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- Opt-in for email alerts pertaining to earnings releases and corporate events
- Access financial reports and presentations



SCAN ME

This report has been prepared to assist relevant stakeholders in assessing the strategies of MCB Group Limited (the 'Group') and their potential of success. The statements contained herein may include declarations of future expectations and other forward-looking statements that are based on our current views, judgements and assumptions.

Readers are advised to use caution when interpreting forward-looking statements relating to the Group's business strategy, plans, objectives and financial positions as these statements rely on assumptions and hypotheses, which inherently represent an accuracy risk. Actual results, performance and events may differ from those described in such statements due to unexpected changes in the economic, political, sanitary, industry, interest rate and currency market conditions as well as developments in relation to applicable laws and regulations. The Group does not undertake to update any forward-looking statement contained herein or that may be made from time to time by the organisation or on its behalf.

Dear Shareholder,

The Directors of MCB Group 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 26 September 2025.



Jayananda NIRSIMLOO
Chairperson



Jean Michel NG TSEUNG
Group Chief Executive

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



Service



Integrity



Innovation



Respect



Teamwork

Shared ways of working

Make things simple

Act responsibly

Push boundaries

Create positive impact

Build partnerships

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

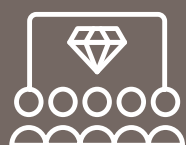
by attracting and empowering top talent, developing leaders who inspire, and foster a high-performance, purpose-driven culture



Financial highlights



Financial performance



Shareholder value



Market positioning



Efficiency and return ratios



Asset quality and capitalisation

Net profit

Rs 18,065 m

+12.6%



Earnings per share

Rs 70.13

+10.2%



Customer loans

Rs 413 bn

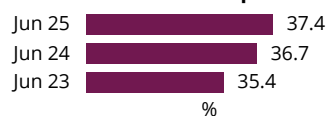
-1.1%



Cost-to-income

37.4%

+64 bps



Gross NPL ratio

3.0%

-9 bps



Total assets

Rs 1,007 bn

+7.3%



Dividend per share

Rs 25.50

+10.9%



Customer deposits

Rs 726 bn

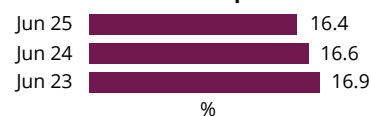
+7.9%



Return on equity

16.4%

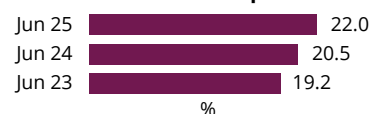
-27 bps



Capital adequacy ratio

22.0%

+148 bps



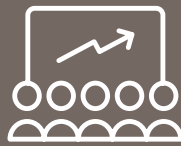
Non-financial highlights



Employees



Customers



Shareholders and investors

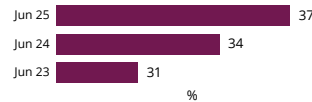


Economies, societies and communities

Workforce



Women at middle and senior management level*



Trust index

68%

MCB Group has been accredited Great Place to Work®

Overall customer base



Net Promoter Score*



Market capitalisation on Stock Exchange of Mauritius (SEM)

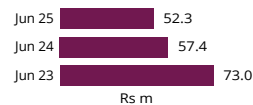
First on the local stock market



Baa3/P-3

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

Amount spent by MCB Forward Foundation



MCB Group MSCI ESG Rating

A

Cash to digital payment ratio*

22%

~ 4.5%

of the total value added generated in Mauritius*

~ 2%

of the total value added generated in Seychelles

~ 14%

of total corporate tax paid in Mauritius*

Inclusive of levies on income

* Relates to MCB Ltd

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



The illustrative concept

In shaping the visuals for this report, our aim was to translate the three pillars of Vision 2030 into a compelling imagery. We have also illustrated our *Core Values* as well as our *Shared Ways of Working*, those collective attitudes that make our journey toward the vision possible. The cover captures the spirit of Excellence, our destination and defining standard.



"True business success comes not just from strategy, but from the collective strength of our teams, united by shared values, guided by humility and integrity..."



Chairperson's statement

Dear Shareholders,

I am deeply honoured to serve as Chairperson of the MCB Group and would like to sincerely thank you and my fellow directors for the trust and confidence you have placed in me. My gratitude goes to my predecessor, Mr. Didier Harel, whose thoughtful leadership, vision and steadfast support have been instrumental in reshaping our Group into the strong, dynamic organisation it is today. I would also like to thank my fellow executive and non-executive directors for their immense contribution to the Board. On their behalf, I warmly welcome Anna Margaretha Roets, our newest member of the Board who brings valuable insights into banking and risks.

Strong performance and resilience

I am pleased to report that the Group delivered a strong financial performance in FY 2024/25, with operating income increasing by 13.9% to Rs 42.2 billion. Profit attributable to ordinary shareholders rose by 12.6% to Rs 18.1 billion, resulting in a return on equity of 16.4%. Our balance sheet remains robust, supported by strong capital adequacy, which provides us with the flexibility to invest in long-term growth while safeguarding the interests of our stakeholders. Considering this performance, we are pleased to propose a dividend increase of 10.9% to our shareholders. MCB's commitment to excellence continues to be recognised on the global stage, with prestigious accolades awarded by leading international institutions. A defining moment was our recognition as African Bank of the Year by The Banker, a landmark achievement for a Mauritian institution. This award is testament to all the hard work, dedication and commitment of our leaders and employees. It was achieved amidst economic uncertainties, geopolitical tensions and environmental-related disruptions, affecting both our home and international markets. Beyond this commendable performance, this past period has been one of strategic consolidation and transformation, laying a solid foundation for the development and implementation of Vision 2030.

"From the project's inception, the executive leadership team presented Vision 2030 to the Board, fostering open, transparent and constructive dialogue."

Elevating governance, empowering people and driving sustainable impact

Over the past year, the Board has continued to elevate its corporate governance standards and practices, reinforce strategic alignment and deepen its commitment to people and sustainability, laying a solid foundation for the successful implementation of Vision 2030.

• **Strategic oversight and engagement:** Vision 2030 has served as a powerful catalyst in numerous ways. From the project's inception, the executive leadership team presented Vision 2030 to the Board, fostering open, transparent and constructive dialogue. This collaborative approach enabled directors to rigorously challenge and refine key aspects of Vision, leading to its final approval for implementation.

• **Investing in people and purpose:** Significant investments have been made to strengthen people management, foster collaboration and promote employee well-being. Encouraging results across key indicators spanning employee engagement, societal contribution, and customer satisfaction, underscore the value of these efforts and justify further investment in these critical areas.

• **Strengthening risk management and compliance:** In response to evolving regulations, particularly in areas such as anti-money laundering and cyber security, the Group has significantly reinforced its risk management, compliance and internal audit functions - driven by strong leadership and a shared commitment to safeguarding the interests of the Group's stakeholders. Further, the well-structured and insightful discussions around the Group's risk appetite improved the board's decision-making process, ensuring alignment with strategic priorities and regulatory expectations. Our training programs have been expanded to deepen our awareness of geopolitical, cyber and sustainability-related challenges, while also reinforcing our commitment to protect our brand and ethical leadership.

• **Driving sustainability and impact:** The Group has upheld its long-standing commitment to environmental and social responsibility while exploring related business opportunities. MCB continues to support initiatives that have a positive environmental and social impact in communities, ranging from plastic and waste reduction, biodiversity conservation, education, sports, entrepreneurship and staff volunteering. Flagship initiatives such as 'Deba Klima' or 'Lokal is Beautiful' have become household names, reflecting the resonance of these efforts within the community. Recently, Private Wealth Management launched a sustainable investing framework for international portfolios, thereby supporting clients to align their investments with their sustainability goals. A full-fledged Sustainability Report is available, providing detailed information alongside key highlights of actions and achievements made during the year.

Strategy and vision

Vision 2030 is a forward-looking roadmap to develop business in markets where the Group has a footprint. Our vision of success is *"To be the leading Banking Group in our home markets, and a top-tier African Corporate and Investment Bank and Private Banking institution, recognised for excellence and innovation"*. I believe that true business success comes not just from strategy, but from the collective strength of our teams, united by shared values, guided by humility and integrity, and committed to delivering on our Purpose.

Chairperson's statement

Executing our strategy

Looking ahead, the Board remains fully committed to monitoring and supporting the effective execution of our strategic plan, ensuring that we remain aligned with our long-term objectives. We must not only be relentlessly prepared to navigate ongoing economic (e.g. higher taxation, interest volatility) and geopolitical challenges but also remain agile in an age of rapid technological change. Digital transformation is no longer a choice but a necessity. The adoption of artificial intelligence (AI) is inevitable. Experts agree that AI is reshaping industries, a reality underscored by the massive investments made by the world's leading technology companies. For our Group, this represents both a challenge, and an opportunity to harness innovation, to deliver greater efficiency, stronger risk management and enhanced customer experience. The pace of adoption will advance as we build the right technical capabilities, validate proof of concept, strengthen cybersecurity framework and operate within a forward-looking regulatory framework.

"Digital transformation is no longer a choice but a necessity."

Outlook

While the external environment continues to be unpredictable, I believe in the strength of our strategy, the resilience of our business model, and the dedication of our people. By embracing innovation with discipline and purpose, we will ensure that the Group stays ahead of the competition, relevant, and resilient in the years ahead. The Group is well positioned to deliver more value to our shareholders, our clients, our people and communities in the long term.

Acknowledgements

As we celebrate MCB's 187th anniversary, I am honoured and proud to be a link to a long chain of chairpersons who have all contributed to make our Group one of the most reputable brands in the markets it operates. On behalf of the Board, I extend my gratitude to our employees for their commitment, to our clients for their trust, and to you, our shareholders, for your continued support.

Sincerely yours,



Jay NIRSIMLOO
Chairperson





Board of Directors

➤ Independent Non-Executive Directors

Jayananda NIRSIMLOO (*Chairperson as from November 2024*)

Didier HAREL (*Chairperson*)(*until November 2024*)

Karuna BHOOJEDHUR-OBEEGADOO (*until November 2024*)

Constantine CHIKOSI

Jean-Philippe COULIER (*until November 2024*)

Stephen DAVIDSON

Cédric JEANNOT

Georges Michael David LISING

Maya MAKANJEE

Anna Margaretha ROETS (*as from June 2025*)

San T SINGARAVELLOO

➤ Non- Executive Director

Yvan LEGRIS (*as from November 2024*)

➤ Executive Directors

Jean Michel NG TSEUNG

Dipak CHUMMUN (*as from September 2024*)

Secretary to the Board:

MCB Group Corporate Services Ltd

(represented by Marivonne OXENHAM)



Committees of the Board

➤ Risk Monitoring Committee

Stephen DAVIDSON (*Chairperson*)(as from January 2025)
 Jean-Philippe COULIER (*Chairperson*)(until November 2024)
 Constantine CHIKOSI (*until January 2025*)
 Dipak CHUMMUN (*as from September 2024*)
 Didier HAREL (*until November 2024*)
 Yvan LEGRIS (*as from January 2025*)
 Jean Michel NG TSEUNG
 Jayananda NIRSIMLOO (*as from January 2025*)

Secretary: Frederic PAPOCCHIA

➤ Remuneration, Corporate Governance Ethics and Sustainability Committee

Jayananda NIRSIMLOO (*Chairperson as from January 2025*)
 Didier HAREL (*Chairperson*)(until November 2024)
 Karuna BHOOJEDHUR-OBEEGADOO (*until November 2024*)
 Constantine CHIKOSI (*as from January 2025*)
 Stephen DAVIDSON (*until January 2025*)
 Yvan LEGRIS (*as from January 2025*)
 Maya MAKANJEE
 Jean Michel NG TSEUNG

