseminate and promote strong ethical behaviour amongst employees regarding the Bank's business operations. Some policies have also been designed so as to effectively prevent, mitigate and manage any conflict of interests situation
- Reviewing the ecosystem of Committees across the Bank, including any Management level Committee, in line with corporate governance standards. The terms of reference of such Committees have also been reviewed, wherever applicable
- Fostering a coherent compliance control mechanism within the Bank to pave the way for standardised processes and operations

Relationship with Financial Institutions

- Participating in regular AML/CFT reviews performed by foreign banks and ensuring queries from correspondent banks on transactions are addressed on a timely basis
- Conducting regular screening of the Bank's customer database to identify and prevent potential violations of sanctions regulations
- Ensuring adherence to risk statements of correspondent banks
- Maintaining up to date the country risk rating, in line with the country risk methodology

Training

- Promoting the awareness of directors and employees on the requirements arising out of new/amendments to laws and regulations and other compliance-related matters
- Providing tailor-made training to the Bank's directors and employees to ensure that they have the necessary knowledge and skills to fulfil their duties and responsibilities

Advisory

- Engage with the different business lines for customer on-boarding requests and assist them in the on-boarding process
- Maintaining close working arrangements and communication with business lines through the dissemination of compliance-related information and provision of advisory services at time of customer on-boarding
- Nurturing the working relationship with regulatory and supervisory bodies by engaging or collaborating with them on new projects and regulatory queries

AML Monitoring and Analysis

- Leveraging advanced technology to monitor adherence to set norms, thereby providing assurance to Management and the Board, through the Audit Committee, as regards the state of compliance
- Performing assessment and monitoring of transactions as per defined frequencies and ensuring timely quarterly reporting made to the regulatory bodies, as per regulatory requirements

AML Investigation

- In relation to the AML/CFT obligations, ensuring that adequate processes, systems and controls are in place to render banking services and systems inaccessible to criminals, including money launderers and terrorists or their financiers, alongside paving the way for detecting suspicious activities. In so doing, the Bank strives to become a more socially responsible organisation whilst curbing the social costs that money launderers and terrorists or their financiers pose to the society

- While fostering continuous employee awareness, the Bank, *inter alia*, ensures that employees are given appropriate training on AML/CFT topics to help them identify suspicious transactions. A Financial Crime Risk Management (FCRM) system, which makes use of Data Analytics and Artificial Intelligence, is in place to highlight atypical transactions, in line with anti-money laundering and financing of terrorism and proliferation guidelines

- Proactively identifying compliance and Money Laundering/Terrorist & Proliferation Financing (ML/TF) related risks and assessing their residual likelihood and impact based on the controls in place – corrective measures are taken and monitored to minimise the likelihood of the risks materialising and detect non-compliance with internal policies and procedures

- Attending diligently to requests from the Bank of Mauritius, the Mauritius Revenue Authority, the Financial Intelligence Unit and law enforcement bodies as well as representing the Bank in Court in relation to ML/TF matters

Compliance auditing

- Conducting Branch and Thematic Audits as per the devised plan and coverage, as approved by the CALC and Audit Committee

- Investigating into cases of alleged breach of duty of confidentiality and attending to matters reported through Whistleblowing, in collaboration with concerned stakeholders. The whistleblowing framework at the organisation is designed to assist employees deemed to have discovered malpractices or improprieties. The Bank adheres to a Group Whistleblowing Policy, whereby an alternative reporting process is established for use by all employees and external stakeholders in confidence, anonymity and without the risk of subsequent retaliation, victimisation, discrimination or disadvantage

Enterprise Wide Risk Assessment (EWRA)

- Spearheading the Enterprise Wide Risk Assessment (EWRA) exercise and helping the Bank to identify gaps and areas for enhancements in its internal AML/CFT framework. EWRA, which is a regulatory requirement, aims at identifying the ML/TF risks to which the Bank is exposed per product, service, channel and segment, as well as determining the risk mitigation controls embedded in our AML/CFT programme, establishing the level of residual or unmitigated risks which remain for the Bank and follow up on the action points to mitigate the high and medium residual risks

Complaints management

- A Complaints Handling Process is in place to enable the proper receipt, acknowledgement and independent and effective handling of complaints, which are to be resolved and notified to customers within a reasonable turnaround time without compromising the quality of the review

- The Bank thus aims at effectively resolving customer complaints and identifying opportunities to make systemic improvements to enhance customer service within the organisation. The Bank is also contemplating to provide in its complaints management system, a way for clients and other external stakeholders to flag any environmental and social impact of its financing activities, thereby mitigating any reputational risk

Project and analytics

- Coordinating and executing strategic SBU initiatives and projects. Managing project resources, under scope of responsibility, to ensure delivery in line with project priorities, quality standards, budget and deadlines and lead data intensive compliance related initiatives

- Developing, monitoring and reporting on costs and benefits metrics of specific projects and recommend appropriate actions as well as compliance data architecture and governance

- Aiming to be autonomous in data reports for the Compliance SBU and regulatory bodies

Legal risk

General approach and objectives

The Bank manages legal risk through a proactive and integrated approach that combines legal expertise with technology-driven solutions. It has a dual mandate: to act as guardian of legal risk and regulatory integrity, and to enable business. Its objectives are to ensure adherence to applicable laws, regulations, guidelines, codes of conduct and contractual obligations, alongside the Compliance SBU; protect revenue while supporting business lines within legal confines; address complex legal issues at both local and international levels, including cross-border interpretations; and promote a holistic risk culture in close coordination with the Risk SBU. The function oversees traditional areas such as litigation and regulatory compliance, as well as emerging domains including data privacy, ESG and sanctions enforcement.

Mitigation and management

Legal risk is monitored and managed through defined controls, specialist collaboration and targeted use of technology. The Legal SBU works closely with the Compliance SBU on anti-corruption, AML, CFT and sanctions to ensure a unified approach to legal and regulatory risk. The MLRO Office leads and coordinates investigations into suspicious activities and transactions. For commercial litigation, the department applies a settlement-driven approach that prioritises resolution. Cross-border matters are managed through structured legal opinions and, where appropriate, engagement of external counsel. The department has begun automating elements of contract drafting and review, with human oversight, and plans to further leverage technology and artificial intelligence to enhance efficiency and control.

Zoom on our Permanent Supervision framework

The Bank continues to apply the Permanent Supervision methodology to reinforce independent controls within its second line of defence. The permanent control approach is governed by MCB's Internal Controls Policy and by rules and standards prevailing locally, notably: (i) regulatory requirements and guidelines; (ii) relevant Basel requirements; and (iii) guidance provided and principles formulated by the Committee of Sponsoring Organizations of the Treadway Commission, which is a joint initiative to combat corporate fraud and was established in the US by private sector organisations. The Bank adheres to dedicated internal control policies, which formulate the key principles and underlying governance framework underpinning the efficient development, deployment and monitoring of control activities undertaken by different sections of the organisation. The applicable framework sets out the relevant roles, responsibilities and reporting mechanisms to assist in fostering sound and stable operations.

The Bank applies a series of operational controls with respect to internal processes and client solutions. Such controls are regularly reviewed and actively monitored in order to gauge the applicability and effectiveness of actions taken. Internal control forms part of the day-to-day responsibilities of Management and all employees. While the Management is responsible to implement the internal control framework, the Permanent Supervision BU, through Risk & Control Executives, is responsible for providing ongoing assurance on the effectiveness of the internal controls embedded within the Bank's processes through ongoing controls testing and continuous monitoring mechanisms. The dedicated team of Risk & Control Executives across SBUs regularly report internal control deficiencies observed, while ensuring timely escalation of findings to Heads of host SBUs, the IORC and the Audit Committee as appropriate. Identified internal control deficiencies are managed in a timely and effective manner through adherence to established procedures and proper monitoring of the implementation of reinforcement measures.

Climate risk

General approach and objectives

Climate risk may directly or indirectly affect banks through exposures to customers, resulting in both financial and non-financial impacts. At MCB, we assess the impact of climate change on financial risks through physical and transition risk factors.

Physical risk

This refers to potential losses and economic costs which may arise due to increased severity of extreme weather events such as cyclones and floods (acute risks) and longer term shifts in climate patterns such as sustained higher temperatures and rising sea levels (chronic risks).

Transition risk

This refers to potential losses and economic costs which may arise due to significant and rapid policy changes, disruptive technology development or market sentiment shifts as part of the transition towards a lower carbon economy.

Governance and oversight

The Bank has in place a governance framework that caters for climate-related risk management and sustainability considerations. The Chief Risk Officer is responsible for the oversight and alignment of policies, with due consideration to climate and environmental risks as well as their associated financial and reputational risks. The Head of Financial Risk oversees the implementation of the climate risk roadmap and the integration of climate-related risks into the risk management framework. The Senior Climate Risk Executive drives the implementation of this roadmap, including defining the framework for identifying, measuring and managing climate-related physical and transition risks. Climate-related risk matters are escalated to the Risk Monitoring Committee, with updates provided to the Sustainability Strategic Council (SSC) as required.

Governing guidelines include	Guideline on Climate-related and Environmental Financial Risk Management
Internal policy	Environmental and Social Risk Policy

Measurement, monitoring and management

The Bank has onboarded an internationally recognised service provider, who has developed a platform which scores the (i) current risk of natural hazards and (ii) forward-looking risk due to climate change under selected Intergovernmental Panel on Climate Change (IPCC) scenarios and short, medium and long-term time horizons. It should however be noted that this assessment is entirely dependent on geo-spatial data for our exposures. The availability of precise location data for our clients' operations remains a key challenge and we are continuing to gather this information manually on a best-efforts basis.

MCB is implementing an internally developed tool to assess the impact of climate-related transition risk on our wholesale portfolio. The approach incorporates the projected cost of a potential carbon tax under selected scenarios from the Network for Greening the Financial System (NGFS) across short, medium and long-term time horizons. Given that most of our clients do not yet disclose their greenhouse gas (GHG) emissions, the assessment relies heavily on estimated emissions, derived using external data sources on GHG emissions intensity. We have started to assess the climate-related physical and transition risk on a sample of our wholesale portfolio, covering a mix of countries and sectors.

Environmental and Social risk

General approach and objectives

MCB is committed to contributing to the sustainable development of countries where we operate. We have integrated environmental and social (E&S) risk management into our credit value chain to promote positive impacts and mitigate potential negative effects on people, communities, and the environment. Our approach is guided by our internal E&S Risk Policy, which outlines MCB's commitment to identifying and managing E&S risks in our financing activities. The E&S Risk Policy is reviewed annually to ensure alignment with evolving standards and our operating context.

Our dedicated Environmental and Social Risk Management function sits within the Risk SBU and is responsible for the identification of E&S risks in financing activities and for the provision of recommendations on E&S matters, with the Head of Credit Management integrating E&S risk policy objectives into relevant credit committees and processes. Exposure of ESRM-eligible transactions, including highly E&S-sensitive exposures, is reported quarterly to the Risk Monitoring Committee. The Executive Credit Committee (ECC) ensures E&S and reputational risks are considered alongside credit risks in decision making.

Governing guidelines include	Guideline on Climate-related and Environmental Financial Risk Management
Internal policy	Environmental and Social Risk Policy

Measurement, monitoring and management

The Bank has developed a systematic Environmental and Social Risk Management (ESRM) methodology to identify, assess, manage, and monitor E&S risks in our lending activities in line with our E&S Risk Policy which defines transactions eligible for E&S Risk Assessment, covering all sectors within our risk appetite. Our scope of application is aligned to the Equator Principles, with a lower financial materiality threshold for Project Finance, which applies to corporate and MME/SME clients, sustainable financing products, corporate and government loans and unfunded facilities. We are dedicated to also addressing emerging E&S risks such as biodiversity loss, gender issues, and working conditions across various sectors. Our ESRM process begins with a preliminary E&S screening to ensure compliance with our Board-approved Exclusion List for new clients and projects. This exclusion list relates to activities with damaging impacts on the environment and human rights. Eligible transactions then undergo risk identification and are categorised as per the magnitude of their potential impact based on criteria defined by the International Finance Corporation and the Equator Principles.

We conduct E&S due diligence for all projects, with the depth of assessment varying based on the project's risk category. This process evaluates compliance with applicable laws, regulatory frameworks, and international standards, including the UN Guiding Principles on Human Rights and IFC Performance Standards. When necessary, we develop Environmental and Social Action Plans to bring projects into compliance with applicable standards and Bank requirements.

E&S risks identified and their relevant proposed mitigants are escalated to the ECC for all in-scope transaction. The ECC may approve, reject, or approve subject to amendments/conditions. E&S conditions and covenants are included in contractual agreements with clients. Post-disbursement, we continue to monitor relevant E&S covenants, engage with clients, and conduct site visits throughout the loan tenor. Any breaches are promptly escalated to Executive Credit Committees, ensuring ongoing management of E&S risks throughout the credit lifecycle. By integrating E&S risk management into every stage of our credit process, from initiation to monitoring, MCB demonstrates its commitment to responsible banking practices and sustainable development in the regions we serve.

Read more on our ESRM Policy on our website

Risk assurance: Internal audit

Internal Audit approach

Operating as the independent third line of defence, the Internal Audit function provides objective assurance designed to add value and improve the Bank's operations. Its mandate encompasses the evaluation of the adequacy and effectiveness of the governance, risk management, and internal control frameworks. A core responsibility is to assess whether Management is taking appropriate and timely action to address identified control deficiencies. To safeguard its independence and objectivity, the Head of Internal Audit reports functionally to the Audit Committee and administratively to the Chief Executive Officer.

The Internal Audit function employs a dynamic, risk-based methodology to ensure its plan remains aligned with the Bank's evolving risk profile and strategic objectives. Our three-year rolling plan is reviewed and updated annually through a structured risk and control assessment framework. This process involves a comprehensive reassessment of the Bank's risk universe, with a specific focus on evaluating emerging risks inherent in new business activities, digital transformation, and the changing external environment.

Audit priorities and resource allocation are determined by the level of risk, taking into consideration the control effectiveness for each identified risk and the Bank's risk appetite. Input from the Board, regulators, and senior management is integral to this process. While the plan maintains its core focus on higher-risk areas and regulatory requirements, it is designed with inherent agility to navigate a dynamic risk landscape, a capability demonstrated by our responsive approach to recent global challenges.

Internal Audit strategy, methodology and assurance

The Internal Audit function at MCB delivers its mandate through a strategic and disciplined approach, founded on core pillars designed to continuously evaluate and enhance the effectiveness of the Bank's risk management, control, and governance processes. This methodology is built upon the perpetual reassessment of the risk environment, ensuring our audit work programmes remain dynamically aligned with the evolving risk landscape. A critical component of this is the deepened and strategic usage of data analytics, which significantly expands our risk coverage and analytical precision. Furthermore, we are dedicated to streamlining the entire audit process, from planning and execution to the preparation of reports, the communication of results, and the rigorous follow-up of recommendations. This end-to-end efficiency is designed to directly improve operations and the customer experience.

In line with our commitment to leading practices, our certified compliance with the Institute of Internal Auditors' (IIA) standards is upheld through a formal Quality Assurance and Improvement Programme (QAIP). This programme mandates regular internal Quality Assurance Reviews conducted by our team of experienced auditors, complemented by independent external assessments carried out at least every five years. These reviews are instrumental in identifying opportunities to enhance the effectiveness of our internal audit management and processes, thereby reinforcing the function's credibility and image.

To augment our capabilities, we strategically leverage technology and enhance our expertise through selective co-sourcing arrangements with external specialists. This is particularly impactful in highly specialised domains such as cybersecurity, where we gain access to cutting-edge skills and knowledge, ensuring our audits remain robust against modern threats. Our audit process is further enhanced by a milestone-based review system, where each phase of an engagement is critically assessed to increase its overall effectiveness and business impact.

Audit reports, which detail key observations and associated corrective action plans, are formally communicated to the responsible operational management and to senior leadership, including the Chief Executive Officer, Chief Operating Officer, Chief Risk Officer, and Head of Compliance. To maintain its independence, the Internal Audit function provides at least quarterly updates to the Audit Committee on the adequacy of its resources, structure, staffing, and audit coverage. The progress of all management action plans is meticulously monitored, with past-due items actively followed up and queried.

Based on the comprehensive assessments performed through this enhanced, technology-driven, and risk-based approach, the Internal Audit function provides assurance that it is not presently aware of any significant deficiency within the Bank's internal control framework that could substantially jeopardise its operations.

Focus areas of the Internal Audit function

The Internal Audit function is committed to maintaining and enhancing the proficiency of its team to effectively meet the evolving demands of the Bank and the financial industry. This commitment is operationalised through a dedicated focus on continuous upskilling, ensuring team members are not only abreast of changes within the organisation and across global markets but are also proficient in new sets of skills and competencies. A primary strategic emphasis is placed on developing expertise in technology-driven domains, notably advanced data analytics and the application of quantitative methods, which are critical for a forward-looking audit approach.

To ensure a sustainable value-creation process and the quality delivery of continuous advice and recommendations, auditors are provided with a robust program of both in-house and externally outsourced training. This program is designed to develop the necessary technical and human skills required in a modern audit function. Furthermore, to professionalise the team and foster personal development, specific initiatives are actively promoted. These include supporting auditors in acquiring globally recognised certifications such as the IIA's Certified Internal Auditor (CIA) or ISACA's Certified Information Systems Auditor (CISA), and entering into strategic co-sourcing arrangements with subject matter experts. These partnerships are essential for auditing highly specialised areas, particularly in cybersecurity and advanced IT environments, thereby complementing and enhancing the team's internal capabilities.

In upholding a robust risk culture aligned with the Bank's strategic objectives, the function exercises regular and effective coordination, collaboration, and communication with the Permanent Supervision, Operational and Information Risk cluster of the Risk SBU and the Compliance SBU. This synergistic effort is fundamental to working towards the consolidation of risk, compliance, and regulatory assurance. It ensures that the internal audit process contributes effectively to the overall consistency and strength of the Bank's internal control system, thereby providing comprehensive assurance to the Board and senior management.

Capital management

Our objective

Our underlying capital management objective, which is aligned to general directions determined at MCB Group level, is to ensure that MCB has adequate capital resources at any times. This objective serves a threefold purpose: enabling effective operation, fostering sustained business growth and either maintaining or enhancing our credit ratings. We aim to maintain a comfortable capital position, which is consistent with the expectations and requirements of our diverse stakeholders, notably the regulators and authorities, rating agencies, customers and correspondent banks.

Capital management at MCB is underpinned by a forward-looking approach, coupled with a comprehensive governance framework. We determine the level and composition of our capital after making allowance for a wide range of factors. They include the Bank's strategic orientations, the legal and regulatory landscape, the industry environment and conditions prevailing across the economy and financial markets. Through this holistic assessment, we fine-tune our capital strategy to align with our broader goals, ensuring that we remain resilient and seize strategic objectives as they arise.

Our Internal Capital Adequacy Assessment Process

Framework

MCB is guided by its Internal Capital Adequacy Assessment Process (ICAAP) when determining its capital planning and formulating its risk appetite process. The ICAAP framework has been developed and applied at the Bank pursuant to the issue of the Bank of Mauritius (BoM) Guideline on Supervisory Review Process in April 2010. Our ICAAP document, which is reviewed periodically, delineates the process through which the Bank assesses the required minimum capital to support its activities. It seeks to ensure that MCB remains well capitalised after considering material risks.

Objectives

- To provide an informative description of the methodology and procedures that the Bank uses to assess and mitigate its risks; and
- To make sure that adequate capital resources are kept to support risks faced beyond core minimum requirements.

Assessment and planning

Through the ICAAP, the Bank assesses its forecast capital supply and demand relative to its regulatory and internal capital targets under various scenarios. The Bank's capital plan is defined every year during the budgeting and strategic planning exercise, while the Board sets the risk appetite limits for the financial year. The Bank monitors its exposures on a quarterly basis against those limits, and pertinent insights are reported to the RMC.

The capital plan includes a crisis management plan. The latter makes allowance for various measures to facilitate the rapid mobilisation of additional capital if the need arises, with discussions thereon being held at Board level.

Stress testing

Stress testing is a key risk management tool used by the Bank and is an integral part of our ICAAP. The aim of the Bank's stress testing framework is to identity, quantify, evaluate and make sense of the potential impact of specific changes in risk factors on the business development and financial strength of the Bank. MCB applies the stress testing principles set out under the BoM Guideline on Stress Testing issued in June 2022.

Forecasts are made over a 3-year horizon, taking into account the Basel Pillar I and II stress scenarios. The ICAAP provides for an assessment of the Pillar I risk types (i.e. credit, operational and market risks) and Pillar II risk types (i.e. concentration, liquidity, interest rate, strategic risks, etc.). These assessments are undertaken to understand the sensitivity of the key assumptions of the capital plan with regard to the realisation of plausible stress scenarios. This helps MCB evaluate how it can maintain adequate capital under such scenarios.

Framework

Risk identification	• To detect and address existing or potential vulnerabilities such as unidentified and Bank-wide risk concentrations or interactions among various types of risk, many of which may be overlooked when relying purely on statistical risk management tools based on historical data
Risk assessment	• To promote a deep understanding of organisational vulnerabilities on the back of forward-looking risk assessments; this helps to make risk more transparent via an estimation of scenario-based losses and to prevent the development of any false sense of security about the Bank's resilience • To evaluate the significance of risk faced during different phases, notably during periods of: (i) favourable economic and financial conditions given the subsequent lack of visibility over potentially negative future developments; and (ii) business expansion when innovation leads to new products and services for which no historical data is available for forecasting future trends
Risk mitigation	• To facilitate development of risk mitigation or contingency plans across stressed conditions • To stimulate debates and raise awareness on the various risk aspects of our client portfolios among Management, helped by (i) a well organised surveying of the operating context; (ii) an identification of the most important risk factors; and (iii) a scanning of the horizon for potential stressful events

Results

In FY 2024/25, the Bank conducted stress testing under various historical and stress test scenarios to assess the impact of unfavourable scenarios on key metrics. We have used the 3-year budget forecasts to conduct our different stress tests. We assumed that the stress scenarios take place in the middle of FY 2024/25, i.e. at the beginning of January 2025, and we then measured the relevant impacts accordingly. The scenarios are regularly reviewed and fine-tuned to ensure that they remain relevant to the Bank's risk profile, activities as well as prevailing and forecasted economic conditions. We measured potential impacts on the following metrics: (i) Solvency: Capital adequacy ratio and Tier 1 ratio; (ii) Profitability: Net profit after tax; (iii) Asset quality: NPL ratio and cost of risk; and (iv) Liquidity: LCR, NFSR, Net Present Value (NPV) of Trading and Fair Value Through Other Comprehensive Income (FVTOCI) portfolio. The stress test results are reported and discussed at the RMC and the Board prior to being submitted to the BoM. Barring extreme cases, our recent analyses revealed that the Bank's capital adequacy ratio does not fall below the regulatory requirements in any of the 3 scenarios described hereunder.

Climate risk *(Mild scenario)*	Mauritius and Africa experience a severe drought affecting the agricultural, tourism and hospitality sectors. Mauritius, being a net food importer, experiences food price inflation due to disruptions in agriculture. This drought also leads to higher uncertainty across the tourism and hospitality sectors resulting in a decline in net foreign direct investment, further exacerbating the situation, and leading to a depreciation of the Mauritian Rupee. At the same time, Kenya faces additional challenges due to USD shortage from reduced exports, causing the government to default on their oil procurement bills. Global political shifts bring economic uncertainty. European countries introduce carbon taxes and rising sea level strain Mauritius' tourism sector, worsening its current account deficit and hence Moody's downgrade its sovereign rating.

Idiosyncratic risk
(Moderate scenario)

Nigeria's crude oil output has plummeted due to oil spills, lack of infrastructure investment, theft, and terrorism, severely reducing exports and USD revenue. This has led to widespread financial defaults and liquidity shortages, causing Nigerian banks to struggle. Additionally, the Bank is found to be involved in a major fraud and money laundering scandal, facing a huge fine and reputational damage and this led to an exodus of both clients and investors. As the Bank began to recover, a cyberattack disrupted African telecom networks, further disrupting the financial system while the private equity market experiences a bubble burst upon reaching maturity.

Broad regional conflict
(Severe scenario)

The conflict in Israel and Gaza escalates to a full-scale war involving Iran, disrupting oil routes and skyrocketing crude prices. In addition to higher transportation costs, global supply chain is also impacted, affecting international trade. At the same time, the effects of imported inflation negatively impact Mauritian businesses with increasing operational costs. Meanwhile, China attempts to invade Taiwan, leading to a war with the US, drastically reducing international travel and impacting tourism and hospitality sector. Mauritius faces heightened security concerns due to its geographical location, deterring investments, while China sells US Treasury bonds, triggering an economic turmoil. Global inflation rises due to reduced Chinese exports causing a global recession.

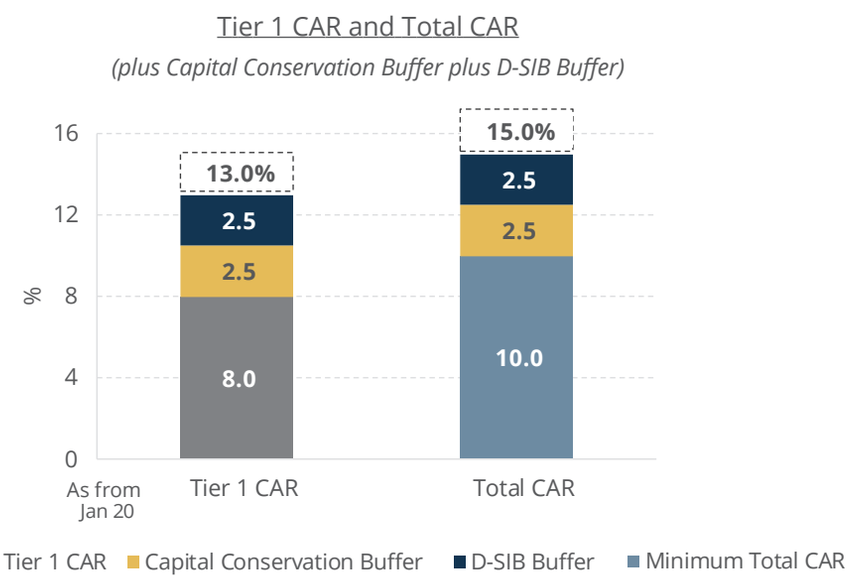
Our capital position

Adherence to Basel rules

The Bank uses the Basel II Standardised Approach to manage its credit and market risk exposures, with the Alternative Standardised Approach used for operational risk. The determination of its capital resources is conducted in line with the BoM Guideline on Scope of Application of Basel III and Eligible Capital. It also complies with the Guideline for dealing with Domestic-Systemically Important Banks (D-SIB). Under the latter guideline, banks are required to hold a capital surcharge, also known as D-SIB buffer, ranging from 1.0% to 2.5% of their risk-weighted assets depending on their systemic importance. The assessment for determining D-SIB is carried out on a yearly basis by the Central Bank using end-June figures.

According to the assessment carried out by the Central Bank, MCB Ltd features among the four banks that have been identified as systemically important in our jurisdiction. This assessment is based on five factors, namely size, exposure to large groups, interconnectedness, complexity and substitutability. The minimum regulatory Tier 1 and capital adequacy ratios currently applicable to the Bank stand at 13.0% and 15.0% respectively as summarised below.

Regulatory ratios applicable to MCB



Our performance for FY 2024/25

Our capital position remained strong during the year under review. Our Tier 1 and total capital adequacy ratios stood at 18.6% and 21.1% respectively as at 30 June 2025, thus comfortably exceeding minimum regulatory levels.

Determination and evolution of our capital adequacy ratios

MCB Ltd	Jun 24	Jun 25
Capital base	**Rs m**	**Rs m**
Ordinary shares (paid-up) capital	8,880	8,880
Retained earnings	66,976	76,003
Accumulated other comprehensive income and other disclosed reserves	10,260	10,692
Common Equity Tier 1 capital before regulatory adjustments	**86,115**	**95,575**
Regulatory adjustments		
Other intangible assets	(2,551)	(2,913)
Deferred tax assets	(3,719)	(4,383)
Cash flow hedge reserve	0	(11)
Common Equity Tier 1 capital (CET1)	**79,092**	**88,267**
Additional Tier 1 capital (AT1)	-	-
Tier 1 capital (T1 = CET1 + AT1)	**79,092**	**88,267**
Capital instruments	7,057	6,757
Provisions or loan-loss reserves	5,301	5,439
Tier 2 capital before regulatory adjustments	**12,358**	**12,196**
Regulatory adjustments	(847)	(645)
Tier 2 capital (T2)	**11,511**	**11,551**
Total capital (T1 + T2)	**90,602**	**99,818**

Risk-weighted assets	Rs m	Rs m
Weighted amount of on-balance sheet assets	382,001	382,894
Weighted amount of off-balance sheet exposures	42,101	52,208
Weighted risk assets for operational risk	32,878	37,292
Aggregate net open foreign exchange position	1,514	1,345
Total risk-weighted assets	**458,493**	**473,740**

Capital adequacy ratios	%	%
Total capital adequacy ratio	**19.8**	**21.1**
of which Tier 1	***17.3***	***18.6***

Note: Figures may not add up to totals due to rounding

Determination of risk-weighted assets

Credit risk

- The Bank measures the credit risk capital requirements by applying appropriate risk weights to both on-balance sheet and off-balance sheet exposures in line with the Guideline on Scope of Application of Basel III and Eligible Capital and the Guideline on Standardised Approach to Credit Risk issued by BoM. The risk-weighted exposures under the Standardised Approach to credit risk are based on the category of borrower, its risk weight and the credit conversion factor of the underlying facility. The Bank uses external ratings from Standard & Poor's, Moody's, CARE Ratings and Fitch Ratings for credit exposures in its sovereign and bank portfolios.

- The Standardised Approach recognises the use of various techniques to mitigate the credit risks to which banks are exposed. For example, exposures may be collateralised by first priority claims, in whole or in part with cash or securities. Banks may agree to net loans owed to them against deposits from the same counterparty. On a conservative basis, for the purpose of calculating its capital requirements, MCB considers only cash pledged and guarantees as eligible credit risk mitigations.

Market risk

- With regard to its trading book, MCB adheres to the Standardised Approach as outlined by the BoM in its Guideline on Measurement and Management of Market Risk. As per this methodology, which is closely aligned with the Basel II Standardised Measurement Method, banks are required to hold additional capital whenever their overall trading book position activities exceeds 5% of total assets. As at 30 June 2025, MCB's trading book significance was below 5% thus requiring no additional capital charge.

- The Guideline on Measurement and Management of Market Risk also encourages all banks to hold a capital buffer that adequately covers the interest rate risk exposures arising from non-trading activities in the banking book. MCB monitors the impact of interest rate shifts on its structural interest rate risk using repricing gap analysis techniques. Interest rate risk gap reports are submitted to the BoM on a quarterly basis for the Bank's significant currencies (MUR, USD and EUR) and on a consolidated basis. As at 30 June 2025, the Bank held a capital buffer commensurate with the aggregate banking book interest rate risk both from an earnings and economic value perspective as per the aforementioned Guideline. Of note, the one-year earnings impact arising from a 200 basis points parallel shift in interest rates, using the earnings perspective framework prescribed by the BoM, is shown in Notes 3(c) (iii) to the Accounts.

Operational risk

- MCB applies the Alternative Standardised Approach to determine its operational risk capital. Under this approach, the Bank's activities are divided into eight business lines, namely (i) retail banking; (ii) commercial banking; (iii) corporate finance; (iv) trading and sales; (v) payment and settlement; (vi) agency services; (vii) asset management; and (viii) retail brokerage. The capital charge for retail banking and commercial banking is arrived at by applying a factor (denoted as beta) and a fixed factor of 3.5% to the average outstanding balance of loans and advances as at end of the previous three years. As for the other business lines, the capital charge is arrived at by applying a beta factor to the average positive annual gross income over the previous three years. Of note, beta, as recommended by Basel, serves as a proxy for the industry-wide relationship between the operational risk loss experience for a given business line and the aggregate level of gross income for the latter.

Risk-weighted assets for credit risk

Risk-weighted on-balance sheet assets	Jun 24 Weighted Assets		Jun 25 Amount	Weight	Weighted Assets
	Rs m		Rs m	%	Rs m
Cash items	78		4,327	0 - 20	92
Claims on sovereigns	204		269,673	0 - 100	175
Claims on central banks	0		100,485	0	0
Claims on banks	28,195		112,606	20 - 150	35,889
Claims on non-central government public sector entities	413		1,445	0 - 100	345
Claims on corporates	297,939		334,920	20 - 150	291,789
Claims on retail segment	9,663		16,195	75	11,120
Claims secured by residential property	16,880		49,881	35 - 125	20,346
Fixed assets/other assets	23,194		12,744	100 - 250	20,666
Past due claims	5,434		1,790	50 - 150	2,472
Total	**382,001**				**382,894**

Non-market related off-balance sheet risk-weighted assets	Jun 24 Weighted Amount		Jun 25 Nominal Amount	Credit Conversion Factor	Credit Equivalent Amount	Weight	Weighted Amount
	Rs m		Rs m	%	Rs m	%	Rs m
Direct credit substitutes	2,392		2,533	100	2,532	0 - 100	2,431
Transaction-related contingent items	14,932		41,916	50	18,879	0 - 100	18,664
Trade related contingencies	16,307		113,817	20 - 100	21,944	0 - 100	17,953
Outstanding loans commitment	4,343		14,261	20 - 50	6,671	100	6,427
Total	**37,973**						**45,474**

Market-related off-balance sheet risk-weighted assets	Jun 24 Weighted Assets	Jun 25 Nominal Amount	Credit Conversion Factor	Potential Future Exposure	Current Exposure	Credit Equivalent Amount	Weighted Assets
	Rs m	Rs m	%	Rs m	Rs m	Rs m	Rs m
Interest rate contracts	589	49,587	0 - 1.5	279	589	867	739
Foreign exchange contracts	477	58,543	1 - 7.5	632	834	1,466	1,041
Other commodity contracts (other than precious metals)	3,061	53,133	10 - 15	5,596	2,252	7,848	4,954
Total	**4,128**						**6,734**

	Jun 24		Jun 25
	Rs m		Rs m
Total credit risk-weighted assets	**424,101**		**435,103**

Note: Figures may not add up to totals due to rounding

Risk-weighted assets for operational risk

Alternative standardised approach	Jun 24	Jun 25
	Rs m	Rs m
Weighted gross income (for 6 business lines*)	1,569	1,904
Average outstanding balance of loans and advances (retail and commercial banking)	337,207	357,315
Capital charge for operational risk	3,288	3,729
Risk-weighted assets for operational risk	**32,878**	**37,292**

**Corporate finance, trading and sales, payment and settlement, agency services, asset management and retail brokerage*

Risk-weighted assets for market risk

Market risk	Jun 24	Jun 25
	Rs m	Rs m
Aggregate net open foreign exchange position	1,514	1,345
Capital charge for trading book position exceeding 5% or more of its total assets	-	-

Exposures covered by cash and bank guarantees which qualify as a zero risk-weight

Exposures covered by credit risk mitigation	Jun 24	Jun 25
Eligible collateral	**Rs m**	**Rs m**
On-balance sheet		
Corporate	22,069	8,439
Retail	1,515	1,565
	23,584	**10,004**

Eligible collateral	**Rs m**	**Rs m**
Off-balance sheet		
Direct credit substitutes	1	1
Transaction-related contingent items	1,923	3,613
Trade-related contingencies	21,266	8,761
	23,189	**12,375**
Total	**46,773**	**22,379**

Craig McKenzie
Director
Chairperson Risk Monitoring Committee

Thierry HEBRAUD
Chief Executive Officer

RESPECT

Our shared ways of working

Create positive impact

- We care deeply about the success of our customers.
- We are guided by a desire to create healthy and sustainable communities.
- We focus on delivering positive outcomes rather than on roadblocks or obstacles.

mtn
football
ACADEMY

Statement of Management's Responsibility for Financial Reporting

The consolidated and separate financial statements of the Group's and the Bank's operations, presented in this annual report have been prepared by Management, which is responsible for their integrity, consistency, objectivity and reliability. IFRS Accounting Standards issued by IASB as well as the requirements of the Banking Act 2004 and the guidelines issued thereunder have been applied for the year ended 30 June 2025 and Management has exercised its judgement and made best estimates where deemed necessary.

The Bank has designed and maintained its accounting systems, related internal controls and supporting procedures to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorised use or disposal. These supporting procedures include careful selection and training of qualified staff, the implementation of organisation and governance structures providing a well-defined division of responsibilities, authorisation levels and accountability for performance, and the communication of the Bank's policies, procedures manuals and guidelines of the Bank of Mauritius throughout the Bank.

The Bank's Board of Directors, acting in part through the Audit Committee and Risk Monitoring Committee, which comprise, principally, independent directors, oversees Management's responsibility for financial reporting, internal controls, assessment and control of major risk areas, and assessment of significant and related party transactions.

The Bank's Internal Auditor, who has full and free access to the Audit Committee, conducts a well-designed programme of internal audits. In addition, the Bank's compliance function maintains policies, procedures and programmes directed at ensuring compliance with regulatory requirements.

Pursuant to the provisions of the Banking Act 2004, the Bank of Mauritius makes such examination and inquiry into the operations and affairs of the Bank as it deems necessary.

The Bank's external auditor, Deloitte, has full and free access to the Board of Directors and its committees to discuss the audit and matters arising therefrom, such as their observations on the fairness of financial reporting and the adequacy of internal controls.

Thierry HEBRAUD
Director
Chief Executive Officer

Simon WALKER
Director
Chairperson - Board of Directors

Su Lin ONG
Director
Chairperson - Audit Committee

Independent auditor's report

To the Shareholder of The Mauritius Commercial Bank Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **The Mauritius Commercial Bank Limited** (the "Bank" and the "Public Interest Entity") and its subsidiaries (the "Group") as set out on pages 190 to 319, which comprise the consolidated and separate statements of financial position as at 30 June 2025, and the consolidated and separate statements of profit or loss, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Bank as at 30 June 2025, and of their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), and comply with the requirements of the Mauritius Companies Act 2001, the Banking Act 2004 and the Financial Reporting Act 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The Group's consolidated financial statements for the year ended 30 June 2023 (from which the consolidated statement of financial position as at 1 July 2022 has been derived) were not audited.

As part of our audit of the consolidated financial statements as at and for the year ended 30 June 2025, we have performed procedures on the opening balances as at 1 July 2022. Consolidated financial statements were not prepared and presented for the year ended 30 June 2023 and accordingly, we do not express an opinion or any other form of assurance on the consolidated financial statements for the years ended 30 June 2023 taken as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report

To the Shareholder of The Mauritius Commercial Bank Limited (Cont'd)

Key audit matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Provision for expected credit losses - Financial assets which are not credit impaired	
IFRS 9 *Financial Instruments* ("IFRS 9") requires the Group and the Bank to recognise expected credit losses ("ECL") on financial instruments, which involves significant judgements and estimates. The key areas where we identified greater levels of management judgements and estimates and therefore increased levels of audit focus in the application of IFRS 9 are: • **Model estimations -** The Group and the Bank have used the Run-off triangle model to estimate ECLs for the retail portfolio, which involves determining Probabilities of Default ('PD'), Loss Given Default ('LGD'), and Exposures at Default ('EAD'). For the wholesale portfolio, statistical models were employed for estimating the PD and LGD. The PD and LGD models used are the key drivers of the ECL results and are therefore the most significant areas of judgements and estimates used in the ECL modelling approach. • **Significant Increase in Credit Risk ("SICR") -** Determining the criteria for SICR and identifying SICR– This can impact the ECL materially where facilities have maturity of greater than 12 months. • **Macro-economic forecasts -** IFRS 9 requires the measurement of ECLs on a forward-looking basis using the most appropriate macro-economic forecasts. The macro-economic forecasts are estimates of future economic conditions. Variables that were used to estimate future changes in the macro-economic environment are the credit index, the real gross domestic product and the consumer price index. Management has also used different forward-looking scenarios which were probability-weighted to determine the ECL. • **Qualitative adjustments -** Adjustments to the model-driven ECL results are raised by management to address known impairment model limitations or emerging trends. Such adjustments are inherently uncertain which involve significant management judgement. Due to the significance of the judgements and estimated involved in the overall determination of the allowances for ECL, this item is considered as a key audit matter. The details of the policies and processes for the determination of the allowances for ECL are disclosed in Notes 1(j) and 3(b) to the consolidated and separate financial statements.	Our audit procedures included amongst others: • Inspecting the minutes of the Risk Monitoring Committee, Audit Committee and the Board of Directors to ensure that there are governance controls in place in relation to assessment of the ECL; • Involving a team of specialist to validate the model, including: - Evaluating the appropriateness of the impairment methodologies applied by the Bank against the requirements of IFRS 9; - Assessing the appropriateness of macro-economic forecasts used; and - Independently assessing assumptions underlying the PD, LGD and EAD. • Reviewing the input to the internal rating system on a sample basis; • Reviewing the criteria for staging of credit exposures and ensuring these are in line with the requirements of IFRS 9 including any backstops used in the methodology; • Testing the accuracy and completeness of ECL by reperformance; and • Assessing whether the disclosures are in accordance with the requirements of IFRS 9.

Independent auditor's report

To the Shareholder of The Mauritius Commercial Bank Limited (Cont'd)

Key audit matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Provision for expected credit losses - Loans and advances to customers which are credit impaired	
Provision for expected credit losses on credit-impaired loans and advances to customers involve the use of assumptions which are subjective due to the level of judgement applied by Management. Changes in the assumptions and the methodology applied may have a major impact on the measurement of the provision for expected credit losses on credit-impaired loans and advances to customers. For impaired credits, the most significant judgements are whether impairment events have occurred and the valuation of any underlying collaterals, along with the determination of the corresponding PD and LGD. The details of the provisions for expected credit losses on credit-impaired loans and advances to customers are disclosed in Note 6(b)(iv) to the consolidated and separate financial statements. Due to the significance of the judgements applied in the identification of credit-impaired facilities and determination of the provision for expected credit losses, this item is considered as a key audit matter.	Our audit procedures included amongst others: • Obtaining audit evidence in respect of key controls over the processes for impairment events identification of impaired assets and impairment assessment; • Inspecting the minutes of the Risk Monitoring Committee, Audit Committee and Board of Directors to ensure that there are governance controls in place in relation to assessment of allowance for credit impairment; • Challenging the methodologies applied by using our industry knowledge and experience; • Obtaining audit evidence of management judgements and assumptions; • Independently recalculating the ECL, on a sample basis, based on our assessment of the expected cash flows and recoverability of collateral at an individual counterparty level. Where collaterals were used, we assessed, on a sample basis, the reasonableness of the time taken into account to realise those collaterals and the objectivity and qualifications of the respective independent appraisers; • Performing a risk-based test of loans and advances to customers to ensure timely identification of impairment and for impaired loans to ensure appropriate allowance for credit impairment; and • Assessing whether the disclosures are in accordance with the requirements of IFRS 9.

Independent auditor's report

To the Shareholder of The Mauritius Commercial Bank Limited (Cont'd)

Other information

The directors are responsible for the other information. The other information comprises the below sections:

- Our purpose;
- Financial highlights;
- Reflections from the Chairperson ;
- Board of Directors; Committees of the Board and Leadership Team;
- About this report;
- Our corporate profile;
- Value creation for our stakeholders;
- Delivering on our strategic objectives;
- Chief Finance Officer report;
- Corporate governance report, including the statement of directors' responsibilities and statement of compliance;
- Company Secretary's certificate;
- Risk and capital management report.

The other information does not include the consolidated and separate financial statements and our auditor's report thereon. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by IASB, and in compliance with the requirements of the Mauritius Companies Act 2001, the Banking Act 2004, and the Financial Reporting Act 2004 and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Bank or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and the Bank's financial reporting process.

Independent auditor's report

To the Shareholder of The Mauritius Commercial Bank Limited (Cont'd)

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

To the Shareholder of The Mauritius Commercial Bank Limited (Cont'd)

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- We have no relationship with, or interest in, the Bank and its subsidiaries other than in our capacity as auditor;
- We have obtained all information and explanations that we have required; and
- In our opinion, proper accounting records have been kept by the Bank as far as appears from our examination of those records.

Financial Reporting Act 2004

Corporate Governance Report

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("the Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Public Interest Entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Banking Act 2004

- In our opinion, the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the provisions of the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius; and
- The explanations or information called for or given to us by the officers or agents of the Bank were satisfactory.

Use of this report

This report is made solely to the Bank's shareholder, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Bank's shareholder those matters we are required to state to the shareholder in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte.

Deloitte

Chartered Accountants

19 September 2025

Agrawal.

Vishal Agrawal, FCA

Licensed by FRC

Consolidated and Separate Statements of financial position

as at 30 June 2025

		GROUP			BANK		
		2025	2024	2023	**2025**	2024	2023
		RS'M	**RS'M**	**RS'M**	**RS'M**	**RS'M**	**RS'M**
	Notes						
ASSETS							
Cash and cash equivalents	4	**132,323**	91,907	114,065	**131,612**	90,669	113,609
Derivative financial instruments	5	**3,745**	2,071	1,214	**3,745**	2,071	1,214
Loans to and placements with banks	6(a)	**30,577**	12,623	13,909	**30,791**	13,582	14,092
Loans and advances to customers	6(b)	**375,178**	382,533	336,512	**366,970**	375,404	329,650
Investment securities	7	**328,121**	324,562	248,891	**324,783**	322,210	247,405
Investments in subsidiaries	8(a)	**-**	-	-	**121**	121	118
Investments in associates	8(b)	**5,740**	5,495	6,084	**5,740**	5,495	6,084
Intangible assets	9	**2,939**	2,593	2,263	**2,914**	2,551	2,211
Property, plant and equipment	10	**5,734**	5,461	5,410	**5,243**	5,028	5,003
Deferred tax assets	11	**4,408**	3,740	2,729	**4,383**	3,719	2,710
Post employment benefit asset	17	**-**	754	455	**-**	754	455
Other assets	12	**48,874**	45,337	40,256	**47,283**	43,848	39,061
Total assets		**937,639**	877,076	771,788	**923,585**	865,452	761,612
LIABILITIES AND SHAREHOLDER'S EQUITY							
Liabilities							
Deposits from banks	13(a)	**20,158**	41,001	14,943	**17,629**	41,021	15,752
Deposits from customers	13(b)	**690,364**	641,637	555,089	**681,527**	634,292	547,586
Derivative financial instruments	5	**4,068**	1,990	1,216	**4,068**	1,990	1,216
Other borrowed funds	14	**85,671**	65,355	86,517	**84,742**	62,529	84,422
Debt securities	15	**13,649**	14,314	13,759	**13,649**	14,314	13,759
Subordinated liabilities	16	**6,889**	7,057	7,059	**6,707**	7,057	7,059
Current tax liabilities		**2,601**	2,706	2,914	**2,574**	2,697	2,872
Post employment benefit liability	17	**456**	-	-	**456**	-	-
Other liabilities	18	**17,341**	16,117	14,190	**16,671**	15,437	13,552
Total liabilities		**841,197**	790,177	695,687	**828,023**	779,337	686,218
Shareholder's equity							
Stated capital	19	**8,880**	8,880	8,880	**8,880**	8,880	8,880
Retained earnings		**76,966**	67,843	57,468	**76,001**	66,975	56,625
Other components of equity		**10,398**	9,997	9,589	**10,681**	10,260	9,889
Equity attributable to the equity holders of the parent		**96,244**	86,720	75,937	**95,562**	86,115	75,394
Non-controlling interest		**198**	179	164	**-**	-	-
Total equity		**96,442**	86,899	76,101	**95,562**	86,115	75,394
Total equity and liabilities		**937,639**	877,076	771,788	**923,585**	865,452	761,612
CONTINGENT LIABILITIES (NET)	20	**197,864**	189,087	122,977	**195,913**	187,311	121,559

These financial statements were approved by the Board of Directors and authorised for issue on the 19 September 2025.

Thierry HEBRAUD
Director
Chief Executive Officer

Simon WALKER
Director
Chairperson - Board of Directors

Su Lin ONG
Director
Chairperson - Audit Committee

The notes on pages 201 to 319 form part of these financial statements.
Auditor's report on pages 184 to 189.

Consolidated and Separate Statements of profit or loss

for the year ended 30 June 2025

	Notes	GROUP			BANK		
		2025	2024	2023	**2025**	2024	2023
		RS'M	**RS'M**	**RS'M**	**RS'M**	**RS'M**	**RS'M**
Interest income using the effective interest method	21	**46,979**	43,791	32,388	**45,913**	42,936	31,739
Interest expense	22	**(21,492)**	(20,908)	(13,593)	**(20,957)**	(20,515)	(13,259)
Net interest income		**25,487**	22,883	18,795	**24,956**	22,421	18,480
Fee and commission income	23	**10,654**	10,008	8,663	**10,338**	9,819	8,462
Fee and commission expense	24	**(3,208)**	(3,274)	(2,723)	**(3,040)**	(3,142)	(2,618)
Net fee and commission income		**7,446**	6,734	5,940	**7,298**	6,677	5,844
Net trading income	25	**4,695**	3,682	3,154	**4,587**	3,599	3,049
Net gain from equity financial instruments carried at fair value through profit or loss		**549**	476	564	**549**	476	564
Dividend income	26	**71**	65	71	**103**	106	102
Other operating income		**216**	107	89	**264**	112	79
Loss on disposal of associate		**-**	(241)	-	**-**	(241)	-
		5,531	4,089	3,878	**5,503**	4,052	3,794
Operating income		**38,464**	33,706	28,613	**37,757**	33,150	28,118
Non-interest expense							
Salaries and human resource costs	27(a)	**(7,670)**	(6,369)	(5,028)	**(7,535)**	(6,269)	(4,950)
Depreciation of property, plant and equipment	10	**(577)**	(541)	(571)	**(516)**	(492)	(523)
Amortisation of intangible assets	9	**(663)**	(663)	(627)	**(642)**	(641)	(593)
Other	27(b)	**(4,799)**	(3,897)	(3,304)	**(4,588)**	(3,733)	(3,176)
		(13,709)	(11,470)	(9,530)	**(13,281)**	(11,135)	(9,242)
Operating profit before impairment		**24,755**	22,236	19,083	**24,476**	22,015	18,876
Net impairment of financial assets	28	**(3,162)**	(3,485)	(3,582)	**(3,055)**	(3,329)	(3,520)
Operating profit		**21,593**	18,751	15,501	**21,421**	18,686	15,356
Share of profit of associates	8(b)	**294**	306	544	**294**	306	544
Profit before tax		**21,887**	19,057	16,045	**21,715**	18,992	15,900
Income tax expense	29	**(4,547)**	(3,570)	(2,975)	**(4,504)**	(3,546)	(2,941)
Profit for the year		**17,340**	15,487	13,070	**17,211**	15,446	12,959
Profit for the year attributable to:							
Ordinary equity holders of the parent		**17,308**	15,471	13,044	**17,211**	15,446	12,959
Non-controlling interest		**32**	16	26	**-**	-	-
		17,340	15,487	13,070	**17,211**	15,446	12,959
Earnings per share (Rs)	31	**19.49**	17.42	14.69	**19.38**	17.39	14.59

The notes on pages 201 to 319 form part of these financial statements.
Auditor's report on pages 184 to 189.

Consolidated and Separate Statements of comprehensive income

for the year ended 30 June 2025

	Note	GROUP			BANK		
		2025	2024	2023	**2025**	2024	2023
		RS'M	**RS'M**	**RS'M**	**RS'M**	**RS'M**	**RS'M**
Profit for the year		**17,340**	15,487	13,070	**17,211**	15,446	12,959
Other comprehensive income:							
Items that will not be reclassified to profit or loss:							
Net fair value gain/(loss) on equity instruments		**85**	31	(38)	**85**	31	(38)
Share of other comprehensive income of associates		**(38)**	12	54	**(38)**	12	54
Remeasurement of defined benefit pension plan, net of deferred tax	29(b)	**(1,085)**	117	(224)	**(1,085)**	117	(224)
		(1,038)	160	(208)	**(1,038)**	160	(208)
Items that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations		**190**	198	221	**215**	152	294
Reclassification adjustments on disposal of associate		**-**	192	-	**-**	192	-
Change in fair value of hedge instrument		**(66)**	-	-	**(66)**	-	-
Reclassification of effective portion of hedge		**55**	-	-	**55**	-	-
Net fair value gain/(loss) on debt instruments		**132**	(29)	(79)	**132**	(29)	(79)
		311	361	142	**336**	315	215
Other comprehensive income for the year		**(727)**	521	(66)	**(702)**	475	7
Total comprehensive income for the year		**16,613**	16,008	13,004	**16,509**	15,921	12,966
Total comprehensive income attributable to:							
Ordinary equity holders of the parent		**16,586**	15,983	12,993	**16,509**	15,921	12,966
Non-controlling interest		**27**	25	11	**-**	-	-
		16,613	16,008	13,004	**16,509**	15,921	12,966

The notes on pages 201 to 319 form part of these financial statements.
Auditor's report on pages 184 to 189.

Consolidated Statement of changes in equity

for the year ended 30 June 2025

		Attributable to equity holders of the parent								
		Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	Cash Flow Hedge Reserve	Total	Non-controlling interest	Total Equity
		RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
GROUP										
	Note									
At 1 July 2022		**8,880**	**48,919**	**159**	**431**	**8,880**	**-**	**67,269**	**159**	**67,428**
Profit for the year		-	13,044	-	-	-	-	13,044	26	13,070
Other comprehensive income for the year		-	(170)	(117)	236	-	-	(51)	(15)	(66)
Total comprehensive income for the year		-	12,874	(117)	236	-	-	12,993	11	13,004
Dividends	30	-	(4,325)	-	-	-	-	(4,325)	(6)	(4,331)
Transactions with owner		-	(4,325)	-	-	-	-	(4,325)	(6)	(4,331)
At 30 June 2023		**8,880**	**57,468**	**42**	**667**	**8,880**	**-**	**75,937**	**164**	**76,101**
Profit for the year		-	15,471	-	-	-	-	15,471	16	15,487
Other comprehensive income for the year		-	129	2	381	-	-	512	9	521
Total comprehensive income for the year		-	15,600	2	381	-	-	15,983	25	16,008
Dividends	30	-	(5,200)	-	-	-	-	(5,200)	(10)	(5,210)
Transactions with owner		-	(5,200)	-	-	-	-	(5,200)	(10)	(5,210)
Transfer		-	(25)	-	25	-	-	-	-	-
At 30 June 2024		**8,880**	**67,843**	**44**	**1,073**	**8,880**	**-**	**86,720**	**179**	**86,899**
Profit for the year		**-**	**17,308**	**-**	**-**	**-**	**-**	**17,308**	**32**	**17,340**
Other comprehensive income for the year		**-**	**(1,123)**	**217**	**195**	**-**	**(11)**	**(722)**	**(5)**	**(727)**
Total comprehensive income for the year		**-**	**16,185**	**217**	**195**	**-**	**(11)**	**16,586**	**27**	**16,613**
Dividends	30	**-**	**(7,062)**	**-**	**-**	**-**	**-**	**(7,062)**	**(8)**	**(7,070)**
Transactions with owner		**-**	**(7,062)**	**-**	**-**	**-**	**-**	**(7,062)**	**(8)**	**(7,070)**
At 30 June 2025		**8,880**	**76,966**	**261**	**1,268**	**8,880**	**(11)**	**96,244**	**198**	**96,442**

The notes on pages 201 to 319 form part of these financial statements.
Auditor's report on pages 184 to 189.

Separate Statement of changes in equity

for the year ended 30 June 2025

	Note	Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	Cash Flow Hedge Reserve	Total Equity
		RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
BANK								
At 1 July 2022		**8,880**	**48,161**	**159**	**673**	**8,880**	**-**	**66,753**
Profit for the year		-	12,959	-	-	-	-	12,959
Other comprehensive income for the year		-	(170)	(117)	294	-	-	7
Total comprehensive income for the year		-	12,789	(117)	294	-	-	12,966
Dividends	30	-	(4,325)	-	-	-	-	(4,325)
Transactions with owner		-	(4,325)	-	-	-	-	(4,325)
At 30 June 2023		**8,880**	**56,625**	**42**	**967**	**8,880**	**-**	**75,394**
Profit for the year		-	15,446	-	-	-	-	15,446
Other comprehensive income for the year		-	129	2	344	-	-	475
Total comprehensive income for the year		-	15,575	2	344	-	-	15,921
Dividends	30	-	(5,200)	-	-	-	-	(5,200)
Transactions with owner		-	(5,200)	-	-	-	-	(5,200)
Transfer		-	(25)	-	25	-	-	-
At 30 June 2024		**8,880**	**66,975**	**44**	**1,336**	**8,880**	**-**	**86,115**
Profit for the year		**-**	**17,211**	**-**	**-**	**-**	**-**	**17,211**
Other comprehensive income for the year		**-**	**(1,123)**	**217**	**215**	**-**	**(11)**	**(702)**
Total comprehensive income for the year		**-**	**16,088**	**217**	**215**	**-**	**(11)**	**16,509**
Dividends	30	**-**	**(7,062)**	**-**	**-**	**-**	**-**	**(7,062)**
Transactions with owner		**-**	**(7,062)**	**-**	**-**	**-**	**-**	**(7,062)**
At 30 June 2025		**8,880**	**76,001**	**261**	**1,551**	**8,880**	**(11)**	**95,562**

The notes on pages 201 to 319 form part of these financial statements.
Auditor's report on pages 184 to 189.

Consolidated and Separate Statements of cash flows

for the year ended 30 June 2025

	Notes	GROUP			BANK		
		2025	2024	2023	**2025**	2024	2023
		RS'M	**RS'M**	**RS'M**	**RS'M**	**RS'M**	**RS'M**
Cash flows from operating activities							
Operating profit		**21,593**	18,751	15,501	**21,421**	18,686	15,356
Adjustments for:							
Depreciation of property, plant and equipment		**577**	541	571	**516**	492	523
Amortisation of intangible assets		**663**	663	627	**642**	641	593
Profit on disposal of property, plant and equipment		**(8)**	(3)	(4)	**(5)**	(3)	(5)
Loss on scrapped assets		**2**	11	1	**2**	11	1
Loss on disposal of associate		**-**	241	-	**-**	241	-
Exchange (profit)/loss		**(893)**	974	193	**(939)**	1,024	108
Release provision for employee benefits		**(93)**	(113)	(104)	**(93)**	(113)	(104)
(Release)/additional provision for residual retirement gratuities		**(4)**	(45)	48	**(4)**	(45)	48
Charge/(release) for credit impairment:							
Loans and advances		**3,803**	4,206	4,037	**3,717**	4,057	3,992
Investment securities		**191**	464	65	**179**	461	58
Cash and cash equivalents		**43**	(5)	(1)	**41**	(1)	(6)
Off balance sheet		**610**	(159)	(19)	**615**	(167)	(25)
Investments fair valued through other comprehensive income		**1**	-	(2)	**1**	-	(1)
		26,485	25,526	20,913	**26,093**	25,284	20,538
Changes in:							
Other assets		**(3,599)**	(4,665)	(8,071)	**(3,435)**	(4,394)	(8,234)
Other liabilities		**403**	1,822	3,059	**387**	1,810	2,957
Derivative financial instruments		**393**	(83)	(57)	**393**	(83)	(57)
Investment securities at fair value through profit or loss		**(2,533)**	(2,417)	(1,387)	**(2,533)**	(2,417)	(1,387)
Deposits		**28,063**	112,198	71,691	**23,843**	111,975	70,917
Loans and advances		**(14,593)**	(48,573)	(19,384)	**(12,492)**	(49,301)	(17,152)
		8,134	58,282	45,851	**6,163**	57,590	47,044
Purchase of investments at fair value through other comprehensive income		**(19,874)**	(759)	(237)	**(19,874)**	(759)	(237)
Proceeds from sale of investments at fair value through other comprehensive income		**19,053**	561	1,781	**19,053**	561	1,781
Dividends received from associates	8(b)	**249**	420	410	**249**	420	410
Dividends paid	30	**(6,662)**	(5,000)	(3,559)	**(6,662)**	(5,000)	(3,559)
Dividends paid to non-controlling interest in subsidiary		**(8)**	(10)	(6)	**-**	-	-
Income tax paid		**(5,099)**	(4,795)	(2,107)	**(5,069)**	(4,731)	(2,084)
		(12,341)	(9,583)	(3,718)	**(12,303)**	(9,509)	(3,689)
Net cash flows from operating activities		**22,278**	74,225	63,046	**19,953**	73,365	63,893
Investing activities							
Purchase of property, plant and equipment		**(664)**	(477)	(506)	**(565)**	(450)	(485)
Purchase of intangible assets		**(1,011)**	(1,002)	(925)	**(1,005)**	(992)	(908)
Proceeds from sale of property, plant and equipment		**7**	14	12	**6**	6	7
Investment in subsidiary		**-**	-	-	**-**	(3)	-
Net (increase)/decrease in investment securities at amortised cost		**(573)**	(73,352)	(25,629)	**497**	(72,619)	(24,884)
Net cash flows from investing activities		**(2,241)**	(74,817)	(27,048)	**(1,067)**	(74,058)	(26,270)
Financing activities							
Repayment of lease liabilities		**(115)**	(84)	(98)	**(115)**	(84)	(72)
Net increase/(decrease) in other borrowed funds	14	**20,161**	(21,168)	(4,783)	**22,092**	(21,899)	(6,258)
Issue of debt securities	15	**-**	-	13,506	**-**	-	13,506
Issue/(Refund) of subordinated liabilities	16	**177**	(271)	6,285	**-**	(271)	6,285
Net cash flows from financing activities		**20,223**	(21,523)	14,910	**21,977**	(22,254)	13,461
Increase/(Decrease) in cash and cash equivalents		**40,260**	(22,115)	50,908	**40,863**	(22,947)	51,084
Net cash and cash equivalents at 1 July		**91,935**	114,104	63,233	**90,696**	113,643	62,559
Effect of foreign exchange rate changes		**78**	(54)	(37)	**-**	-	-
Net cash and cash equivalents at 30 June	4	**132,273**	91,935	114,104	**131,559**	90,696	113,643

The notes on pages 201 to 319 form part of these financial statements.
Auditor's report on pages 184 to 189.

General information

The Mauritius Commercial Bank Limited ("The Bank") is a public company incorporated by Royal Charter in 1838 and registered as a limited liability company on 18 August 1955. Its registered office is situated at 9-15, Sir William Newton Street, Port Louis, Mauritius. The Bank's debt instrument is listed on the International Securities Market of the London Stock Exchange since October 2022.

The main activities of the Bank and those of its subsidiaries (collectively referred to as "The Group") consist of providing a whole range of banking and financial services. The Bank is wholly owned by MCB Investment Holding Limited.

The ultimate holding company is MCB Group Limited which is listed on the Official Market of The Stock Exchange of Mauritius Ltd.

Index to notes to the financial statements

NOTES			PAGES
1	**Material accounting policy information**		**201-218**
	(a)	Basis of preparation	201-202
	(b)	Basis of consolidation and equity accounting	202-204
	(c)	Foreign currency translation	204-205
	(d)	Derivative financial instruments	205
	(e)	Offsetting financial instruments	205
	(f)	Interest income	205
	(g)	Fees and commissions	205
	(h)	Sale and repurchase agreements	206
	(i)	Investments, other financial assets and other financial liabilities	206-211
	(j)	Impairment of financial assets	211-213
	(k)	Property, plant and equipment	213-214
	(l)	Intangible assets	214
	(m)	Cash and cash equivalents	214
	(n)	Provisions	215
	(o)	Deposits from banks and customers	215
	(p)	Employee benefits	215-216
	(q)	Current and deferred income tax	216-217
	(r)	Borrowings	217
	(s)	Dividend declared and unpaid	217
	(t)	Acceptances	217
	(u)	Stated capital	217
	(v)	Borrowing costs	217
	(w)	Leases	218
	(x)	Impairment of non-financial assets	218
	(y)	Earnings per share	218
	(z)	Operating segments	218
2	**Critical accounting estimates and judgements**		**219-220**
	(a)	Business model assessment	219
	(b)	Significant increase in credit risk	219
	(c)	Pension benefits	219
	(d)	Fair value measurement	219
	(e)	Asset lives and residual values	219-220
	(f)	Deferred tax	220
	(g)	Provision and Contingencies	220
	(h)	Measurement of expected credit loss	220
	(i)	Significant influence in Banque Française Commerciale Ocean Indien	220
	(j)	Leases	220

Index to notes to the financial statements
(Cont'd)

NOTES				PAGES
3	**Financial risk management**			**221-270**
	(a)		Financial risk management	221
	(b)		Credit risk	222-239
	(c)		Market risk	240-261
		(i)	Investment price risk	240
		(ii)	Currency risk	240-248
		(iii)	Interest rate risk	249-255
		(iv)	Liquidity risk	256-261
	(d)		Fair value estimation	262
	(e)		Capital risk management	262
	(f)		Financial instruments by category	263-268
	(g)		Financial instruments not measured at fair value	269-270
4	**Cash and cash equivalents**			**271**
5	**Derivative financial instruments**			**272-273**
6	**Loans**			**274-284**
	(a)	(i)	Loans to and placements with banks	274
		(ii)	Remaining term to maturity	274
		(iii)	Reconciliation of gross carrying amount	274
		(iv)	Allowances for credit impairment	275
	(b)	(i)	Loans and advances to customers	276
		(ii)	Remaining term to maturity	276
		(iii)	Reconciliation of gross carrying amount	277-278
		(iv)	Allowances for credit impairment	279-280
		(v)	Allowances for credit impairment by industry sectors	281-284
7	**Investment securities**			**285-289**
	(a)		Investment securities	285
	(b)	(i)	Investment in debt securities at amortised cost	285
		(ii)	Remaining term to maturity	285-286
		(iii)	Reconciliation of gross carrying amount of investment in debt securities at amortised cost	287
		(iv)	Allowances for credit impairment on investment in debt securities at amortised cost	288
	(c)	(i)	Investment in debt and equity securities measured at fair value through other comprehensive income by levels	289
		(ii)	Reconciliation of Level 3 fair value measurements	289
	(d)		Investment in debt and equity securities measured at fair value through profit or loss by levels	289

Index to notes to the financial statements
(Cont'd)

NOTES			PAGES
8	**Investments in subsidiaries and associates**		**290-291**
	(a)	Investments in subsidiaries	290
	(b)	Investments in associates	290-291
9	**Intangible assets**		**292**
10	**Property, plant and equipment**		**293-294**
11	**Deferred tax assets**		**295-296**
12	**Other assets**		**296**
13	**Deposits**		**297**
	(a)	Deposits from banks	297
	(b)	Deposits from customers	297
	(i)	Retail customers	297
	(ii)	Corporate customers	297
	(iii)	Government	297
14	**Other borrowed funds**		**298**
	(a)	Other borrowed funds	298
	(b)	Remaining term to maturity	298
15	**Debt securities**		**298**
16	**Subordinated liabilities**		**299**
17	**Post employment benefit liability/(asset)**		**300-304**
18	**Other liabilities**		**305**
19	**Stated capital and reserves**		**306**
	(a)	Stated capital	306
	(b)	Reserves	306
20	**Contingent liabilities**		**306**
	(a)	Instruments	306
	(b)	Commitments	306
	(c)	Tax assessments	306
21	**Interest income using the effective interest method**		**307**
22	**Interest expense**		**307**
23	**Fee and commission income**		**307**
24	**Fee and commission expense**		**307**
25	**Net trading income**		**307**

Index to notes to the financial statements
(Cont'd)

NOTES		PAGES
26	**Dividend income**	**307**
27	**Non-interest expense**	**308**
	(a) Salaries and human resource costs	308
	(b) Other non-interest expense	308
28	**Net impairment of financial assets**	**308**
29	**Income tax expense**	**309**
30	**Dividends**	**310**
31	**Earnings per share**	**310**
32	**Commitments**	**310**
	(a) Capital commitments	310
	(b) Securities pledged	310
33	**Related party transactions**	**311-312**
34	**Events after reporting date**	**313**
35	**Operating segments**	**313-314**
36	**Additional disclosures as required by the Bank of Mauritius - Bank**	**315-319**
	Statement of financial position	315
	Operating Income	316
	(i) Sectorwise Distribution of Loans and Advances	317-318
	(ii) Breakdown of Deposits from Customers	319

Notes to the financial statements

for the year ended 30 June 2025

1. Material accounting policy information

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB") and in compliance with the requirements of the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and the Banking Act 2004.

The Group at the time of approving the financial statements is not aware of any uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis. Management further has a reasonable expectation that the Group has adequate resources to continue in operational existence in the foreseeable future.

Where necessary, comparative figures have been amended to conform with changes in presentation, or in accounting policies in the current year.

The financial statements include the consolidated financial statements of the parent company The Mauritius Commercial Bank Limited ("The Company" or "The Bank") and its subsidiary companies ("The Group") and the separate financial statements of the parent company.

The financial statements have been prepared under the historical cost convention except for investment securities at fair value through other comprehensive income, financial assets and liabilities held at fair value through profit or loss, derivative contracts and defined benefit plan which are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36 Impairment of Assets.

New and amended standards adopted by the Group

A number of amendments to standards and interpretations are effective for annual periods beginning on 1 July 2024, and have not been applied in preparing these financial statements. None of these is expected to have a significant and material effect on the financial statements of the Group in the current reporting period. For this financial year, the following has been adopted:

Amendments to IFRS 16 - Sale and leaseback transaction with variable payments that do not depend on an index or rate

The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that related to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments are effective for reporting periods beginning on or after 1 January 2024.

Amendments to IAS 1 - Non-current liabilities with covenants

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The amendments are effective for reporting periods beginning on or after 1 January 2024.

Notes to the financial statements

for the year ended 30 June 2025

1. Material accounting policy information (Cont'd)

(a) Basis of preparation (Cont'd)

New and amended standards adopted by the Group (Cont'd)

Amendments to IAS 7 and IFRS 7 - Supplier finance

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The amendments are effective for reporting periods beginning on or after 1 January 2024.

New and revised standards in issue but not yet effective

Amendments to IAS 21 - Lack of exchangeability

These amendments will apply when an entity has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The amendments are effective for reporting periods beginning on or after 1 January 2025.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

Following the post-implementation review of the classification and measurement requirements, IFRS 9 includes guidance on the classification of financial assets, including those with contingent features. Additional disclosures in terms of IFRS 7 will also need to be provided on financial assets and financial liabilities that have certain contingent features. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 promotes a more structured income statement, introduces a newly defined "operating profit" subtotal, and a requirement for all income and expenses to be classified into three new distinct categories based on an entity's business activities. The new standard requires an entity to analyse their operating expenses directly on the face of the income statement - either by nature, by function or on a mixed basis. In addition, the standard defines "management-defined performance measures" (MPMs) and requires that an entity provide disclosures regarding its MPMs in order to enhance transparency. The standard further provides enhanced guidance on aggregation and disaggregation of information, which will apply to both the primary financial statements and the notes. It will be effective for annual reporting periods beginning on or after 1 January 2027 and applies retrospectively with early adoption permitted.

These amendments will be applied in the financial statements for the annual periods beginning on the respective dates.

The Group has not yet considered the potential impact of the application of these amendments on the Group's financial statements.

(b) Basis of consolidation and equity accounting

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets.