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

➤ Corporate Strategy Committee

Jayananda NIRSIMLOO (*Chairperson as from January 2025*)
 Didier HAREL (*Chairperson*) (*until November 2024*)
 Dipak CHUMMUN (*also acts as Secretary*)
 (*as from September 2024*)
 Cédric JEANNOT
 Georges Michael David LISING (*until January 2025*)
 Maya MAKANJEE
 Jean Michel NG TSEUNG

Directors from MCB Ltd

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

➤ Cyber and Technology Risk Committee

Cédric 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 T SINGARAVELLOO (*as from January 2025*)
 Jean Michel NG TSEUNG

Directors from MCB Ltd

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

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

➤ Audit Committee

San T SINGARAVELLOO (*Chairperson*)
 Karuna BHOOJEDHUR-OBEEGADOO (*until November 2024*)
 Stephen DAVIDSON
 Georges Michael David LISING (*as from January 2025*)

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

➤ Supervisory and Monitoring Committee

Jayananda NIRSIMLOO (*Chairperson*)(as from January 2025)
 Didier HAREL (*Chairperson*)(until November 2024)
 Dipak CHUMMUN (*also acts as Secretary*)(as from September 2024)
 Jean Michel NG TSEUNG



Executive Management

➤ Group Executive Committee

Jean Michel NG TSEUNG
Thierry HEBRAUD
Dipak CHUMMUN
Vanessa DOGER DE SPEVILLE
Allan FREED
Frederic PAPOCCHIA

Group Chief Executive – MCB Group Ltd
Chief Executive Officer – MCB Ltd
Group Chief Finance Officer
Group Head of Sustainability, Reputation and Engagement
Group Head of Human Resources
Group Chief Risk Officer

➤ Group Executive Strategic Committee

Jean Michel NG TSEUNG
Thierry HEBRAUD
Dipak CHUMMUN
Ashvin DEENA
Mathieu DELTEIL
Vanessa DOGER DE SPEVILLE
Allan FREED
Hemandra Kumar HAZAREESING
Rony LAM
Frederic PAPOCCHIA
Dominic PROVENÇAL
Parikshat TULSIDAS
Anju UMROWSING-RAMTOHUL

Group Chief Executive – MCB Group Ltd
Chief Executive Officer – MCB Ltd
Group Chief Finance Officer
Global Head of Coverage
Global Head of Structured Finance
Group Head of Sustainability, Reputation and Engagement
Group Head of Human Resources
Chief Operating Officer
Chief Executive Officer – MCB Capital Markets
Group Chief Risk Officer
Head of MCB Overseas
Head of Financial Markets
Head of Domestic Banking



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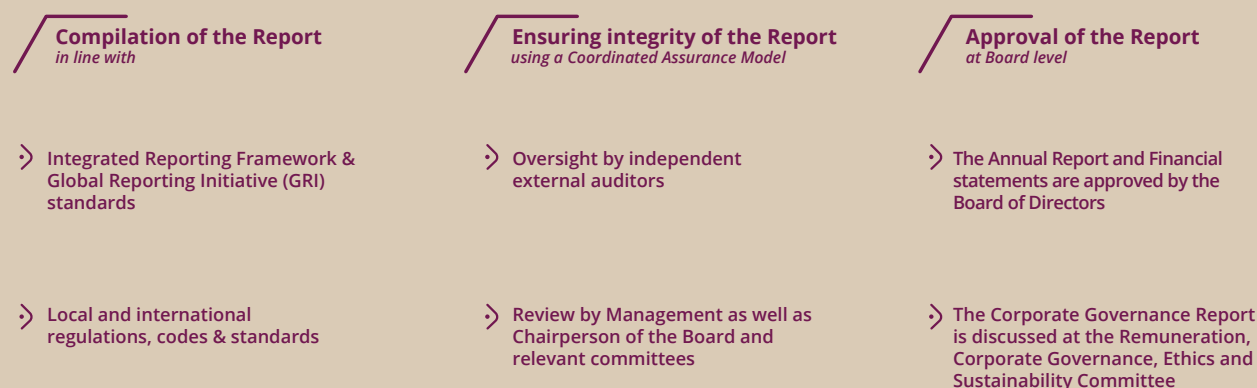
Administrative information

About this Report

Philosophy of the Annual Report

This Annual Report (the 'Report') presents a holistic view of how MCB Group 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



Our reporting suite

This **Annual Report** is our primary report to our stakeholders, namely our employees, customers, shareholders and investors, and the 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 at mcbgroup.com. 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 Group Ltd have also been communicated.

Financial and non-financial reporting

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

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.

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 Group'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.

Operating business

The Report sheds light on activities undertaken across the Group's local and overseas subsidiaries and associates.

Icons used in this report

Stakeholders	Capital types	Sustainable Development Goals (SDGs)	Others
 Customers	 Financial 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
 Economies, societies and communities	 Natural capital		 Read more in the Sustainability Report on our website
 Employees	 Human capital		 Find out more online (i.e. across MCB websites)
 Intellectual capital	 Manufactured capital		
 Financial capital	 Financial capital		
 Financial capital	 Financial capital		



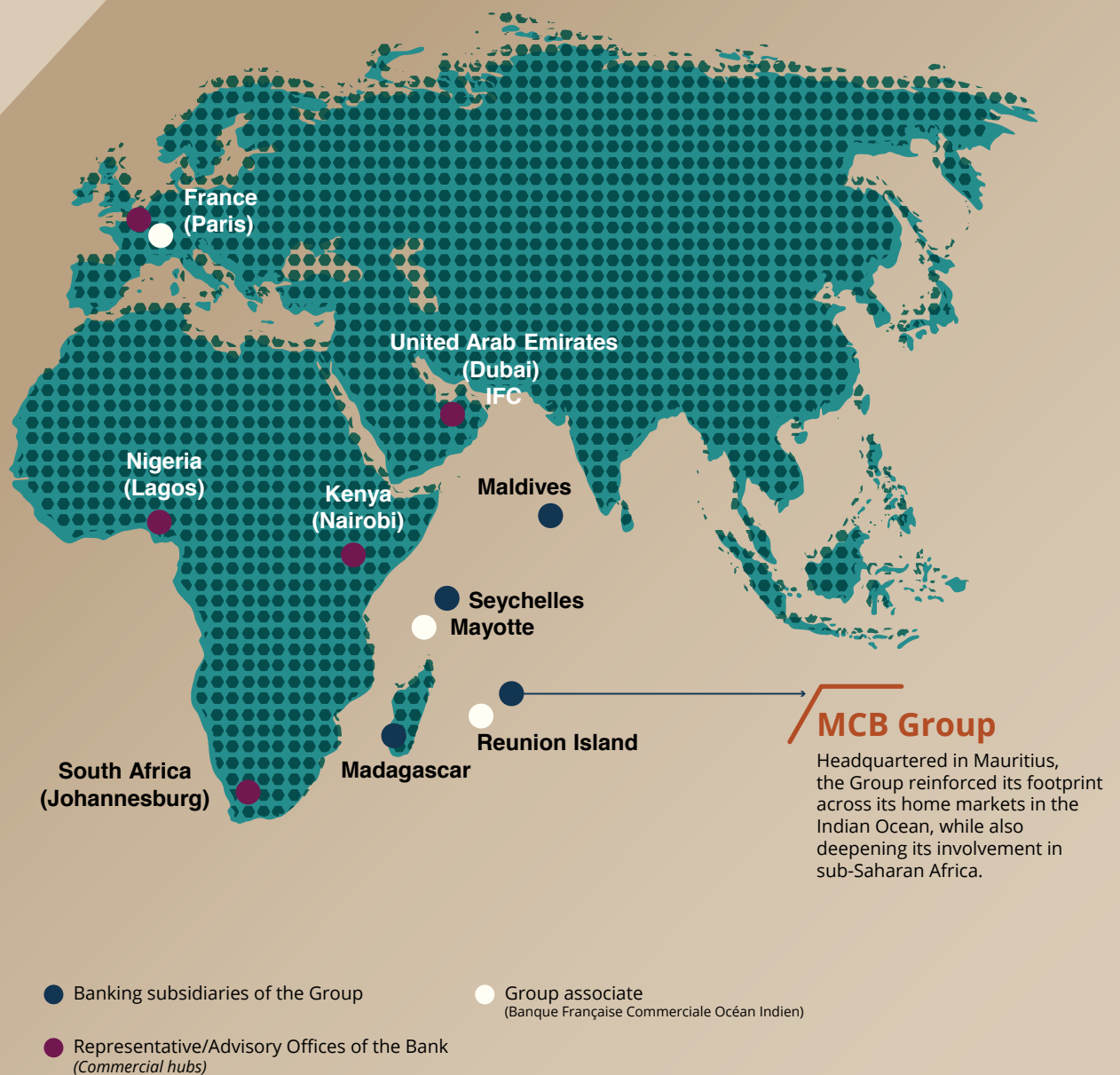
Vision 2030

Lead in our Home Markets



Who we are

MCB Group is a reputable and prominent regional banking and financial services provider, offering a comprehensive range of tailored and innovative solutions through its local and foreign subsidiaries and associates.



Credit ratings

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

Relates to MCB Ltd

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

*Pertains to the servicing of
financial obligations in
Mauritius*

Sustainability highlights

Constituent of **SEM Sustainability Index** and awarded an '**A**' MSCI ESG rating

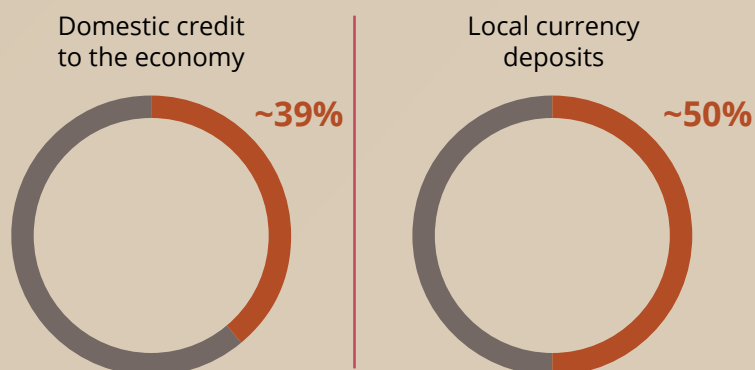
Our channels

63 **217** **708,671**
Branches/kiosks ATMs MCB Juice subscribers

Presence in
11 countries

Wide network of
correspondent banks
~100 in Africa

Domestic market shares of our main subsidiary, MCB Ltd



Stock profile

Market capitalisation
~ Rs 112 billion
~ 36% of SEMDEX¹

~ 24,000
Ordinary shareholders
(Individual shareholders
account for 46.2% of
the ownership base)

~ 1,900
Preference
shareholders
& bondholders

¹ excludes foreign currency denominated, GBL and international companies

Notes:

(i) Figures are as at 30 June 2025

(ii) The use by MCB Group of any MSCI ESG research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of MCB Group by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