1. Material accounting policy information (Cont'd)

(b) Basis of consolidation and equity accounting (Cont'd)

(1) Subsidiaries (cont'd)

The excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over (b) the net of the acquisition date amounts of identifiable assets acquired and the liabilities and contingent liabilities assumed measured in accordance with IFRS 3 is recorded as goodwill. In the case of a bargain purchase (excess of (b) over (a)), the resulting gain is recognised in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(i) Separate financial statements of the Company

In the separate financial statements of the Company, investments in subsidiary companies are carried at cost. In subsequent years, the carrying amount is reduced to recognise any impairment in the value of individual investments.

(ii) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests without loss of control are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(2) Associates

An associate is an entity over which the Group has significant influence but no control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

Any excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

If there is objective evidence that the Group's net investment in an associate is impaired, the requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Notes to the financial statements

for the year ended 30 June 2025

1. Material accounting policy information (Cont'd)

(b) Basis of consolidation and equity accounting (Cont'd)

(2) Associates (cont'd)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

When the Group transacts with an associate, profits and losses resulting from the transactions are recognised in the financial statements only to the extent of interests in the associate that are not related to the Group.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

In the separate financial statements of the Company, the investments in associates are equity accounted. In subsequent years, the carrying amount is reduced to recognise any impairment in the value of the company.

(c) Foreign currency translation

The foreign subsidiaries' statements of financial position are translated to Mauritian Rupees at the closing rate at the end of the reporting period. Their statements of profit or loss, comprehensive income and cash flows are translated at the average rate for the period unless the average is not a reasonable approximation of the cumulative effects of the rates prevailing at the transaction dates, in which case income and expenses are translated at the rates prevailing on the dates of the transactions. Any resulting exchange differences are recognised in other comprehensive income. On disposal of a foreign entity, such exchange differences are recognised in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("functional currency"). The consolidated and separate financial statements are presented in Mauritian Rupees ("Rs"), which is the Company's functional currency. All amounts are in million except as otherwise stated.

1. Material accounting policy information (Cont'd)

(c) Foreign currency translation (Cont'd)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation when the items are remeasured.

Trading transactions denominated in foreign currencies are accounted for at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities expressed in foreign currencies are reported at the rate of exchange ruling at the end of the reporting date. Differences arising from reporting monetary items are dealt with through profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction and are not subsequently retranslated.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(d) Derivative financial instruments

Derivatives are financial instruments that derive their value from the price of underlying items such as equities, interest rates, commodities or other indices. Derivatives are recognised initially at fair value and measured at fair value through profit or loss. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative.

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(f) Interest income

Interest income is calculated by applying the effective interest rate to gross carrying amount of financial assets, except for:

(i) Purchased or originated credit-impaired ('POCI') financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.

(ii) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

The Effective Interest Rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability.

(g) Fees and commissions

Fees and Commission income and expense include fees that are not integral part of the Effective Interest Rate.

The Group recognises fee and commission income charged for services provided by the Group as and when performance obligations are satisfied, for example, on completion of the underlying transaction. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight-line basis.

A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measures the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Commission and fees arising from negotiation of transactions with third parties, or participating in the negotiation of a transaction for a third party is recognised on completion of the underlying transaction.

Notes to the financial statements
for the year ended 30 June 2025

1. Material accounting policy information (Cont'd)

(h) Sale and repurchase agreements

Securities sold subject to linked repurchase agreements ("repos") are retained in the statements of financial position as Government securities and Treasury bills and the counterparty liability is included in amount due to other banks or deposits, as appropriate.

Securities purchased under agreements to resell ("reverse repos") are recorded as amount due from other banks or loans and advances, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the repos agreements using the effective interest method.

(i) Investments, other financial assets and financial liabilities

Recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss (FVPL), transaction costs that are incremental and directly attributable to the acquisition of the financial asset or financial liability. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. An expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and in debt instruments measured at fair value through other comprehensive income (FVOCI), which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Group recognises the differences as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Classification and subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Business model: the business model reflects how the Group manages the assets in order to generate cash flows, that is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the "other" business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the "SPPI test"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money,

1. Material accounting policy information (Cont'd)

(i) Investments, other financial assets and financial liabilities (cont'd)

SPPI (Cont'd)
credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL.

For assets measured at fair value, all gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held-for-trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost and
- those to be measured subsequently at fair value (either through OCI or through profit or loss).

Amortised cost and effective interest rate

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

For purchased or originated credit-impaired ('POCI') financial assets - assets that are credit-impaired at initial recognition, the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in net trading income. Impairment losses are presented as separate line item in the statement of profit or loss.

Loans originated by the Group by providing money directly to the borrower (at draw-down) are categorised as loans by the Group and are carried at amortised cost, which is defined as the fair value of cash consideration given to originate these loans as is determinable by reference to market prices at origination date. Third party expenses, such as legal fees, incurred in securing a loan are treated as part of the cost of the transaction.

FVOCI

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the fair value are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in net trading income. Interest income from these financial assets is included in interest income using the effective interest rate method. Foreign exchange gains and losses are presented in net trading income in the statement of profit or loss and impairment expenses are presented as a separate line item in profit or loss.

FVPL

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. The Group may also irrevocably designate financial assets that would otherwise meet the requirements to be measured at amortised cost or at fair value through other comprehensive income, as at fair value through profit or loss, if doing so would eliminate or significantly reduce an accounting mismatch that would otherwise arise. These will be subsequently measured at fair value through profit or loss with gains and losses recognized in profit or loss. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented in net trading income in the year in which it arises. A gain or loss on an equity investment elected to be measured at FVPL is presented in net gain from equity financial instruments carried at fair value through profit or loss.

Notes to the financial statements

for the year ended 30 June 2025

1. Material accounting policy information (Cont'd)

(i) Investments, other financial assets and financial liabilities (cont'd)

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at FVPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Group's policy is to designate equity instruments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as dividend income when the Group's right to receive payments is established.

Gains or losses on equity investments at FVPL are included in the 'Net gain from equity financial instruments carried at fair value through profit or loss' line in the profit or loss.

Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new terms are substantially different from the original terms. The Group does this by considering, among others, the following factors:

I. If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
II. Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
III. Significant extension of the loan term when the borrower is not in financial difficulty.
IV. Significant change in the interest rate.
V. Change in the currency the loan is denominated in.
VI. Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the assets. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss in net impairment of financial assets.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Where modification did not result in derecognition, the estimate of Probability of Default (PD) reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will

1. Material accounting policy information (Cont'd)

(i) Investments, other financial assets and financial liabilities (cont'd)

Modification of loans (cont'd)

continue to be measured at an amount equal to lifetime ECL. If a forborne loan is credit impaired due to the existence of evidence of credit impairment, the Group performs an ongoing assessment to ascertain if the problems of the exposure are cured, to determine if the loan is no longer credit-impaired. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership nor the Group has retained control.

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
(ii) Is prohibited from selling or pledging the assets; and
(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Group retains a subordinated residual interest.

Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivative financial instruments, financial liabilities held-for-trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit and loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability) and partially in statement of profit or loss (the remaining amount of change in the fair value of the liability). This is applicable unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains or losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments.

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expired).

Notes to the financial statements

for the year ended 30 June 2025

1. Material accounting policy information (Cont'd)

(i) Investments, other financial assets and financial liabilities (cont'd)

Financial Liabilities (cont'd)

(ii) Derecognition (cont'd)

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance (calculated as described in note 20). The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instruments.

For loan commitments and financial guarantee contracts, the ECL is computed as follows:

- For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down.
- For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

Hedge Accounting

Hedge accounting is a technique that modifies the normal basis for recognizing gains and losses (or revenues and expenses) on associated hedging instruments and hedged items, so that both are recognized in P&L (or OCI) in the same accounting period. This is a matching concept that eliminates or reduces the volatility in the statement of comprehensive income that otherwise would arise if the hedged item and the hedging instrument were accounted separately under IFRS.

The Bank has opted for a cash flow hedge strategy. The primary objective of this macro cash flow hedge is to mitigate the risk of fluctuating interest income due to anticipated declines in interest rates. The Bank aims to protect its budgeted Net Interest Margin (NIM) by stabilizing interest cash flows from its floating rate assets, which are funded by non-interest bearing deposits.

The risk being hedged in a cash flow hedge is the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, an unrecognised firm commitment (currency risk only) or a highly probable forecast transaction, and could affect P&L. Future cash flows might relate to existing assets and liabilities, such as future interest payments or receipts on floating-rate debt. Future cash flows can also relate to highly probable forecast sales or purchases in a foreign currency. Volatility in future cash flows might result from changes in interest rates, exchange rates, equity prices or commodity prices.

1. Material accounting policy information (Cont'd)

(i) Investments, other financial assets and financial liabilities (cont'd)

Hedge Accounting (cont'd)

Provided the hedge is effective, changes in the fair value of the hedging instrument are initially recognised in OCI and taken to a separate component of equity. Any ineffective portion of the change in the fair value of the hedging instrument is recognised directly in P&L.

The amount recognised in the separate component of equity should be the lower of:

- the cumulative gain or loss on the hedging instrument from the inception of the hedge; and
- the cumulative change in the fair value (present value) of the expected cash flows on the hedged item from the inception of the hedge.

If the cumulative change in the hedging instrument exceeds the change in the hedged item (sometimes referred to as an 'over-hedge'), ineffectiveness will be recognised in P&L for the excess. If the cumulative change in the hedging instrument is less than the change in the hedged item (sometimes referred to as an 'under-hedge'), no ineffectiveness will be recognised. This is different from a fair value hedge, in which ineffectiveness is recognised on both over- and under-hedges.

For cash flow hedges of a forecast transaction which subsequently results in the recognition of a non-financial item (such as property, plant and equipment inventory or an IFRS 15 contract liability), or where a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the carrying value of that item must be adjusted for the accumulated gains or losses recognised directly in equity. This is often referred to as a 'basis adjustment in a cash flow hedge'. This is not a reclassification adjustment, as defined in IAS 1, and hence it does not affect other comprehensive income.

For other cash flow hedges, the accumulated gains and losses recorded in equity should be reclassified to P&L as a reclassification adjustment, as defined in IAS 1, in the same period or periods during which the hedged expected future cash flows affect P&L. This might be where interest income or expense is recognised or a forecast sale occurs.

Where there is a cumulative loss on the hedging instrument and it is no longer expected that the loss will be recovered, it must be immediately recognised in P&L.

(j) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

Three-Stage approach to ECL

IFRS 9 requires entities to recognise ECL based on a Stage allocation methodology, with such categorisation informing the level of provisioning required. The financial assets recorded in each stage have the following characteristics:

- Stage 1: These financial assets are unimpaired and without significant increase in credit risk on which a 12-month allowance for ECL is recognised.

- Stage 2: A significant increase in credit risk has been experienced on these financial assets since initial recognition for which a lifetime ECL is recognised.

- Stage 3: There is objective evidence of impairment and the financial assets are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Notes to the financial statements
for the year ended 30 June 2025

1. Material accounting policy information (Cont'd)

(j) Impairment of financial assets (cont'd)

Definition of Default

The definition of default is critical to the determination of the ECL. It is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Group; or
- The borrower is unlikely to pay its credit obligations in full to the Group.

The definition of default is appropriately tailored to reflect different characteristics of different type of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or accounts are overdrawn for more than 90 days. When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators such as breach of covenants and financial performance. The Group uses a variety of sources of information to assess default which are either developed internally or obtained from external sources such as Guideline on Credit Impairment Measurement and Income Recognition.

Credit impaired

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. It is credit impaired and is in Stage 3 when contractual payments or accounts in excess are past due by more than 90 days and/or other quantitative and qualitative factors indicate that the obligator is unlikely to honour its credit obligations.

Evidence of credit-impairment includes observable data about the following events:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider ;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default.

Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

1. Material accounting policy information (Cont'd)

(j) Impairment of financial assets (cont'd)

Significant increase in credit risk (cont'd)

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Group employs experts who use external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

Measurement of ECL

The key inputs used for measuring ECL are:
- probability of default (PD)
- loss given default (LGD)
- exposure at default (EAD)

These figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. The calculation is based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates. The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. The LGD models for secured assets consider forecasts of future collateral valuation taking into account sale discounts, time to realisation of collateral, cross collateralisation and seniority of claim, cost of realisation of collateral and cure rates (i.e. exit from non-performing status). LGD models for unsecured assets consider time of recovery, recovery rates and seniority of claims. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the loan.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities. The Group's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortisation profiles, early repayment or overpayment, changes in utilisation of undrawn commitments and credit mitigation actions taken before default. The Group uses EAD models that reflect the characteristics of the portfolios.

Write off Policy

Financial Assets are written off either partially or in its entirety when the Group has no reasonable expectations of recovering them. This occurs when the Group determines that the customer does not have the capacity to repay the amount due or the collateral given by the customer is not sufficient to cover the exposure. The write off does not mean that the Group has forfeited its legal right to claim the sums due. The Group retains the right to proceed with enforcement actions under the Group's recovery procedure and any recovery will be recognised in the statement of profit or loss under 'Net impairment of financial assets' as recoveries of advances written off.

(k) Property, plant and equipment

Property, plant and equipment are carried at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Notes to the financial statements
for the year ended 30 June 2025

1. Material accounting policy information (Cont'd)

(k) Property, plant and equipment (cont'd)

Depreciation is calculated to write down the cost of such assets to their residual values on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years
Computer and other equipment	5-10 years
Furniture, fittings and vehicles	5-15 years

Land and work in progress are not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with effect of any changes in estimate accounted for on a prospective basis.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposal of property, plant and equipment are determined by reference to their disposal proceeds and their carrying amounts and are recognised as income or expense in profit or loss. Repairs and renewals are charged to profit or loss when the expenditure is incurred.

(l) Intangible assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly attributable with the design of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;-
- The directors intend to complete the software product and use or sell it;-
- There is an ability to use or sell the software product;-
- It can be demonstrated how the software product will generate probable future economic benefits;-
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available;-
- The expenditure attributable to the software product during its development can be reliably measured.

Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Expenditure that enhances or extends the benefits of computer software programmes beyond their original specifications and lives is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives, but not exceeding a period of ten years.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(m) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise unrestricted cash and balances with Central Bank, treasury bills and amounts due to and from other banks which are short term, highly liquid with original maturities of 90 days or less, and borrowings of original maturities of 90 days or less that can fluctuate in value changing from an asset to a liability and vice versa across periods.

1. Material accounting policy information (Cont'd)

(n) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(o) Deposits from banks and customers

Deposits from banks and customers are classified as financial liabilities at amortised cost. They are initially measured at fair value and subsequently carried at amortised cost.

(p) Employee benefits

The Group operates a number of defined benefit and defined contribution plans and provides for the requirements under the Workers' Rights Act (WRA) 2019. The defined benefit plan is fully funded. The assets of the funded plan are held independently and administered by The Mauritius Commercial Bank Limited Superannuation Fund.

(i) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the notes.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

As from 1 July 2015, the Group has introduced a Defined Contribution Cash Balanced scheme (DCCB) for its employees.

With the introduction of DCCB, new employees automatically join the DCCB scheme, whilst existing employees had a one-time opportunity to choose from one of the options listed below:

Option A: To stay in the Defined Benefit (DB) scheme for all service.

Option B: To keep the accrued past pension benefits until 30 June 2015 in the DB scheme and join the DCCB scheme as from 1 July 2015.

Option C: To join the DCCB scheme as from 1 July 2015 and transfer the total accrued benefits as at 30 June 2015 from the DB scheme into the DCCB scheme.

(ii) Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The main assumptions made in the actuarial valuation of the pension fund are listed in note 17 to the financial statements.

Notes to the financial statements

for the year ended 30 June 2025

1. Material accounting policy information (Cont'd)

(p) Employee benefits (cont'd)

(ii) Defined benefit plans (cont'd)

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

(iii) Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Workers' Rights Act (WRA) 2019 is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

(iv) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(v) Vacation leave

The vacation pay as per Section 47 of the Workers' Rights Act benefit qualifies as "other long-term benefit" as per IAS 19 and has to be accounted for by the companies in respect of all employees who will be eligible for this upon completion of the 5-year period. An estimate of the value of the benefit is made and accounted for at the reporting date irrespective of whether the Company settles the vacation pay in cash or grants leave to its employees.

(q) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period and includes the Corporate Social Responsibility charge, Corporate Climate Responsibility levy and Bank levy. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

1. Material accounting policy information (Cont'd)

(q) Current and deferred income tax (cont'd)

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(r) Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(s) Dividend declared and unpaid

Dividend declared and unpaid to the Bank's shareholder at reporting date is recognised as a liability in the period in which dividend is declared.

(t) Acceptances

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers. Acceptances are disclosed as liabilities with corresponding contra-assets.

(u) Stated capital

Ordinary shares are classified as equity.
Share issue costs are incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale.
Other borrowing costs are expensed.

Notes to the financial statements

for the year ended 30 June 2025

1. Material accounting policy information (Cont'd)

(w) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee except or short term leases (leases with a lease term of 12 month or less) and low value leases (leases of less than MUR 250,000). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses the Key rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'Property, plant and equipment' in the Statement of Financial Position and further elaborated in Note 10. The lease liability is recorded under 'Other liabilities' in the Statement of Financial Position.

The interest on lease liabilities is recorded under Interest expense while the expense related to short term and low value leases are included in 'Other Non-Interest expense' line in the Statement of Profit or loss. The depreciation charge for leases are included in depreciation of property, plant and equipment under Non-interest expense.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(x) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(y) Earnings per share

Earnings per share are determined by dividing the profit or loss attributable to owners of the Group by the weighted average number of shares outstanding during the reporting year.

(z) Operating segments

The Group's segmental reporting is in accordance with IFRS 8 Operating segment. Operating segments are reported in a manner consistent with internal reporting provided to Chief Executive Officer and management who are responsible for allocating resources and assessing performance of the operating segment. The Chief Operating Decision Maker (CODM) is the CEO and ultimately the Board. Information provided for resource allocation and assessment of performance can be split into three segments namely the Domestic, Foreign and Global Business segments.

2. Critical accounting estimates and judgements

As part of the process of preparing the financial statements of the Group, management is called upon to make judgement, estimates and assumptions. This affect the reported amount of revenues, expenses, assets, liabilities and the disclosures. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates, assumptions and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(b) Significant increase in credit risk

As explained in note 3, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(c) Pension benefits

The cost of the defined benefit pension plan and other post-employment benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(d) Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values should be first calculated with reference to observable inputs where these are available. Only where these are unavailable that the Group employs less observable inputs. Unobservable input are used where observable or less observable input are unavailable.

The fair value of securities not quoted in an active market may be determined by the Group using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(e) Asset lives and residual values

Property, plant and equipment are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

Notes to the financial statements
for the year ended 30 June 2025

2. Critical accounting estimates and judgements (Cont'd)

(e) Asset lives and residual values (Cont'd)

Management therefore makes estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(f) Deferred Tax

Deferred Tax are recognized to the extent that it is probable that future taxable income will be available against which unused tax losses can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Recognition of deferred tax assets depends on management's intention of the Group to generate future taxable profits which will be used against temporary differences and to obtain tax benefit thereon. The outcome of their actual utilization may be different.

(g) Provision and Contingencies

Provision is recognised in the financial statements when the Group has a present obligation as a result of a past event and it is probable that a transfer of economic benefits will be required to settle the obligation. A reliable estimate is required to be made. Management makes various assumptions in order to determine whether to recognise a provision and its amount thereafter. For potential litigation and claims, management relies on the advice of the Group's legal Strategic Business Unit (SBU) and counsel.

(h) Measurement of expected credit loss

The measurement of expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g the likelihood of customers defaulting and the resulting losses). Explanations of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in the Risk and Capital Management report, which also sets out the key sensitivities of the ECL to changes in those elements. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk
- Choosing appropriate models and assumptions for the measurement of ECL
- Establishing the number and relative weightings of forward looking scenarios for each type of market and associated ECL
- Establishing groups of similar financial assets for the purposes of measuring ECL

Detailed information about the judgements and estimates made by the Bank in above areas is set out in the Risk and Capital Management report.

(i) Significant influence in Banque Française Commerciale Ocean Indien

The Group holds 49.99% of Banque Française Commerciale Ocean Indien (BFCOI) and it is considered as an associate. Management considers that the Group only has significant influence over BFCOI since it does not have the practical ability to control the relevant activities of BFCOI.

(j) Leases

The adoption of IFRS 16 requires significant judgement and estimate. Critical judgement like the determination of whether an extension or termination option will be exercised. Other key assumption and estimate are:

- Determination of the appropriate rate to discount the lease payments
- Estimating the lease term
- Assessing whether the right of use is impaired

3. Financial risk management

(a) Financial risk management

The Group is actively engaged in delivery of financial services, which includes retail and commercial banking, treasury services, custody and credit card. Managing financial risk is a fundamental part of its business activity. The main sources of financial risk that the Group faces arise from financial instruments, which are fundamental to the Group's business and constitute the core of its operations.

The Group has exposure to the following risks from financial instruments:

(i) Credit Risk
(ii) Liquidity Risk
(iii) Market risk

Given that the Mauritius Commercial Bank Ltd (the Bank) comprises a significant portion of the Group, the details provided relate mainly to the Bank, unless otherwise stated.

The Group devotes considerable resources to measure, manage, mitigate and control each of these risks and ensures that its risk management systems and procedures are fitted to meet the needs of the business. The Group's risk management policies and processes are designed to identify and analyse these risks; set appropriate risk appetites; limits and controls; and to constantly monitor the risks and adherence to limits.

Risk Management Strategy

The Bank applies hedge accounting to represent, to the maximum possible extent permitted under accounting standards, the economic effects of its interest and currency risk management strategies. When derivatives, held for risk management purposes, meet the required criteria for documentation and hedge effectiveness, the Bank shall apply cash flow hedge accounting. The assessment of the effectiveness of hedge relationships are performed on a cumulative life to date basis. The Bank assesses on an ongoing basis whether the hedge has been highly effective. A hedge is regarded as highly effective only when offsetting changes in fair value or cash flows attributable to the hedged risk during the period are within a range of between 80% and 125%.

Cash flow hedge Accounting

Cash flow hedges are used by the Bank with the primary objective of protecting against cash flow variability arising from the Bank exposure to interest rate risk.

To achieve this objective, MCB uses Overnight Index Swap (OIS) to convert the floating rate exposure of its assets into fixed rate cash flows. This strategy aims to protect MCB's interest income from the adverse impact of declining interest rates, ensuring financial stability.

The effective portion of gains and losses on hedging instruments is recognised in other comprehensive income and the ineffective portion of the change in fair value of derivative hedging instruments that are part of a cash flow hedge relationship is recognised immediately in the income statement within 'Net trading income'. The accumulated gains and losses recognised in other comprehensive income are reclassified to the income statement in the same periods in which the hedged item affects profit or loss. When a hedge relationship is discontinued, or partially discontinued, any cumulative gain or loss recognised in other comprehensive income remains in equity until the forecast transaction is recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is immediately reclassified to the income statement.

The profile and timing of hedging instrument designated in cash flow hedge relationships based on notional amounts are as follows:

	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years
Interest rate risk - Interest rate swaps (RS'M)	(6,756)	-	-	-	6,756	-

Notes to the financial statements

for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(b) Credit risk

Credit risk arises when customers or counterparties are not able to fulfill their contractual obligations. Credit Risk Management at the Bank is under the responsibility of the Credit Risk Business Unit (CRBU). The CRBU has the task of reviewing the Bank's credit policies and guidelines to ensure that best lending practices are upheld at all times. Risk assessments are carried out to assist in portfolio management decisions including exposure levels and the constitution of required provisions.

Credit related commitments

The main purpose of credit related commitments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group to pay a third party, on behalf of its customers up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

The Group monitors the term to maturity of credit commitments because longer term commitments generally have a greater degree of credit risk than shorter term commitments.

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality

The following tables set out the credit quality of exposures measured at amortised cost by different segments for the year ended 30 June 2025.

At 30 June 2025	Stage 1			Stage 2			Stage 3			
	Gross exposure	12 months ECL	Net exposure	Gross exposure	Lifetime ECL (Not Credit Impaired)	Net exposure	Gross exposure	Lifetime ECL (Credit Impaired)	Interest in suspense	Net exposure
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Portfolio										
Retail	70,739	489	70,250	841	158	683	1,235	509	146	726
Wholesale	979,014	5,012	974,002	9,982	2,570	7,412	10,674	9,938	2,465	736
Total	1,049,753	5,501	1,044,252	10,823	2,728	8,095	11,909	10,447	2,611	1,462
Retail										
Housing loans	48,064	156	47,908	511	40	471	512	159	27	353
SME	8,886	89	8,797	73	21	52	338	190	41	148
Unsecured and revolving	8,865	196	8,669	139	73	66	167	123	18	44
Other secured loans	4,924	48	4,876	118	24	94	218	37	60	181
Total Retail	70,739	489	70,250	841	158	683	1,235	509	146	726
Wholesale										
Sovereign	369,897	140	369,757	-	-	-	-	-	-	-
Financial institutions	116,355	178	116,177	-	-	-	-	-	-	-
Project finance	10,947	439	10,508	329	82	247	-	-	-	-
Energy & commodities	245,849	1,580	244,269	1,397	564	833	1,670	1,670	208	-
Corporate	235,966	2,675	233,291	8,256	1,924	6,332	9,004	8,268	2,257	736
Total Wholesale	979,014	5,012	974,002	9,982	2,570	7,412	10,674	9,938	2,465	736

The Bank allocates each exposure to credit risk grade based on a variety of data that is determined to be predictive of risk of default and applying experienced credit judgement. For the wholesale portfolio, credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of the borrower. It involves assigning a rating to each counterparty according to an internal scale of 1 to 20. The following table presents the Bank's internal rating scale and the corresponding scale of Moody's Investors Service.

Internal rating	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Moody's equivalent rating	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	D

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

An analysis of credit exposures using the Bank's grading system is as follows:

At 30 June 2025	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Total Wholesale									
2	72,894	-	-	2	-	-	72,892	-	-
3	8,788	-	-	1	-	-	8,787	-	-
4	30,237	-	-	20	-	-	30,217	-	-
5	31,503	-	-	9	-	-	31,494	-	-
6	4,473	-	-	2	-	-	4,471	-	-
7	17,994	-	-	3	-	-	17,991	-	-
8	6,575	-	-	2	-	-	6,573	-	-
9	226	-	-	-	-	-	226	-	-
10	322,180	-	-	175	-	-	322,005	-	-
11	67,449	175	-	197	104	-	67,252	71	-
12	107,164	-	-	418	-	-	106,746	-	-
13	109,121	598	-	582	148	-	108,539	450	-
14	122,517	2,795	-	923	596	-	121,594	2,199	-
15	39,365	1,076	-	1,297	174	-	38,068	902	-
16	26,495	3,364	-	551	1,054	-	25,944	2,310	-
17	11,611	1,974	-	809	494	-	10,802	1,480	-
18	422	-	-	21	-	-	401	-	-
20	-	-	10,674	-	-	9,938	-	-	736
Total	979,014	9,982	10,674	5,012	2,570	9,938	974,002	7,412	736
Sovereign									
2	72,894	-	-	2	-	-	72,892	-	-
4	9,724	-	-	-	-	-	9,724	-	-
10	286,701	-	-	118	-	-	286,583	-	-
13	175	-	-	1	-	-	174	-	-
18	403	-	-	19	-	-	384	-	-
Total	369,897	-	-	140	-	-	369,757	-	-

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

At 30 June 2025	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Institutions									
3	8,788	-	-	1	-	-	8,787	-	-
4	1,576	-	-	-	-	-	1,576	-	-
5	31,503	-	-	9	-	-	31,494	-	-
6	4,473	-	-	2	-	-	4,471	-	-
7	17,542	-	-	3	-	-	17,539	-	-
8	6,575	-	-	2	-	-	6,573	-	-
9	69	-	-	-	-	-	69	-	-
10	11,725	-	-	1	-	-	11,724	-	-
11	6,355	-	-	2	-	-	6,353	-	-
13	15,302	-	-	45	-	-	15,257	-	-
14	2,931	-	-	5	-	-	2,926	-	-
15	517	-	-	1	-	-	516	-	-
16	4,263	-	-	78	-	-	4,185	-	-
17	4,717	-	-	27	-	-	4,690	-	-
18	19	-	-	2	-	-	17	-	-
Total	116,355	-	-	178	-	-	116,177	-	-

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

At 30 June 2025	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Project Finance									
12	601	-	-	-	-	-	601	-	-
13	2,280	-	-	4	-	-	2,276	-	-
14	4,736	-	-	48	-	-	4,688	-	-
17	3,330	329	-	387	82	-	2,943	247	-
Total	10,947	329	-	439	82	-	10,508	247	-
Energy & Commodities									
4	18,936	-	-	19	-	-	18,917	-	-
10	20,982	-	-	56	-	-	20,926	-	-
11	24,319	-	-	49	-	-	24,270	-	-
12	44,638	-	-	103	-	-	44,535	-	-
13	19,916	-	-	77	-	-	19,839	-	-
14	74,141	499	-	397	250	-	73,744	249	-
15	22,186	-	-	455	-	-	21,731	-	-
16	20,731	898	-	424	314	-	20,307	584	-
20	-	-	1,670	-	-	1,670	-	-	-
Total	245,849	1,397	1,670	1,580	564	1,670	244,269	833	-
Corporate									
7	452	-	-	-	-	-	452	-	-
9	157	-	-	-	-	-	157	-	-
10	2,772	-	-	-	-	-	2,772	-	-
11	36,775	175	-	146	104	-	36,629	71	-
12	61,925	-	-	315	-	-	61,610	-	-
13	71,448	598	-	456	148	-	70,992	450	-
14	40,710	2,296	-	473	346	-	40,237	1,950	-
15	16,662	1,076	-	841	174	-	15,821	902	-
16	1,501	2,466	-	49	741	-	1,452	1,725	-
17	3,564	1,645	-	395	411	-	3,169	1,234	-
20	-	-	9,004	-	-	8,268	-	-	736
Total	235,966	8,256	9,004	2,675	1,924	8,268	233,291	6,332	736

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

The following tables set out the credit quality of exposures measured at amortised cost by different segments for the year ended 30 June 2024.

At 30 June 2024	Stage 1			Stage 2			Stage 3			
	Gross exposure	12 months ECL	Net exposure	Gross exposure	Lifetime ECL (Not Credit Impaired)	Net exposure	Gross exposure	Lifetime ECL (Credit Impaired)	Interest in suspense	Net exposure
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Portfolio										
Retail	62,506	837	61,669	170	23	147	1,137	431	124	706
Wholesale	916,582	3,572	913,010	9,363	2,172	7,191	11,100	8,554	1,885	2,546
Total	**979,088**	**4,409**	**974,679**	**9,533**	**2,195**	**7,338**	**12,237**	**8,985**	**2,009**	**3,252**
Retail										
Housing loans	40,740	498	40,242	84	7	77	441	158	23	283
SME	10,127	136	9,991	31	3	28	284	134	24	150
Unsecured and revolving	7,189	144	7,045	42	12	30	149	102	14	47
Other secured loans	4,450	59	4,391	13	1	12	263	37	63	226
Total Retail	**62,506**	**837**	**61,669**	**170**	**23**	**147**	**1,137**	**431**	**124**	**706**
Wholesale										
Sovereign	336,382	139	336,243	-	-	-	296	30	60	266
Financial institutions	94,559	356	94,203	-	-	-	-	-	-	-
Project finance	3,420	57	3,363	-	-	-	24	12	-	12
Energy & commodities	256,090	796	255,294	3,078	549	2,529	1,755	1,755	-	-
Corporate	226,131	2,224	223,907	6,285	1,623	4,662	9,025	6,757	1,825	2,268
Total Wholesale	**916,582**	**3,572**	**913,010**	**9,363**	**2,172**	**7,191**	**11,100**	**8,554**	**1,885**	**2,546**

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

An analysis of credit exposures using the Bank's grading system is as follows.

At 30 June 2024	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Total Wholesale									
2	74,034	-	-	3	-	-	74,031	-	-
3	1,101	-	-	-	-	-	1,101	-	-
4	9,902	-	-	1	-	-	9,901	-	-
5	20,022	-	-	5	-	-	20,017	-	-
6	6,392	-	-	1	-	-	6,391	-	-
7	19,894	-	-	5	-	-	19,889	-	-
8	13,799	-	-	2	-	-	13,797	-	-
9	478	-	-	-	-	-	478	-	-
10	272,808	16	-	84	3	-	272,724	13	-
11	37,111	-	-	120	-	-	36,991	-	-
12	90,515	105	-	287	22	-	90,228	83	-
13	105,580	375	-	476	87	-	105,104	288	-
14	157,040	2,504	-	825	513	-	156,215	1,991	-
15	38,449	2,267	-	396	557	-	38,053	1,710	-
16	51,910	1,841	-	395	183	-	51,515	1,658	-
17	15,455	1,203	-	725	440	-	14,730	763	-
18	283	449	-	14	247	-	269	202	-
19	1,809	603	-	233	120	-	1,576	483	-
20	-	-	11,100	-	-	8,554	-	-	2,546
Total	**916,582**	**9,363**	**11,100**	**3,572**	**2,172**	**8,554**	**913,010**	**7,191**	**2,546**
Sovereign									
2	74,034	-	-	3	-	-	74,031	-	-
4	8,003	-	-	1	-	-	8,002	-	-
10	253,474	-	-	84	-	-	253,390	-	-
13	204	-	-	-	-	-	204	-	-
19	667	-	-	51	-	-	616	-	-
20	-	-	296	-	-	30	-	-	266
Total	**336,382**	**-**	**296**	**139**	**-**	**30**	**336,243**	**-**	**266**

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

At 30 June 2024	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Institutions									
3	1,101	-	-	-	-	-	1,101	-	-
4	1,899	-	-	-	-	-	1,899	-	-
5	20,022	-	-	5	-	-	20,017	-	-
6	6,392	-	-	1	-	-	6,391	-	-
7	19,423	-	-	5	-	-	19,418	-	-
8	13,799	-	-	2	-	-	13,797	-	-
9	478	-	-	-	-	-	478	-	-
10	15,956	-	-	-	-	-	15,956	-	-
11	2,214	-	-	1	-	-	2,213	-	-
12	262	-	-	1	-	-	261	-	-
13	953	-	-	2	-	-	951	-	-
14	3,430	-	-	11	-	-	3,419	-	-
15	356	-	-	3	-	-	353	-	-
16	1,805	-	-	60	-	-	1,745	-	-
17	6,461	-	-	264	-	-	6,197	-	-
19	8	-	-	1	-	-	7	-	-
Total	**94,559**	**-**	**-**	**356**	**-**	**-**	**94,203**	**-**	**-**

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

At 30 June 2024	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Project Finance									
13	2,264	-	-	8	-	-	2,256	-	-
14	55	-	-	1	-	-	54	-	-
15	498	-	-	8	-	-	490	-	-
16	115	-	-	3	-	-	112	-	-
17	306	-	-	26	-	-	280	-	-
18	182	-	-	11	-	-	171	-	-
20	-	-	24	-	-	12	-	-	12
Total	**3,420**	**-**	**24**	**57**	**-**	**12**	**3,363**	**-**	**12**
Energy & Commodities									
11	1,257	-	-	2	-	-	1,255	-	-
12	30,837	-	-	66	-	-	30,771	-	-
13	43,059	-	-	81	-	-	42,978	-	-
14	105,577	-	-	290	-	-	105,287	-	-
15	24,750	1,340	-	73	287	-	24,677	1,053	-
16	47,312	1,289	-	251	15	-	47,061	1,274	-
17	3,197	-	-	30	-	-	3,167	-	-
18	101	449	-	3	247	-	98	202	-
20	-	-	1,755	-	-	1,755	-	-	-
Total	**256,090**	**3,078**	**1,755**	**796**	**549**	**1,755**	**255,294**	**2,529**	**-**

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

At 30 June 2024	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Corporate									
7	471	-	-	-	-	-	471	-	-
10	3,378	16	-	-	3	-	3,378	13	-
11	33,640	-	-	117	-	-	33,523	-	-
12	59,416	105	-	220	22	-	59,196	83	-
13	59,100	375	-	385	87	-	58,715	288	-
14	47,978	2,504	-	523	513	-	47,455	1,991	-
15	12,845	927	-	312	270	-	12,533	657	-
16	2,678	552	-	81	168	-	2,597	384	-
17	5,491	1,203	-	405	440	-	5,086	763	-
19	1,134	603	-	181	120	-	953	483	-
20	-	-	9,025	-	-	6,757	-	-	2,268
Total	**226,131**	**6,285**	**9,025**	**2,224**	**1,623**	**6,757**	**223,907**	**4,662**	**2,268**

Notes to the financial statements

for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

The following tables set out the credit quality of exposures measured at amortised cost by different segments for the year ended 30 June 2023.