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

Bank of the Year AFRICA



571st in the **world**
based on
Tier 1 capital

The Banker Top 1000 World Banks, July 2025

World

1st

in **East Africa** based
on Tier 1 capital

The Banker Top 1000 World Banks, July 2025

10th

in **Africa** in terms of assets

*Jeune Afrique, Top 300 Champions
de la Finance, November 2024*

12th

in **Africa** based on
Tier 1 capital

The Banker Top 1000 World Banks, July 2025

Africa

**Best Regional Bank
- Southern Africa**

Africa Banker Awards 2025

53rd

in **Africa** in terms
of market capitalisation

African Business Top 250 companies, May 2025

**Best Custodian in
Sub Saharan Africa**

Global Custodian 2025

**Leading Regional Bank
in terms of operating income
and profitability**

L'Eco Austral, Top 500 Regional 2025

Bank of the Year - Africa

The Banker Bank of the Year Awards 2024

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*

Mauritius

**Best Trade Finance
Bank in Mauritius**

Global Trade Review 2025

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

Global Private Banking Awards 2024

Winner in the Financial Services category

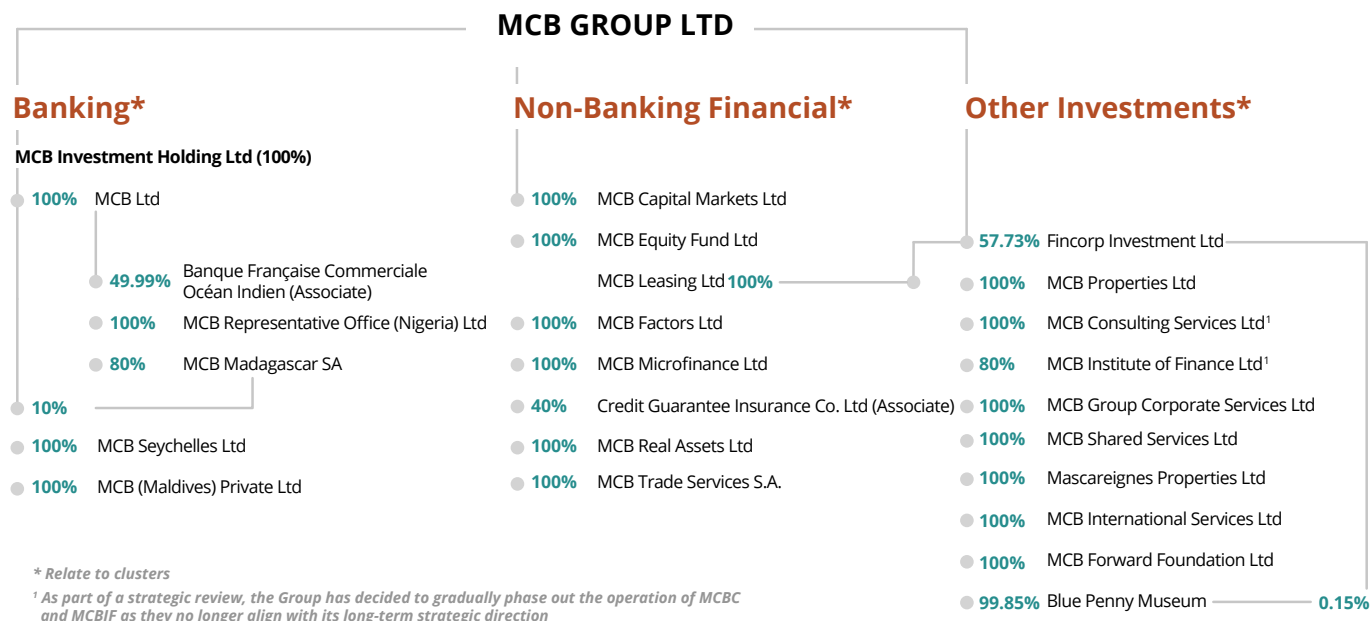
PwC Sustainability Awards 2024

Best Cash Management Bank in Mauritius

Global Finance Magazine 2025

How we operate

MCB Group Ltd, which is the ultimate holding company of the Group, holds a number of subsidiaries and associates in Mauritius and beyond. The Group operates under three clusters, i.e. 'Banking', 'Non-banking financial', and 'Other investments'. MCB Investment Holding Ltd, a wholly owned subsidiary of MCB Group Ltd, is the holding company of all the banking investments of the Group, namely MCB Ltd and the other overseas banking subsidiaries and associates.



Our clusters and entities

Banking

MCB Ltd

MCB Ltd is the main subsidiary of the Group and is headquartered in Mauritius, where it consolidated its position as the market leader in the banking sector, while establishing itself as a recognised player in selected segments in Africa. It delivers a palette of financial products and services across its client segments as follows:



Retail - Caters for the day-to-day and lifetime needs of retail customers, through lending, transactional, savings and investment solutions as well as customised account packages across different age and income groups



Private Wealth Management - Provides investment, advisory services and wealth management services for resident, non-resident affluent and high net worth clients as well as external asset managers



Business Banking - Offers tailored solutions to micro, small and medium and mid-market enterprises, facilitating access to new markets and alternative sources of finance



Corporate and Institutional - Assists local and international corporates as well as institutional clients through tailored financing, transactional and investment solutions as well as syndication offerings

Overseas

The Group's overseas banking subsidiaries in Madagascar, Maldives and Seychelles along with its associates such as Banque Française Commerciale Océan Indien, which operates in Réunion Island, Mayotte, and Paris, offer a diverse range of banking services tailored to local market conditions. These entities leverage Group-wide synergies to strengthen their position as trusted partners for both corporate and individual clients. Additionally, the Group capitalises on its strategically positioned commercial hubs in Johannesburg, Nairobi, Paris, Lagos and Dubai to drive international business development and cross-border client engagement.

Non-banking financial

MCB Capital Markets Ltd

- It is involved in investment banking, proprietary investment and investment management.
- It supports clients expanding operations in Africa with solutions that meet their financing, strategic and investment objectives.
- MCB Capital Partners, a subsidiary, manages the Group's investment vehicles: **MCB Equity Fund** and **MCB Real Assets Ltd**.

Offerings of MCB Capital Markets



MCB Equity Fund

- The Group's USD 100 million evergreen fund providing expansion capital to established African businesses.
- It co-invests with development finance institutions, private equity, family offices, and strategic investors to identify opportunities and create value.

MCB Real Assets Ltd

- It is a wholly owned subsidiary, holds a 93.4% stake in COVIFRA, owner of the 394-key Club Med resort at Pointe aux Canonnières, Mauritius.
- The resort is managed by Club Med under a long-term lease agreement.

Para banking subsidiaries

MCB Microfinance Ltd facilitates access to credit by micro and small entrepreneurs, with a view to helping them unleash their potential as well as implement their ideas and business plans.

MCB Leasing Ltd is a key market player, offering a wide range of innovative finance and operating leasing solutions, including green leases, as well as attractive rates on fixed deposits.

MCB Factors Ltd is a prominent operator in the field of factoring in Mauritius. It offers innovative advisory and counselling solutions, while customising its offer to accommodate the business growth and cash flow requirements of its clients.

Other investments

MCB Forward Foundation

The Group's dedicated vehicle for upholding its role as a responsible corporate citizen. It provides human, logistical, and financial resources to support specific corporate social responsibility initiatives.

Fincorp Investment Ltd

The investment company listed on the local stock exchange with two strategic assets namely MCB Leasing Ltd and Promotion and Development (PAD) Ltd. PAD has an important asset portfolio with a significant property bias.

Our extensive and customised financial solutions

Through its banking and non-banking entities, the Group provides its clients in Mauritius, Africa and beyond, with customised and innovative financial solutions as well as dedicated advice to meet their ambitions. We work closely with customers to understand their imperatives, challenges and priorities, while assisting them to design solutions adapted to their needs. Intra-Group synergies are tapped into to provide clients with required solutions, e.g. provision of investment-related services.

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
- Microfinance
- Lombard facilities



Savings & Investment

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



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

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
- 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 Orders



Financial Market Solutions

- Foreign exchange Solutions
- Money Markets & Fixed Income
- Hedging solutions (Foreign exchange, interest rates, commodities)
- Yield enhancement solutions
- Insights and research



Financing Solutions

- Short & long-term loans
- Sustainable loan
- Green loan
- Syndicated loan
- Bridging loan
- Private equity
- Mezzanine financing
- Structured finance
- Factoring
- Microfinance
- Operating & finance lease
- Asset-based lending
- Lokal is Beautiful Scheme
- Lombard facilities
- Express overdraft, overdrafts & working capital
- Leasing



Investment Related Services

- Investment trade execution
- Structured products
- Structured credit
- Investment advisory services
 - Real assets
 - Private equity
- Securities & custodian services
- Brokerage services
- Investment management
- Dual currency deposits



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



Outsourcing & Advisory Services

- Payments outsourcing
- Consulting & project management services
- Entrepreneurial community platform: punch.mu*



Business Services

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

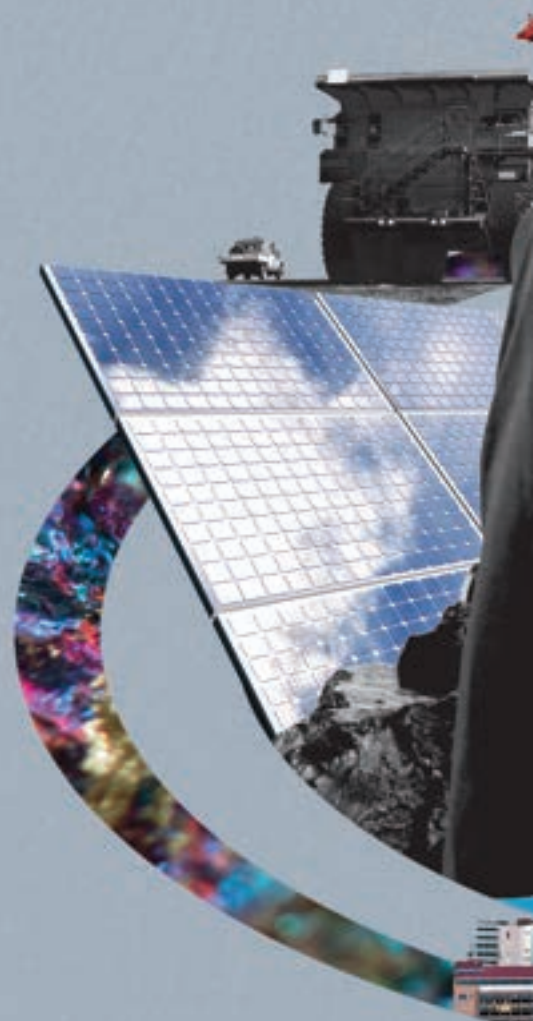
* punch.mu is a B2B online marketplace which allows our local entrepreneurs to find solutions to business challenges, make meaningful connections and have access to interesting resources for growth.

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Vision 2030

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





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 (CIB) and Private Banking Institution



Win in the Workplace

Our value-adding activities



Finance growth

Adapted financing solutions including bank loans, leasing, factoring and microfinance



Promote savings and investment

Deposits and investment related products and services



Provide business advisory and support

Corporate finance advisory and structured solutions



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



Expand value beyond banking and finance

Selected services in non-financial field



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 our scorecard

Objectives

KPI

SDG Impacted

(90%) - Consolidate and grow the core

Employees

- Support employee engagement
- Develop and retain talents

- ⊕ Trust Index
- ⊕ Internal mobility rate*



Customers

- Improve customer satisfaction and client experience
- Deepen relationships and wallet share

- ⊖ Net promoter score
- ⊕ Non-interest income growth



Shareholders and investors

- Drive financial performance to deliver strong returns
- Grow responsibly within set risk appetite

- ⊕ Return on equity
- ⊕ Operating income growth
- ⊕ Risk barometer**



Economies, societies and communities

- Support local economies
- Enable sustainable transitions

- ⊕ Local market share
- ⊕ MSCI ESG rating



(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 effective management of new and existing product offerings by dedicated committees • Transparent and timely communication through adapted channels, including on social media
Selected metrics	68% Trust Index score <i>(+12 p.p compared to the previous survey)</i> 57.3 % Internal mobility rate ~ Rs 126 million Investment in training ~ 9% Turnover rate	Net Promoter Scores (MCB Ltd) 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



Read more about our employees, customers, economies, societies and communities in 'Delivering on our strategic objectives' on pages 43 to 71

	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 and Group Management Statements, roadshow presentations, 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 capital and debt markets to consolidate our FCY funding resources to support our international diversification strategy	• Regular engagement with communities and stakeholders across presence countries facilitated mainly by the MCB Forward Foundation • No political donations made during FY 2024/25 • Continuous support to local economies 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	16.4% Return on equity 13.9% Operating income growth 5.9% Dividend yield ~ Rs 4.9 billion value traded ~ 52% of market turnover (Excludes one-off transactions)	A MCB Group MSCI ESG rating ~ Rs 5 bn Total tax paid in Mauritius (MCB Ltd) ~ Rs 13 bn Outstanding loans to MSMEs (Includes micro finance) 66% of total procurement expenditure sourced from local suppliers (MCB Ltd)

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

Material matters

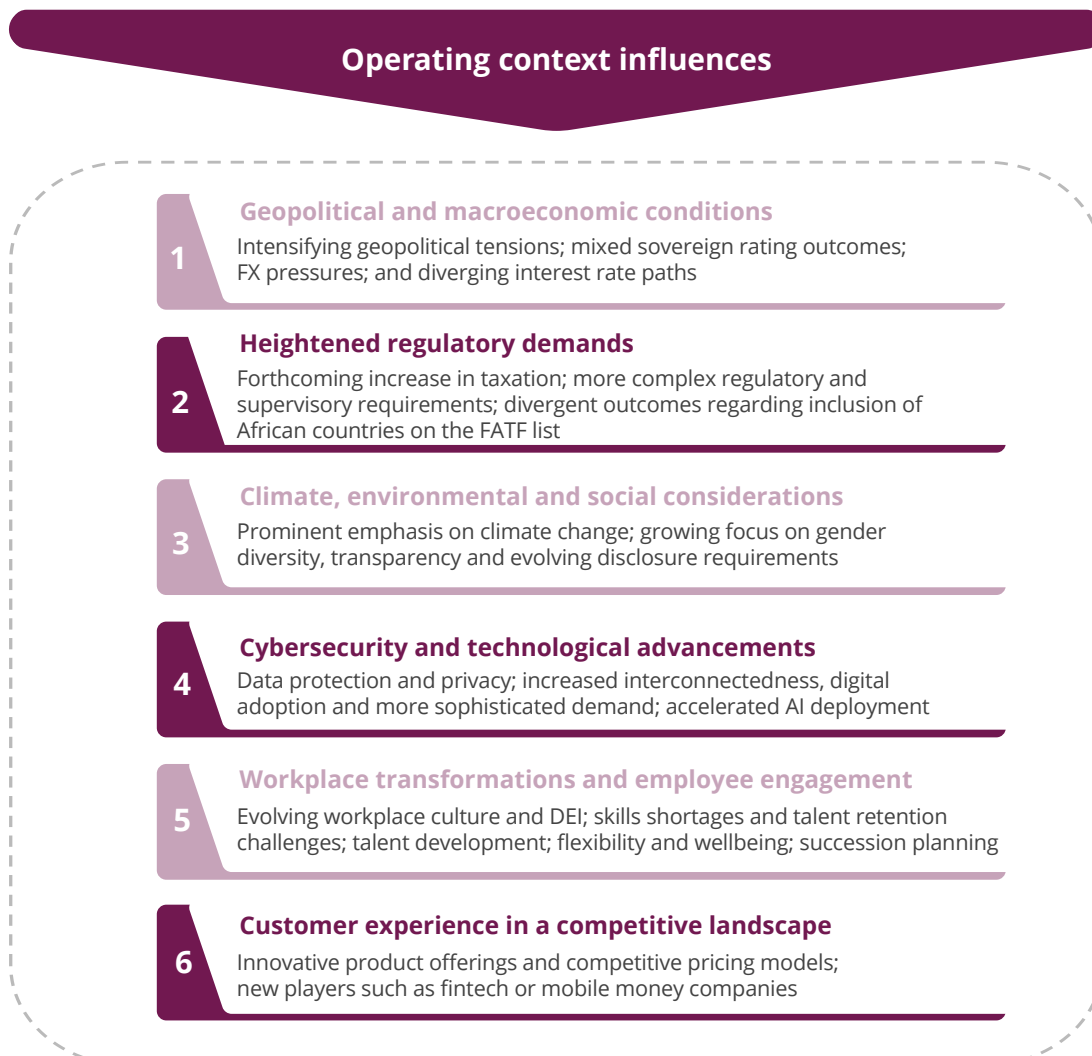
How we determine our material matters

The Group'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



Material matters identified for the period under review



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 noted, for instance 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
- Momentum in our other home markets - Seychelles, Maldives and Madagascar - being underpinned by robust tourism activity, with growth in Madagascar further supported by strong mining and agriculture output
- Monetary policy framework in Madagascar revised and the Key Policy Rate increased by 150 basis points in May 2025 to 12% amidst inflation risks; in Seychelles, rates kept unchanged at 1.75% during the year
- 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 | Manufactured | Social and relationship

Risks impacted



Credit risk



Country risk



Market risk



Model risk



Asset and liability management risk



Capital risk



Strategic and business risk

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 (FSC) 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
- Maldives: Mandatory exchange requirement for banks' US dollar proceeds collected from tourism-related businesses raised from 60% to 90%
- Madagascar: Introduction of 20% VAT on interest charged by credit institutions, with the exception of personal loans and microfinance institutions
- 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 Group'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 | Manufactured | Social and relationship

Risks impacted



Asset and liability management risk



Capital risk



Market risk



Model risk



Cyber and information security risk



Legal risk



Compliance risk



Strategic and business risk



Environmental and social risk



Climate risk

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 age in 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 | Natural | Social and relationship | 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
- Phased discontinuation of cheque use initiated by the Central Bank of Seychelles as part of its plan to promote use of digital payment methods

Our response

- Client engagement strengthened through digital solutions to enhance customer experience
- 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 its adoption and integration across the organisation
- Conducted Group-wide training/quizzes to increase cybersecurity knowledge and awareness
- Equipped employees with more sophisticated tools, leveraging machine learning

Capital impacted:

Intellectual | Manufactured | Social and relationship | 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
- 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 Group 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 | Human | 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 financial players 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 | Human | Intellectual | Social and relationship | Natural

Risk impacted



Strategic and business risk



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Vision 2030

Win in the workplace





"Vision 2030 sets out where we want to be in five years, serving as our compass for navigating uncertainty, prioritising our efforts and uniting our teams around a common goal."



Message from the Group Chief Executive

One Group, one journey

This past year has been one of reflection, growth and collective achievement amidst a challenging landscape. A defining moment that stands out for me was a ten-day seminar that offered the opportunity to pause and reflect on what truly matters. It was a powerful reminder that beyond numbers and strategy, our greatest strength lies in our people, our country and the values we uphold - both at home and across the Group.

What has inspired me most is witnessing the notion of 'One Group', that Thierry and I firmly believe in, take root and gain real traction. The synergies across the Group are no longer just aspirations, they are being translated into action and embraced by colleagues at every level. This shared commitment is strengthening our foundations, delivering meaningful value to our stakeholders and positioning us for sustainable growth. I remain deeply energised by the passion and dedication of our teams.

"The synergies across the Group are no longer just aspirations, they are being translated into action and embraced by colleagues at every level."

Defining direction and delivering results

Over the past years, our shared strategic orientations have served us well, helping us become more diversified, more digital and more sustainable. While these directions have been valuable, they did not fully clarify our final destination. In a world marked by rapid change, geopolitical shifts and growing economic fragmentation, we took a bold step forward this year by launching Vision 2030 which defines our Group-wide ambition. Vision 2030 sets out where we want to be in five years, serving as our compass for navigating uncertainty, prioritising our efforts and uniting our teams around a common goal. Built on three strategic pillars - leading in our home markets, building a top-tier African Corporate and Investment Bank and Private Banking institution, and winning in the workplace, this vision is guided by our purpose and values. It sets a clear and confident path forward.

The successful execution of our strategy has translated into tangible outcomes, clearly reflected in our financial performance. Profit attributable to ordinary shareholders increased by 12.6% to Rs 18,065 million, with foreign sourced activities continuing to make a strong contribution. Operating income rose by 13.9% to Rs 42,160 million, driven by our enhanced value proposition and strategic positioning across segments in both our home markets and international business. Net interest income grew by 11.6%, supported by balance sheet growth and improved margins on MUR liquidity. Non-interest income increased by 18.3%, enabled by trade

finance, payments and financial markets activities. Our cost-to-income ratio edged up to 37.4% with operating expenses rising by 15.9%, a reflection of our continued investment in technology and talent - both critical to sustaining our long-term competitiveness. Our risk profile remained sound. Impairment charges and gross NPL ratio both declined while we maintained strong funding and liquidity positions, underpinned by efforts to grow and diversify our foreign currency funding base. Our capital buffers remained comfortable, with an overall capital adequacy ratio of 22.0% and a Tier 1 ratio of 19.6%. These robust results enabled us to raise our total dividend payout to Rs 25.50 per share for FY 2024/25, delivering consistent returns to our shareholders.

Executing Vision 2030: Progress and impact

Over the past year, the Group made further strides in reinforcing its footprint and delivering on its priorities across home markets - Mauritius, Madagascar, Seychelles and Maldives, while remaining firmly committed to contributing meaningfully to local economic development and long-term value creation. We delivered more integrated solutions and greater impact for our clients by helping individuals, entrepreneurs and corporates navigate the dynamic operating environment and by capitalising on enhanced cross-selling capabilities and deeper synergies among Group entities. In Mauritius, we serve a broad segment of the population and stand among the country's largest corporate taxpayers and employers, while actively fostering community upliftment through targeted initiatives and partnerships. MCB maintained its leadership positioning, holding around half of local currency deposits and 39% of domestic credit to the economy. We made homeownership more accessible, empowered micro, small and medium-sized enterprises with enhanced financing and digital tools and remained a trusted partner to corporates through tailored solutions that support both sustainability and international growth. In Madagascar, we strengthened our market presence with the opening of a branch in Antananarivo and advanced our sustainability agenda through the continued deployment of a EUR 6 million credit line for energy efficiency and renewable energy projects. We continued to support the Seychellois economy, maintaining a strong presence in both the retail and corporate segments while we also enhanced our commercial banking capabilities in Maldives.