At 30 June 2023	Stage 1			Stage 2			Stage 3			
	Gross exposure	12 months ECL	Net exposure	Gross exposure	Lifetime ECL (Not Credit Impaired)	Net exposure	Gross exposure	Lifetime ECL (Credit Impaired)	Interest in suspense	Net exposure
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Portfolio										
Retail	56,177	174	56,003	807	609	198	1,027	308	120	719
Wholesale	762,525	3,972	758,553	18,464	3,289	15,175	10,767	7,517	1,995	3,250
Total	**818,702**	**4,146**	**814,556**	**19,271**	**3,898**	**15,373**	**11,794**	**7,825**	**2,115**	**3,969**
Retail										
Housing loans	36,852	48	36,804	437	314	123	511	153	26	358
SME	9,445	33	9,412	118	84	34	200	55	25	145
Unsecured and revolving	5,557	88	5,469	126	121	5	98	74	12	24
Other secured loans	4,323	5	4,318	126	90	36	218	26	57	192
Total Retail	**56,177**	**174**	**56,003**	**807**	**609**	**198**	**1,027**	**308**	**120**	**719**
Wholesale										
Sovereign	288,634	110	288,524	-	-	-	285	28	26	257
Financial institutions	85,668	847	84,821	-	-	-	-	-	-	-
Project finance	5,618	93	5,525	70	35	35	410	408	17	2
Energy & commodities	179,799	532	179,267	4,848	911	3,937	890	733	13	157
Corporate	202,806	2,390	200,416	13,546	2,343	11,203	9,182	6,348	1,939	2,834
Total Wholesale	**762,525**	**3,972**	**758,553**	**18,464**	**3,289**	**15,175**	**10,767**	**7,517**	**1,995**	**3,250**

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

An analysis of credit exposures using the Bank's grading system is as follows.

At 30 June 2023	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Total Wholesale									
2	73,352	-	-	1	-	-	73,351	-	-
3	1,505	-	-	-	-	-	1,505	-	-
4	19,540	-	-	1	-	-	19,539	-	-
5	32,164	-	-	7	-	-	32,157	-	-
6	3,978	-	-	1	-	-	3,977	-	-
7	17,975	-	-	8	-	-	17,967	-	-
8	202,687	-	-	28	-	-	202,659	-	-
9	35	-	-	-	-	-	35	-	-
10	6,470	-	-	-	-	-	6,470	-	-
11	29,548	121	-	63	-	-	29,485	121	-
12	58,873	564	-	231	88	-	58,642	476	-
13	118,331	1,780	-	611	88	-	117,720	1,692	-
14	58,986	3,074	-	578	278	-	58,408	2,796	-
15	114,788	2,935	-	1,259	368	-	113,529	2,567	-
16	12,594	4,562	-	430	1,117	-	12,164	3,445	-
17	7,589	3,505	-	475	744	-	7,114	2,761	-
18	2,042	1,386	-	102	513	-	1,940	873	-
19	2,068	537	-	177	93	-	1,891	444	-
20	-	-	10,767	-	-	7,517	-	-	3,250
Total	**762,525**	**18,464**	**10,767**	**3,972**	**3,289**	**7,517**	**758,553**	**15,175**	**3,250**
Sovereign									
2	73,352	-	-	1	-	-	73,351	-	-
4	15,546	-	-	1	-	-	15,545	-	-
8	198,648	-	-	28	-	-	198,620	-	-
13	213	-	-	-	-	-	213	-	-
19	875	-	-	80	-	-	795	-	-
20	-	-	285	-	-	28	-	-	257
Total	**288,634**	**-**	**285**	**110**	**-**	**28**	**288,524**	**-**	**257**

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

At 30 June 2023	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Institutions									
3	1,505	-	-	-	-	-	1,505	-	-
4	105	-	-	-	-	-	105	-	-
5	32,164	-	-	7	-	-	32,157	-	-
6	2,044	-	-	1	-	-	2,043	-	-
7	17,975	-	-	8	-	-	17,967	-	-
8	4,039	-	-	-	-	-	4,039	-	-
9	35	-	-	-	-	-	35	-	-
10	6,344	-	-	-	-	-	6,344	-	-
11	2,391	-	-	7	-	-	2,384	-	-
12	262	-	-	1	-	-	261	-	-
13	1,419	-	-	10	-	-	1,409	-	-
15	3,708	-	-	36	-	-	3,672	-	-
16	4,675	-	-	244	-	-	4,431	-	-
17	7,143	-	-	440	-	-	6,703	-	-
18	1,859	-	-	93	-	-	1,766	-	-
Total	**85,668**	**-**	**-**	**847**	**-**	**-**	**84,821**	**-**	**-**

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

At 30 June 2023	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Project Finance									
13	4,193	-	-	34	-	-	4,159	-	-
14	113	-	-	1	-	-	112	-	-
15	507	70	-	11	35	-	496	35	-
16	236	-	-	6	-	-	230	-	-
17	386	-	-	32	-	-	354	-	-
18	183	-	-	9	-	-	174	-	-
20	-	-	410	-	-	408	-	-	2
Total	**5,618**	**70**	**410**	**93**	**35**	**408**	**5,525**	**35**	**2**
Energy & Commodities									
4	3,889	-	-	-	-	-	3,889	-	-
6	1,934	-	-	-	-	-	1,934	-	-
11	3,383	-	-	2	-	-	3,381	-	-
12	10,009	-	-	10	-	-	9,999	-	-
13	44,741	1,367	-	81	68	-	44,660	1,299	-
14	29,564	-	-	60	-	-	29,504	-	-
15	81,885	888	-	291	99	-	81,594	789	-
16	4,394	-	-	88	-	-	4,306	-	-
17	-	1,569	-	-	358	-	-	1,211	-
18	-	1,024	-	-	386	-	-	638	-
20	-	-	890	-	-	733	-	-	157
Total	**179,799**	**4,848**	**890**	**532**	**911**	**733**	**179,267**	**3,937**	**157**

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

At 30 June 2023	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Corporate									
10	126	-	-	-	-	-	126	-	-
11	23,774	121	-	54	-	-	23,720	121	-
12	48,602	564	-	220	88	-	48,382	476	-
13	67,765	413	-	486	20	-	67,279	393	-
14	29,309	3,074	-	517	278	-	28,792	2,796	-
15	28,688	1,977	-	921	234	-	27,767	1,743	-
16	3,289	4,562	-	92	1,117	-	3,197	3,445	-
17	60	1,936	-	3	386	-	57	1,550	-
18	-	362	-	-	127	-	-	235	-
19	1,193	537	-	97	93	-	1,096	444	-
20	-	-	9,182	-	-	6,348	-	-	2,834
Total	**202,806**	**13,546**	**9,182**	**2,390**	**2,343**	**6,348**	**200,416**	**11,203**	**2,834**

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

Restructured financial assets

The Group defines "rescheduling" as any amendments to restructuring or rescheduling of any exposure and includes concession, relaxation, forgiveness or postponement of any material term or condition of the original sanction. The underlying allowance for credit loss is realised wherever there is a material economic loss.

The following table provides information on financial assets which were restructured while they had a loss allowance measured at an amount equal to lifetime ECL.

	2025	2024	2023
	RS 'M	RS 'M	RS 'M
Amortised cost before restructure	**25**	95	12
Net modification gain or loss	**3**	2	8
Gross carrying amount at the end of the reporting year when the loss allowance was measured at an amount equal to lifetime ECL and for which the loss allowance has changed during the year to an amount of 12 months ECL	**-**	1	4

Assets obtained by taking possession of collateral

Details of assets obtained by the Group during the year by taking possession of collateral held as security against loans and advances held at 30 June are shown below:

	2025	2024	2023
	RS 'M	RS 'M	RS 'M
Property	**103**	105	104

Maximum exposure to credit risk - Financial instruments measured at fair value through profit or loss

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e fair value through profit or loss).

	2025	2024	2023
	RS 'M	RS 'M	RS 'M
Derivative financial instruments	**3,745**	2,071	1,214
Investment securities	**9,447**	3,485	1,521

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

Collateral held and other credit enhancements

The Group's potential credit losses are mitigated through a range of instruments including collaterals and credit protection such as cash, real estate, marketable securities, inventories, standby letters of credit and other physical and/or financial collateral.

Credit risk policies are in place to determine the eligibility of collateral to mitigate the credit risk assumed and appropriate haircuts are applied to the market value of collateral, reflecting the underlying nature, quality and liquidity of the collateral.

In the event of default, the Group has the ability to call on the different types of collaterals which in turn are driven by portfolio, product or counterparty type. The Group considers that it is sufficiently collateralised against its impaired book.

Fixed and floating charges on properties and other assets constitute the bulk of our collateral while cash and marketable securities are immaterial.

Long-term finance and lending to corporate entities are generally secured whilst revolving individual credit facilities are generally unsecured. When the borrower's credit worthiness is not sufficient to justify an extension of credit, corporate guarantees are required.

In extending credit facilities to small and medium sized enterprises, the Group often resorts to personal guarantees from principal directors to ensure their commitment to repayment. Debt securities, treasury and other eligible bills are generally unsecured with the exception of asset-backed securities.

For derivatives, repurchase agreements with financial market counterparties, collateral arrangements are covered under market-standard documentation such as International Swaps and Derivatives Association Agreements (ISDA) and Master Repurchase Agreements.

The Group did not hold any financial instrument for which no loss allowance is recognised because of collateral. There was no change in the Group's collateral policy during the year.

3. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Credit quality (Cont'd)

As part of IFRS 9, the Group needs to convert the through the circle (TTC) PDs to Point In Time (PIT) PDs.

This conversion of TTC PDs to PIT PDs entailed the inclusion of forward-looking scenarios for both wholesale and retail portfolios.

Macroeconomic variables used for the Forward-Looking PDs (Probability of Default)

Wholesale Portfolio

The variables used for the inclusion of forward-looking aspects to our PDs i.e for the conversion of TTC PDs to PIT PDs are as follows:

- Credit index (-2)*
- Credit index (-1)*
- GDP growth
- ln (lending rate)

Retail Portfolio

The retail portfolio is broken into SME, housing, secured and unsecured.
The following macroeconomic variables have been used for the respective portfolio:

(a)	SME	Ln (GDP at basic prices) Average Lending rate
(b)	Housing	Ln (GDP at basic prices) Unemployment rate for the year
(c)	Secured	Ln (GDP at market prices) Average lending rate
(d)	Unsecured	Ln (GDP at basic prices) Average CPI Average lending rate

Credit concentration of risk by industry sectors

Corporate notes and credit facilities extended by the Group to any closely-related customers for amounts aggregating more than 10% of its Tier 1 capital, classified by industry sectors.

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Agriculture and fishing	**269**	298	481	**269**	298	481
Manufacturing	**4,923**	545	7,562	**4,923**	545	7,562
Tourism	**3,068**	3,741	12,401	**3,068**	3,737	12,401
Transport	**187**	1,838	2,507	**185**	1,835	2,504
Construction	**7,829**	8,065	6,993	**7,829**	8,065	6,993
Financial and business services	**29,710**	16,774	13,683	**29,710**	16,774	13,683
Traders	**263,215**	259,493	216,036	**263,215**	259,493	216,036
of which Petroleum & Energy products	***236,471***	*247,907*	*189,045*	***236,471***	*247,907*	*189,045*
Global Business Licence holders	**1,376**	435	8,144	**1,376**	435	8,144
Others	**1,987**	9,861	8,218	**1,984**	9,861	8,218
	312,564	301,050	276,025	**312,559**	301,043	276,022

Refer to the risk management report for further details on concentration risk management.

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(c) Market risk

Market risk refers to the potential of market price fluctuations, such as those in interest rates, equity prices, foreign exchange rates, and market credit spreads, impacting a bank's income or the valuation of its financial instrument holdings. The primary objective of market risk management is to proficiently handle and regulate these exposures within acceptable benchmarks, all while optimizing returns from risk-associated endeavors.

The formulation of market risk management policies within the Bank lies under the jurisdiction of the Board Risk Monitoring Committee. The execution of these policies and the oversight of this risk category are entrusted to both the Risk Business Unit (BU) and the Asset and Liability Committee (ALCO). Central to the supervision and control of market risk activities are the Market Risk Business Unit (MRBU) and the Assets, Liabilities and Capital Management (ALCM) Unit. These units play a pivotal role in the ongoing monitoring and regulation of market risk activities.

The MRBU is devoted to ensuring the effective adherence to market risk policies and guidelines, as well as maintaining a vigilant watch over predetermined limits. Similarly, the ALCM Unit concentrates on monitoring the interest rate risk in the banking book. Their collective efforts contribute to a comprehensive approach to risk management within the Bank.

(i) Investment Price risk

Investment price risk pertains to the vulnerability of an investment's value to shifts in market prices. This risk emanates from a multitude of factors, including the interplay of supply and demand, prevailing economic conditions, geopolitical occurrences, and prevailing market sentiment. The Bank designates a portion of its investments under the categories of Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVPL).

The table below summarises the impact of increases/decreases in fair value of the investments on the Bank's equity. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	GROUP & BANK		
	2025	2024	2023
	RS 'M	RS 'M	RS 'M
Financial assets at fair value through other comprehensive income	**144**	108	97
Financial assets at fair value through profit or loss	**472**	346	225
	616	454	322

(ii) Currency risk

Currency risk is defined as the risk that movements in foreign exchange rates adversely affect the value of the Bank's foreign currency positions. Exposure resulting from trading activities is monitored through the use of limits. Limits are given to the individual trader and monitored by the Head of Financial Markets. Such limits include daily stop-loss and position limits. Overall exposure to foreign exchange including those resulting from non-trading activities is monitored against both the regulatory guideline and an internal target validated by the ALCM.

Value-at-Risk

The Bank utilizes the statistical technique "Value-at-Risk" (VaR) for estimating potential losses on risk positions as a result of adverse movements in market rates and prices over a specified time horizon and to a given level of confidence.
Our VaR model is based on historical simulation and encompasses the following features and principles:

- Historical market rates and prices such as FX rates, Interest rates, Commodity prices, Bond prices and associated volatilities (risk factors) that are representative of the bank's position.
- The definition of 250 scenarios, corresponding to one-day variations in these market parameters over a sliding one year period. These scenarios are updated daily with the inclusion of a new scenario and the removal of the oldest scenario.
- The application of these 250 scenarios to the daily market parameters. This approach assumes that historical changes in market values are representative of the distribution of potential outcomes in the immediate future.

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

- The full revaluation of daily positions, on the basis of the adjusted daily market conditions, and the incorporation of non-linear option features on the underlying exposures.
- Calculations to a 99% confidence interval for a one-day holding period on the basis of exposures outstanding at the close of business. The 99% VaR is the largest loss that would be incurred after eliminating the top 1% of most unfavorable occurrences. Over one year, or 250 scenarios, it corresponds to the average of the second and third largest losses involved.

The VaR methodology implicitly takes into account the correlation between all markets and the distribution of variations in market parameters. The nature of the model means an increase in observed market volatility will lead to an increase in VaR without any changes in underlying positions.

To capture material market risks arising from trading portfolios, comprehensive VaR calculations are performed daily for Financial Markets business lines whose activities give rise to market risk. The VaR results across those trading portfolios are aggregated at bank level and are reported as appropriate to various groups including the bank's Senior Management and the Board Risk Committee.

As VaR is based on historical data, it is an imperfect measure of market risk exposure and potential future losses. In addition, based on their reliance on available historical data, limited time horizons, and other factors, VaR measures are inherently limited in their ability to measure certain risks and to predict losses, particularly those associated with market illiquidity and sudden or severe shifts in market conditions.

For certain products, specific risk parameters are not captured in VaR due to the lack of liquidity and availability of appropriate historical data. The bank uses proxies to estimate the VaR for these and other products when daily time series are not available.

Backtesting

The performance and adequacy of our VaR model is validated by backtesting the VaR metric against the hypothetical P&L (HPL) daily in order to verify whether the number of days for which the negative results exceeds the VaR complies with the 99% confidence interval. The hypothetical P&L reflects the P&L that would be realized if positions were held constant from the end of one trading day to the next, and excludes items such as fees, commissions and revenue of intra-day transactions. The VaR backtesting is carried out at set levels of the Bank entity hierarchy.

Notes to the financial statements

for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

The Bank also calculates a Stressed Value-at-Risk (SVaR), with its methodology and coverage consistent with the VaR: historical simulation on the Bank's entire trading book positions, computed with a 99% one-tailed confidence interval and a 1-day holding period. The SVaR model inputs are however calibrated to historical data from a continuous twelve-month period of significant financial stress relevant to the bank's trading portfolio: the Great Financial Crash of 2008-09.

SVaR complements VaR by providing a realistic measure of market risk tailored for stressed environments. Its purpose is to capture the impact of exceptional but plausible large loss events that are not reflected in the historical VaR scenarios.

The Trading 1-Day 99% VaR and SVaR as at June 2025 are shown in the table below:

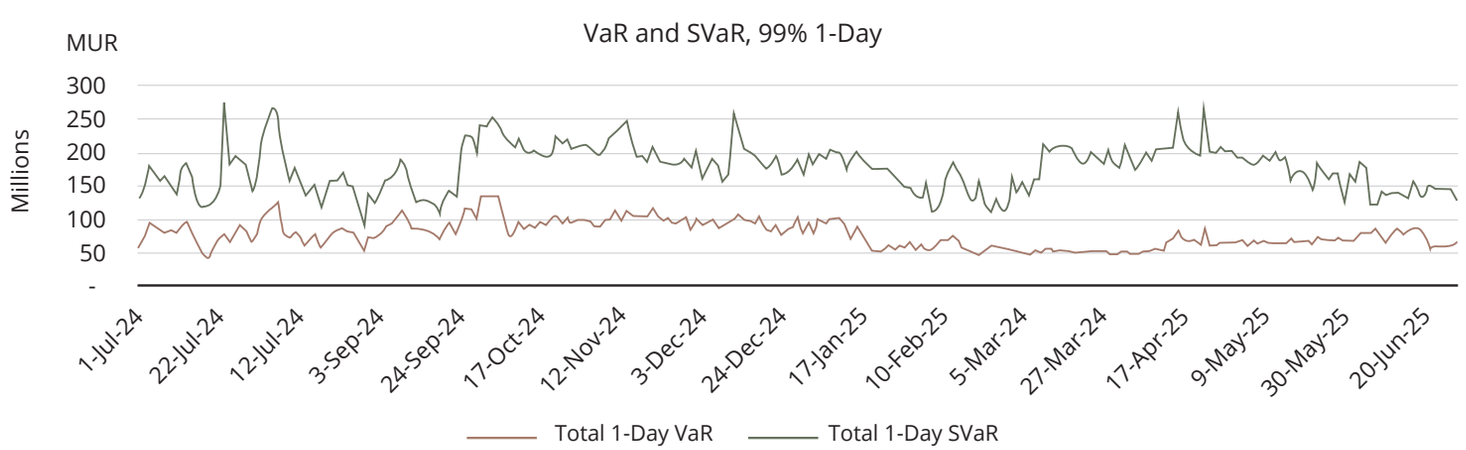
MUR (M)	Year end	Average	Maximum	Minimum
Foreign Exchange	57	58	125	33
Interest Rate	49	56	94	10
Diversification Effect	(41)	(37)	n/a	n/a
1-Day VaR	**65**	**77**	**135**	**41**
1-Day Stressed-VaR	**130**	**177**	**272**	**91**

(a) Diversification benefit represents the difference between the portfolio VaR and the sum of its individual components. This reflects the non-additive nature of VaR due to imperfect correlation across LOBs and risk types. Same concept applies for SVaR.

(b) A negative number represents the benefit of portfolio diversification.

(c) For maximum and minimum VaR/SVaR, diversification benefit is not meaningful as the maximum and minimum VaR/SVaR for each portfolio may have occurred on different trading days than the components.

Evolution over the last financial year



The VaR metric was higher this financial year, averaging MUR 77M Vs. MUR 60M in FY 24. This increase is mainly due to larger Bond and Swap holdings during the year, coupled with the entry of new and more volatile scenarios mostly driven by the US elections and geopolitical tensions.

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

At 30 June 2025	GROUP					
	EURO	USD	GBP	MUR	OTHER	TOTAL
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets						
Cash and cash equivalents	8,617	56,916	5,337	55,391	6,139	132,400
Derivative financial instruments	52	2,978	-	715	-	3,745
Loans to and placements with banks	7,233	19,661	3,205	582	-	30,681
Loans and advances to customers	43,230	195,270	213	149,381	6,851	394,945
Investment securities	12,641	83,457	88	229,673	3,366	329,225
Other financial assets	2,981	8,467	502	32,431	1,385	45,766
	74,754	366,749	9,345	468,173	17,741	936,762
Less allowances for credit impairment						(21,052)
Total						915,710
Financial liabilities						
Deposits from banks	1,834	14,606	436	775	2,507	20,158
Deposits from customers	66,450	247,875	7,528	355,534	12,977	690,364
Derivative financial instruments	52	2,980	-	1,036	-	4,068
Other borrowed funds	2,657	81,815	1,013	20	166	85,671
Debt securities	-	13,707	-	-	(58)	13,649
Subordinated liabilities	-	6,939	-	-	(50)	6,889
Other financial liabilities	107	457	21	2,340	174	3,099
Total	71,100	368,379	8,998	359,705	15,716	823,898
Net on-balance sheet position	3,654	(1,630)	347	108,468	2,025	112,864
Less allowances for credit impairment						(21,052)
						91,812
Off balance sheet net notional position	20,381	57,961	648	-	6,575	85,565
Credit commitments	7,760	200,289	141	21,420	2,889	232,499

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

	BANK					
At 30 June 2025	EURO	USD	GBP	MUR	OTHER	TOTAL
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets						
Cash and cash equivalents	8,595	56,940	5,338	55,391	5,422	131,686
Derivative financial instruments	52	2,978	-	715	-	3,745
Loans to and placements with banks	7,269	19,839	3,205	582	-	30,895
Loans and advances to customers	42,415	193,901	213	149,381	183	386,093
Investment securities	12,641	83,457	88	229,673	-	325,859
Other financial assets	2,981	8,467	502	32,464	1	44,415
	73,953	365,582	9,346	468,206	5,606	922,693
Less allowances for credit impairment						(20,377)
Total						902,316
Financial liabilities						
Deposits from banks	1,727	14,631	438	777	56	17,629
Deposits from customers	65,957	247,578	7,528	355,534	4,930	681,527
Derivative financial instruments	52	2,980	-	1,036	-	4,068
Other borrowed funds	2,334	81,374	1,013	19	2	84,742
Debt securities	-	13,707	-	-	(58)	13,649
Subordinated liability	-	6,757	-	-	(50)	6,707
Other financial liabilities	107	457	21	2,373	6	2,964
Total	70,177	367,484	9,000	359,739	4,886	811,286
Net on-balance sheet position	3,776	(1,902)	346	108,467	720	111,407
Less allowances for credit impairment						(20,377)
						91,030
Off balance sheet net notional position	20,040	56,632	648	-	6,292	83,612
Credit commitments	7,760	200,289	141	21,420	2,889	232,499

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

At 30 June 2024	GROUP					
	EURO	USD	GBP	MUR	OTHER	TOTAL
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets						
Cash and cash equivalents	8,655	46,587	7,879	20,210	8,610	91,941
Derivative financial instruments	258	1,484	-	329	-	2,071
Loans to and placements with banks	2,797	10,130	-	(12)	39	12,954
Loans and advances to customers	39,963	223,637	388	129,264	5,859	399,111
Investment securities	9,678	81,292	9	232,120	2,368	325,467
Other financial assets	2,957	4,688	492	30,353	1,165	39,655
	64,308	367,818	8,768	412,264	18,041	871,199
Less allowances for credit impairment						(17,848)
Total						**853,351**
Financial liabilities						
Deposits from banks	1,104	38,441	451	948	57	41,001
Deposits from customers	58,439	244,613	6,894	316,950	14,741	641,637
Derivative financial instruments	(85)	1,829	-	246	-	1,990
Other borrowed funds	3,309	59,173	808	(296)	2,361	65,355
Debt securities	-	14,393	-	(79)	-	14,314
Subordinated liability	-	7,057	-	-	-	7,057
Other financial liabilities	187	645	39	2,082	212	3,165
Total	62,954	366,151	8,192	319,851	17,371	**774,519**
Net on-balance sheet position	1,354	1,667	576	92,413	670	96,680
Less allowances for credit impairment						(17,848)
						78,832
Off balance sheet net notional position	16,681	54,992	973	-	5,214	77,860
Credit commitments	4,838	197,103	165	20,545	2,248	224,899

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

At 30 June 2024	BANK					
	EURO	USD	GBP	MUR	OTHER	TOTAL
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets						
Cash and cash equivalents	8,544	46,541	7,877	20,209	7,531	90,702
Derivative financial instruments	258	1,484	-	329	-	2,071
Loans to and placements with banks	2,797	11,089	-	(12)	39	13,913
Loans and advances to customers	39,214	222,230	388	129,264	360	391,456
Investment securities	9,678	81,292	9	232,120	-	323,099
Other financial assets	2,957	4,688	492	30,384	218	38,739
	63,448	367,324	8,766	412,294	8,148	859,980
Less allowances for credit impairment						(17,305)
Total						**842,675**
Financial liabilities						
Deposits from banks	1,104	38,441	451	948	77	41,021
Deposits from customers	57,905	244,342	6,894	316,950	8,201	634,292
Derivative financial instruments	(85)	1,829	-	246	-	1,990
Other borrowed funds	2,955	59,017	808	(296)	45	62,529
Debt securities	-	14,393	-	(79)	-	14,314
Subordinated liability	-	7,057	-	-	-	7,057
Other financial liabilities	187	645	39	2,113	29	3,013
Total	62,066	365,724	8,192	319,882	8,352	**764,216**
Net on-balance sheet position	1,382	1,600	574	92,412	(204)	95,764
Less allowances for credit impairment						(17,305)
						78,459
Off balance sheet net notional position	16,490	53,708	973	-	4,913	76,084
Credit commitments	4,838	197,103	165	20,545	2,248	224,899

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

At 30 June 2023	GROUP					
	EURO	USD	GBP	MUR	OTHER	TOTAL
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets						
Cash and cash equivalents	11,242	36,116	6,044	54,157	6,545	114,104
Derivative financial instruments	446	242	-	526	-	1,214
Loans to and placements with banks	310	14,413	-	2	(28)	14,697
Loans and advances to customers	30,759	189,025	379	127,749	5,205	353,117
Investment securities	11,988	81,314	4,247	150,269	1,500	249,318
Other financial assets	2,963	4,772	510	24,426	1,067	33,738
	57,708	325,882	11,180	357,129	14,289	766,188
Less allowances for credit impairment						(17,859)
Total						**748,329**
Financial liabilities						
Deposits from banks	941	12,748	449	784	21	14,943
Deposits from customers	50,023	209,024	6,621	277,689	11,732	555,089
Derivative financial instruments	456	242	-	518	-	1,216
Other borrowed funds	3,615	81,688	288	(117)	1,043	86,517
Debt securities	-	13,759	-	-	-	13,759
Subordinated liabilities	-	7,113	-	(54)	-	7,059
Other financial liabilities	243	566	55	3,006	147	4,017
Total	55,278	325,140	7,413	281,826	12,943	**682,600**
Net on-balance sheet position	2,430	742	3,767	75,303	1,346	83,588
Less allowances for credit impairment						(17,859)
						65,729
Off balance sheet net notional position	9,406	18,968	5,156	-	2,085	35,615
Credit commitments	4,655	108,353	153	20,370	1,542	135,073

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

At 30 June 2023	BANK					
	EURO	USD	GBP	MUR	OTHER	TOTAL
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets						
Cash and cash equivalents	11,215	36,869	6,038	54,156	5,365	113,643
Derivative financial instruments	446	242	-	526	-	1,214
Loans to and placements with banks	310	14,596	-	2	(28)	14,880
Loans and advances to customers	30,092	187,422	379	127,749	296	345,938
Investment securities	11,988	81,314	4,247	150,269	2	247,820
Other financial assets	2,963	4,835	510	24,426	351	33,085
	57,014	325,278	11,174	357,128	5,986	756,580
Less allowances for credit impairment						(17,525)
Total						**739,055**
Financial liabilities						
Deposits from banks	943	13,535	449	784	41	15,752
Deposits from customers	49,556	208,505	6,621	277,689	5,215	547,586
Derivative financial instruments	456	242	-	518	-	1,216
Other borrowed funds	3,370	80,867	288	(118)	15	84,422
Debt securities	-	13,759	-	-	-	13,759
Subordinated liabilities	-	7,113	-	(54)	-	7,059
Other financial liabilities	243	629	55	3,006	26	3,959
Total	54,568	324,650	7,413	281,825	5,297	**673,753**
Net on-balance sheet position	2,446	628	3,761	75,303	689	82,827
Less allowances for credit impairment						(17,525)
						65,302
Off balance sheet net notional position	9,196	18,099	5,156	-	1,746	34,197
Credit commitments	4,655	108,353	153	20,370	1,542	135,073

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(iii) Interest rate risk

Interest rate risk in the banking book encompasses the potential adverse effects on earnings resulting from fluctuations in market interest rates. This risk primarily affects non-traded assets and liabilities, specifically encompassing loans, deposits, and financial instruments held without the intent of trading. To effectively manage this risk, the Assets, Liabilities and Capital Management (ALCM) Unit, situated within the Finance Strategic Business Unit employs a variety of strategies, including the use of interest rate derivatives.

Net interest income (NII) sensitivity stands as a key metric, evaluating the anticipated changes in net interest income across diverse interest rate scenarios, while holding all other economic factors constant. ALCO oversees the fluctuations in net interest income sensitivity.

The calculations of NII sensitivity assume uniform interest rate movements across all maturities within the 'up-shock' scenario. In contrast, the 'down-shock' scenario assumes a floor at zero for rates, except when market rates are already negative, as seen in the Euro case.

The following tables delineate the carrying amount of the Group's and Bank's financial instruments, categorized by the earlier of contractual repricing or maturity dates.

Interest Rate Risk Earnings Impact Analysis

The Group is exposed to Interest Rate Risk (IRR), primarily manifested as repricing risk. To effectively measure and oversee this particular risk, the Group employs an interest rate risk gap analysis, illustrated below. One of the methodologies utilized involves the Bank of Mauritius (BOM) framework, which incorporates a 200 basis point parallel shift in interest rates. This framework provides insights into estimating the potential one-year earnings impact based on a static balance sheet scenario.

	BANK		
	2025	2024	2023
	RS 'M	RS 'M	RS 'M
Impact on Earnings	1,657	741	1,833

Notes to the financial statements

for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(iii) Interest rate risk (Cont'd)

Interest sensitivity of assets and liabilities - repricing analysis

	GROUP							
At 30 June 2025	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-interest bearing*	Total
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets								
Cash and cash equivalents	129,942	-	-	-	-	-	2,458	132,400
Derivative financial instruments	136	-	-	-	-	-	3,609	3,745
Loans to and placements with banks	538	936	5,631	23,141	91	27	317	30,681
Loans and advances to customers	251,302	47,659	48,648	22,863	4,068	10,990	9,415	394,945
Investment securities	14,251	41,812	37,783	59,056	76,273	93,782	6,268	329,225
Other financial assets	-	-	-	-	-	-	45,766	45,766
	396,169	90,407	92,062	105,060	80,432	104,799	67,833	936,762
Less allowances for credit impairment								(21,052)
Total								915,710
Financial liabilities								
Deposits from banks	11,821	3,963	1,695	2,062	495	-	122	20,158
Deposits from customers	360,029	35,901	19,856	18,989	8,273	2,256	245,060	690,364
Derivative financial instruments	-	633	-	-	-	-	3,435	4,068
Other borrowed funds	3,212	61,379	10,789	10,240	60	96	(105)	85,671
Debt securities	-	-	-	-	13,513	-	136	13,649
Subordinated liabilities	6,621	-	-	-	-	182	86	6,889
Other financial liabilities	-	-	-	-	-	-	3,099	3,099
Total	381,683	101,876	32,340	31,291	22,341	2,534	251,833	823,898
On balance sheet interest sensitivity gap	14,486	(11,469)	59,722	73,769	58,091	102,265	(184,000)	112,864
Less allowances for credit impairment								(21,052)
								91,812

* Includes interest receivable

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(iii) Interest rate risk (Cont'd)

Interest sensitivity of assets and liabilities - repricing analysis (Cont'd)

	BANK							
At 30 June 2025	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-interest bearing*	Total
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets								
Cash and cash equivalents	129,385	-	-	-	-	-	2,301	131,686
Derivative financial instruments	136	-	-	-	-	-	3,609	3,745
Loans to and placements with banks	538	1,150	5,631	23,141	91	27	317	30,895
Loans and advances to customers	242,539	47,659	48,648	22,863	4,068	10,990	9,326	386,093
Investment securities	14,250	41,686	37,680	58,810	73,824	93,782	5,827	325,859
Other financial assets	-	-	-	-	-	-	44,415	44,415
	386,848	90,495	91,959	104,814	77,983	104,799	65,795	922,693
Less allowances for credit impairment								(20,377)
Total								902,316
Financial liabilities								
Deposits from banks	11,913	1,341	1,695	2,063	495	-	122	17,629
Deposits from customers	353,929	35,397	19,051	17,917	8,056	2,256	244,921	681,527
Derivative financial instruments	-	633	-	-	-	-	3,435	4,068
Other borrowed funds	3,212	61,414	10,789	9,276	60	96	(105)	84,742
Debt securities	-	-	-	-	13,513	-	136	13,649
Subordinated liability	6,621	-	-	-	-	-	86	6,707
Other financial liabilities	-	-	-	-	-	-	2,964	2,964
Total	375,675	98,785	31,535	29,256	22,124	2,352	251,559	811,286
On balance sheet interest sensitivity gap	11,173	(8,290)	60,424	75,558	55,859	102,447	(185,764)	111,407
Less allowances for credit impairment								(20,377)
								91,030

* Includes interest receivable

Notes to the financial statements

for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(iii) Interest rate risk (Cont'd)

Interest sensitivity of assets and liabilities - repricing analysis (Cont'd)

	GROUP							
At 30 June 2024	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-3 years**	**Over 3 years**	**Non-interest bearing***	**Total**
	RS 'M	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**
Financial Assets								
Cash and cash equivalents	88,972	38	-	-	-	-	2,931	91,941
Derivative financial instruments	89	-	-	-	-	-	1,982	2,071
Loans to and placements with banks	2,074	7,776	865	1,372	828	-	39	12,954
Loans and advances to customers	220,942	82,646	47,617	19,695	8,093	9,426	10,692	399,111
Investment securities	21,975	34,619	26,809	51,242	112,747	68,792	9,283	325,467
Other financial assets	-	-	-	-	-	-	39,655	39,655
	334,052	125,079	75,291	72,309	121,668	78,218	64,582	871,199
Less allowances for credit impairment								(17,848)
Total								**853,351**
Financial liabilities								
Deposits from banks	31,194	4,138	3,641	1,753	-	-	275	41,001
Deposits from customers	354,998	24,580	11,689	20,914	9,516	1,033	218,907	641,637
Derivative financial instruments	-	-	-	153	(151)	-	1,988	1,990
Other borrowed funds	111	45,073	5,724	4,952	9,378	-	117	65,355
Debt securities	-	1,128	2,256	-	-	10,805	125	14,314
Subordinated liability	6,953	-	-	-	-	-	104	7,057
Other financial liabilities	-	-	-	-	-	-	3,165	3,165
Total	393,256	74,919	23,310	27,772	18,743	11,838	224,681	**774,519**
On balance sheet interest sensitivity gap	(59,204)	50,160	51,981	44,537	102,925	66,380	(160,099)	96,680
Less allowances for credit impairment								(17,848)
								78,832

* Includes interest receivable

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(iii) Interest rate risk (Cont'd)

Interest sensitivity of assets and liabilities - repricing analysis (Cont'd)

At 30 June 2024	BANK							
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-interest bearing*	Total
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets								
Cash and cash equivalents	88,753	38	-	-	-	-	1,911	90,702
Derivative financial instruments	89	-	-	-	-	-	1,982	2,071
Loans to and placements with banks	3,033	7,776	865	1,372	828	-	39	13,913
Loans and advances to customers	213,796	82,646	47,617	19,695	8,093	9,426	10,183	391,456
Investment securities	21,774	34,513	26,703	50,827	111,460	68,792	9,030	323,099
Other financial assets	-	-	-	-	-	-	38,739	38,739
	327,445	124,973	75,185	71,894	120,381	78,218	61,884	859,980
Less allowances for credit impairment								(17,305)
Total								**842,675**
Financial liabilities								
Deposits from banks	31,214	4,138	3,641	1,753	-	-	275	41,021
Deposits from customers	348,057	24,297	11,669	20,903	9,516	1,033	218,817	634,292
Derivative financial instruments	-	-	-	153	(151)	-	1,988	1,990
Other borrowed funds	882	42,605	5,724	3,826	9,378	-	114	62,529
Debt securities	-	1,128	2,256	-	-	10,805	125	14,314
Subordinated liability	6,953	-	-	-	-	-	104	7,057
Other financial liabilities	-	-	-	-	-	-	3,013	3,013
Total	387,106	72,168	23,290	26,635	18,743	11,838	224,436	**764,216**
On balance sheet interest sensitivity gap	(59,661)	52,805	51,895	45,259	101,638	66,380	(162,552)	95,764
Less allowances for credit impairment								(17,305)
								78,459

* Includes interest receivable

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(iii) Interest rate risk (Cont'd)

Interest sensitivity of assets and liabilities - repricing analysis (Cont'd)

	GROUP							
At 30 June 2023	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-3 years**	**Over 3 years**	**Non-interest bearing***	**Total**
	RS 'M	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**
Financial Assets								
Cash and cash equivalents	111,438	906	-	-	-	-	1,760	114,104
Derivative financial instruments	6	-	-	-	-	-	1,208	1,214
Loans to and placements with banks	1,378	9,892	3,015	-	101	311	-	14,697
Loans and advances to customers	210,904	50,507	34,247	15,026	19,993	10,948	11,492	353,117
Investment securities	27,171	14,543	23,208	38,585	72,297	66,941	6,573	249,318
Other financial assets	-	-	-	-	-	-	33,738	33,738
	350,897	75,848	60,470	53,611	92,391	78,200	54,771	766,188
Less allowances for credit impairment								(17,859)
Total								**748,329**
Financial liabilities								
Deposits from banks	8,837	1,064	3,938	1,104	-	-	-	14,943
Deposits from customers	291,324	13,000	9,796	17,142	9,340	634	213,853	555,089
Derivative financial instruments	-	-	-	-	2	-	1,214	1,216
Other borrowed funds	3,142	49,199	19,323	2,003	12,492	50	308	86,517
Debt securities	-	-	-	-	-	13,566	193	13,759
Subordinated liabilities	6,696	273	-	-	-	-	90	7,059
Other financial liabilities	-	-	-	-	-	-	4,017	4,017
Total	309,999	63,536	33,057	20,249	21,834	14,250	219,675	**682,600**
On balance sheet interest sensitivity gap	40,898	12,312	27,413	33,362	70,557	63,950	(164,904)	83,588
Less allowances for credit impairment								(17,859)
								65,729

* Includes interest receivable

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(iii) Interest rate risk (Cont'd)

Interest sensitivity of assets and liabilities - repricing analysis (Cont'd)

At 30 June 2023	BANK							
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-interest bearing*	Total
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets								
Cash and cash equivalents	111,667	905	-	-	-	-	1,071	113,643
Derivative financial instruments	6	-	-	-	-	-	1,208	1,214
Loans to and placements with banks	1,560	9,893	3,015	-	101	311	-	14,880
Loans and advances to customers	204,015	50,507	34,247	15,026	19,993	10,948	11,202	345,938
Investment securities	27,171	14,343	23,158	38,439	71,298	66,941	6,470	247,820
Other financial assets	-	-	-	-	-	-	33,085	33,085
	344,419	75,648	60,420	53,465	91,392	78,200	53,036	756,580
Less allowances for credit impairment								(17,525)
Total								**739,055**
Financial liabilities								
Deposits from banks	9,645	1,065	3,938	1,104	-	-	-	15,752
Deposits from customers	284,367	12,545	9,785	17,136	9,340	634	213,779	547,586
Derivative financial instruments	-	-	-	-	2	-	1,214	1,216
Other borrowed funds	1,047	49,199	19,323	2,003	12,492	50	308	84,422
Debt securities	-	-	-	-	-	13,566	193	13,759
Subordinated liabilities	6,696	273	-	-	-	-	90	7,059
Other financial liabilities	-	-	-	-	-	-	3,959	3,959
Total	301,755	63,082	33,046	20,243	21,834	14,250	219,543	**673,753**
On balance sheet interest sensitivity gap	42,664	12,566	27,374	33,222	69,558	63,950	(166,507)	82,827
Less allowances for credit impairment								(17,525)
								65,302

* Includes interest receivable

Notes to the financial statements

for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(iv) Liquidity risk

Liquidity risk entails the risk of being unable to procure readily available funds to satisfy immediate or near-term obligations in a cost-efficient manner. The Group recognizes the indispensable nature of skillfully managing liquidity, not only to foster market confidence but also to ensure the enduring viability of its operations.

In order to effectively navigate liquidity and funding risk, the Group has established a robust internal framework that synergizes Risk, Finance, and Treasury Management functions, all of which operate under the vigilant oversight of the Asset and Liability Committee (ALCO). The Group has implemented a series of key strategies to proficiently manage liquidity risk:

- Proactively forecast future cash flows and devise plans to address both routine operational necessities as well as diverse potential scenarios and contingencies.
- Oversee day-to-day liquidity by closely monitoring intra-day liquidity dynamics and projecting future cash flows, thereby guaranteeing the capability to meet all outgoing fund requirements.
- Uphold a reserve of liquid assets that can be promptly mobilized in situations of unanticipated cash outflows.
- Foster a diversified and stable funding foundation to fortify the Group's financial resilience.
- Rigorously monitor a set of early warning indicators that signal potential liquidity stress.
- Maintain a comprehensive Contingency Funding Plan to address liquidity emergencies.

The below table provides a breakdown of financial assets and liabilities according to their remaining contractual maturities as of the end of the reporting period. The Group also holds financial assets and financial liabilities for which the expected cash flows are significantly different from the contractual cash flows. The most common examples of such instruments are the current deposits from customers which are largely repayable on demand are not expected to be withdrawn immediately but to remain stable or increase. Similarly, retail mortgage loans might have a longer average contractual maturity but the average expected maturity could be lower since customers may take advantage of early repayment options.

The amounts disclosed in the following tables are undiscounted.

Maturities of assets and liabilities

	GROUP							
At 30 June 2025	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-3 years**	**Over 3 years**	**Non-maturity items**	**Total**
	RS 'M	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**
Financial Assets								
Cash and cash equivalents	120,199	4,659	-	-	-	-	615	125,473
Derivative financial instruments	-	-	-	-	103	33	1,199	1,335
Loans to and placements with banks	14,660	1,349	6,490	8,181	28	40	-	30,748
Loans and advances to customers	69,498	35,315	31,001	71,985	93,004	144,282	11,360	456,445
Investment securities	16,039	39,514	29,378	56,120	91,866	137,049	5,288	375,254
Other financial assets	-	-	-	-	-	-	45,766	45,766
	220,396	80,837	66,869	136,286	185,001	281,404	64,228	1,035,021
Less allowances for credit impairment								(21,052)
Total								1,013,969
Financial liabilities								
Deposits from banks	11,982	4,036	1,751	2,146	493	-	-	20,408
Deposits from customers	591,858	37,017	20,677	22,996	15,015	6,170	-	693,733
Derivative financial instruments	-	-	-	-	-	1,037	149	1,186
Other borrowed funds	2,605	1,396	19,407	24,678	10,237	16,335	(146)	74,512
Debt securities	-	-	534	537	15,852	-	(58)	16,865
Subordinated liabilities	-	-	-	-	6,621	74	160	6,855
Other financial liabilities	-	-	-	70	206	19	2,804	3,099
Lease liabilities	-	-	-	*70*	*206*	*19*	-	*295*
Total	606,445	42,449	42,369	50,427	48,424	23,635	2,909	816,658
Net liquidity gap	(386,049)	38,388	24,500	85,859	136,577	257,769	61,319	218,363
Less allowances for credit impairment								(21,052)
								197,311
Off balance sheet net notional position	36,576	43,621	7,808	50,991	73,111	8,082	-	220,189
Credit commitments	1,529	288	4,430	1,367	988	461,963	-	470,565

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(iv) Liquidity risk (Cont'd)

Maturities of assets and liabilities (Cont'd)

At 30 June 2025	BANK							
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-maturity items	Total
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets								
Cash and cash equivalents	119,644	4,659	-	-	-	-	458	124,761
Derivative financial instruments	-	-	-	-	103	33	1,199	1,335
Loans to and placements with banks	14,660	1,563	6,490	8,181	28	40	-	30,962
Loans and advances to customers	63,086	34,988	30,844	71,877	91,749	143,690	11,360	447,594
Investment securities	16,039	39,357	29,248	55,808	89,100	137,049	5,288	371,889
Other financial assets	-	-	-	-	-	-	44,415	44,415
	213,429	80,567	66,582	135,866	180,980	280,812	62,720	1,020,956
Less allowances for credit impairment								(20,377)
Total								1,000,579
Financial liabilities								
Deposits from banks	12,073	1,413	1,751	2,146	493	-	-	17,876
Deposits from customers	585,619	36,514	19,873	21,925	14,798	6,170	-	684,899
Derivative financial instruments	-	-	-	-	-	1,037	149	1,186
Other borrowed funds	2,605	1,431	19,407	23,714	10,237	16,335	(146)	73,583
Debt securities	-	-	534	537	15,852	-	(58)	16,865
Subordinated liability	-	-	-	-	6,621	(108)	193	6,706
Other financial liabilities	-	-	-	70	163	18	2,713	2,964
Lease liabilities	-	-	-	*70*	*163*	*18*	-	*251*
Total	600,297	39,358	41,565	48,392	48,164	23,452	2,851	804,079
Net liquidity gap	(386,868)	41,209	25,017	87,474	132,816	257,360	59,869	216,877
Less allowances for credit impairment								(20,377)
								196,500
Off balance sheet net notional position	35,477	43,500	7,740	50,739	73,086	7,695	-	218,237
Credit commitments	1,529	288	4,430	1,367	988	461,963	-	470,565

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(iv) Liquidity risk (Cont'd)

Maturities of assets and liabilities (Cont'd)

	GROUP							
At 30 June 2024	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-3 years**	**Over 3 years**	**Non-maturity items**	**Total**
	RS 'M	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**
Financial Assets								
Cash and cash equivalents	89,576	-	-	-	-	-	151	89,727
Derivative financial instruments	-	-	-	-	-	-	921	921
Loans to and placements with banks	7,215	177	64	5,199	479	-	-	13,134
Loans and advances to customers	93,706	56,447	26,278	28,438	101,916	143,224	16,542	466,551
Investment securities	9,018	36,208	27,666	49,765	123,618	102,207	8,081	356,563
Other financial assets	-	-	-	-	-	-	39,655	39,655
	199,515	92,832	54,008	83,402	226,013	245,431	65,350	966,551
Less allowances for credit impairment								(17,848)
Total								**948,703**
Financial liabilities								
Deposits from banks	31,339	4,165	3,835	1,837	-	-	-	41,176
Deposits from customers	553,563	28,050	14,334	25,577	18,531	7,522	-	647,577
Derivative financial instruments	-	1	1	2	4	-	397	405
Other borrowed funds	151	3,199	870	2,793	44,908	5,603	(287)	57,237
Debt securities	-	137	753	564	2,250	15,317	125	19,146
Subordinated liability	-	-	-	6,953	-	-	104	7,057
Other financial liabilities	-	-	-	14	92	135	2,924	3,165
Lease liabilities	-	-	-	*14*	*92*	*135*	-	*241*
Total	585,053	35,552	19,793	37,740	65,785	28,577	3,263	**775,763**
Net liquidity gap	(385,538)	57,280	34,215	45,662	160,228	216,854	62,087	190,788
Less allowances for credit impairment								(17,848)
								172,940
Off balance sheet net notional position	17,922	23,195	5,576	45,794	84,795	9,605	-	186,887
Credit commitments	11,168	19,803	4,436	2,335	5,432	432,593	-	475,767

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(iv) Liquidity risk (Cont'd)

Maturities of assets and liabilities (Cont'd)

At 30 June 2024	BANK							
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-maturity items	Total
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets								
Cash and cash equivalents	88,490	-	-	-	-	-	-	88,490
Derivative financial instruments	-	-	-	-	-	-	921	921
Loans to and placements with banks	8,175	177	64	5,199	479	-	-	14,094
Loans and advances to customers	89,630	56,019	26,099	28,360	100,905	141,946	15,936	458,895
Investment securities	8,791	36,092	27,534	49,289	122,201	102,207	8,081	354,195
Other financial assets	-	-	-	-	-	-	38,739	38,739
	195,086	92,288	53,697	82,848	223,585	244,153	63,677	955,334
Less allowances for credit impairment								(17,305)
Total								**938,029**
Financial liabilities								
Deposits from banks	31,359	4,165	3,835	1,837	-	-	-	41,196
Deposits from customers	548,674	27,342	13,496	24,727	18,470	7,522	-	640,231
Derivative financial instruments	-	1	1	2	4	-	397	405
Other borrowed funds	922	728	870	1,667	44,908	5,603	(287)	54,411
Debt securities	-	137	753	564	2,250	15,317	125	19,146
Subordinated liability	-	-	-	6,953	-	-	104	7,057
Other financial liabilities	-	-	-	14	52	135	2,812	3,013
Lease liabilities	-	-	-	*14*	*52*	*135*	-	*201*
Total	580,955	32,373	18,955	35,764	65,684	28,577	3,151	**765,459**
Net liquidity gap	(385,869)	59,915	34,742	47,084	157,901	215,576	60,526	189,875
Less allowances for credit impairment								(17,305)
								172,570
Off balance sheet net notional position	16,926	22,984	5,523	45,703	84,753	9,222	-	185,111
Credit commitments	11,168	19,803	4,436	2,335	5,432	432,593	-	475,767

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(iv) Liquidity risk (Cont'd)

Maturities of assets and liabilities (Cont'd)

At 30 June 2023	GROUP							
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-maturity items	Total
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets								
Cash and cash equivalents	112,755	-	-	-	-	-	1,245	114,000
Derivative financial instruments	-	-	-	-	-	-	1,202	1,202
Loans to and placements with banks	1,361	7,035	2,043	87	4,125	311	-	14,962
Loans and advances to customers	105,134	32,637	30,686	22,649	87,248	133,509	12,092	423,955
Investment securities	27,002	11,963	20,383	36,746	81,495	86,949	4,836	269,374
Other financial assets	-	-	-	-	-	-	33,738	33,738
	246,252	51,635	53,112	59,482	172,868	220,769	53,113	857,231
Less allowances for credit impairment								(17,859)
Total								**839,372**
Financial liabilities								
Deposits from banks	9,094	808	3,949	1,159	45	-	-	15,055
Deposits from customers	489,928	14,462	11,974	20,807	17,507	4,321	-	558,999
Derivative financial instruments	-	1	1	2	5	-	1,204	1,213
Other borrowed funds	2,478	26,786	10,937	4,929	43,792	4,662	63	93,647
Debt securities	-	-	543	543	2,176	15,835	193	19,290
Subordinated liabilities	-	296	-	6,696	-	-	(63)	6,929
Other financial liabilities	-	-	-	52	75	104	3,728	3,959
Lease liabilities	-	-	-	*52*	*75*	*104*	-	*231*
Total	501,500	42,353	27,404	34,188	63,600	24,922	5,125	**699,092**
Net liquidity gap	(255,248)	9,282	25,708	25,294	109,268	195,847	47,988	158,139
Less allowances for credit impairment								(17,859)
								140,280
Off balance sheet net notional position	7,252	3,852	5,227	30,015	48,984	10,724	-	106,054
Credit commitments	5,425	10,808	6,359	1,678	2,799	373,184	-	400,253

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(iv) Liquidity risk (Cont'd)

Maturities of assets and liabilities (Cont'd)

At 30 June 2023	BANK							
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-maturity items	Total
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets								
Cash and cash equivalents	112,981	-	-	1	-	-	671	113,653
Derivative financial instruments	-	-	-	-	-	-	1,202	1,202
Loans to and placements with banks	1,543	7,217	2,043	87	4,125	311	-	15,326
Loans and advances to customers	101,393	28,896	30,570	22,595	86,502	131,743	11,738	413,437
Investment securities	27,002	11,963	20,319	36,595	80,441	86,949	4,836	268,105
Other financial assets	-	-	-	-	-	-	33,085	33,085
	242,919	48,076	52,932	59,278	171,068	219,003	51,532	844,808
Less allowances for credit impairment								(17,525)
Total								**827,283**
Financial liabilities								
Deposits from banks	9,902	808	3,949	1,159	45	-	-	15,863
Deposits from customers	483,153	13,933	11,963	20,801	17,507	4,321	-	551,678
Derivative financial instruments	-	1	1	2	5	-	1,204	1,213
Other borrowed funds	2,478	26,683	10,937	2,935	43,792	4,662	(118)	91,369
Debt securities	-	-	543	543	2,176	15,835	193	19,290
Subordinated liabilities	-	296	-	6,696	-	-	(63)	6,929
Other financial liabilities	-	-	-	52	75	73	3,759	3,959
Lease liabilities	-	-	-	*52*	*75*	*73*	-	*200*
Total	495,533	41,721	27,393	32,188	63,600	24,891	4,975	**690,301**
Net liquidity gap	(252,614)	6,355	25,539	27,090	107,468	194,112	46,557	154,507
Less allowances for credit impairment								(17,525)
								136,982
Off balance sheet net notional position	6,576	3,615	5,141	29,647	48,950	10,708	-	104,637
Credit commitments	5,425	10,808	6,359	1,678	2,799	373,184	-	400,253

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(d) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments and instruments for which a market, which is considered to be the most representative price, is readily available. These financial assets have been classified as fair value through profit or loss and fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant input required to fair value an instrument is observable, the instrument is included in level 2.

If one or more significant inputs are not based on observable market data, the instrument is included in level 3.

Specific techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest swaps is calculated as the present value of the estimated future cashflows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using foreign exchange rates at the end of the reporting period, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

(e) Capital risk management

Disclosures relating to capital risk management are available in the Risk and Capital Management Report.

3. Financial risk management (Cont'd)

(f) Financial instruments by category

	GROUP					
	Amortised cost	Fair value through profit or loss		Fair value through other comprehensive income		Total
		Designated	Mandatory	Debt instrument	Equity instrument	
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
At 30 June 2025						
Financial assets						
Cash and cash equivalents	132,323	-	-	-	-	132,323
Derivative financial instruments	-	-	3,745	-	-	3,745
Loans to and placements with banks	30,577	-	-	-	-	30,577
Loans and advances to customers	375,178	-	-	-	-	375,178
Investment securities	315,792	9,447	-	1,514	1,368	328,121
Other financial assets	45,766	-	-	-	-	45,766
Total	899,636	9,447	3,745	1,514	1,368	915,710
Financial liabilities						
Deposits from banks	20,158	-	-	-	-	20,158
Deposits from customers	690,364	-	-	-	-	690,364
Derivative financial instruments	-	-	4,068	-	-	4,068
Other borrowed funds	85,671	-	-	-	-	85,671
Debt securities	13,649	-	-	-	-	13,649
Subordinated liabilities	6,889	-	-	-	-	6,889
Other financial liabilities	3,099	-	-	-	-	3,099
Total	819,830	-	4,068	-	-	823,898
Net on-balance sheet position	79,806	9,447	(323)	1,514	1,368	91,812

Notes to the financial statements

for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(f) Financial instruments by category (Cont'd)

	BANK					
	Amortised cost	Fair value through profit or loss		Fair value through other comprehensive income		Total
		Designated	Mandatory	Debt instrument	Equity instrument	
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
At 30 June 2025						
Financial assets						
Cash and cash equivalents	131,612	-	-	-	-	131,612
Derivative financial instruments	-	-	3,745	-	-	3,745
Loans to and placements with banks	30,791	-	-	-	-	30,791
Loans and advances to customers	366,970	-	-	-	-	366,970
Investment securities	312,454	9,447	-	1,514	1,368	324,783
Other financial assets	44,415	-	-	-	-	44,415
Total	886,242	9,447	3,745	1,514	1,368	902,316
Financial liabilities						
Deposits from banks	17,629	-	-	-	-	17,629
Deposits from customers	681,527	-	-	-	-	681,527
Derivative financial instruments	-	-	4,068	-	-	4,068
Other borrowed funds	84,742	-	-	-	-	84,742
Debt securities	13,649	-	-	-	-	13,649
Subordinated liability	6,707	-	-	-	-	6,707
Other financial liabilities	2,964	-	-	-	-	2,964
Total	807,218	-	4,068	-	-	811,286
Net on-balance sheet position	79,024	9,447	(323)	1,514	1,368	91,030

3. Financial risk management (Cont'd)

(f) Financial instruments by category (Cont'd)

	GROUP					
	Amortised cost	Fair value through profit or loss		Fair value through other comprehensive income		Total
		Designated	Mandatory	Debt instrument	Equity instrument	
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
At 30 June 2024						
Financial assets						
Cash and cash equivalents	91,907	-	-	-	-	91,907
Derivative financial instruments	-	-	2,071	-	-	2,071
Loans to and placements with banks	12,623	-	-	-	-	12,623
Loans and advances to customers	382,533	-	-	-	-	382,533
Investment securities	315,482	6,914	-	893	1,273	324,562
Other financial assets	39,655	-	-	-	-	39,655
Total	**842,200**	**6,914**	**2,071**	**893**	**1,273**	**853,351**
Financial liabilities						
Deposits from banks	41,001	-	-	-	-	41,001
Deposits from customers	641,637	-	-	-	-	641,637
Derivative financial instruments	-	-	1,990	-	-	1,990
Other borrowed funds	65,355	-	-	-	-	65,355
Debt securities	14,314	-	-	-	-	14,314
Subordinated liability	7,057	-	-	-	-	7,057
Other financial liabilities	3,165	-	-	-	-	3,165
Total	**772,529**	**-**	**1,990**	**-**	**-**	**774,519**
Net on-balance sheet position	**69,671**	**6,914**	**81**	**893**	**1,273**	**78,832**

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(f) Financial instruments by category (Cont'd)

	BANK					
	Amortised cost	Fair value through profit or loss		Fair value through other comprehensive income		Total
		Designated	Mandatory	Debt instrument	Equity instrument	
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
At 30 June 2024						
Financial assets						
Cash and cash equivalents	90,669	-	-	-	-	90,669
Derivative financial instruments	-	-	2,071	-	-	2,071
Loans to and placements with banks	13,582	-	-	-	-	13,582
Loans and advances to customers	375,404	-	-	-	-	375,404
Investment securities	313,130	6,914	-	893	1,273	322,210
Other financial assets	38,739	-	-	-	-	38,739
Total	**831,524**	**6,914**	**2,071**	**893**	**1,273**	**842,675**
Financial liabilities						
Deposits from banks	41,021	-	-	-	-	41,021
Deposits from customers	634,292	-	-	-	-	634,292
Derivative financial instruments	-	-	1,990	-	-	1,990
Other borrowed funds	62,529	-	-	-	-	62,529
Debt securities	14,314	-	-	-	-	14,314
Subordinated liability	7,057	-	-	-	-	7,057
Other financial liabilities	3,013	-	-	-	-	3,013
Total	**762,226**	**-**	**1,990**	**-**	**-**	**764,216**
Net on-balance sheet position	**69,298**	**6,914**	**81**	**893**	**1,273**	**78,459**

3. Financial risk management (Cont'd)

(f) Financial instruments by category (Cont'd)

	GROUP					
	Amortised cost	Fair value through profit or loss		Fair value through other comprehensive income		Total
		Designated	Mandatory	Debt instrument	Equity instrument	
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
At 30 June 2023						
Financial assets						
Cash and cash equivalents	114,065	-	-	-	-	114,065
Derivative financial instruments	-	-	1,214	-	-	1,214
Loans to and placements with banks	13,909	-	-	-	-	13,909
Loans and advances to customers	336,512	-	-	-	-	336,512
Investment securities	242,458	4,497	-	715	1,221	248,891
Other financial assets	33,738	-	-	-	-	33,738
Total	**740,682**	**4,497**	**1,214**	**715**	**1,221**	**748,329**
Financial liabilities						
Deposits from banks	14,943	-	-	-	-	14,943
Deposits from customers	555,089	-	-	-	-	555,089
Derivative financial instruments	-	-	1,216	-	-	1,216
Other borrowed funds	86,517	-	-	-	-	86,517
Debt securities	13,759	-	-	-	-	13,759
Subordinated liabilities	7,059	-	-	-	-	7,059
Other financial liabilities	4,017	-	-	-	-	4,017
Total	**681,384**	**-**	**1,216**	**-**	**-**	**682,600**
Net on-balance sheet position	**59,298**	**4,497**	**(2)**	**715**	**1,221**	**65,729**

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(f) Financial instruments by category (Cont'd)

	BANK					
	Amortised cost	Fair value through profit or loss		Fair value through other comprehensive income		Total
		Designated	Mandatory	Debt instrument	Equity instrument	
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
At 30 June 2023						
Financial assets						
Cash and cash equivalents	113,609	-	-	-	-	113,609
Derivative financial instruments	-	-	1,214	-	-	1,214
Loans to and placements with banks	14,092	-	-	-	-	14,092
Loans and advances to customers	329,650	-	-	-	-	329,650
Investment securities	240,972	4,497	-	715	1,221	247,405
Other financial assets	33,085	-	-	-	-	33,085
Total	**731,408**	**4,497**	**1,214**	**715**	**1,221**	**739,055**
Financial liabilities						
Deposits from banks	15,752	-	-	-	-	15,752
Deposits from customers	547,586	-	-	-	-	547,586
Derivative financial instruments	-	-	1,216	-	-	1,216
Other borrowed funds	84,422	-	-	-	-	84,422
Debt securities	13,759	-	-	-	-	13,759
Subordinated liabilities	7,059	-	-	-	-	7,059
Other financial liabilities	3,959	-	-	-	-	3,959
Total	**672,537**	**-**	**1,216**	**-**	**-**	**673,753**
Net on-balance sheet position	**58,871**	**4,497**	**(2)**	**715**	**1,221**	**65,302**

3. Financial risk management (Cont'd)

(g) Financial instruments not measured at fair value

The following table summarises the carrying amounts and fair values of those financial assets and financial liabilities not presented on the Bank's statement of financial position at their fair values.

	Carrying value	Fair value	Level 1	Level 2
	RS 'M	RS 'M	RS 'M	RS 'M
At 30 June 2025				
Financial assets				
Loans to and placements with banks	**30,791**	**30,804**	**-**	**30,804**
Loans and advances to customers	**366,970**	**366,802**	**-**	**366,802**
Investment securities	**312,454**	**307,277**	**307,277**	**-**
Financial liabilities				
Deposits from banks	**17,629**	**17,628**	**-**	**17,628**
Deposits from customers	**681,527**	**681,531**	**-**	**681,531**
Other borrowed funds	**84,742**	**84,637**	**-**	**84,637**
Debt securities	**13,649**	**14,411**	**14,411**	**-**
Subordinated liability	**6,707**	**6,705**	**-**	**6,705**
At 30 June 2024				
Financial assets				
Loans to and placements with banks	13,582	13,569	-	13,569
Loans and advances to customers	375,404	375,038	-	375,038
Investment securities	313,130	308,342	308,342	-
Financial liabilities				
Deposits from banks	41,021	41,010	-	41,010
Deposits from customers	634,292	634,189	-	634,189
Other borrowed funds	62,529	62,137	-	62,137
Debt securities	14,314	14,669	14,669	-
Subordinated liability	7,057	7,055	-	7,055
At 30 June 2023				
Financial assets				
Loans to and placements with banks	14,092	14,092	-	14,092
Loans and advances to customers	329,650	328,812	-	328,812
Investment securities	240,972	232,272	232,272	-
Financial liabilities				
Deposits from banks	15,752	15,762	-	15,762
Deposits from customers	547,586	547,908	-	547,908
Other borrowed funds	84,422	85,376	-	85,376
Debt securities	13,759	13,985	13,985	-
Subordinated liabilities	7,059	7,060	-	7,060

Notes to the financial statements
for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(g) Financial instruments not measured at fair value (Cont'd)

(i) Loans and advances to banks and to customers

Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(ii) Deposits at amortised cost

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and debt securities issued and not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

(iii) Debt securities in issue

Fair values of other debt securities in issue are based on quoted prices where available, or where the instruments are short dated, carrying amount approximates fair value.

(iv) Subordinated liabilities

The estimated fair value of the loan capital and not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

4. Cash and cash equivalents

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cash in hand	**3,764**	3,556	3,163	**3,631**	3,419	3,059
Foreign currency notes and coins	**265**	222	143	**239**	206	132
Unrestricted balances with Central Banks*	**1,813**	2,268	1,245	**1,813**	1,399	671
Balances due in clearing	**467**	396	408	**458**	391	400
Treasury bills and bonds	**1,264**	2,297	46,344	**1,264**	2,297	46,344
Money market placements with banks	**78,152**	50,929	12,165	**77,638**	50,848	11,663
Balances with banks abroad	**40,315**	32,273	50,636	**40,286**	32,142	51,374
Balances with local bank and interbank loans	**6,360**	-	-	**6,357**	-	-
	132,400	91,941	114,104	**131,686**	90,702	113,643
Allowances for credit impairment (12 months expected credit loss)	**(77)**	(34)	(39)	**(74)**	(33)	(34)
	132,323	91,907	114,065	**131,612**	90,669	113,609

* Unrestricted balances with Central Banks represent amounts above the minimum cash reserve requirement.
Money market placements, balances with banks abroad and interbank loans represent loans to and placements with banks with original maturity less than three months.
The elements within cash and cash equivalents are classified as current assets.

Allowances for credit impairment

	GROUP	BANK
	Stage 1	Stage 1
	RS'M	RS'M
At 1 July 2024	**34**	**33**
Provision for credit impairment for the year	**27**	**25**
Provision released during the year	**(2)**	**(2)**
Financial assets that have been derecognised	**(3)**	**(3)**
Changes in models/risk parameters	**21**	**21**
At 30 June 2025	**77**	**74**
At 1 July 2023	39	34
Provision for credit impairment for the year	15	15
Provision released during the year	(12)	(8)
Financial assets that have been derecognised	(8)	(8)
At 30 June 2024	34	33
At 1 July 2022	40	40
Provision for credit impairment for the year	75	70
Provision released during the year	(23)	(23)
Financial assets that have been derecognised	(1)	(1)
Changes in models/risk parameters	(52)	(52)
At 30 June 2023	39	34

Cash and cash equivalents as shown in the statements of cash flows

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cash and cash equivalents	**132,400**	91,941	114,104	**131,686**	90,702	113,643
Other borrowed funds (see note 14(a))	**(127)**	(6)	-	**(127)**	(6)	-
Net cash and cash equivalents	**132,273**	91,935	114,104	**131,559**	90,696	113,643
Change in year	**40,338**	(22,169)	50,871	**40,863**	(22,947)	51,084
Effect of foreign exchange rate changes	**(78)**	54	37	**-**	-	-
Increase/(Decrease) in cash and cash equivalents	**40,260**	(22,115)	50,908	**40,863**	(22,947)	51,084

Notes to the financial statements
for the year ended 30 June 2025

5. Derivative financial instruments

The Group utilises the following derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk:

- Currency forwards represent commitments to purchase foreign and domestic currency, including undelivered spot transactions.
- Currency swaps and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies, or interest rates, or a combination of all these.

Except for certain currency swaps, no exchange of principal takes place. The Group's credit risk represents the potential cost to replace the swap contracts if counterparties fail to perform their obligation. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

Commodity options provide the buyer, for a premium, the right, but not the obligation, either to purchase or sell a fixed quantity of a certain commodity at a specified price on or before a future date. All commodity contracts are fully back-to-back transactions such that the Group is not exposed to market risks.

(a) Fair values of derivative financial instruments

The fair values of derivative financial instruments held are set out below:

	GROUP & BANK		
	Contractual/ Nominal Amount	Fair value assets	Fair value liabilities
	RS'M	RS'M	RS'M
Fair value through profit or loss - Level 2*			
Derivative instruments			
At 30 June 2025			
Currency forwards	**33,563**	**447**	**488**
Interest rate swaps**	**40,358**	**622**	**792**
Currency swaps	**32,532**	**130**	**414**
Commodities	**106,266**	**2,247**	**2,238**
Others	**12,750**	**299**	**136**
	225,469	**3,745**	**4,068**
At 30 June 2024			
Currency forwards	28,624	125	106
Interest rate swaps	36,309	531	680
Currency swaps	25,244	176	123
Commodities	60,875	993	993
Others	16,160	246	88
	167,212	2,071	1,990
At 30 June 2023			
Currency forwards	21,263	470	473
Interest rate swaps	4,792	266	627
Currency swaps	14,994	43	47
Commodities	4,643	63	63
Others	13,225	372	6
	58,917	1,214	1,216

*Refer to definition of Level 2 in note 7.
**Includes cash flow hedge instrument as disclosed in note 5(b).
The derivative financial instruments are classified as non-current assets or non-current liabilities.