In parallel, we continued to broaden our reach as a specialist bank, deepening our presence across Africa. We reinforced our support to African economies by financing energy and commodities, leveraging our established track record, alongside promoting our Power and Infrastructure franchise and developing our expertise in base metals that are critical for the continent's climate transition. To further this agenda, we established a dedicated sustainable finance desk to deliver tailored solutions that support green transition across markets. In the investment fund and private equity space, we continued to leverage the Mauritius International Financial Centre and our presence in leading financial centres such as Dubai to support our clients. Meanwhile, we are scaling up the capabilities of our commercial hubs through targeted recruitments and exploring London and Abidjan as opportunities for future growth. We strengthened our

trading capabilities, positioning MCB as a regional leader in G10 FX while advancing execution and settlement in key African currencies to deliver enhanced value to our clients and financial institutions across the continent. In the corporate advisory field, the Group acted as exclusive advisor on significant bond issuances, including Valency International's USD 15 million bond and supported Sun Limited's corporate restructuring. We also advised on the creation of the Africa Credit Rating Agency, an initiative led by the African Union. We also broadened our wealth management offering for high-net-worth clients in the region. The success of our strategy was recognised through prestigious accolades, including African Bank of the Year by The Banker and Best Regional Bank in Southern Africa by the African Banker.

Building tomorrow

As we look to the future, we recognise that achieving the ambition set in Vision 2030 will require more than incremental progress - it calls for a bold shift in how we work and operate. This means exploring new models and structures to better serve both our local and international markets, while responding to the evolving global financial landscape and dynamics prevailing in jurisdictions where we operate. We are committed to delivering enhanced customer experiences, empowering our people and upholding strong governance. With discipline, agility and a forward-looking mindset, we will continue to execute our strategy and shape a future that is both resilient and inclusive.

"Our competitive edge is built not only on a strong brand, solid financials and an investment-grade rating, but above all on our people and culture."

Elevating customer service

Customer experience remains one of my foremost priorities. I am pleased with the progress we have made this year, from the launch of MCB Juice 5.0 with enhanced features to the migration of Calypso to the cloud, and the rollout of innovative platforms like MCB Wave. At the same time, I recognise that we must continue to raise the bar and deliver even better experiences for our clients. In this respect, the forthcoming recruitment of our Chief Experience Officer and Chief Information Officer will further strengthen our focus on service excellence and digital transformation. Above all, our ambition is to make banking more human, accessible and meaningful, ensuring every client feels valued at every interaction.

Empowering our people, leading with empathy

As a Chartered Accountant by training, I have always valued precision, discipline and ethical stewardship. And beyond the numbers, the profession also instills empathy, a commitment to people development and a sense of responsible leadership. These qualities are essential to building organisations that are not only high-performing but also human-centric and resilient. We are fortunate to have talented and committed individuals who truly embody our values. As we pursue Vision 2030, we are strengthening our teams by investing in talent development, inclusiveness and leadership, while also bringing

in new capabilities to match the scale of our ambitions. Our competitive edge is built not only on a strong brand, solid financials and an investment-grade rating, but above all on our people and culture. Our ongoing commitment to diversity, equity and inclusion ensures MCB Group remains well-positioned to deliver sustainable value, drive innovation and build resilience in a fast-paced world.

Pursuing sound governance and strategic execution

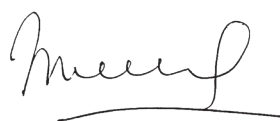
Sound governance and disciplined strategy execution remain central to our long-term success. To facilitate the smooth running of the Group and effective decision-making, we have reinforced our risk and compliance oversight at Group level, with robust frameworks and controls designed to safeguard our stakeholders and support sustainable growth. Our governance structure is supported by dedicated executive committees and forums. The Group Executive Committee ensures organisational alignment and operational excellence, while the Group Executive Strategy Committee (GESCO) provides a structured forum for robust debate and leads the formulation and execution of our strategy. A key focus of the GESCO is to define the roadmap and initiatives that will deliver the tangible outcomes needed to realise Vision 2030 and shape a future-proof organisation. Accountability, a core principle of our governance framework, is reinforced through our scorecard, which rigorously tracks progress against strategic objectives and cascades clear targets across the Group.

I also wish to acknowledge that, in August 2025, the Supreme Court of Mauritius upheld a judgment relating to internal control shortcomings identified over twenty years ago in the MCB vs ICAC case. While we are concerned by the conclusions reached and have sought leave to appeal to the Judicial Committee of the Privy Council, I wish to reassure all our stakeholders that the events that occurred till 2002 stand in stark contrast to the institution we are today. Since then, we have comprehensively transformed our governance, risk management and internal control frameworks, embedding a culture of strong ethics, accountability and transparency at every level of the organisation. These principles remain central to how we operate and to the trust placed in us by our clients, partners, and communities.

Final words

I wish to extend my sincere gratitude to the members of our various Boards for their dedication, wise counsel and unwavering support. To our staff and management teams across the Group, thank you for your professionalism, resilience and commitment. Your passion and hard work form the foundation of our achievements and the driving force behind our continued progress.

As we look to the future, I am filled with optimism and confidence whilst remaining humble. The journey ahead will require resilience, innovation and a steadfast commitment on our shared values. I invite all our stakeholders - employees, clients, partners, and communities - to join us as we pursue Vision 2030. Together, as One Group, we remain committed to success beyond numbers.



Jean Michel NG TSEUNG
Group Chief Executive



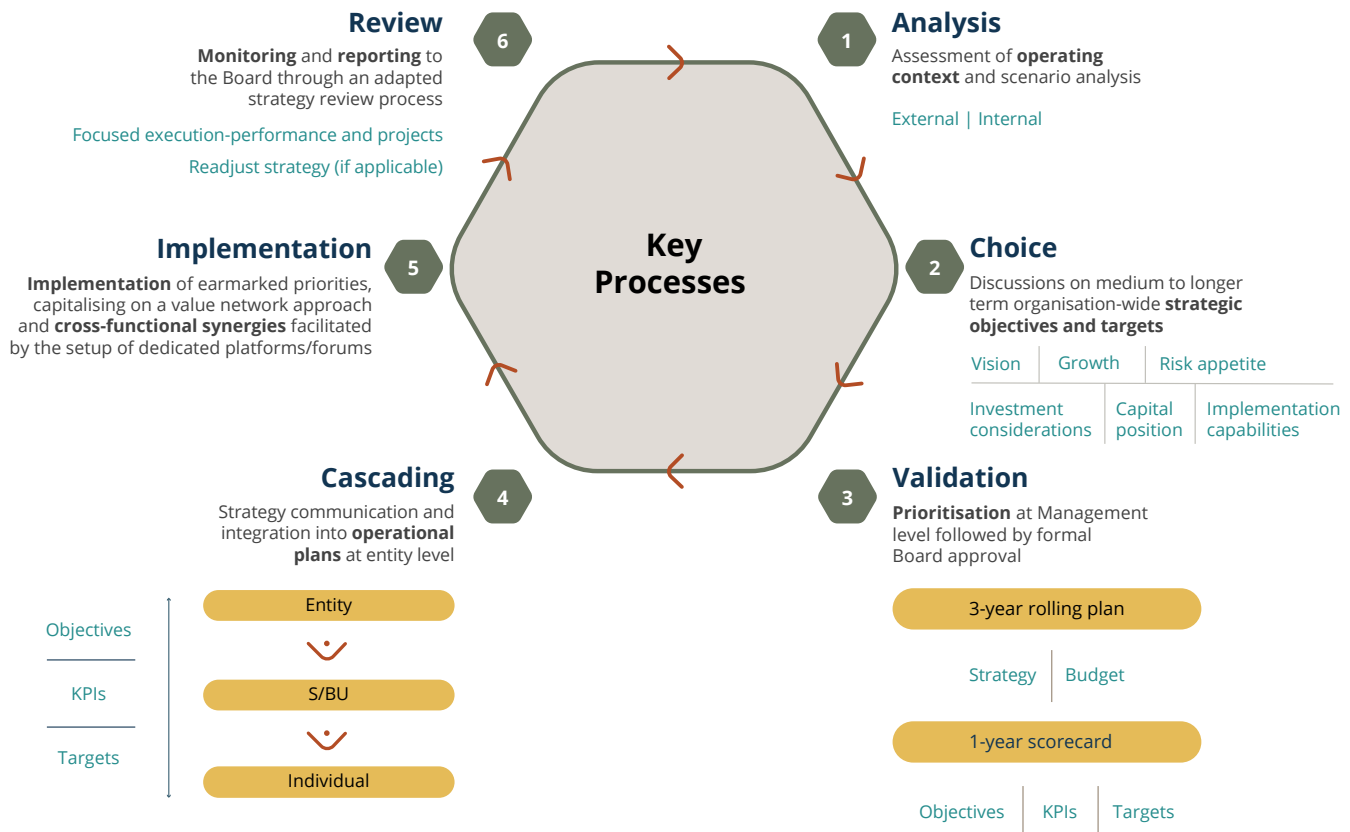
Our strategy

Guided by the ambition outlined in Vision 2030, we have defined our strategic priorities to shape our 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.



Governance for realising Vision 2030

The Group operates within a robust governance framework that fosters strategic alignment, clear accountability and effective execution across the organisation. The Board, with the assistance of the Corporate Strategy Committee, sets the Group's strategic directions and approves applicable policies, ensuring they are well communicated and regularly reviewed for their relevance and impact. At the executive level, the Group Executive Strategy Committee oversees strategy setting and execution, and measures the organisation-wide performance against set objectives and targets. While ensuring congruence with Vision 2030 and the strategic directions set at Group level, entities formulate their 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 all banking entities to a unified Transact platform hosted in Mauritius, a critical enabler to drive efficiency, innovation, and value creation. MCB 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 Group for sustainable growth and long-term impact.

Lead in our home markets

Our home markets - Mauritius, Madagascar, Seychelles and Maldives - are central to our growth strategy. Guided by Vision 2030 and our purpose, Success Beyond Numbers, we aim to be the preferred financial partner in each market 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
(Mauritius)

~39%

Share of domestic credit
to the economy
(Mauritius)

>55%

Share of local
custody assets
(Mauritius)

~33%

Share of domestic
credit to corporates
(Seychelles)

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 markets segments

Mauritius

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 among our 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.

Consolidating our non-banking financial cluster

We deepened our footprint in the para-banking and capital markets fields by broadening our products and services and enhancing efficiency, as reflected in the following initiatives:

- Continued to foster financial inclusion and empowerment of micro-enterprises and self-employed individuals by facilitating their access to business loans. Our value proposition in the microfinance segment was enriched through online loan applications, simplifying access for untapped communities, reducing loan turnaround times and improving client retention.
- Remained at the forefront of the leasing market, through the provision of finance and operating leasing solutions, including green leases. We reinforced our proximity to leasing customers by establishing presence at key car dealership outlets.
- Reinforced our capabilities and widened our presence in capital markets and investor services, actively fostering an investment culture while delivering strategic support to corporate and institutional clients.

Madagascar

In Madagascar, we pursued our ambition to scale up operations across diverse segments, notably corporate and transaction banking, by leveraging enhanced digital capabilities and enriched client offerings. During FY 2024/25, we focused on consolidating our position in established market segments and strengthening our visibility through targeted marketing campaigns and participation in key conferences. Concurrently, we reinforced governance, risk management, and operational capabilities to ensure stronger resilience and compliance. Main achievements during the year under review are as follows:

- Successfully broadened our deposit base by targeting institutional clients.
- Opened our 16th branch in Madagascar, located in Antananarivo, which enhances our proximity to both retail and corporate clients as well as partners. This expansion enables us to better serve their evolving needs and foster deeper, more meaningful relationships in this dynamic market.
- Disbursed some EUR 4.1 million out of the EUR 6 million SUNREF credit line signed with Agence Française de Développement to finance projects in energy efficiency, renewable energy and environmental protection. This marks a significant step forward in our sustainable development financing agenda. The initiative generated meaningful environmental and social impacts, including reductions in CO₂ emissions, the creation of green jobs, improved waste treatment and the installation of sustainable energy capacity.
- Participated as Gold Sponsor of the inaugural Indian Ocean CEO Summit, which convened business leaders from across the region.