5. Derivative financial instruments (Cont'd)

(b) Hedge Accounting

The table below shows the cash flow hedge which are carried on the Bank's and Group's Statements of financial position:

At 30 June 2025

Hedge Type	Risk category	Nominal amount	Carrying amount	
			Assets	Liabilities
		RS 'M	RS 'M	RS 'M
Cash flow	Interest rate Risk	6,756	18	29

The effect on income statement and other comprehensive income of recycling amounts in respect of cash flow hedge is set out below:

At 30 June 2025	Amount recycled from other comprehensive income due to hedge item affecting income statement	Amount recycled from other comprehensive income due to cash flow not expected to occur
Description of hedged relationship and hedged risk	RS 'M	RS 'M
Cash flow hedge of interest rate risk		
Recycled to net trading income	55	-

A detailed reconciliation of the movements of the cash flow hedging reserve

	Cash flow hedging reserve
	RS 'M
Balance at 1 July	-
Hedging loss	(66)
Amount reclassified in relation to cash flow affecting the statement of profit or loss	55
Balance at 30 June 2025	**(11)**

Notes to the financial statements

for the year ended 30 June 2025

6. Loans

(a) Loans to and placements with banks

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
(i) Loans to and placements with banks						
in Mauritius	**64,320**	22,612	-	**64,320**	22,612	-
outside Mauritius	**91,188**	73,544	77,498	**90,856**	74,291	77,917
	155,508	96,156	77,498	**155,176**	96,903	77,917
Less:						
Loans to and placements with banks with original maturity less than 3 months and included in cash and cash equivalents	**(124,827)**	(83,202)	(62,801)	**(124,281)**	(82,990)	(63,037)
	30,681	12,954	14,697	**30,895**	13,913	14,880
Less:						
Allowances for credit impairment	**(104)**	(331)	(788)	**(104)**	(331)	(788)
	30,577	12,623	13,909	**30,791**	13,582	14,092
(ii) Remaining term to maturity						
Up to 3 months	**11,894**	5,714	8,096	**12,108**	6,674	8,278
Over 3 months and up to 6 months	**6,287**	1,189	2,139	**6,287**	1,189	2,139
Over 6 months and up to 1 year	**12,435**	5,269	-	**12,435**	5,269	-
Over 1 year and up to 5 years	**64**	774	4,462	**64**	774	4,463
Over 5 years	**1**	8	-	**1**	7	-
	30,681	12,954	14,697	**30,895**	13,913	14,880
Loans to and placements with banks can be classified as :						
Current	**30,616**	12,172	10,235	**30,830**	13,132	10,417
Non-current	**65**	782	4,462	**65**	781	4,463
	30,681	12,954	14,697	**30,895**	13,913	14,880

(iii) Reconciliation of gross carrying amount

	GROUP			BANK		
	Stage 1	Stage 3	Total	Stage 1	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
At 1 July 2024	**12,954**	**-**	**12,954**	**13,913**	**-**	**13,913**
New loans and placements with banks, originated or purchased	**30,052**	**3**	**30,055**	**30,266**	**3**	**30,269**
Loans and placements with banks derecognised or repaid (excluding write off)	**(12,325)**	**-**	**(12,325)**	**(13,284)**	**-**	**(13,284)**
Write offs	**-**	**(3)**	**(3)**	**-**	**(3)**	**(3)**
At 30 June 2025	**30,681**	**-**	**30,681**	**30,895**	**-**	**30,895**
At 1 July 2023	14,697	-	14,697	14,880	-	14,880
New loans and placements with banks, originated or purchased	11,788	13	11,801	12,747	13	12,760
Loans and placements with banks derecognised or repaid (excluding write off)	(13,531)	-	(13,531)	(13,714)	-	(13,714)
Write offs	-	(13)	(13)	-	(13)	(13)
At 30 June 2024	12,954	-	12,954	13,913	-	13,913
At 1 July 2022	24,007	-	24,007	24,407	-	24,407
New loans and placements with banks, originated or purchased	11,938	-	11,938	11,938	-	11,938
Loans and placements with banks derecognised or repaid (excluding write off)	(21,248)	-	(21,248)	(21,465)	-	(21,465)
At 30 June 2023	14,697	-	14,697	14,880	-	14,880

6. Loans (Cont'd)

(a) Loans to and placements with banks (Cont'd)

(iv) Allowances for credit impairment

	GROUP & BANK
	Stage 1
	RS'M
At 1 July 2024	**331**
Provision for credit impairment for the year	**68**
Provision released during the year	**(24)**
Financial assets that have been derecognised	**(297)**
Changes in models/risk parameters	**26**
Provision and interest in suspense at 30 June 2025	**104**
At 1 July 2023	788
Provision for credit impairment for the year	325
Provision released during the year	(105)
Financial assets that have been derecognised	(678)
Changes in models/risk parameters	1
Provision and interest in suspense at 30 June 2024	331
At 1 July 2022	473
Provision for credit impairment for the year	657
Provision released during the year	(76)
Financial assets that have been derecognised	(257)
Changes in models/risk parameters	(9)
Provision and interest in suspense at 30 June 2023	788

Notes to the financial statements

for the year ended 30 June 2025

6. Loans (Cont'd)

(b) Loans and advances to customers

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
(i) Loans and advances to customers						
Retail customers:						
Credit cards	**1,098**	1,375	979	**1,098**	1,375	979
Mortgages	**48,715**	40,879	37,362	**48,680**	40,843	37,332
Other retail loans	**13,948**	11,464	10,189	**13,684**	11,223	9,976
Corporate customers	**143,549**	123,058	139,606	**134,996**	115,680	132,670
Entities outside Mauritius	**187,635**	222,335	164,981	**187,635**	222,335	164,981
	394,945	399,111	353,117	**386,093**	391,456	345,938
Less:						
Allowances for credit impairment	**(19,767)**	(16,578)	(16,605)	**(19,123)**	(16,052)	(16,288)
	375,178	382,533	336,512	**366,970**	375,404	329,650
(ii) Remaining term to maturity						
Up to 3 months	**137,942**	156,009	133,931	**131,203**	151,371	129,433
Over 3 months and up to 6 months	**16,245**	13,062	20,585	**16,088**	12,962	20,469
Over 6 months and up to 1 year	**25,357**	13,045	13,002	**25,249**	12,883	12,948
Over 1 year and up to 5 years	**106,997**	110,510	88,240	**105,149**	108,210	86,342
Over 5 years	**108,404**	106,485	97,359	**108,404**	106,030	96,746
	394,945	399,111	353,117	**386,093**	391,456	345,938
Loans and advances to customers can be classified as:						
Current	**179,544**	182,116	167,518	**172,540**	177,216	162,850
Non-current	**215,401**	216,995	185,599	**213,553**	214,240	183,088
	394,945	399,111	353,117	**386,093**	391,456	345,938

6. Loans (Cont'd)

(b) Loans and advances to customers (Cont'd)

(iii) Reconciliation of gross carrying amount

	GROUP			
	Stage 1	Stage 2	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2024	**375,121**	**9,515**	**14,475**	**399,111**
Exchange adjustment	**(583)**	**332**	**9**	**(242)**
Transfer to Stage 1	**786**	**(691)**	**(95)**	**-**
Transfer to Stage 2	**(5,927)**	**6,057**	**(130)**	**-**
Transfer to Stage 3	**(1,090)**	**(1,362)**	**2,452**	**-**
New loans and advances to customers, originated or purchased	**211,082**	**2,837**	**3,111**	**217,030**
Loans and advances to customers derecognised or repaid (excluding write off)	**(210,325)**	**(5,568)**	**(3,418)**	**(219,311)**
Write offs	**-**	**-**	**(1,643)**	**(1,643)**
At 30 June 2025	**369,064**	**11,120**	**14,761**	**394,945**
At 1 July 2023	319,618	19,236	14,263	353,117
Exchange adjustment	631	(320)	241	552
Transfer to Stage 1	3,166	(2,959)	(207)	-
Transfer to Stage 2	(829)	841	(12)	-
Transfer to Stage 3	(843)	(1,895)	2,738	-
New loans and advances to customers, originated or purchased	234,242	3,014	5,135	242,391
Loans and advances to customers derecognised or repaid (excluding write off)	(180,864)	(8,402)	(1,267)	(190,533)
Write offs	-	-	(6,416)	(6,416)
At 30 June 2024	375,121	9,515	14,475	399,111
At 1 July 2022	292,753	17,447	13,986	324,186
Exchange adjustment	(480)	(24)	51	(453)
Transfer to Stage 1	2,144	(1,855)	(289)	-
Transfer to Stage 2	(3,697)	4,596	(899)	-
Transfer to Stage 3	(1,772)	(609)	2,381	-
New loans and advances to customers, originated or purchased	191,834	6,580	1,147	199,561
Loans and advances to customers derecognised or repaid (excluding write off)	(161,164)	(6,899)	(1,834)	(169,897)
Write offs	-	-	(280)	(280)
At 30 June 2023	319,618	19,236	14,263	353,117

Notes to the financial statements

for the year ended 30 June 2025

6. Loans (Cont'd)

(b) Loans and advances to customers (Cont'd)

(iii) Reconciliation of gross carrying amount (cont'd)

	BANK			
	Stage 1	Stage 2	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2024	**368,056**	**9,530**	**13,870**	**391,456**
Exchange adjustment	**-**	**-**	**82**	**82**
Transfer to Stage 1	**484**	**(389)**	**(95)**	**-**
Transfer to Stage 2	**(5,650)**	**5,739**	**(89)**	**-**
Transfer to Stage 3	**(1,090)**	**(1,362)**	**2,452**	**-**
New loans and advances to customers, originated or purchased	**208,369**	**2,820**	**2,956**	**214,145**
Loans and advances to customers derecognised or repaid (excluding write off)	**(209,025)**	**(5,519)**	**(3,403)**	**(217,947)**
Write offs	**-**	**-**	**(1,643)**	**(1,643)**
At 30 June 2025	**361,144**	**10,819**	**14,130**	**386,093**
At 1 July 2023	313,244	18,785	13,909	345,938
Exchange adjustment	-	-	168	168
Transfer to Stage 1	2,860	(2,671)	(189)	-
Transfer to Stage 2	(710)	722	(12)	-
Transfer to Stage 3	(801)	(1,893)	2,694	-
New loans and advances to customers, originated or purchased	232,870	2,957	4,980	240,807
Loans and advances to customers derecognised or repaid (excluding write off)	(179,407)	(8,370)	(1,264)	(189,041)
Write offs	-	-	(6,416)	(6,416)
At 30 June 2024	368,056	9,530	13,870	391,456
At 1 July 2022	287,648	17,225	13,647	318,520
Exchange adjustment	-	-	82	82
Transfer to Stage 1	1,961	(1,679)	(282)	-
Transfer to Stage 2	(3,402)	4,300	(898)	-
Transfer to Stage 3	(1,715)	(592)	2,307	-
New loans and advances to customers, originated or purchased	189,018	6,394	1,113	196,525
Loans and advances to customers derecognised or repaid (excluding write off)	(160,266)	(6,863)	(1,780)	(168,909)
Write offs	-	-	(280)	(280)
At 30 June 2023	313,244	18,785	13,909	345,938

6. Loans (Cont'd)

(b) Loans and advances to customers (Cont'd)

(iv) Allowances for credit impairment

	GROUP			
	Stage 1	Stage 2	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2024	**3,285**	**2,212**	**8,951**	**14,448**
Exchange adjustment	**(1)**	**(1)**	**(375)**	**(377)**
Transfer to Stage 1	**204**	**(165)**	**(39)**	**-**
Transfer to Stage 2	**(50)**	**79**	**(29)**	**-**
Transfer to Stage 3	**(17)**	**(308)**	**325**	**-**
Provision for credit impairment for the year	**2,045**	**2,074**	**5,296**	**9,415**
Provision released during the year	**(1,472)**	**(383)**	**(719)**	**(2,574)**
Financial assets that have been derecognised	**(1,092)**	**(958)**	**(1,828)**	**(3,878)**
Write offs	**-**	**-**	**(1,099)**	**(1,099)**
Changes in models/risk parameters	**886**	**181**	**-**	**1,067**
At 30 June 2025	**3,788**	**2,731**	**10,483**	**17,002**
Interest in suspense	**-**	**-**	**2,765**	**2,765**
Provision and interest in suspense at 30 June 2025	**3,788**	**2,731**	**13,248**	**19,767**
At 1 July 2023	2,566	3,849	7,985	14,400
Exchange adjustment	3	-	181	184
Transfer to Stage 1	301	(245)	(56)	-
Transfer to Stage 2	(5)	9	(4)	-
Transfer to Stage 3	(11)	(416)	427	-
Provision for credit impairment for the year	2,373	1,394	6,235	10,002
Provision released during the year	(908)	(988)	(431)	(2,327)
Financial assets that have been derecognised	(856)	(1,376)	(587)	(2,819)
Write offs	-	-	(4,799)	(4,799)
Changes in models/risk parameters	(178)	(15)	-	(193)
At 30 June 2024	3,285	2,212	8,951	14,448
Interest in suspense	-	-	2,130	2,130
Provision and interest in suspense at 30 June 2024	3,285	2,212	11,081	16,578
At 1 July 2022	3,322	3,060	4,429	10,811
Exchange adjustment	(6)	(2)	71	63
Transfer to Stage 1	292	(223)	(69)	-
Transfer to Stage 2	(57)	705	(648)	-
Transfer to Stage 3	(36)	(100)	136	-
Provision for credit impairment for the year	1,684	2,166	4,624	8,474
Provision released during the year	(1,892)	(1,447)	(187)	(3,526)
Financial assets that have been derecognised	(568)	(299)	(176)	(1,043)
Write offs	-	-	(195)	(195)
Changes in models/risk parameters	(173)	(11)	-	(184)
At 30 June 2023	2,566	3,849	7,985	14,400
Interest in suspense	-	-	2,205	2,205
Provision and interest in suspense at 30 June 2023	2,566	3,849	10,190	16,605

Notes to the financial statements

for the year ended 30 June 2025

6. Loans (Cont'd)

(b) Loans and advances to customers (Cont'd)

(iv) Allowances for credit impairment (Cont'd)

	BANK			
	Stage 1	Stage 2	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2024	**3,238**	**2,195**	**8,623**	**14,056**
Exchange adjustment	**-**	**-**	**(366)**	**(366)**
Transfer to Stage 1	**185**	**(146)**	**(39)**	**-**
Transfer to Stage 2	**(47)**	**76**	**(29)**	**-**
Transfer to Stage 3	**(17)**	**(308)**	**325**	**-**
Provision for credit impairment for the year	**2,022**	**2,068**	**5,199**	**9,289**
Provision released during the year	**(1,447)**	**(381)**	**(717)**	**(2,545)**
Financial assets that have been derecognised	**(1,090)**	**(958)**	**(1,819)**	**(3,867)**
Write offs	**-**	**-**	**(1,099)**	**(1,099)**
Changes in models/risk parameters	**886**	**181**	**-**	**1,067**
At 30 June 2025	**3,730**	**2,727**	**10,078**	**16,535**
Interest in suspense	**-**	**-**	**2,588**	**2,588**
Provision and interest in suspense at 30 June 2025	**3,730**	**2,727**	**12,666**	**19,123**
At 1 July 2023	2,516	3,832	7,825	14,173
Exchange adjustment	-	-	168	168
Transfer to Stage 1	294	(239)	(55)	-
Transfer to Stage 2	(4)	8	(4)	-
Transfer to Stage 3	(11)	(416)	427	-
Provision for credit impairment for the year	2,364	1,388	6,076	9,828
Provision released during the year	(887)	(987)	(430)	(2,304)
Financial assets that have been derecognised	(856)	(1,376)	(585)	(2,817)
Write offs	-	-	(4,799)	(4,799)
Changes in models/risk parameters	(178)	(15)	-	(193)
At 30 June 2024	3,238	2,195	8,623	14,056
Interest in suspense	-	-	1,996	1,996
Provision and interest in suspense at 30 June 2024	3,238	2,195	10,619	16,052
At 1 July 2022	3,248	3,039	4,322	10,609
Exchange adjustment	-	-	82	82
Transfer to Stage 1	275	(207)	(68)	-
Transfer to Stage 2	(51)	699	(648)	-
Transfer to Stage 3	(36)	(98)	134	-
Provision for credit impairment for the year	1,656	2,151	4,561	8,368
Provision released during the year	(1,840)	(1,444)	(187)	(3,471)
Financial assets that have been derecognised	(563)	(297)	(176)	(1,036)
Write offs	-	-	(195)	(195)
Changes in models/risk parameters	(173)	(11)	-	(184)
At 30 June 2023	2,516	3,832	7,825	14,173
Interest in suspense	-	-	2,115	2,115
Provision and interest in suspense at 30 June 2023	2,516	3,832	9,940	16,288

6. Loans (Cont'd)

(b) Loans and advances to customers (Cont'd)

(v) Allowances for credit impairment by industry sectors

	GROUP					
	2025					
	Gross amount of loans	Non performing loans*	Stage 1	Stage 2	Stage 3	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	5,363	193	14	-	96	110
Manufacturing	26,490	334	253	361	347	961
Tourism	20,403	3,046	113	218	3,508	3,839
Transport	5,376	39	87	580	53	720
Construction	14,027	486	89	180	490	759
Financial and business services	76,909	1,363	1,161	29	1,330	2,520
Traders	126,607	2,361	1,166	890	2,468	4,524
of which Petroleum & Energy products	*100,574*	*1,670*	*971*	*646*	*1,878*	*3,495*
Personal	63,384	917	307	136	432	875
of which credit cards	*1,086*	*48*	*14*	*3*	*44*	*61*
of which housing	*48,715*	*511*	*81*	*40*	*185*	*306*
Professional	593	4	6	3	3	12
Global Business Licence holders	31,891	3,033	73	240	4,341	4,654
Others	23,902	220	519	94	180	793
of which Energy and Commodities Asset Backed financing	*12,095*	-	*85*	-	-	*85*
	394,945	11,996	3,788	2,731	13,248	19,767

	2024					
	Gross amount of loans	Non performing loans*	Stage 1	Stage 2	Stage 3	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	5,568	93	43	16	76	135
Manufacturing	21,683	241	183	260	209	652
Tourism	25,059	3,209	118	535	2,349	3,002
Transport	9,208	52	79	27	67	173
Construction	15,778	209	83	217	140	440
Financial and business services	63,232	333	528	224	345	1,097
Traders	151,989	2,630	676	790	2,313	3,779
of which Petroleum & Energy products	*127,909*	*1,755*	*553*	*694*	*1,755*	*3,002*
Personal	53,325	870	126	20	407	553
of which credit cards	*1,354*	*39*	*10*	*1*	*36*	*47*
of which housing	*40,879*	*439*	*50*	*7*	*181*	*238*
Professional	491	3	3	-	2	5
Global Business Licence holders	15,442	4,134	83	122	4,914	5,119
Others	37,336	571	1,363	1	259	1,623
of which Energy and Commodities Asset Backed financing	*15,082*	-	*30*	-	-	*30*
	399,111	12,345	3,285	2,212	11,081	16,578

*Non performing loans excludes interest in suspense.

Notes to the financial statements

for the year ended 30 June 2025

6. Loans (Cont'd)

(b) Loans and advances to customers (Cont'd)

(v) Allowances for credit impairment by industry sectors (Cont'd)

	GROUP					
	2023					
	Gross amount of loans	Non performing loans*	Stage 1	Stage 2	Stage 3	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	8,668	646	95	166	913	1,174
Manufacturing	16,388	140	155	178	87	420
Tourism	28,849	469	377	1,389	447	2,213
Transport	7,723	30	102	12	36	150
Construction	13,190	119	110	105	91	306
Financial and business services	53,747	325	449	225	253	927
Traders	117,291	742	541	880	1,249	2,670
of which Petroleum & Energy products	*93,224*	-	*322*	*823*	-	*1,145*
Personal	48,304	849	124	64	357	545
of which credit cards	*959*	*30*	*9*	*3*	*27*	*39*
of which housing	*37,362*	*511*	*47*	*22*	*178*	*247*
Professional	295	11	4	1	4	9
Global Business Licence holders	23,849	7,285	44	63	6,595	6,702
Others	34,813	1,441	565	766	158	1,489
of which Energy and Commodities Asset Backed financing	*17,126*	*890*	*74*	*89*	*746*	*909*
	353,117	12,057	2,566	3,849	10,190	16,605

*Non performing loans excludes interest in suspense.

6. Loans (Cont'd)

(b) Loans and advances to customers (Cont'd)

(v) Allowances for credit impairment by industry sectors (Cont'd)

	BANK					
	2025					
	Gross amount of loans	Non performing loans*	Stage 1	Stage 2	Stage 3	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	4,800	180	11	-	80	91
Manufacturing	22,420	235	232	358	199	789
Tourism	20,381	3,044	113	218	3,506	3,837
Transport	5,111	20	85	580	14	679
Construction	13,794	424	88	179	395	662
Financial and business services	76,080	1,306	1,155	27	1,287	2,469
Traders	123,849	2,164	1,142	894	2,253	4,289
of which Petroleum & Energy products	*100,574*	*1,670*	*971*	*646*	*1,878*	*3,495*
Personal	63,384	917	307	136	432	875
of which credit cards	*1,086*	*48*	*14*	*3*	*44*	*61*
of which housing	*48,680*	*511*	*81*	*40*	*185*	*306*
Professional	593	4	6	3	3	12
Global Business Licence holders	31,891	3,033	73	240	4,341	4,654
Others	23,790	215	518	92	156	766
of which Energy and Commodities Asset Backed financing	*12,095*	*-*	*85*	*-*	*-*	*85*
	386,093	11,542	3,730	2,727	12,666	19,123

	2024					
	Gross amount of loans	Non performing loans*	Stage 1	Stage 2	Stage 3	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	4,956	79	41	16	65	122
Manufacturing	17,931	137	164	249	57	470
Tourism	25,029	3,207	118	535	2,347	3,000
Transport	8,926	31	77	27	29	133
Construction	15,491	107	82	211	51	344
Financial and business services	62,542	304	520	223	272	1,015
Traders	150,064	2,437	662	791	2,226	3,679
of which Petroleum & Energy products	*127,909*	*1,755*	*553*	*694*	*1,755*	*3,002*
Personal	53,289	870	126	20	407	553
of which credit cards	*1,354*	*39*	*10*	*1*	*36*	*47*
of which housing	*40,843*	*439*	*50*	*7*	*181*	*238*
Professional	491	3	3	-	2	5
Global Business Licence holders	15,442	4,134	83	122	4,914	5,119
Others	37,295	565	1,362	1	249	1,612
of which Energy and Commodities Asset Backed financing	*15,082*	*-*	*30*	*-*	*-*	*30*
	391,456	11,874	3,238	2,195	10,619	16,052

*Non performing loans excludes interest in suspense.

Notes to the financial statements

for the year ended 30 June 2025

6. Loans (Cont'd)

(b) Loans and advances to customers (Cont'd)

(v) Allowances for credit impairment by industry sectors (Cont'd)

	BANK					
	2023					
	Gross amount of loans	Non performing loans*	Stage 1	Stage 2	Stage 3	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	8,150	633	93	166	904	1,163
Manufacturing	12,810	41	136	164	22	322
Tourism	28,815	461	377	1,389	444	2,210
Transport	7,414	11	99	12	7	118
Construction	12,875	58	107	105	28	240
Financial and business services	53,112	290	441	225	216	882
Traders	115,564	719	528	875	470	1,873
of which Petroleum & Energy products	*93,224*	*-*	*322*	*823*	*-*	*1,145*
Personal	48,274	849	124	64	357	545
of which credit cards	*959*	*30*	*9*	*3*	*27*	*39*
of which housing	*37,332*	*511*	*47*	*22*	*178*	*247*
Professional	295	11	4	1	4	9
Global Business Licence holders	23,849	7,285	44	63	6,595	6,702
Others	34,780	1,436	563	768	893	2,224
of which Energy and Commodities Asset Backed financing	*17,126*	*890*	*74*	*89*	*746*	*909*
	345,938	11,794	2,516	3,832	9,940	16,288

*Non performing loans excludes interest in suspense.

7. Investment securities

(a) Investment securities

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Investment in debt securities at amortised cost (note 7(b))	**316,896**	316,387	242,885	**313,530**	314,019	241,387
Less allowances for credit impairment on investment in debt securities at amortised cost	**(1,104)**	(905)	(427)	**(1,076)**	(889)	(415)
	315,792	315,482	242,458	**312,454**	313,130	240,972
Investment in debt and equity securities measured at fair value through other comprehensive income (note 7(c))	**2,882**	2,166	1,936	**2,882**	2,166	1,936
Investment in debt and equity securities measured at fair value through profit or loss (note 7(d))	**9,447**	6,914	4,497	**9,447**	6,914	4,497
	328,121	324,562	248,891	**324,783**	322,210	247,405

Credit impaired investments at fair value through other comprehensive income amounted to Rs 1M/Provision Rs 1M (2024: Rs 1M). At 30 June 2023, there were no credit impaired investments fair valued through other comprehensive income.

Investment securities (gross of allowances for credit impairment) can be classified as:

Current	**131,381**	121,113	91,279	**130,791**	120,162	90,835
Non-current	**197,844**	204,354	158,039	**195,068**	202,937	156,985

(b) (i) Investment in debt securities at amortised cost

	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Government of Mauritius and Bank of Mauritius bonds	**147,198**	133,768	106,753	**147,198**	133,768	106,753
Treasury bills	**46,171**	65,698	34,944	**42,805**	63,330	33,446
Foreign bonds	**86,949**	83,886	72,775	**86,949**	83,886	72,775
Notes	**36,182**	32,637	28,019	**36,182**	32,637	28,019
Index linked note	**396**	398	394	**396**	398	394
	316,896	316,387	242,885	**313,530**	314,019	241,387

(ii) Remaining term to maturity

	GROUP					
	2025					
	Up to 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Government of Mauritius and Bank of Mauritius bonds	**16,197**	**8,888**	**18,472**	**53,526**	**50,115**	**147,198**
Treasury bills	**22,820**	**9,610**	**10,965**	**2,776**	**-**	**46,171**
Foreign bonds	**11,483**	**5,715**	**14,504**	**37,060**	**18,187**	**86,949**
Notes	**180**	**1,309**	**1,583**	**22,419**	**10,691**	**36,182**
Index linked note	**-**	**208**	**-**	**14**	**174**	**396**
	50,680	**25,730**	**45,524**	**115,795**	**79,167**	**316,896**

	2024					
	Up to 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Government of Mauritius and Bank of Mauritius bonds	5,383	4,847	13,019	74,679	35,840	133,768
Treasury bills	36,063	10,485	17,733	1,417	-	65,698
Foreign bonds	-	9,482	17,179	47,029	10,196	83,886
Notes	511	2,412	514	16,537	12,663	32,637
Index linked note	-	-	-	228	170	398
	41,957	27,226	48,445	139,890	58,869	316,387

Notes to the financial statements
for the year ended 30 June 2025

7. Investment securities (Cont'd)

(b) Investment in debt securities at amortised cost (Cont'd)

(ii) Remaining term to maturity (Cont'd)

	GROUP					
	2023					
	Up to 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Government of Mauritius and Bank of Mauritius bonds	7,980	5,428	13,324	56,431	23,590	106,753
Treasury bills	23,370	9,386	1,134	1,054	-	34,944
Foreign bonds	2,471	2,505	18,284	38,739	10,776	72,775
Notes	1,772	2,421	1,683	11,298	10,845	28,019
Index linked note	-	-	-	226	168	394
	35,593	19,740	34,425	107,748	45,379	242,885

	BANK					
	2025					
	Up to 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Government of Mauritius and Bank of Mauritius bonds	**16,197**	**8,888**	**18,472**	**53,526**	**50,115**	**147,198**
Treasury bills	**22,662**	**9,480**	**10,663**	**-**	**-**	**42,805**
Foreign bonds	**11,483**	**5,715**	**14,504**	**37,060**	**18,187**	**86,949**
Notes	**180**	**1,309**	**1,583**	**22,419**	**10,691**	**36,182**
Index linked note	**-**	**208**	**-**	**14**	**174**	**396**
	50,522	**25,600**	**45,222**	**113,019**	**79,167**	**313,530**

	2024					
	Up to 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Government of Mauritius and Bank of Mauritius bonds	5,383	4,847	13,019	74,679	35,840	133,768
Treasury bills	35,720	10,353	17,257	-	-	63,330
Foreign bonds	-	9,482	17,179	47,029	10,196	83,886
Notes	511	2,412	514	16,537	12,663	32,637
Index linked note	-	-	-	228	170	398
	41,614	27,094	47,969	138,473	58,869	314,019

	2023					
	Up to 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Government of Mauritius and Bank of Mauritius bonds	7,980	5,428	13,324	56,430	23,591	106,753
Treasury bills	23,141	9,322	983	-	-	33,446
Foreign bonds	2,471	2,505	18,284	38,739	10,776	72,775
Notes	1,772	2,421	1,683	11,298	10,845	28,019
Index linked note	-	-	-	226	168	394
	35,364	19,676	34,274	106,693	45,380	241,387

7. Investment securities (Cont'd)

(b) Investment in debt securities at amortised cost (Cont'd)

(iii) Reconciliation of gross carrying amount of investment in debt securities at amortised cost

	GROUP				BANK			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
At 1 July 2024	**316,011**	**-**	**376**	**316,387**	**313,643**	**-**	**376**	**314,019**
Exchange adjustment	**(139)**	**-**	**-**	**(139)**	**-**	**-**	**-**	**-**
Investments originated or purchased	**123,041**	**-**	**15**	**123,056**	**120,925**	**-**	**15**	**120,940**
Investments derecognised or repaid	**(122,408)**	**-**	**-**	**(122,408)**	**(121,429)**	**-**	**-**	**(121,429)**
At 30 June 2025	**316,505**	**-**	**391**	**316,896**	**313,139**	**-**	**391**	**313,530**
At 1 July 2023	242,456	429	-	242,885	240,958	429	-	241,387
Exchange adjustment	87	-	-	87	-	-	-	-
Transfer to Stage 3	-	(167)	167	-	-	(167)	167	-
Investments originated or purchased	163,816	-	273	164,089	162,569	-	273	162,842
Investments derecognised or repaid	(90,348)	(262)	(64)	(90,674)	(89,884)	(262)	(64)	(90,210)
At 30 June 2024	316,011	-	376	316,387	313,643	-	376	314,019
At 1 July 2022	217,360	-	-	217,360	216,503	-	-	216,503
Exchange adjustment	(87)	-	-	(87)	-	-	-	-
Transfer to Stage 2	(422)	422	-	-	(422)	422	-	-
Investments originated or purchased	74,562	15	-	74,577	73,544	15	-	73,559
Investments derecognised or repaid	(48,957)	(8)	-	(48,965)	(48,667)	(8)	-	(48,675)
At 30 June 2023	242,456	429	-	242,885	240,958	429	-	241,387

Notes to the financial statements

for the year ended 30 June 2025

7. Investment securities (Cont'd)

(b) Investment in debt securities at amortised cost (Cont'd)

(iv) Allowances for credit impairment on investment in debt securities at amortised cost

	GROUP				BANK			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
At 1 July 2024	**530**	**-**	**362**	**892**	**514**	**-**	**362**	**876**
Provision for credit impairment for the year	**207**	**-**	**11**	**218**	**193**	**-**	**11**	**204**
Provision released during the year	**(418)**	**-**	**(5)**	**(423)**	**(416)**	**-**	**(5)**	**(421)**
Financial assets that have been derecognised	**(32)**	**-**	**-**	**(32)**	**(32)**	**-**	**-**	**(32)**
Changes in models/risk parameters	**428**	**-**	**-**	**428**	**428**	**-**	**-**	**428**
At 30 June 2025	**715**	**-**	**368**	**1,083**	**687**	**-**	**368**	**1,055**
Interest in suspense	**-**	**-**	**21**	**21**	**-**	**-**	**21**	**21**
Provision and interest in suspense at 30 June 2025	**715**	**-**	**389**	**1,104**	**687**	**-**	**389**	**1,076**
At 1 July 2023	362	65	-	427	350	65	-	415
Exchange adjustment	1	-	-	1	-	-	-	-
Transfer to Stage 3	-	(64)	64	-	-	(64)	64	-
Provision for credit impairment for the year	337	-	298	635	333	-	298	631
Provision released during the year	(93)	-	-	(93)	(92)	-	-	(92)
Financial assets that have been derecognised	(66)	(1)	-	(67)	(66)	(1)	-	(67)
Changes in models/risk parameters	(11)	-	-	(11)	(11)	-	-	(11)
At 30 June 2024	530	-	362	892	514	-	362	876
Interest in suspense	-	-	13	13	-	-	13	13
Provision and interest in suspense at 30 June 2024	530	-	375	905	514	-	375	889
At 1 July 2022	362	-	-	362	357	-	-	357
Transfer to Stage 2	(5)	5	-	-	(5)	5	-	-
Provision for credit impairment for the year	315	62	-	377	308	62	-	370
Provision released during the year	(120)	(3)	-	(123)	(120)	(3)	-	(123)
Financial assets that have been derecognised	(31)	-	-	(31)	(31)	-	-	(31)
Changes in models/risk parameters	(159)	1	-	(158)	(159)	1	-	(158)
At 30 June 2023	362	65	-	427	350	65	-	415

7. Investment securities (Cont'd)

(c) (i) Investment in debt and equity securities measured at fair value through other comprehensive income by levels

	GROUP & BANK		
	2025	2024	2023
	RS'M	RS'M	RS'M
Quoted - Level 1			
Official list : shares (equity instrument)	**964**	887	861
Bonds (debt instrument)	**662**	74	125
	1,626	961	986
Unquoted - Level 2			
Investment fund (debt instrument)	**852**	819	590
Unquoted - Level 3			
Shares (equity instrument)	**404**	386	360
	2,882	2,166	1,936

(ii) Reconciliation of level 3 fair value measurements

At 1 July	**386**	360	269
Additions	**2**	2	1
Movement in fair value	**16**	24	90
At 30 June	**404**	386	360

(d) Investment in debt and equity securities measured at fair value through profit or loss by levels

	2025	2024	2023
Quoted - Level 1	RS'M	RS'M	RS'M
Foreign bonds (debt instrument)	**-**	-	136
Foreign shares (equity instrument)	**-**	3,429	2,976
	-	3,429	3,112
Unquoted - Level 2			
Government of Mauritius and Bank of Mauritius bonds (debt instrument)	**777**	1	1,021
Treasury bills (debt instrument)	**8,670**	3,484	364
	9,447	3,485	1,385
	9,447	6,914	4,497

Fair value hierarchy

The Group uses a hierarchy of valuation techniques based on whether the inputs to these valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions.

These two types of inputs have created the following fair value hierarchy:

Level 1 : Quoted prices (unadjusted) for identical assets. This level includes listed equity securities.
Level 2 : Inputs other than quoted prices that are observable for the assets.
Level 3 : Inputs for the assets that are not based on observable market data.

Unquoted shares

The Group holds shares in several investments where the fair value is determined as a percentage of the net asset value using latest available audited accounts and in some cases latest available management accounts. There are also some investments which are fair valued using the latest available share prices which were available upon recent events, e.g. rights issue.

Valuation techniques used to estimate the fair values of unquoted equity securities include models based on earnings/dividend growth, discounted cash flows and net asset values, whichever is considered to be appropriate. The Group has made certain assumptions for inputs in the models, including earnings before interest, depreciation, tax and amortisation (EBIDTA), risk free rate, risk premium, dividend growth rate, weighted average cost of capital, appropriate discounts for lack of liquidity and expected cash flows which may be different from actual. As such, fair value estimates may differ given the subjectivity of underlying assumptions used as model inputs. Inputs were based on information available at the reporting date.

Notes to the financial statements

for the year ended 30 June 2025

8. Investments in subsidiaries and associates

(a) Investments in subsidiaries

(i) The Group has the following subsidiaries:

	Country of incorporation	Nature of business	Holding %	Proportion of ownership interests held by non-controlling interest %	Cost RS'M
Year ended 30 June 2025					
The Mauritius Commercial Bank (Madagascar) S.A	**Madagascar**	**Banking & Financial Services**	**80.00**	**20.00**	**118**
MCB Nigeria (Representative Office) Ltd	**Nigeria**	**Financial Services**	**100.00**	**-**	**3**
					121
Year ended 30 June 2024					
The Mauritius Commercial Bank (Madagascar) S.A	Madagascar	Banking & Financial Services	80.00	20.00	118
MCB Nigeria (Representative Office) Ltd	Nigeria	Financial Services	100.00	-	3
					121
Year ended 30 June 2023					
The Mauritius Commercial Bank(Madagascar) S.A	Madagascar	Banking & Financial Services	80.00	20.00	118

(b) Investments in associates

(i) The Bank's and Group's interest in its associates are as follows:

	Country of incorporation	Nature of business	Assets RS'M	Liabilities RS'M	Revenues RS'M	Profit RS'M	Holding %
At 30 June 2025							
Banque Française Commerciale Océan Indien	**Réunion**	**Banking & Financial Services**	**109,282**	**99,093**	**6,185**	**588**	**49.99**
At 30 June 2024							
Banque Française Commerciale Océan Indien	Réunion	Banking & Financial Services	107,653	97,909	6,091	614	49.99
At 30 June 2023							
Banque Française Commerciale Océan Indien	Réunion	Banking & Financial Services	107,314	97,619	5,125	978	49.99
Société Générale Moçambique, S.A	Mozambique	Banking & Financial Services	11,311	9,662	1,796	158	35.00

(ii) The above associates are accounted for using the equity method.

(iii) Banque Française Commerciale Océan Indien (BFCOI) and Société Générale Moçambique, S.A (SG Moçambique) are unquoted.

(iv) During the financial year 2024, the Group disposed of its 35% stake in SG Mozambique for Rs 413m, which was received in July 2024. The loss on disposal amounted to Rs 241m.

8. Investments in subsidiaries and associates (Cont'd)

(b) Investments in associates (Cont'd)

(v) Movements in investments in associates

	GROUP & BANK			
	BFCOI	SG Moçambique	Subordinated loan to BFCOI	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2022	4,493	563	513	5,569
Share of profit of associates	489	55	-	544
Exchange differences on translating foreign operations	287	7	-	294
Share of other movements in associates	54	-	-	54
Dividend received from associates	(410)	-	-	(410)
Adjustments	-	3	30	33
At 30 June 2023	4,913	628	543	6,084
Share of profit of associate	306	-	-	306
Exchange differences on translating foreign operations	126	26	-	152
Share of other movements in associate	12	-	-	12
Dividend received from associate	(420)	-	-	(420)
Adjustments	-	-	15	15
Disposal of associate	-	(654)	-	(654)
At 30 June 2024	**4,937**	**-**	**558**	**5,495**
Share of profit of associate	**294**	**-**	**-**	**294**
Exchange differences on translating foreign operations	**215**	**-**	**-**	**215**
Share of other movements in associate	**(38)**	**-**	**-**	**(38)**
Dividend received from associate	**(249)**	**-**	**-**	**(249)**
Adjustments	**-**	**-**	**23**	**23**
At 30 June 2025	**5,159**	**-**	**581**	**5,740**

(vi) Summarised financial information in respect of material entities:

Banque Française Commerciale Océan Indien (BFCOI)

	2025	2024	2023
	RS'M	RS'M	RS'M
Summarised statement of financial position:			
Current assets	**21,431**	17,207	13,424
Non current assets	**87,851**	90,446	93,890
Current liabilities	**25,896**	26,239	23,904
Non current liabilities	**73,197**	71,670	73,715
Equity attributable to owners of BFCOI	**10,189**	9,744	9,695
Summarised statement of profit or loss and other comprehensive income:			
Revenue	**6,185**	6,091	5,125
Profit	**588**	614	978
Other comprehensive income	**(76)**	25	109
Total comprehensive income	**512**	639	1,087

The Directors are satisfied that there are no indications requiring an impairment of the Group's investment in its subsidiaries and investments in its associates.

Investments in subsidiaries and associates are classified as non-current assets.

Notes to the financial statements

for the year ended 30 June 2025

9. Intangible assets

	GROUP			BANK		
	Computer software	Work in progress	Total	Computer software	Work in progress	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cost						
At 1 July 2022	2,768	514	3,282	2,473	514	2,987
Additions	30	895	925	13	895	908
Exchange	(27)	-	(27)	-	-	-
Adjustment	675	-	675	675	-	675
Transfer	1,172	(1,172)	-	1,172	(1,172)	-
At 30 June 2023	4,618	237	4,855	4,333	237	4,570
Additions	23	979	1,002	13	979	992
Adjustment	(13)	-	(13)	(13)	-	(13)
Exchange	16	-	16	-	-	-
Transfer	925	(925)	-	925	(925)	-
At 30 June 2024	**5,569**	**291**	**5,860**	**5,258**	**291**	**5,549**
Additions	**6**	**1,005**	**1,011**	**-**	**1,005**	**1,005**
Adjustment	**(404)**	**-**	**(404)**	**(404)**	**-**	**(404)**
Exchange	**(10)**	**-**	**(10)**	**-**	**-**	**-**
Transfer	**745**	**(745)**	**-**	**745**	**(745)**	**-**
At 30 June 2025	**5,906**	**551**	**6,457**	**5,599**	**551**	**6,150**
Accumulated amortisation						
At 1 July 2022	1,311	-	1,311	1,091	-	1,091
Charge for the year	627	-	627	593	-	593
Exchange	(21)	-	(21)	-	-	-
Adjustment	675	-	675	675	-	675
At 30 June 2023	2,592	-	2,592	2,359	-	2,359
Charge for the year	663	-	663	641	-	641
Exchange	14	-	14	-	-	-
Adjustment	(2)	-	(2)	(2)	-	(2)
At 30 June 2024	**3,267**	**-**	**3,267**	**2,998**	**-**	**2,998**
Charge for the year	**663**	**-**	**663**	**642**	**-**	**642**
Exchange	**(8)**	**-**	**(8)**	**-**	**-**	**-**
Adjustment	**(404)**	**-**	**(404)**	**(404)**	**-**	**(404)**
At 30 June 2025	**3,518**	**-**	**3,518**	**3,236**	**-**	**3,236**
Net book values						
At 30 June 2025	**2,388**	**551**	**2,939**	**2,363**	**551**	**2,914**
At 30 June 2024	2,302	291	2,593	2,260	291	2,551
At 30 June 2023	2,026	237	2,263	1,974	237	2,211

Intangible assets are classified as non-current assets.

10. Property, plant and equipment

	GROUP						
	Land and buildings	Computer and other equipment	Furniture, fittings and vehicles	Work in progress	Right-of-Use assets (Land and Buildings)	Right-of-Use assets (Equipment)	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cost							
At 1 July 2022	5,087	3,608	1,095	187	445	-	10,422
Additions	21	275	31	179	157	-	663
Scrap	-	(78)	(1)	-	-	-	(79)
Disposals	-	(3)	(25)	-	(6)	-	(34)
Exchange adjustment	(27)	(8)	(14)	(3)	(11)	-	(63)
Adjustment on re-measurement	-	-	-	-	(59)	-	(59)
Adjustment	-	105	-	-	-	-	105
Transfer	42	76	33	(151)	-	-	-
At 30 June 2023	5,123	3,975	1,119	212	526	-	10,955
Additions	7	223	26	221	84	-	561
Scrap	-	(163)	(1)	-	-	-	(164)
Disposals	-	(4)	(17)	-	-	-	(21)
Exchange adjustment	14	5	7	2	7	-	35
Adjustment on re-measurement	-	-	-	-	23	-	23
Transfer	44	83	43	(170)	-	-	-
At 30 June 2024	**5,188**	**4,119**	**1,177**	**265**	**640**	**-**	**11,389**
Additions	**16**	**307**	**51**	**290**	**214**	**6**	**884**
Scrap	**-**	**(319)**	**(2)**	**-**	**-**	**-**	**(321)**
Disposals	**-**	**(1)**	**(10)**	**-**	**-**	**-**	**(11)**
Exchange adjustment	**(9)**	**(3)**	**(4)**	**-**	**(4)**	**-**	**(20)**
Adjustment on re-measurement	**-**	**-**	**-**	**-**	**(19)**	**-**	**(19)**
Transfer	**25**	**63**	**58**	**(146)**	**-**	**-**	**-**
At 30 June 2025	**5,220**	**4,166**	**1,270**	**409**	**831**	**6**	**11,902**
Accumulated depreciation							
At 1 July 2022	1,191	2,868	721	-	219	-	4,999
Charge for the year	92	328	71	-	80	-	571
Scrap adjustment	-	(78)	-	-	-	-	(78)
Exchange adjustment	(22)	(7)	(9)	-	13	-	(25)
Adjustment	-	105	-	-	-	-	105
Disposal adjustment	-	(4)	(23)	-	-	-	(27)
At 30 June 2023	1,261	3,212	760	-	312	-	5,545
Charge for the year	93	293	68	-	87	-	541
Scrap adjustment	-	(150)	(7)	-	-	-	(157)
Exchange adjustment	1	5	6	-	5	-	17
Disposal adjustment	-	(4)	(14)	-	-	-	(18)
At 30 June 2024	**1,355**	**3,356**	**813**	**-**	**404**	**-**	**5,928**
Charge for the year	**95**	**290**	**63**	**-**	**127**	**2**	**577**
Scrap adjustment	**-**	**(318)**	**(1)**	**-**	**-**	**-**	**(319)**
Exchange adjustment	**(1)**	**(2)**	**(2)**	**-**	**(3)**	**-**	**(8)**
Disposal adjustment	**-**	**(1)**	**(9)**	**-**	**-**	**-**	**(10)**
At 30 June 2025	**1,449**	**3,325**	**864**	**-**	**528**	**2**	**6,168**
Net book values							
At 30 June 2025	**3,771**	**841**	**406**	**409**	**303**	**4**	**5,734**
At 30 June 2024	3,833	763	364	265	236	-	5,461
At 30 June 2023	3,862	763	359	212	214	-	5,410

Property, plant and equipment are classified as non-current asset.
Following the adoption of IFRS 16, the Group has presented right-of-use assets within 'property, plant and equipment'.
The leases under Right-of-use Assets consist mainly of rental of space for ATMs and the lease terms are in the range of 1 to 5 years.
Moreover, the Group does not have the possibility of acquiring the asset at the end of the lease.

Notes to the financial statements
for the year ended 30 June 2025

10. Property, plant and equipment (Cont'd)

	BANK						
	Land and buildings	Computer and other equipment	Furniture, fittings and vehicles	Work in progress	Right-of-Use assets (Land and Buildings)	Right-of-Use assets (Equipments)	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cost							
At 1 July 2022	4,778	3,519	939	148	326	-	9,710
Additions	14	273	20	178	132	-	617
Scrap	-	(78)	(1)	-	-	-	(79)
Disposals	-	(4)	(16)	-	-	-	(20)
Adjustment on re-measurement	-	-	-	-	(39)	-	(39)
Adjustment	-	105	-	-	-	-	105
Transfer	40	72	31	(143)	-	-	-
At 30 June 2023	4,832	3,887	973	183	419	-	10,294
Additions	-	219	20	211	57	-	507
Scrap	-	(150)	(1)	-	-	-	(151)
Disposals	-	(4)	(17)	-	-	-	(21)
Adjustment on re-measurement	-	-	-	-	13	-	13
Transfer	44	83	43	(170)	-	-	-
At 30 June 2024	**4,876**	**4,035**	**1,018**	**224**	**489**	**-**	**10,642**
Additions	**-**	**295**	**30**	**240**	**186**	**6**	**757**
Scrap	**-**	**(319)**	**(2)**	**-**	**-**	**-**	**(321)**
Disposals	**-**	**(1)**	**(10)**	**-**	**-**	**-**	**(11)**
Adjustment on re-measurement	**-**	**-**	**-**	**-**	**(23)**	**-**	**(23)**
Transfer	**25**	**63**	**58**	**(146)**	**-**	**-**	**-**
At 30 June 2025	**4,901**	**4,073**	**1,094**	**318**	**652**	**6**	**11,044**
Accumulated depreciation							
At 1 July 2022	1,166	2,789	636	-	168	-	4,759
Charge for the year	81	324	58	-	60	-	523
Scrap adjustment	-	(78)	-	-	-	-	(78)
Adjustment	-	105	-	-	-	-	105
Disposal adjustment	-	(4)	(14)	-	-	-	(18)
At 30 June 2023	1,247	3,136	680	-	228	-	5,291
Charge for the year	81	287	59	-	65	-	492
Scrap adjustment	-	(150)	(1)	-	-	-	(151)
Disposal adjustment	-	(4)	(14)	-	-	-	(18)
At 30 June 2024	**1,328**	**3,269**	**724**	**-**	**293**	**-**	**5,614**
Charge for the year	**82**	**281**	**52**	**-**	**99**	**2**	**516**
Scrap adjustment	**-**	**(318)**	**(1)**	**-**	**-**	**-**	**(319)**
Disposal adjustment	**-**	**(1)**	**(9)**	**-**	**-**	**-**	**(10)**
At 30 June 2025	**1,410**	**3,231**	**766**	**-**	**392**	**2**	**5,801**
Net book values							
At 30 June 2025	**3,491**	**842**	**328**	**318**	**260**	**4**	**5,243**
At 30 June 2024	3,548	766	294	224	196	-	5,028
At 30 June 2023	3,585	751	293	183	191	-	5,003

11. Deferred tax assets

	GROUP					
	Balance as at 1 July	Effect of change in tax rate	Exchange adjustments	Recognised in Statement of profit or loss	Recognised in Statement of comprehensive income	Balance as at 30 June
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
2025						
Provisions and post retirement benefits	**400**	**-**	**-**	**(25)**	**222**	**597**
Provisions for credit impairment	**3,807**	**-**	**-**	**590**	**-**	**4,397**
Accelerated tax depreciation	**(467)**	**-**	**-**	**(119)**	**-**	**(586)**
At 30 June 2025	**3,740**	**-**	**-**	**446**	**222**	**4,408**
2024						
Provisions and post retirement benefits	430	57	-	(63)	(24)	400
Provisions for credit impairment	2,694	360	-	753	-	3,807
Accelerated tax depreciation	(395)	(53)	-	(19)	-	(467)
At 30 June 2024	2,729	364	-	671	(24)	3,740
2023						
Provisions and post retirement benefits	195	30	-	166	39	430
Provisions for credit impairment	1,914	291	(3)	492	-	2,694
Accelerated tax depreciation	(284)	(43)	-	(68)	-	(395)
At 30 June 2023	1,825	278	(3)	590	39	2,729

The applied deferred tax rate is in the range of 17% to 20% (2024: from 17% to 20% & 2023: from 15% to 20%)
Deferred tax assets are classified as non-current asset.

Notes to the financial statements

for the year ended 30 June 2025

11. Deferred tax assets

	BANK					
	Balance as at 1 July	Effect of change in tax rate	Exchange adjustments	Recognised in Statement of profit or loss	Recognised in Statement of comprehensive income	Balance as at 30 June
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
2025						
Provisions and post retirement benefits	**400**	**-**	**-**	**(25)**	**222**	**597**
Provisions for credit impairment	**3,785**	**-**	**-**	**586**	**-**	**4,371**
Accelerated tax depreciation	**(466)**	**-**	**-**	**(119)**	**-**	**(585)**
At 30 June 2025	**3,719**	**-**	**-**	**442**	**222**	**4,383**
2024						
Provisions and post retirement benefits	430	57	-	(63)	(24)	400
Provisions for credit impairment	2,674	360	-	751	-	3,785
Accelerated tax depreciation	(394)	(53)	-	(19)	-	(466)
At 30 June 2024	2,710	364	-	669	(24)	3,719
2023						
Provisions and post retirement benefits	195	30	-	166	39	430
Provisions for credit impairment	1,892	291	(1)	492	-	2,674
Accelerated tax depreciation	(283)	(43)	-	(68)	-	(394)
At 30 June 2023	1,804	278	(1)	590	39	2,710

The applied deferred tax rate is 17% (2024: 17% & 2023: 15%).
Deferred tax assets are classified as non-current asset.

12. Other assets

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Mandatory balances with Central Banks	**42,010**	37,556	31,278	**40,969**	36,696	30,639
Prepayments and other receivables	**1,328**	1,835	1,883	**1,347**	1,859	1,939
Credit card clearing	**391**	506	1,169	**331**	469	1,162
Non-banking assets acquired in satisfaction of debts*	**103**	105	104	**103**	105	104
Impersonal and other accounts	**5,042**	5,335	5,822	**4,533**	4,719	5,217
	48,874	45,337	40,256	**47,283**	43,848	39,061

* The Group's policy is to dispose of such assets as soon as the market permits.
All elements under other assets are classified as current assets except 'non-banking assets acquired in satisfaction of debts' and 'impersonal and other accounts'.
Management has assessed the impact of ECLs on the balances as immaterial.

13. Deposits

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
(a) Deposits from banks						
Demand deposits	**10,133**	11,159	7,054	**7,604**	11,111	7,795
Money market deposits with remaining term to maturity:						
Up to 3 months	**5,701**	24,260	2,802	**5,701**	24,328	2,870
Over 3 months and up to 6 months	**1,724**	3,754	3,893	**1,724**	3,754	3,893
Over 6 months and up to 1 year	**2,091**	1,828	1,150	**2,091**	1,828	1,150
Over 1 year and up to 5 years	**509**	-	44	**509**	-	44
	10,025	29,842	7,889	**10,025**	29,910	7,957
	20,158	41,001	14,943	**17,629**	41,021	15,752
Deposits from banks can be classified as:						
Current	**19,649**	41,001	14,899	**17,120**	41,021	15,708
Non-current	**509**	-	44	**509**	-	44
(b) Deposits from customers						
(i) Retail customers						
Demand deposits	**61,317**	55,231	49,693	**60,398**	54,474	49,119
Savings deposits	**257,226**	224,654	197,789	**254,392**	222,170	195,731
Time deposits with remaining term to maturity:						
Up to 3 months	**16,095**	13,680	6,410	**16,094**	13,680	6,410
Over 3 months and up to 6 months	**6,423**	5,630	3,803	**6,423**	5,630	3,803
Over 6 months and up to 1 year	**8,030**	8,966	6,446	**8,029**	8,965	6,445
Over 1 year and up to 5 years	**15,549**	13,225	12,069	**15,549**	13,225	12,069
Over 5 years	**25**	7	30	**25**	7	30
	46,122	41,508	28,758	**46,120**	41,507	28,757
	364,665	321,393	276,240	**360,910**	318,151	273,607
(ii) Corporate customers						
Demand deposits	**225,883**	210,163	208,133	**222,759**	207,492	205,448
Savings deposits	**7,115**	6,553	7,093	**5,335**	5,433	5,452
Time deposits with remaining term to maturity:						
Up to 3 months	**62,475**	71,248	34,472	**62,322**	70,965	33,943
Over 3 months and up to 6 months	**13,887**	7,682	7,673	**13,865**	7,663	7,662
Over 6 months and up to 1 year	**13,163**	15,581	13,617	**13,160**	15,571	13,613
Over 1 year and up to 5 years	**3,136**	8,985	7,710	**3,136**	8,985	7,710
Over 5 years	**-**	1	-	**-**	1	-
	92,661	103,497	63,472	**92,483**	103,185	62,928
	325,659	320,213	278,698	**320,577**	316,110	273,828
(iii) Government						
Demand deposits	**40**	31	95	**40**	31	95
Savings deposits	**-**	-	56	**-**	-	56
	40	31	151	**40**	31	151
	690,364	641,637	555,089	**681,527**	634,292	547,586
Deposits from customers can be classified as:						
Current	**671,654**	619,419	535,280	**662,817**	612,074	527,777
Non-current	**18,710**	22,218	19,809	**18,710**	22,218	19,809

Notes to the financial statements

for the year ended 30 June 2025

14. Other borrowed funds

(a) Other borrowed funds comprise the following:

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Borrowings from banks:						
in Mauritius	**7,930**	5,740	18,740	**7,497**	5,740	18,740
abroad	**77,741**	59,615	67,777	**77,245**	56,789	65,682
	85,671	65,355	86,517	**84,742**	62,529	84,422
Other borrowed funds include borrowings with original maturity of less than 3 months as shown in note 4	**127**	6	-	**127**	6	-

The carrying amounts of other borrowed funds are not materially different from their fair values.

(b) Remaining term to maturity:

On demand or within a period not exceeding 1 year	**61,779**	7,070	39,619	**60,850**	4,244	37,705
Within a period of more than 1 year but not exceeding 3 years	**9,067**	53,520	41,800	**9,067**	53,520	41,800
Within a period of more than 3 years	**14,825**	4,765	5,098	**14,825**	4,765	4,917
	85,671	65,355	86,517	**84,742**	62,529	84,422
Other borrowed funds can be classified as:						
Current	**61,779**	7,070	39,619	**60,850**	4,244	37,705
Non-current	**23,892**	58,285	46,898	**23,892**	58,285	46,717

In 2024, the Bank drew down on a three-year USD 500 million syndicated loan facility, secured in June 2023, and an additional USD 400 million sustainability-linked loan, accessed in March 2024. The proceeds from these facilities were deployed to repay existing obligations, either upon maturity or through early repayment.

15. Debt securities

	GROUP & BANK		
	2025	2024	2023
	RS'M	RS'M	RS'M
5-year senior unsecured notes maturing in 2028 at a fixed coupon rate of 7.95%	**14,314**	13,759	13,506
Exchange adjustments and others	**(665)**	555	253
	13,649	14,314	13,759

Debt securities are classified as non-current liabilities.

During the year 2023, the Bank launched a Global Medium Term Note Programme, which enables the Bank to tap into the international bond market for up to USD 3 billion. This programme has earned a Baa3 rating from Moody's and was registered on the International Securities Market of the London Stock Exchange in October 2022. It aims at diversifying the funding sources of the Bank and support its overall growth strategy.

Under this programme, the Bank issued its first bond for a notional value of USD 300 million on 26 April 2023.

16. Subordinated liabilities

Subordinated liabilities comprise the following:

		GROUP			BANK		
		2025	2024	2023	2025	2024	2023
		RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Opening balance		**7,057**	7,059	684	**7,057**	7,059	684
Repayment during the year (2024: USD 6M, 2023: USD 9M)	(i)	**-**	(271)	(404)	**-**	(271)	(404)
USD 147M floating rate unsecured Tier 2 notes maturing on 30 March 2033 at an average interest rate of 7.95% (2024 : 5.4%, 2023 : 8.6%)	(ii)	**-**	-	6,689	**-**	-	6,689
USD 4M from MCB Investment Holding Limited at undetermined maturity at an average interest rate of 9.9%		**177**	-	-	**-**	-	-
Exchange and other adjustments		**(345)**	269	90	**(350)**	269	90
		6,889	7,057	7,059	**6,707**	7,057	7,059

Subordinated liabilities can be classified as:

Current	**-**	-	220	**-**	-	220
Non-current	**6,889**	7,057	6,839	**6,707**	7,057	6,839

The carrying amount of the subordinated liabilities are not materially different from their fair value.

(i) In 2013, the Bank secured USD 30 million through a 10-year amortizing subordinated debt arrangement with the African Development Bank. The remaining balance was fully repaid in August 2023.

(ii) On 31 March 2023, the Bank successfully concluded its inaugural Basel III compliant Tier 2 bond issuance, amounting to USD 147 million. This bond was issued under the umbrella of a private placement agreement with the African Development Bank. With an original maturity span of 10 years, it features semi-annual amortization, which comes into play starting from the sixth year.

This bond helps consolidate the capital of the Bank and provides the necessary buffer to support its growth strategy.

Notes to the financial statements

for the year ended 30 June 2025

17. Post employment benefit liability/(asset)

	GROUP & BANK		
	2025	2024	2023
Post employee benefit liability/(asset)	RS'M	RS'M	RS'M
(a) Staff superannuation fund (defined benefit section)	**34**	(1,001)	(689)
(b) Residual retirement gratuities	**422**	247	234
	456	(754)	(455)
(a) Staff superannuation fund (defined benefit section)			
Reconciliation of net defined benefit liability/(asset)			
Opening balance	**(1,001)**	(689)	278
Amount recognised in statement of profit or loss	**239**	201	230
Amount recognised in statement of comprehensive income	**1,128**	(199)	234
Less employer contributions	**(332)**	(314)	(1,431)
Closing balance	**34**	(1,001)	(689)
Reconciliation of fair value of plan assets			
Opening balance	**11,224**	10,229	8,765
Interest income	**613**	580	492
Employer contributions	**332**	314	1,431
Benefits paid	**(510)**	(425)	(376)
Return on plan assets above/(below) interest income	**286**	526	(83)
Closing balance	**11,945**	11,224	10,229
Reconciliation of present value of defined benefit obligation			
Opening balance	**10,223**	9,540	9,043
Current service cost	**303**	249	253
Interest expense	**549**	532	469
Benefits paid	**(510)**	(425)	(376)
Liability experience loss	**1,411**	-	-
Liability loss due to change in financial assumptions	**3**	327	151
Closing balance	**11,979**	10,223	9,540
Components of amount recognised in statement of profit or loss			
Current service cost	**303**	249	253
Net interest on net defined benefit asset	**(64)**	(48)	(23)
Total	**239**	201	230
Analysed as follows:			
The Mauritius Commercial Bank Limited (see note 27(a))	**218**	179	195
Other members of The MCB Group Limited	**21**	22	35
	239	201	230
Components of amount recognised in statement of comprehensive income			
Return on plan assets (above)/below interest income	**(286)**	(526)	83
Liability experience loss	**1,411**	-	-
Liability loss due to change in financial assumptions	**3**	327	151
Total	**1,128**	(199)	234

17. Post employment benefit liability/(asset) (Cont'd)

(a) Staff superannuation fund (defined benefit section) (Cont'd)

	GROUP & BANK		
	2025	2024	2023
Allocation of plan assets at end of year	%	%	%
Equity - Local quoted	**32**	30	30
Equity - Local unquoted	**1**	1	1
Debt - Overseas quoted	**2**	1	1
Debt - Local quoted	**18**	19	13
Debt - Local unquoted	**6**	6	8
Property - Overseas	**-**	5	-
Property - Local	**4**	1	5
Investment funds	**35**	33	31
Cash and other	**2**	4	11
Total	**100**	100	100

Allocation of plan assets at end of year	%	%	%
Reporting entity's own transferable financial instruments	**13**	11	9
Property occupied by reporting entity	**4**	5	5
Other assets used by reporting entity	**1**	-	2

Principal assumptions used at end of year			
Discount rate	**6.0%**	5.5%	5.7%
Rate of salary increases	**4.7%**	4.2%	4.2%
Rate of pension increases	**3.2%**	2.7%	2.7%
Average retirement age (ARA)	**63**	63	63
Average life expectancy for:			
Male at ARA	**17.3 years**	17.3 years	17.3 years
Female at ARA	**21.7 years**	21.7 years	21.7 years

	2025	2024	2023
	RS' M	RS' M	RS' M
Sensitivity analysis on defined benefit obligation at end of year			
Increase due to 1% decrease in discount rate	**2,109**	1,882	1,718
Decrease due to 1% increase in discount rate	**1,666**	1,462	1,345
Increase due to 1% increase in salary increase rate	**887**	808	745
Decrease due to 1% decrease in salary increase rate	**767**	696	630
Increase due to 1% increase in pension increase rate	**1,126**	988	897
Decrease due to 1% decrease in pension increase rate	**970**	828	773

Notes to the financial statements
for the year ended 30 June 2025

17. Post employment benefit liability/(asset) (Cont'd)

(a) Staff superannuation fund (defined benefit section) (Cont'd)

The above sensitivity analysis has been carried out by recalculating the present value of obligation at the end of the year after increasing or decreasing the discount rate, salary increase rate and pension increase rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

It has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The Group sponsors a defined benefit pension plan for some of its employees which is self-administered and funded separately from the Group .The Group has recognised a total net defined benefit liability of Rs 34M as at 30 June 2025 for the defined benefit pension plan (2024: net defined asset of Rs 1,001M and 2023: net defined asset of Rs 689M).

The liability experience loss of Rs 1,411M is mainly due to actual average salary increases being higher than expected over the past year.

The liability loss due to change in financial assumptions amounting to Rs 3M is mainly due to the increase in the salary increase rate from 4.2% p.a. in 2024 to 4.7% p.a. in 2025 and the pension increase rate from 2.7% p.a. in 2024 to 3.2% p.a. in 2025. This loss is partly offset by a smaller gain due to the increase in the discount rate from 5.5% p.a. in 2024 to 6.0% p.a. in 2025.

The Group operates a final salary defined benefit pension or retirement plan for some of its employees which is self-administered and funded separately from the Group.

The plan exposes the Group to normal risks associated with defined benefit pension plans such as investment, interest, longevity and salary risks.

Investment risk: The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity risk: The plan liability is calculated by reference to the best estimate for the mortality of plan participants both during and after their employment. An increase in life expectancy of the plan participants will increase the plan liability.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

The Group had a residual obligation imposed by Workers' Rights Act (WRA) 2019 on top of its Defined Contribution (DC) plan. It is therefore particularly exposed to investment under-performance of the DC plan.

There has been no plan amendment, curtailment or settlement during the year, except for the change in retirement benefit formula.

Future cash flows

The funding policy is to pay contributions to an external legal entity at the rate recommended by the Bank's actuaries:

Expected employer contribution for the next year (Rs'M):	**298**
Weighted average duration of the defined benefit obligation:	**16 years**

Defined Contribution Cash Balance (DCCB)

As from 1 July 2015, the Group has introduced a Defined Contribution Cash Balanced Scheme "DCCB" for its employees. Consequently, all employees joining the Group as from that date are automatically enrolled in the new scheme. Existing employees had the choice of either remaining in the Defined Benefit Scheme or to join the new scheme.

17. Post employment benefit liability/(asset) (Cont'd)

(b) Residual retirement gratuities

Amounts recognised in the financial statements at end of year

	GROUP & BANK		
	2025	2024	2023
	RS'M	RS'M	RS'M
Reconciliation of net defined benefit liability			
Opening balance	**247**	234	182
Amount recognised in statement of profit or loss (see note 27(a))	**55**	12	48
Amount recognised in statement of comprehensive income	**179**	58	29
Employer contributions	**(59)**	(57)	(25)
Closing balance	**422**	247	234
Reconciliation of present value of defined benefit obligation			
Opening balance	**247**	234	182
Current service cost	**43**	15	27
Interest expense	**12**	11	21
Past service cost	**-**	(14)	-
Other benefits paid	**(59)**	(57)	(25)
Liability experience loss	**178**	45	19
Liability loss due to change in financial assumptions	**1**	13	10
Closing balance	**422**	247	234
Components of amount recognised in statement of profit or loss			
Current service cost	**43**	15	27
Past service cost	**-**	(14)	-
Net interest on net defined benefit liability	**12**	11	21
Total (see note 27(a))	**55**	12	48
Components of amount recognised in other statement of comprehensive income			
Liability experience loss	**178**	45	19
Liability loss due to change in financial assumptions	**1**	13	10
Total	**179**	58	29
Principal assumptions used at end of year			
Discount rate	**6.0%**	5.5%	5.7%
Rate of salary increases	**4.7%**	4.2%	4.2%
Rate of pension increases	**3.2%**	2.7%	2.7%
Average retirement age (ARA)	**63**	63	63

	2025	2024	2023
	RS'M	RS'M	RS'M
Sensitivity analysis on defined benefit obligation at end of year			
Increase due to 1% decrease in discount rate	**142**	86	52
Decrease due to 1% increase in discount rate	**114**	78	42
Increase due to 1% increase in salary increase rate	**125**	68	47
Decrease due to 1% decrease in salary increase rate	**99**	52	38
Increase due to 1% increase in pension increase rate	**16**	10	5
Decrease due to 1% decrease in pension increase rate	**18**	11	5

Notes to the financial statements
for the year ended 30 June 2025

17. Post employment benefit liability/(asset) (Cont'd)

(b) Residual retirement gratuities (Cont'd)

The Group has also recognised a net defined benefit liability of Rs 422M as at 30 June 2025 (2024: Rs 247M, 2023: Rs 234M) for all employees whose pension benefits are not expected to fully offset the company's retirement gratuity obligations under the Workers' Rights Act (WRA) 2019 and who are therefore entitled to residual retirement gratuities under the Workers' Rights Act (WRA) 2019.

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of year after increasing or decreasing the discount rate, salary increase rate and pension increase rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

The liability experience loss of Rs 178M disclosed is mainly due to actual average remuneration increases being higher than expected over the past year and returns earned on member's PMA being lower than expected, partly offset by a smaller gain due to a release of liabilities in respect of some leavers during the year.

The liability loss of Rs 1M is mainly due to the increase in the salary increase rate from 4.2% p.a. in 2024 to 4.7% p.a. in 2025, partly offset by a smaller gain due to the increase in the discount rate from 5.5% p.a. in 2024 to 6.0% p.a. in 2025.

Future cash flows

The funding policy is to pay benefits out of the reporting entity's cashflow as and when due:

Expected employer contribution for the next year (Rs'M):	**2**
Weighted average duration of the defined benefit obligation:	**23 years**

Note: The most recent actuarial valuation of planned assets and present value of post employment benefit obligation were carried out as at the reporting date by Actuarix Consulting Limited.

Post employee benefit liability/(asset) is classified as non-current liability/(asset).

18. Other liabilities

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Allowances for credit impairment on off balance sheet exposures (18 (a))	**922**	313	470	**907**	292	459
Lease liabilities (18 (b))	**295**	241	231	**251**	201	200
Impersonal, other accounts and deferred income	**13,224**	13,063	11,189	**12,613**	12,444	10,593
Proposed dividend (see note 30)	**2,900**	2,500	2,300	**2,900**	2,500	2,300
	17,341	16,117	14,190	**16,671**	15,437	13,552

All elements under other liabilities are classified as current liabilities except 'impersonal, other accounts and deferred income' and 'lease liabilities' (amounts over 1 year).

(a) Allowances for credit impairment on off balance sheet exposures

	GROUP		BANK	
	Stage 1	Total	Stage 1	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2024	**313**	**313**	**292**	**292**
Exchange adjustment	**(1)**	**(1)**	**-**	**-**
Provision for credit impairment for the year	**669**	**669**	**655**	**655**
Provision released during the year	**(111)**	**(111)**	**(92)**	**(92)**
Changes in models/risk parameters	**52**	**52**	**52**	**52**
At 30 June 2025	**922**	**922**	**907**	**907**
At 1 July 2023	470	470	459	459
Exchange adjustment	2	2	-	-
Provision for credit impairment for the year	221	221	211	211
Provision released during the year	(378)	(378)	(376)	(376)
Changes in models/risk parameters	(2)	(2)	(2)	(2)
At 30 June 2024	313	313	292	292
At 1 July 2022	489	489	484	484
Provision for credit impairment for the year	393	393	387	387
Provision released during the year	(353)	(353)	(353)	(353)
Changes in models/risk parameters	(59)	(59)	(59)	(59)
At 30 June 2023	470	470	459	459

(b) The lease liabilities can be analysed as follows:

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Up to 1 year	**70**	15	52	**70**	15	52
Over 1 year and up to 5 years	**206**	143	178	**163**	104	148
Over 5 years	**19**	83	1	**18**	82	-
	295	241	231	**251**	201	200

Notes to the financial statements

for the year ended 30 June 2025

19. Stated capital and reserves

(a) Stated capital

	GROUP & BANK	
	Number of shares	RS'M
Issued and paid up share capital		
At 30 June 2023, 2024 and 2025	**887,960,247**	**8,880**

Fully paid ordinary shares carry one vote per share and the right to dividend.

(b) Reserves

(i) Capital reserve

The capital reserve represents the cumulative net change in the fair value of financial assets FVOCI until the financial instruments are derecognised or impaired.

(ii) Statutory reserve

Statutory reserve represents accumulated transfers from retained earnings in accordance with relevant local banking legislations. These reserves are not distributable.
The statutory reserve should not exceed the stated capital.

(iii) Translation Reserve

The translation reserve represents all foreign currency differences arising from the translation of the results and financial position of investments in associates.