Seychelles

We are consolidating our positioning as a universal bank in Seychelles, advancing our growth agenda by enriching our value proposition. Our focus has been on elevating services for corporate clients and strengthening governance, while leveraging digital tools to drive efficiency and deliver superior client experience. The main initiatives undertaken in FY 2024/25 are listed below:

- Reviewed our housing loan offering, leading to an increase in our market share in this segment.
- Reviewed our SME and corporate structures with our capabilities being reinforced through key strategic recruitments, thus enhancing our ability to better serve clients and our market positioning.
- Set up a strategic unit to reinforce our value proposition, deepen client relationships, and support long-term competitiveness.
- Fostered greater brand visibility through the participation in and sponsorship of various events, including the annual Constance Lemuria golf competition.
- Deepened greater collaboration with Group entities on various fronts, including business development efforts, which led to the establishment of a promising pipeline of deals.

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

We 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 Fast-Moving Consumer Goods (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 our vision to lead in our home markets while enabling clients to pursue their expansion ambitions across the region's key markets.

Maldives

In line with our objective of being a specialised corporate banking partner, we have, during FY 2024/25, strengthened our market positioning by actively supporting corporates across diverse economic sectors and driving impactful engagement in this segment, backed by the following key achievements:

- Bolstered the capabilities of our commercial banking segment with the appointment of a seasoned banker, bringing valuable expertise and leadership to the team.
- Laid the groundwork for developing our sustainable finance loan offering, in alignment with the organisation's sustainability imperatives.
- Won the Request for Information process with Amazon, thereby positioning ourselves as its exclusive banking partner in the country.
- Onboarded various prominent customers through strengthened commercial presence amidst the exit of an international bank.
- Successfully launched IB Pro, delivering an enhanced digital banking experience for our customers with intuitive dashboards, streamlined registration, powerful self-service tools, and seamless access to corporate accounts.

Enhancing our customer experience

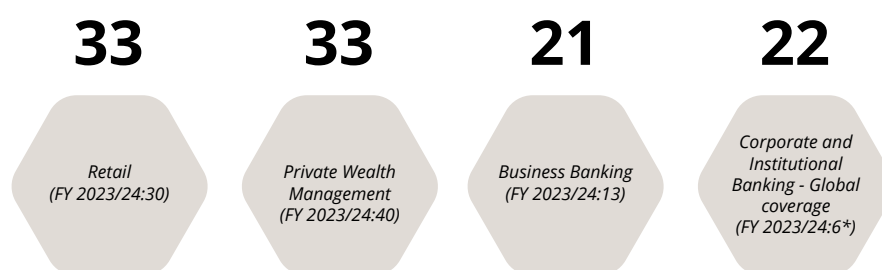
We further entrenched our customer-first approach by centralising and analysing feedback, integrating customer insights and driving continuous improvements for stronger engagement and more seamless interactions. Key achievements during FY 2024/25:

- Further embedded the voice of the customer as a key value driver, with more surveys and research projects undertaken, covering all our business lines across entities.
- 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.
- Maintained a robust contact management strategy in Maldives to ensure optimal service levels and strengthen our competitive positioning.
- 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 for the Bank stood at around 70%.
- Undertook a comprehensive revamp of our leasing onboarding and credit scoring systems, significantly improving the speed and transparency of customer interactions.

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



Net Promoter Score (MCB Ltd)



* Result for FY 2023/24 based on fewer touchpoints compared to FY 2024/25 and both are thus not strictly comparable

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, MCB introduced several enhancements to MCB Juice, reinforcing its 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
(MCB Ltd)

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.

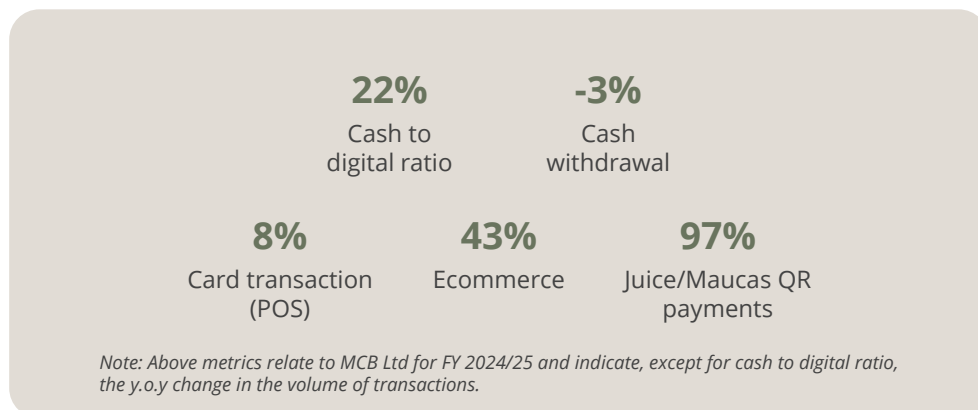
Upgrading MCB JuicePro 2.0 for SMEs

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



We actively promoted our digital payment solutions through campaigns highlighting our secure digital channels, which enable clients to perform transactions anytime and anywhere. In Mauritius, 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.

In Madagascar, we launched our first nationwide cash back campaigns to promote the use of VISA cards over cash, offering customers 1% cash back on all purchases between 15 November 2024 and 15 January 2025, followed by a second campaign in June 2025 with an enhanced 2.6% cash back. The latter proved highly successful, driving a significant increase in purchase volumes while helping to address the persistently high Cash-to-POS ratio, reflecting the continued reliance on cash in the market. In Seychelles, we ran a campaign to encourage customers to shift to Juice and card payments, following the phasing out of cheques for personal accounts.

POS modernisation

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

- ✓ Enhanced customer and merchant experience through next-generation digital terminals
- ✓ Strengthened MCB Group's competitive position in the merchant acquiring space
- ✓ Group-wide synergies and economies of scale
- ✓ Consistent brand experience
- ✓ Improved security and compliance
- ✓ Future-ready platform

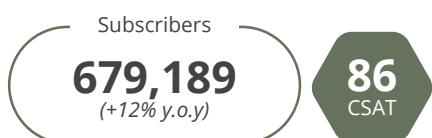
~3,400

new Android-based terminals
have been deployed in
Mauritius, Seychelles, and Maldives

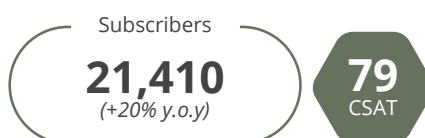
Advancing digital transformation – Key metrics

Payment and channel

MCB Juice Mauritius



MCB Juice Seychelles



MCB JuicePro



MCB Juice Madagascar



Lending

Mortgage



Unsecured personal loan



SME Lending (express overdraft)



Onboarding

SME account opening



Notes:

- All figures relate to FY 2024/25, unless otherwise stated.
- CSAT scores, which indicate customer satisfaction, refer to June 2025, except for MCB Juice of Madagascar and Seychelles which relate to FY 2024/25.
- TAT (turnaround time) includes the time taken for customers to respond and excludes outliers.
- All figures relate to MCB Ltd, except MCB Juice Madagascar and Seychelles.

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 in Mauritius, 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.
- Launched the Mailbox Clean-Up campaign within the Group 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.
- Organised a Climate Fresk workshop for employees in Madagascar to deepen their understanding of climate change and promote more sustainable practices at both individual and organisational levels.
- Supported the distribution of Seychelles Endemic Species illustration boards across all schools in Mahé, in partnership with the Ministry of Education and Eco-School. The boards, which showcase the country's unique forest biodiversity, are integrated into school curricula across multiple subjects and are also accessible outside the classroom, serving as tools for environmental awareness and community engagement.
- Continued our support for Arts & Culture by sponsoring exhibition catalogue prints and prizes for winners of the Seychelles Festival Kreol 2024, as well as backing the Praslin Culinary activities. The latter aims to decentralise cultural events from the main island to Praslin, fostering diversity and broader community participation.

Investing in clean energy

As part of our efforts to manage our carbon footprint, we partnered with Omnicane, signing the EPC (Engineering, Procurement and Construction) contract with Ecoasis for the development of a 4.8 MW photovoltaic solar farm at Saint Antoine under the MSDG Scheme of the CEB. Once operational, the solar farm will supply Omnicane and MCB 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 72 million was entrusted to MCBFF by MCB Group, of which Rs 52 million was spent. 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.
- Collaborated with The Adventist Development and Relief Agency (ADRA) on the extension of Water, Sanitation and Hygiene (WASH) Project to improve access to safe water and sanitation facilities while promoting good hygiene practices in 9 rural communities which will be selected from Farafangana and Vangaindrano, two districts in South East Madagascar.

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

To position ourselves as a top-tier Corporate and Investment Banking (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 our 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 the Group's 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 in our home markets, 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 in the agriculture supply chain and improved transparency in the 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

We 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, we demonstrated our ability to accompany clients through transformative phases while positioning ourselves to benefit from future growth opportunities. We also subscribed to Rogers' MUR 1.2 billion bond issuance, strengthening our long-standing relationship with the Rogers Group.

Strengthening our Capital Markets presence

We broadened our capital markets activities, with a focus on innovative financing and regional engagement. Our initiatives, detailed below, reflect steady progress across key areas including sustainable finance, market development, and strategic advisory:

- Acted as exclusive Transaction Advisor to Valency International Pte Ltd on its successful USD 15 million bond issuance via its newly-incorporated Mauritian subsidiary. The successful issuance underscores our expertise in structuring complex transactions and is the first time a Singapore based company taps the Mauritian debt capital markets for financing its operations in Africa.
- Appointed by the African Union to advise on the creation of a continental credit rating agency, positioning us at the forefront of debt capital market development on the continent.
- Secured final regulatory approval to launch the first local currency Tier 2 bond issue in Madagascar and advised a pharmaceutical distribution company in Kenya on the sale of a minority stake to Japan's Marubeni Corporation.
- Advised on sustainable finance frameworks and sustainability-linked bonds. Support was notably provided to CIEL Group to develop its sustainable finance framework, which sets out how it will incorporate ESG factors into its financing and investment processes.
- Advised the Bhunjun Group, a Mauritian company, on its acquisition of Engen (Mauritius), a network of 37 petrol stations in Mauritius, from Vivo.

- Rebranded MCB Stockbrokers as MCB Securities to reflect our comprehensive capital markets solutions, including an equity capital markets service, market-making activities, and sponsored research. On the latter front, we issued our first sponsored equity research report on CIEL Limited during the year under review.
- Expanded our credit-linked notes offering, enabling investors to access a diversified portfolio of Mauritian credit exposures through structured instruments.
- Broadened the client base of the AfDB-mandated African Domestic Bond Fund (ADBF). Through a series of webinars and market engagements, we positioned ourselves as thought leaders in African local-currency fixed income while strengthening investor confidence in the asset class. These initiatives contributed to deepening relationships with existing partners and attracting new institutional investors from West Africa into the fund.
- Reinforced our asset management offering by delivering tailored fixed income strategies to our subsidiaries and institutional clients across Africa and the Middle East. Our focus remained on cash management and African public fixed income solutions, enabling us to meet evolving client needs with innovative, bespoke approaches while supporting regional market development.

MCB Group advises Sun Limited on its corporate restructuring

We acted as Transaction Advisor to Sun Limited, a leading hotel resort operator, on the spin-off of certain hotel properties into Riveo Limited, a newly incorporated and listed subsidiary. The listing of Riveo is the culmination of years of collaboration during which MCB assisted the management of SUN and its majority shareholder, CIEL group, in evaluating SUN's strategic options to create shareholder value. Following this restructuring, we were appointed as market-maker in Riveo's shares, a pioneering initiative that we believe will contribute to the growth and development of the Mauritian equity capital markets. We also issued our first sponsored equity research report on CIEL Limited during the year under review.

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.



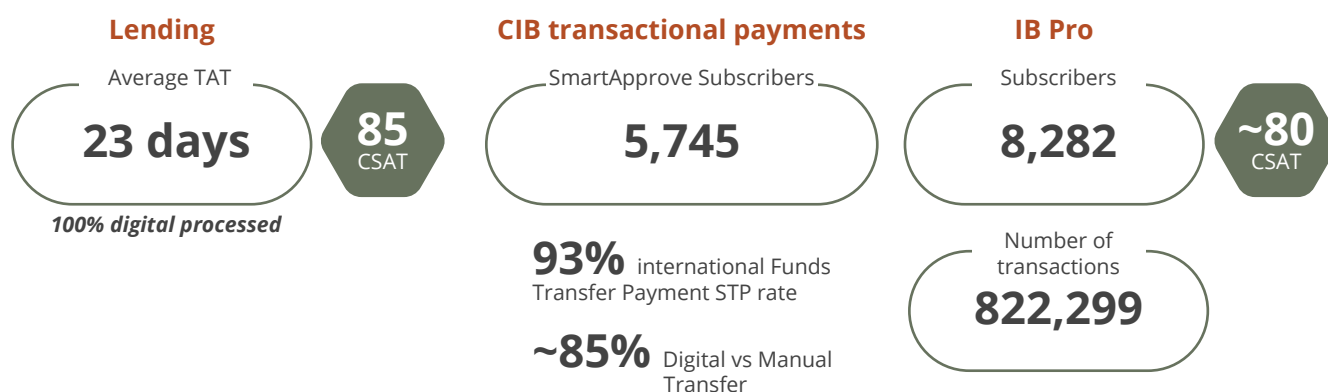
Scan to access the Trade Report 2025

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. MCB is preparing to upgrade to a new version of Calypso and extend these improvements to its regional subsidiaries in Maldives and Seychelles.
- 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



Notes:

- All figures relate to FY 2024/25 for MCB Ltd, 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

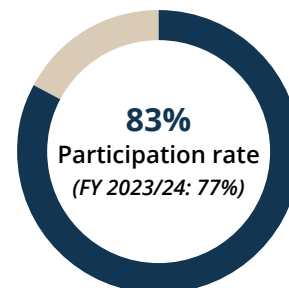
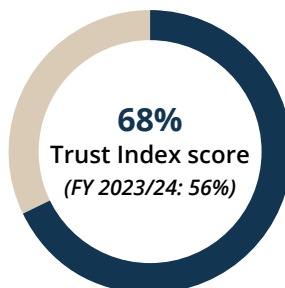
Our employees are the cornerstone of our ability to deliver on Vision 2030 and translate Success Beyond Numbers into tangible outcomes. Achieving our ambitions will require greater depth and specialisation across our talent pool as well as a strong leadership and culture. We are therefore committed to 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.



MCB Group was officially certified as a **Great Place to Work®**, 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.



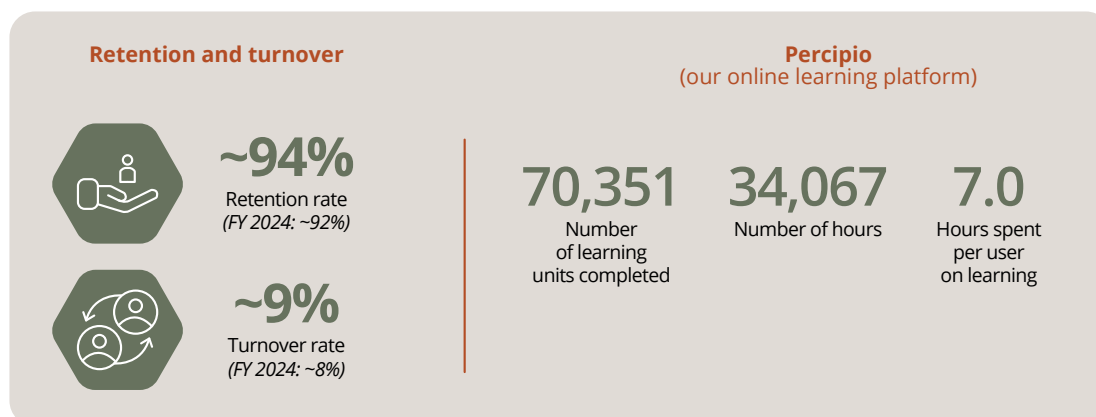
This recognition reflects our commitment to acting on feedback from previous employee engagement surveys, which has shaped several key initiatives, including the launch of Employee Resource Groups (ERGs) to promote inclusion and a sense of belonging, the continued reinforcement of our Shared Ways of 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 – which was extended to MCB Maldives during FY 2024/25 – 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 CARE 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.

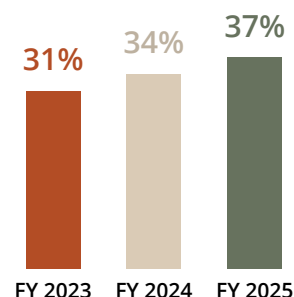


Build a new generation of leaders who inspire and drive impact

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 (MCB Ltd)



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

Jean Michel NG TSEUNG
Group Chief Executive

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.





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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







Dipak CHUMMUN
Group Chief Finance Officer

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

Introduction

I am pleased to share my first CFO report for MCB Group. 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, provides 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.

In our other home markets, namely Seychelles, Maldives and Madagascar, buoyant tourism continued to support economic activity, with growth in Madagascar also driven by strong mining and agricultural output. To address inflationary pressures, the Central Bank of Madagascar raised its policy rate by 150 basis points, while Maldives implemented FX reserve requirement cuts to manage liquidity. In Seychelles, the policy rates were kept unchanged given stabilising price conditions while its credit rating was upgraded by Fitch Ratings, reflecting enhanced policy buffers.

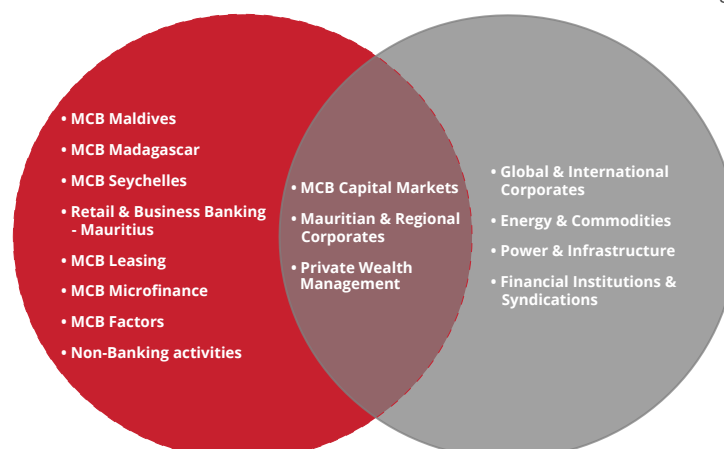
Performance across our strategic pillars

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

Our business model

Strategic Pillar 1: Lead in our 'Home markets'

Strategic Pillar 2: Build a top tier 'African Corporate Investment Bank and Private Banking institution' (CIBPB)



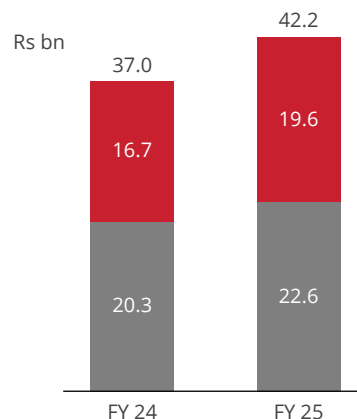
Operating income in 'Home markets'

Operating income in 'Home markets' – Mauritius, Madagascar, Seychelles and Maldives – increased by 17.1% in FY 2024/25 to Rs 19,584 million. This performance was mainly driven by an improvement across the Group's banking subsidiaries supported by a general increase in asset base. In particular, the Group 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.

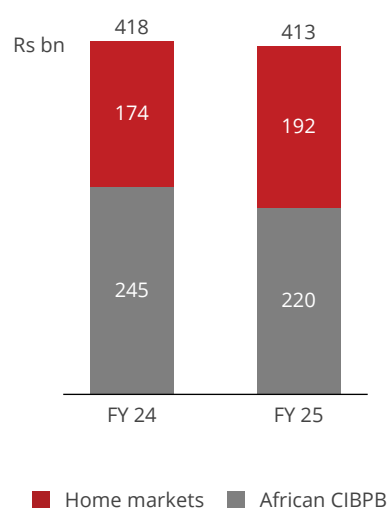
Operating income for 'African CIBPB'

Operating income for 'African CIBPB' increased by 11.3% in FY 2024/25 to Rs 22,576 million. The Bank reinforced its 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 within this strategic pillar also contributed positively to topline growth. This performance was driven by higher revenue from trade finance and currency trading activities, increased advisory and structuring fees from MCB Capital Markets and growth in Private Banking fee-based services.

Operating income by strategic pillar



Customer loans by strategic pillar

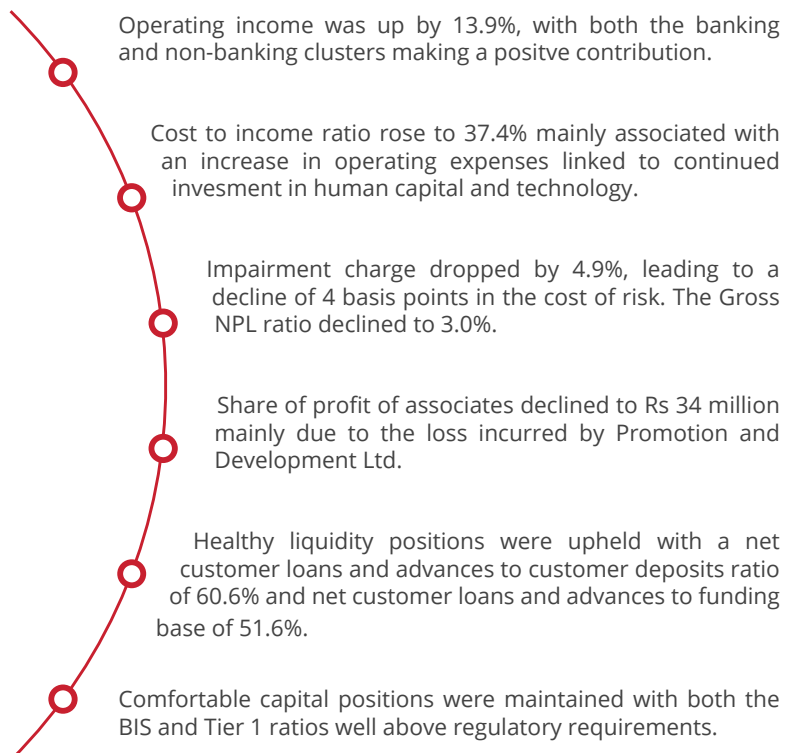


Figures may not add up due to rounding

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' and 'MCB Capital Markets' on the other hand serve both domestic and foreign clients and are considered as fundamental in the development of the African CIBPB and have been classified as such in the charts above.