(iv) Cash flow hedge reserve

Cash flow hedge reserve, which comprises the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

20. Contingent liabilities

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
(a) Instruments						
Guarantees on account of customers	**69,388**	57,426	51,923	**68,178**	55,832	51,287
Letters of credit and other obligations on account of customers (net)	**107,989**	120,383	57,283	**107,272**	120,244	56,528
Other contingent items (net)	**6,226**	2,138	1,500	**6,202**	2,095	1,473
	183,603	179,947	110,706	**181,652**	178,171	109,288
(b) Commitments						
Loans and other facilities, including undrawn credit facilities	**14,261**	9,140	12,260	**14,261**	9,140	12,260
(c) Tax assessments	**-**	-	11	**-**	-	11
	197,864	189,087	122,977	**195,913**	187,311	121,559

21. Interest income using the effective interest method

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Loans to and placements with banks	**4,263**	5,207	3,634	**4,270**	5,226	3,620
Loans and advances to customers	**28,927**	28,228	21,430	**28,204**	27,560	20,882
Investments at amortised cost	**13,570**	10,342	7,286	**13,220**	10,136	7,199
Investments at fair value through other comprehensive income	**219**	14	38	**219**	14	38
	46,979	43,791	32,388	**45,913**	42,936	31,739

22. Interest expense

Deposits from banks	**1,167**	1,308	220	**1,218**	1,396	269
Deposits from customers	**14,807**	13,543	8,419	**14,300**	13,168	8,093
Debt securities	**1,122**	1,102	192	**1,122**	1,102	192
Subordinated liabilities	**594**	610	177	**575**	610	177
Other borrowed funds	**3,782**	4,327	4,564	**3,726**	4,225	4,511
Lease liabilities	**20**	18	21	**16**	14	17
	21,492	20,908	13,593	**20,957**	20,515	13,259

23. Fee and commission income

Cards and other related fees	**4,365**	4,291	3,728	**4,327**	4,250	3,697
Trade finance fees	**2,113**	1,862	1,362	**1,999**	1,781	1,283
Transaction fees	**1,583**	1,470	1,307	**1,523**	1,384	1,220
Guarantee fees	**1,182**	1,338	1,330	**1,177**	1,338	1,319
Loan related fees	**691**	551	497	**679**	551	484
Private banking and wealth management fees	**611**	496	439	**611**	496	439
Others	**109**	-	-	**22**	19	20
	10,654	10,008	8,663	**10,338**	9,819	8,462

24. Fee and commission expense

Cards and other related fees	**2,581**	2,715	2,235	**2,436**	2,617	2,166
Loan related and trade finance fees	**489**	430	390	**481**	409	379
Transaction fees	**138**	129	98	**123**	116	73
	3,208	3,274	2,723	**3,040**	3,142	2,618

25. Net trading income

Profit arising from dealing in foreign currencies	**3,851**	3,204	2,874	**3,743**	3,121	2,769
Net gain from derivative financial instruments fair valued through profit or loss	**201**	179	55	**201**	179	55
Net gain from investment securities fair valued through profit or loss	**693**	299	209	**693**	299	209
Cash flow hedge	**(55)**	-	-	**(55)**	-	-
Net gain from other investment securities	**5**	-	16	**5**	-	16
	4,695	3,682	3,154	**4,587**	3,599	3,049

26. Dividend income

Quoted investments FVOCI	**50**	46	24	**50**	46	24
Quoted investments FVPL	**-**	-	22	**-**	-	22
Unquoted investments FVOCI	**21**	19	25	**21**	19	25
Subsidiary	**-**	-	-	**32**	41	31
	71	65	71	**103**	106	102

Notes to the financial statements

for the year ended 30 June 2025

27. Non-interest expense

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
(a) Salaries and human resource costs						
Wages and salaries	**4,790**	4,317	3,373	**4,672**	4,231	3,306
Defined benefit plan (note 17(a))	**218**	179	195	**218**	179	195
Defined contribution plan	**304**	222	218	**304**	222	218
Residual retirement gratuities (note 17(b))	**55**	12	48	**55**	12	48
Compulsory social security obligations	**246**	198	147	**235**	190	147
Equity settled share-based payments	**30**	7	4	**30**	7	4
Other personnel expenses	**2,027**	1,434	1,043	**2,021**	1,428	1,032
	7,670	6,369	5,028	**7,535**	6,269	4,950
(b) Other non-interest expense						
Legal and professional fees	**997**	693	677	**932**	635	634
Rent, repairs, maintenance and security costs	**605**	450	415	**578**	438	407
Software licensing and other information technology costs	**1,427**	1,037	991	**1,366**	1,036	932
Electricity, water and telephone charges	**467**	376	322	**428**	374	319
Advertising, marketing costs and sponsoring	**309**	328	229	**308**	282	227
Postage, courier and stationery costs	**253**	251	200	**224**	216	197
Insurance costs	**459**	185	192	**448**	177	187
Others	**282**	577	278	**304**	575	273
of which short term leases	***21***	*7*	*21*	***21***	*7*	*21*
	4,799	3,897	3,304	**4,588**	3,733	3,176

28. Net impairment of financial assets

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Net allowances for credit impairment						
Cash and cash equivalents	**43**	(5)	(1)	**41**	(1)	(6)
Loans and advances						
Loans to and placements with banks	**(227)**	(457)	315	**(227)**	(457)	315
Loans and advances to customers	**4,030**	4,663	3,721	**3,944**	4,514	3,677
Investment securities						
Amortised cost	**191**	464	65	**179**	461	58
Fair value through other comprehensive income	**1**	-	(1)	**1**	-	(1)
Off balance sheet exposures	**610**	(159)	(19)	**615**	(167)	(25)
	4,648	4,506	4,080	**4,553**	4,350	4,018
Net recoveries of advances previously written off	**(1,486)**	(1,021)	(498)	**(1,498)**	(1,021)	(498)
	3,162	3,485	3,582	**3,055**	3,329	3,520

29. Income tax expense

(a) The tax charge related to statement of profit or loss is as follows:

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Income tax based on the adjusted profit	**3,541**	3,200	2,532	**3,494**	3,174	2,498
Deferred tax	**(446)**	(671)	(590)	**(442)**	(669)	(590)
Effect of change in tax rate	**-**	(364)	289	**-**	(364)	289
Levy	**1,291**	1,248	645	**1,291**	1,248	645
Corporate social responsibility contribution	**179**	144	98	**179**	144	98
(Over)/Under provision in previous years	**(18)**	13	1	**(18)**	13	1
Charge for the year	**4,547**	3,570	2,975	**4,504**	3,546	2,941

The tax on the profits differs from the theoretical amount that would arise using the basic tax rate as follows:

Profit before tax	**21,887**	19,057	16,045	**21,715**	18,992	15,900
Less share of profit of associates	**(294)**	(306)	(544)	**(294)**	(306)	(544)
	21,593	18,751	15,501	**21,421**	18,686	15,356
Tax calculated at applicable tax rates	**3,125**	2,708	2,216	**3,082**	2,687	2,185
Effect of change in tax rate	**-**	(364)	289	**-**	(364)	289
Impact of:						
Income not subject to tax	**(1,008)**	(1,195)	(1,153)	**(1,008)**	(1,195)	(1,153)
Expenses not deductible for tax purposes	**978**	1,025	885	**978**	1,022	882
Tax credits	**-**	(9)	(6)	**-**	(9)	(6)
Levy	**1,291**	1,248	645	**1,291**	1,248	645
Corporate Social Responsibility contribution	**179**	144	98	**179**	144	98
(Over)/Under provision in previous years	**(18)**	13	1	**(18)**	13	1
Tax charge	**4,547**	3,570	2,975	**4,504**	3,546	2,941

Corporate Social Responsibility (CSR) tax

Corporate Social Responsibility (CSR) tax was legislated by the Government of Mauritius in July 2009. The Bank is entitled to allocate a percentage of its chargeable income of the preceding year to a CSR programme approved by the National Social Inclusion Foundation (formerly known as National CSR Foundation) and the remaining to the Mauritius Revenue Authority.

Corporate Climate Responsibility (CCR) Levy

Corporate Climate Responsibility (CCR) Levy was introduced by the Government of Mauritius, effective July 2024, following the enactment of the Finance (Miscellaneous Provisions) Act 2024. The CCR Levy is computed at the rate of 2% of the company's chargeable income, and applies to companies having an annual gross income exceeding MUR 50 million.

Applicable tax rates

The applicable tax rate for the Bank is as follows:

- First Rs 1.5 billion of chargeable income at 5%
- Remainder 15%

(b) The tax (charge)/credit related to statement of comprehensive income is as follows:

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Remeasurement of defined benefit pension plan and retirement residual gratuities	**(1,307)**	141	(263)	**(1,307)**	141	(263)
Deferred tax credit/(charge)	**222**	(24)	39	**222**	(24)	39
Remeasurement of defined benefit pension plan and retirement residual gratuities, net of deferred tax	**(1,085)**	117	(224)	**(1,085)**	117	(224)

Notes to the financial statements
for the year ended 30 June 2025

30. Dividends

	BANK		
	2025	2024	2023
	RS'M	RS'M	RS'M
Dividends in cash			
Opening dividend payable	**2,500**	2,300	1,534
Declared during the year	**7,062**	5,200	4,325
Paid during the year	**(6,662)**	(5,000)	(3,559)
Closing dividend payable	**2,900**	2,500	2,300

31. Earnings per share

Earnings per share is calculated by dividing the profit attributable to the ordinary equity holder of the Group and Bank by the weighted average number of ordinary shares outstanding during the year.

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Profit attributable to ordinary equity holders of the parent	**17,308**	15,471	13,044	**17,211**	15,446	12,959
Weighted average number of ordinary shares (thousands)	**887,960**	887,960	887,960	**887,960**	887,960	887,960
Earnings per share (Rs)	**19.49**	17.42	14.69	**19.38**	17.39	14.59

32. Commitments

(a) Capital commitments

	GROUP & BANK		
	2025	2024	2023
	RS'M	RS'M	RS'M
Expenditure contracted for but not incurred	**138**	199	197
Expenditure approved by the Board but not contracted for	**131**	123	92

(b) Securities pledged

The Bank has pledged Government of Mauritius bonds as collateral for the purpose of overnight facility from the Bank of Mauritius and for repurchase agreement with other financial institutions.

	GROUP & BANK		
	2025	2024	2023
	RS'M	RS'M	RS'M
Government of Mauritius & Bank of Mauritius bonds with Bank of Mauritius	**-**	-	7,631
Government of Mauritius & Bank of Mauritius bonds with other financial institutions	**11,893**	15,191	37,647
	11,893	15,191	45,278

33. Related party transactions

	GROUP & BANK					GROUP	BANK
	Ultimate Holding Company*	Holding Company*	Entities in which the Bank holds more than a 10% interest	Directors and Key Management Personnel (including parent)**	Enterprises in which Directors and Key Management Personnel have significant interest (including parent)**	Entities under common control (including defined benefit plan)	Entities under common control (including defined benefit plan)
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cash equivalents, Loans and Advances							
Balances at 30 June 2025	**-**	**-**	**684**	**232**	**135**	**4,073**	**4,747**
Net movements during the year	**-**	**-**	**(44)**	**84**	**(24)**	**1,886**	**1,580**
Balances at 30 June 2024	**-**	**-**	**728**	**148**	**159**	**2,187**	**3,167**
Net movements during the year	(1,617)	-	94	(34)	137	(364)	(375)
Balances at 30 June 2023	1,617	-	634	182	22	2,551	3,542
Net movements during the year	1,617	-	29	(161)	(387)	2	593
Balances at 30 June 2022	-	-	605	343	409	2,549	2,949
Deposits							
Balance at year end:							
30 June 2025	**1,103**	**75**	**38**	**372**	**317**	**6,823**	**6,917**
30 June 2024	3,095	12	77	436	429	6,734	6,826
30 June 2023	1,593	272	28	415	261	5,964	6,032
Amounts due from/(to)							
Balance at year end:							
30 June 2025	**1**	**(2,469)**	**4**	**-**	**-**	**132**	**166**
30 June 2024	1	(2,097)	85	-	-	162	190
30 June 2023	1	(1,910)	96	-	-	113	140
Off Balance sheet items							
Balance at year end:							
30 June 2025	**-**	**-**	**3**	**-**	**41**	**446**	**3,092**
30 June 2024	-	-	3	-	29	684	2,621
30 June 2023	-	-	3	-	237	498	2,572
Interest income							
For the year ended:							
30 June 2025	**-**	**-**	**30**	**6**	**9**	**128**	**177**
30 June 2024	28	-	30	5	13	136	222
30 June 2023	38	-	17	5	1	144	191
Interest expense							
For the year ended:							
30 June 2025	**25**	**13**	**1**	**12**	**-**	**239**	**242**
30 June 2024	47	-	1	16	1	255	257
30 June 2023	7	-	1	8	-	138	147

Notes to the financial statements

for the year ended 30 June 2025

33. Related party transactions (Cont'd)

	GROUP & BANK					GROUP	BANK
	Ultimate Holding Company*	Holding Company*	Entities in which the Bank holds more than a 10% interest	Directors and Key Management Personnel (including parent)**	Enterprises in which Directors and Key Management Personnel have significant interest (including parent)**	Entities under common control (including defined benefit plan)	Entities under common control (including defined benefit plan)
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Other income							
For the year ended:							
30 June 2025	**1**	**-**	**255**	**2**	**2**	**252**	**329**
30 June 2024	1	1	426	2	2	120	200
30 June 2023	1	-	399	3	1	72	150
Non-interest expense							
For the year ended:							
30 June 2025	**(1)**	**-**	**-**	**-**	**-**	**(105)**	**(149)**
30 June 2024	(1)	-	-	-	-	(20)	(41)
30 June 2023	(1)	-	-	-	-	4	(16)

The related party transactions were carried out under market terms and conditions with the exception of loans to Key Management Personnel who benefited from preferential rates as applicable to staff.

All the loans are performing.

* The Directors regard MCB Investment Holding Limited as its holding company and MCB Group Limited as its ultimate holding company. The figures for 'Amounts due from/(to)' include the Interim Dividend payable to MCB Investment Holding Limited of Rs 2,900M for 2024/2025, Rs 2,500M for 2023/2024 and Rs 2,300M for 2022/2023.

** Directors and Key Management Personnel also include other key members of the Leadership team.

During the year, the Bank has disposed of investments amounting to Rs 3,966 M to its ultimate holding company.

The Bank introduced a Transfer Pricing policy applicable as from 1 January 2021 with its related entities in line with best practice and has gradually migrated to the new policy with support services being mainly categorised as 'low value services'.

The figures for 'Other income' from Ultimate Holding Company, Holding Company and Entities under common control, include (where applicable) dividend income and support services charged to these entities as per the Group's transfer pricing policy.

The figure for 'Entities in which the bank holds more than 10% interest' includes dividend income and an annual amount in respect of management fees charged to Banque Française Commerciale Océan Indien ('BFCOI').

During the year, 120,826 share options were exercised under the Group Employee Share Option scheme by Key Management Personnel, including Executive Directors amounting to Rs 44M (FY 2023/2024: 108,186 share options for Rs 34M; FY 2022/2023: 50,114 share options for Rs 20M).

Key Management Personnel compensation

	GROUP			BANK		
	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Remuneration and other benefits relating to members of the Group Executive Strategy Committee and Directors, were as follows :						
Salaries and short term employee benefits	**219**	209	154	**201**	192	139
Post employment benefits	**16**	12	12	**16**	12	12
	235	221	166	**217**	204	151

34. Events after reporting date

Subsequent to the reporting period, the Government of Mauritius enacted the Finance Act 2025, introducing new tax measures including the Alternative Minimum Tax (AMT), the Fair Share Contribution (FSC), and an Additional FSC (AFSC) applicable to banks. The FSC and AFSC will apply for a period of three years. The Act also removed the cap on the Special Levy and introduced an overall tax cap of 35% on chargeable income arising from transactions with resident after taking into account income tax, CSR, the Corporate Climate Levy, FSC and AFSC.

These measures are non-adjusting events under IAS 10 and do not impact the current year's financial statements but may affect the Group's future tax obligations and financial position.

35. Operating segments

The Bank's and Group's Chief Executive Officers, supported by the Board is considered as the Chief Operation Decision Makers (CODM) for the purpose of identifying the reportable segments. The Chief Operation Decision Makers review the Bank's and Group's performance based on the identified segments which enable management to assess its performance towards meeting its strategic intent of "extending our frontier." Furthermore, internal management reports cover the performance of the domestic and international markets. The Group's reportable segments under IFRS 8 are:

1. Domestic segment - This segment englobes all our banking activities and other financial services offered to customers in Mauritius ranging from deposit taking, provision of loan, card services and other investment products.
2. Foreign segment - This segment relates to the provision of financial services to customers outside Mauritius.
3. Global Business segment - This segment relates to the provision of financial services to customers holding a GBC licence.

GROUP

	DOMESTIC			FOREIGN			GLOBAL BUSINESS		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Reported segment profit or loss information									
Interest income using the effective interest method	**20,790**	18,668	14,922	**23,692**	23,289	16,583	**2,497**	1,834	883
Interest expense	**(8,568)**	(8,189)	(6,442)	**(12,335)**	(12,009)	(6,799)	**(589)**	(710)	(352)
Net fee and commission income	**3,380**	2,680	2,718	**3,299**	3,641	2,888	**767**	413	334
Dividend income	**50**	46	27	**21**	19	44	**-**	-	-
Operating income	**17,694**	14,959	13,078	**17,611**	16,315	14,866	**3,159**	2,432	669
Depreciation of property, plant and equipment	**(368)**	(326)	(470)	**(192)**	(199)	(100)	**(17)**	(16)	(1)
Amortisation of intangible assets	**(458)**	(425)	(506)	**(184)**	(217)	(119)	**(21)**	(21)	(2)
Net impairment of financial assets	**(1,048)**	(146)	1,042	**(1,494)**	(1,409)	(1,962)	**(620)**	(1,930)	(2,662)
Operating profit/(loss) (adjusted)	**7,611**	7,597	6,846	**12,452**	11,430	11,144	**2,107**	137	(2,028)
Share of profit of associates	**-**	-	-	**294**	306	544	**-**	-	-
Profit/(Loss) before tax (adjusted)	**7,611**	7,597	6,846	**12,746**	11,736	11,688	**2,107**	137	(2,028)
Income tax expense(adjusted)	**(2,378)**	(2,121)	(1,705)	**(2,211)**	(2,237)	(1,803)	**(404)**	(247)	(57)
Profit/(Loss) for the year (adjusted)	**5,232**	5,476	5,141	**10,536**	9,499	9,885	**1,703**	(110)	(2,085)

Reported segment asset and liabilities information

Loan and advances to customers	**174,986**	147,424	155,852	**172,955**	206,621	159,337	**27,237**	28,488	21,323
Deposits from customers	**440,181**	399,197	344,709	**135,021**	148,404	119,815	**115,162**	94,036	90,565
Total Assets (adjusted)	**531,638**	455,919	400,080	**401,593**	416,663	368,524			
Total Liabilities (adjusted)	**466,623**	421,358	377,939	**374,118**	368,819	317,748			

Notes to the financial statements
for the year ended 30 June 2025

35. Operating segments (Cont'd)

GROUP

Reconciliation of reported profit or loss

	2025	2024	2023
	RS'M	RS'M	RS'M
Total profit or loss for reportable segments	**17,471**	14,865	12,941
Adjustment to pension expense	**(577)**	(413)	(461)
Adjustment for deferred tax	**446**	1,035	590
Profit for the year	**17,340**	15,487	13,070

Reconciliation of assets and liabilities

	2025	2024	2023
	RS'M	RS'M	RS'M
Total assets for reportable segment	**933,231**	872,582	768,604
Deferred tax	**4,408**	3,740	2,729
Post employment benefit asset	**-**	754	455
	937,639	877,076	771,788
Total liabilities for reportable segment	**840,741**	790,177	695,687
Post employment benefit liability	**456**	-	-
	841,197	790,177	695,687

36. Additional disclosures as required by the Bank of Mauritius - Bank

Under the Guideline on Public Disclosure of Information, the Bank of Mauritius requires the Bank to disclose its assets and liabilities, income and expenditure into Resident and Non Resident.

The Bank's Non Resident activity is essentially directed to the provision of international financial services to customers outside Mauritius while its Resident activity relates to all banking and other financial business in Mauritius.

Expenditure incurred by the Bank but which is not directly attributable to its income derived from Mauritius or outside Mauritius is apportioned in a fair and reasonable manner.

Statement of financial position

		2025			2024			2023		
		TOTAL	Resident	Non-Resident	TOTAL	Resident	Non-Resident	TOTAL	Resident	Non-Resident
		RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
	Note									
ASSETS										
Cash and cash equivalents		**131,612**	**70,518**	**61,094**	90,669	30,306	60,363	113,609	54,599	59,010
Derivative financial instruments		**3,745**	**125**	**3,620**	2,071	156	1,915	1,214	45	1,169
Loans to and placements with banks	36(i)	**30,791**	**273**	**30,518**	13,582	-	13,582	14,092	-	14,092
Loans and advances to customers	36(i)	**366,970**	**174,986**	**191,984**	375,404	147,424	227,980	329,650	155,852	173,798
Investment securities		**324,783**	**233,100**	**91,683**	322,210	229,842	92,368	247,405	147,455	99,950
Investment in subsidiaries		**121**	**-**	**121**	121	-	121	118	-	118
Investments in associates		**5,740**	**-**	**5,740**	5,495	-	5,495	6,084	-	6,084
Intangible assets		**2,914**	**2,914**	**-**	2,551	2,551	-	2,211	2,211	-
Property, plant and equipment		**5,243**	**5,243**	**-**	5,028	5,028	-	5,003	5,003	-
Deferred tax assets		**4,383**	**913**	**3,470**	3,719	600	3,119	2,710	525	2,185
Post employee benefit asset		**-**	**-**	**-**	754	754	-	455	455	-
Other assets		**47,283**	**44,480**	**2,803**	43,848	40,613	3,235	39,061	34,915	4,146
Total assets		**923,585**	**532,552**	**391,033**	865,452	457,274	408,178	761,612	401,060	360,552
LIABILITIES AND SHAREHOLDER'S EQUITY										
Deposits from banks		**17,629**	**922**	**16,707**	41,021	872	40,149	15,752	240	15,512
Deposits from customers	36(ii)	**681,527**	**440,181**	**241,346**	634,292	399,197	235,095	547,586	344,709	202,877
Derivative financial instruments		**4,068**	**270**	**3,798**	1,990	87	1,903	1,216	64	1,152
Other borrowed funds		**84,742**	**7,497**	**77,245**	62,529	5,740	56,789	84,422	18,740	65,682
Debt securities		**13,649**	**-**	**13,649**	14,314	-	14,314	13,759	-	13,759
Subordinated liabilities		**6,707**	**-**	**6,707**	7,057	-	7,057	7,059	-	7,059
Current tax liabilities		**2,574**	**1,637**	**937**	2,697	237	2,460	2,872	1,719	1,153
Post employee benefit liability		**456**	**456**	**-**	-	-	-	-	-	-
Other liabilities		**16,671**	**16,116**	**555**	15,437	15,225	212	13,552	12,467	1,085
Total liabilities		**828,023**	**467,079**	**360,944**	779,337	421,358	357,979	686,218	377,939	308,279
Shareholder's equity										
Stated capital		**8,880**			8,880			8,880		
Retained earnings		**76,001**			66,975			56,625		
Other components of equity		**10,681**			10,260			9,889		
Total equity		**95,562**			86,115			75,394		
Total equity and liabilities		**923,585**			865,452			761,612		
CONTINGENT LIABILITIES (NET)		**195,913**	**30,716**	**165,197**	187,311	35,339	151,972	121,559	31,361	90,198

Notes to the financial statements

for the year ended 30 June 2025

36. Additional disclosures as required by the Bank of Mauritius - Bank (Cont'd)

Operating Income

	2025			2024		
	TOTAL	Resident	Non-Resident	TOTAL	Resident	Non-Resident
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Interest income using the effective interest method	**45,913**	**20,790**	**25,123**	42,936	18,668	24,268
Interest expense	**(20,957)**	**(8,568)**	**(12,389)**	(20,515)	(8,189)	(12,326)
Net interest income	**24,956**	**12,222**	**12,734**	22,421	10,479	11,942
Fee and commission income	**10,338**	**5,405**	**4,933**	9,819	4,467	5,352
Fee and commission expense	**(3,040)**	**(2,025)**	**(1,015)**	(3,142)	(1,787)	(1,355)
Net fee and commission income	**7,298**	**3,380**	**3,918**	6,677	2,680	3,997
Net trading income	**4,587**	**1,990**	**2,597**	3,599	1,734	1,865
Net gain from equity financial instruments carried at fair value through profit or loss	**549**	**-**	**549**	476	-	476
Dividend income	**103**	**50**	**53**	106	46	60
Other operating income	**264**	**52**	**212**	112	20	92
Loss on disposal of associate	**-**	**-**	**-**	(241)	-	(241)
	5,503	**2,092**	**3,411**	4,052	1,800	2,252
Operating income	**37,757**	**17,694**	**20,063**	33,150	14,959	18,191

	2023		
	TOTAL	Resident	Non-Resident
	RS'M	RS'M	RS'M
Interest income using the effective interest method	31,739	14,922	16,817
Interest expense	(13,259)	(6,442)	(6,817)
Net Interest Income	18,480	8,480	10,000
Fee and commission income	8,462	4,064	4,398
Fee and commission expense	(2,618)	(1,346)	(1,272)
Net fee and commission Income	5,844	2,718	3,126
Net trading income	3,049	1,825	1,224
Net gain from equity financial instruments carried at fair value through profit or loss	564	-	564
Dividend Income	102	27	75
Other operating income	79	28	51
	3,794	1,880	1,914
Operating income	28,118	13,078	15,040

36. Additional disclosures as required by the Bank of Mauritius - Bank (Cont'd)

(i) Sectorwise Distribution of Loans and Advances

Other Non-Financial Corporations	2025			2024		
	TOTAL	Resident	Non-Resident	TOTAL	Resident	Non-Resident
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
A - Agriculture, forestry and fishing	6,598	6,372	226	5,538	5,300	238
B - Mining and quarrying	42,215	28	42,187	38,283	7	38,276
C - Manufacturing	19,338	13,036	6,302	17,434	9,312	8,122
D - Electricity, gas, steam and air conditioning supply	5,288	1,449	3,839	15,412	842	14,570
E - Water supply; sewerage, waste management and remediation activities	562	562	-	555	555	-
F - Construction	12,943	8,349	4,594	14,951	8,307	6,644
G - Wholesale and retail trade; and repair of motor vehicles and motorcycles	90,268	17,468	72,800	119,591	13,227	106,364
H - Transportation and storage	5,231	2,505	2,726	7,400	2,618	4,782
I - Accommodation and food service activities	20,263	15,265	4,998	24,755	16,482	8,273
J - Information and communication	4,989	2,573	2,416	2,365	1,595	770
L - Real estate activities	7,018	5,943	1,075	7,998	6,826	1,172
M - Professional, scientific and technical activities	1,685	1,681	4	1,347	1,252	95
N - Administrative and support service activities	6,407	2,649	3,758	6,013	2,335	3,678
P - Education	586	586	-	662	662	-
Q - Human health and social work activities	343	343	-	333	333	-
R - Arts, entertainment and recreation	529	529	-	933	933	-
S - Other service activities	600	311	289	169	168	1
Households	63,462	60,150	3,312	53,441	51,387	2,054
Non-Bank Deposit Taking Institutions	6,997	6,997	-	2,614	2,614	-
Central Government	-	-	-	560	-	560
Public Non-Financial Corporations	1,774	1,774	-	1,481	1,481	-
Other Financial Corporations (excl GBC)	56,924	31,804	25,120	39,164	25,317	13,847
Global Business Corporations (GBCs)	31,891	-	31,891	30,368	-	30,368
Non-Profit Institutions	182	182	-	89	89	-
	386,093	180,556	205,537	391,456	151,642	239,814
Banks	30,895	273	30,622	13,913	-	13,913
	416,988	180,829	236,159	405,369	151,642	253,727
Less:						
Allowances for credit impairment	(19,227)	(5,570)	(13,657)	(16,383)	(4,218)	(12,165)
	397,761	175,259	222,502	388,986	147,424	241,562

Notes to the financial statements

for the year ended 30 June 2025

36. Additional disclosures as required by the Bank of Mauritius - Bank (Cont'd)

(i) Sectorwise Distribution of Loans and Advances (Cont'd)

Other Non-Financial Corporations	2023		
	TOTAL	Resident	Non-Resident
	RS'M	RS'M	RS'M
A - Agriculture, forestry and fishing	8,148	7,095	1,053
B - Mining and quarrying	19,314	7	19,307
C - Manufacturing	12,867	9,616	3,251
D - Electricity, gas, steam and air conditioning supply	12,139	610	11,529
E - Water supply; sewerage, waste management and remediation activities	415	415	-
F - Construction	13,306	9,949	3,357
G - Wholesale and retail trade; and repair of motor vehicles and motorcycles	109,368	18,406	90,962
H - Transportation and storage	6,627	2,544	4,083
I - Accommodation and food service activities	28,306	19,656	8,650
J - Information and communication	3,519	1,062	2,457
L - Real estate activities	8,624	7,446	1,178
M - Professional, scientific and technical activities	975	973	2
N - Administrative and support service activities	3,909	1,533	2,376
P - Education	668	668	-
Q - Human health and social work activities	257	257	-
R - Arts, entertainment and recreation	1,067	1,067	-
S - Other service activities	216	216	-
Households	48,288	46,261	2,027
Non-Bank Deposit Taking Institutions	1,492	1,492	-
Central Government	625	101	524
Public Non-Financial Corporations	1,184	1,184	-
Other Financial Corporations (excl GBC)	40,565	28,990	11,575
Global Business Corporations (GBCs)	23,954	-	23,954
Non-Profit Institutions	105	105	-
	345,938	159,653	186,285
Banks	14,880	-	14,880
	360,818	159,653	201,165
Less:			
Allowances for credit impairment	(17,076)	(3,801)	(13,275)
	343,742	155,852	187,890

36. Additional disclosures as required by the Bank of Mauritius - Bank (Cont'd)

(ii) Breakdown of Deposits from Customers

	2025			2024		
	TOTAL	Resident	Non-Resident	TOTAL	Resident	Non-Resident
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Retail Customers	**360,910**	**316,034**	**44,876**	318,151	277,396	40,755
Demand deposits	**60,398**	**42,522**	**17,876**	54,474	37,540	16,934
Savings Accounts	**254,392**	**239,837**	**14,555**	222,170	209,945	12,225
Time Deposits	**46,120**	**33,675**	**12,445**	41,507	29,911	11,596
Corporate Customers	**320,577**	**124,107**	**196,470**	316,110	121,770	194,340
Demand deposits	**222,759**	**100,762**	**121,997**	207,492	95,965	111,527
Savings Accounts	**5,335**	**5,324**	**11**	5,433	5,420	13
Time Deposits	**92,483**	**18,021**	**74,462**	103,185	20,385	82,800
Government	**40**	**40**	**-**	31	31	-
Demand deposits	**40**	**40**	**-**	31	31	-
	681,527	**440,181**	**241,346**	634,292	399,197	235,095

	2023		
	TOTAL	Resident	Non-Resident
	RS'M	RS'M	RS'M
Retail Customers	273,607	240,516	33,091
Demand deposits	49,119	33,385	15,734
Savings Accounts	195,731	184,940	10,791
Time Deposits	28,757	22,191	6,566
Corporate Customers	273,828	104,042	169,786
Demand deposits	205,448	83,899	121,549
Savings Accounts	5,452	5,420	32
Time Deposits	62,928	14,723	48,205
Government	151	151	-
Demand deposits	95	95	-
Savings Accounts	56	56	-
	547,586	344,709	202,877

TEAMWORK

Our shared ways of working

Build partnerships

- We work together to create incredible solutions for our customers.
- We embrace diversity and create teams where people can be authentic, open and empowered.
- We prioritise the needs of the group.

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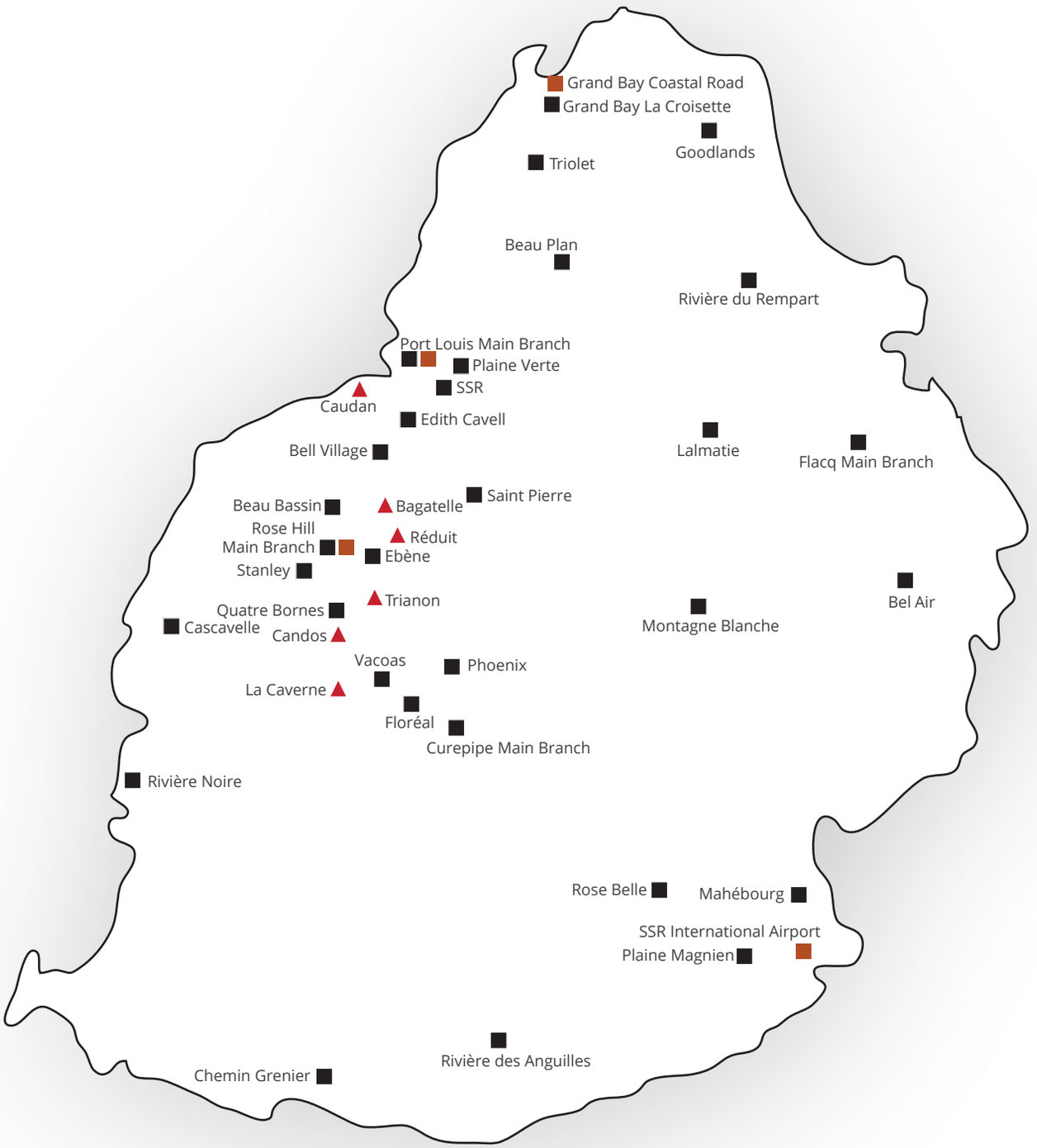
Our local branch network

Mauritius



REGISTERED ADDRESS

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Swift: MCBLMUMU
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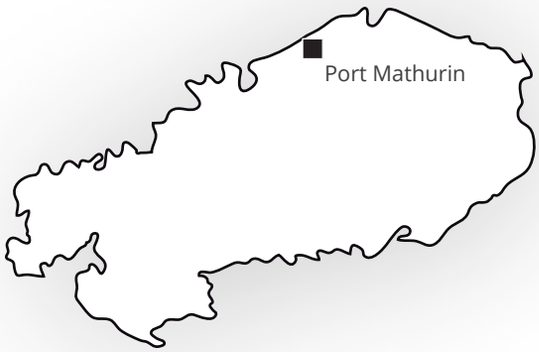
Rodrigues



- Branches
- Forex Counters
- kiosks

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