Financial performance analysis

Performance highlights



Key figures		
Rs 18.1 billion +12.6%	▲	Profit attributable to ordinary shareholders
Rs 42.2 billion +13.9 %	▲	Operating income
Rs 15.7 billion +15.9 %	▲	Non-interest expense
Rs 3.5 billion -4.9 %	▼	Impairment charge
Rs 424.4 billion -0.8%	▼	Gross loans
Rs 1,007.0 billion +7.3%	▲	Total assets

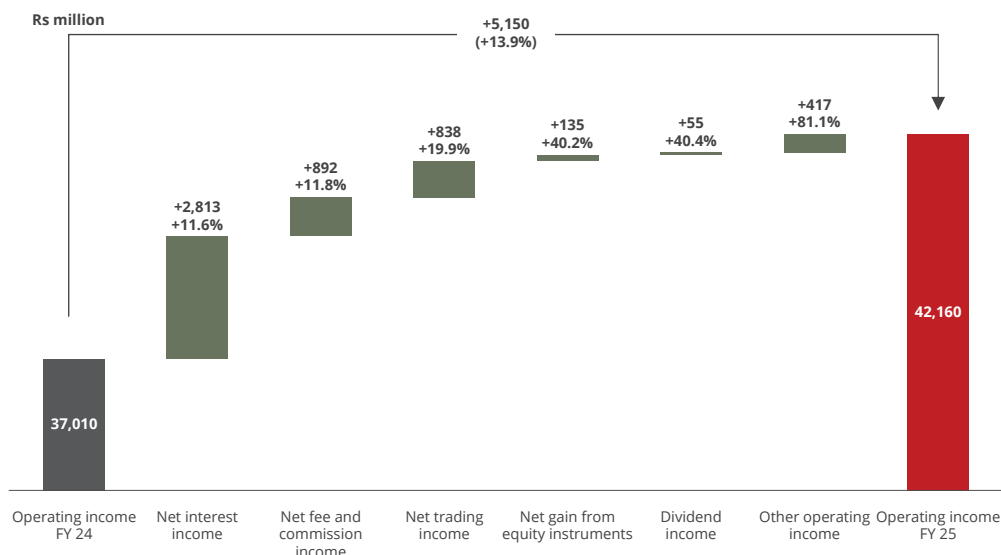
Key ratios

16.4% (FY24: 16.6%) ▼ 27 bps	37.4% (FY24: 36.7%) ▲ 64 bps	0.74% (FY24: 0.78%) ▼ 4 bps
Return on equity	Cost-to-income	Cost of risk
60.6% (FY24: 65.6%) ▼ 503 bps	3.0% (FY24: 3.1%) ▼ 9 bps	22.0% (FY24: 20.5%) ▲ 148 bps
Loan-to-deposit ratio*	Gross NPL ratio	Capital adequacy ratio

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

Income statement analysis

Operating income rose by Rs 5,150 million, supported by growth in both net interest income and non-interest income

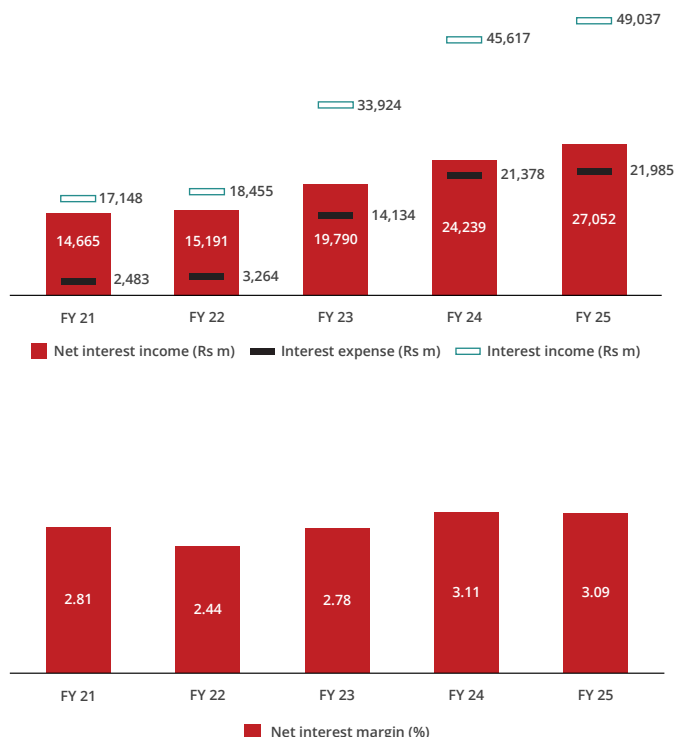


Note: Percentages changes refer to year-on-year changes for each item

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

Net interest income increased by 11.6% compared to the prior year, on account of an increase in interest-earning assets in the banking cluster, whilst overall net interest margins remained relatively flat. In Mauritius, the effective deployment of the excess liquidity at higher yields and the expansion of the loans and advances portfolio contributed to the growth in the 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 as the decline in margins, linked to the fall in the USD benchmark rate, was more than offset by the increase in average interest-earning assets. The Group delivered a CAGR of 16.5%, 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, trade finance and financial markets activities contributed to non-interest income growth

Non-interest income grew by 18.3% to Rs 15,108 million for the year under review reflecting a CAGR of 18.2% 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 11.8% increase in net fee income driven by payment, trade finance and wealth management activities in the banking cluster as well as higher fee income from MCB Capital Markets;
- a 19.9% increase in net trading income reflecting higher volume of foreign currency transactions;
- an increase of Rs 135 million in fair value gains on equity financial instruments. Of note, the fair value gains on the Visa and Mastercard shares are now recognised in Other Comprehensive Income, following the acquisition of these shares by MCB Group Ltd from MCB Ltd in November 2024.

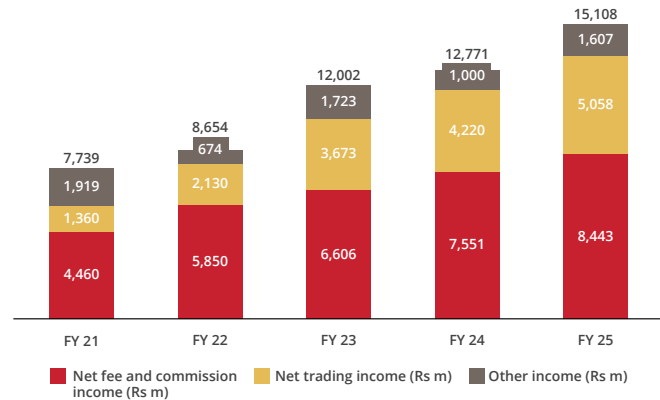
Ongoing capacity-building resulted in higher non-interest expenses

Non-interest expenses increased by 15.9% to Rs 15,747 million, reflecting continuing investment to support business expansion across operating clusters. Over the last years the cost base has increased by a CAGR of 17.5% reflecting our commitment to the future. Year-on-year increase in non-interest expense is explained by:

- a rise in staff costs by 17.4% resulting from the increased headcount linked to business growth and adjustments in salaries;
- an increase of 33.0% 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 in Mauritius.

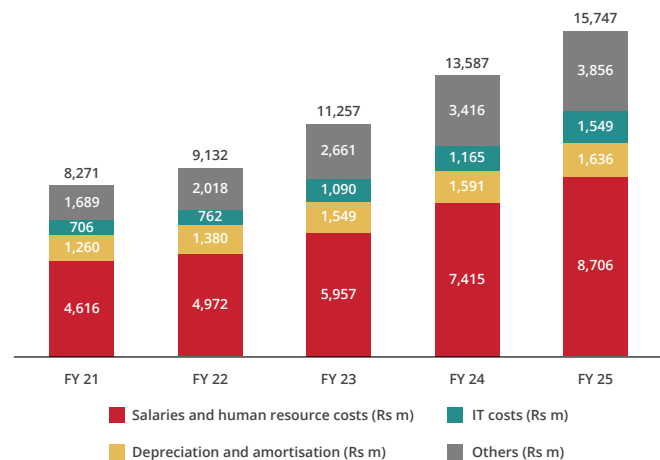
As a result, the cost-to-income ratio increased by 64 basis points to 37.4%.

Non-interest income

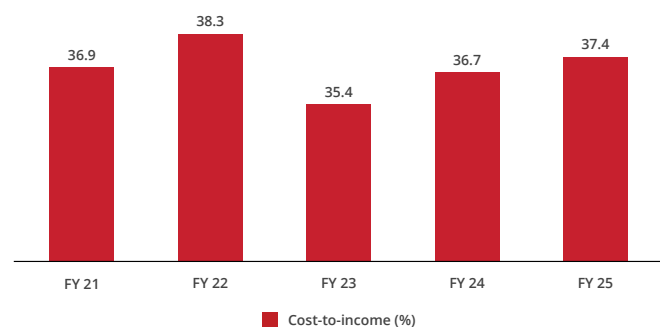


Note: Other income includes FV gain/loss on equity financial instruments, dividend income and loss/profit on disposal

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 4.9% reflecting higher recoveries made during the year and lower charge for specific provisions at MCB Ltd. The cost of risk for the year decreased to 0.74% from 0.78% in FY 2023/24. The Group's specific coverage ratio stood at 87.6% as at 30 June 2025.

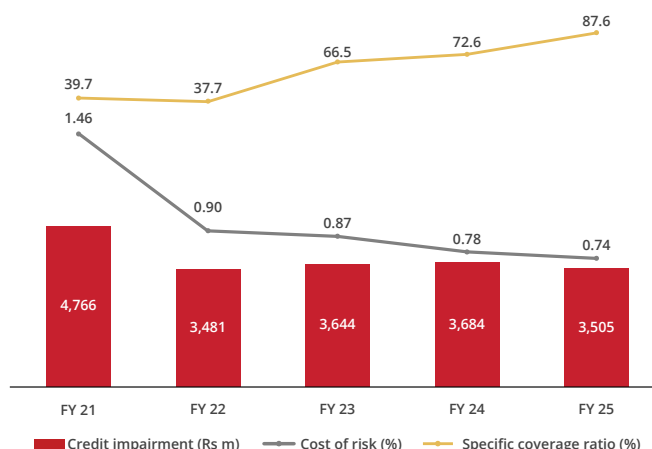
Decline in the share of profit of associates driven by the write-down in the fair value of investment property at the level of Promotion and Development Limited

The share of profit of associates dropped by 94.2% to Rs 34 million due to the loss incurred by Promotion and Development Limited, as a result of the write-down of the property value at Caudan in view of significant repairs required to the quay following the damages caused by a cyclone in 2024. In addition, a lower share of profit was recorded from BFCOI, whose business activities were impacted by a severe cyclone in Mayotte during the year under review.

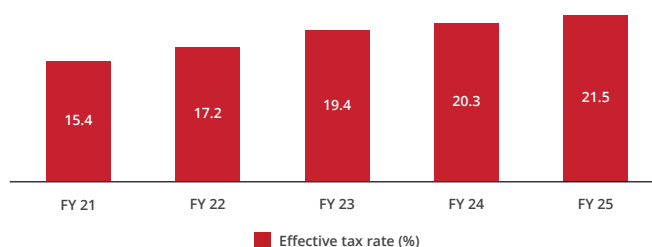
The tax charge increased in line with higher profits and changes in tax laws in Mauritius

The tax charge for the year increased by 19.5% in line with the growth in profits before tax and the non-recurrence of a tax credit which was booked last year in line with changes in tax laws in Mauritius.

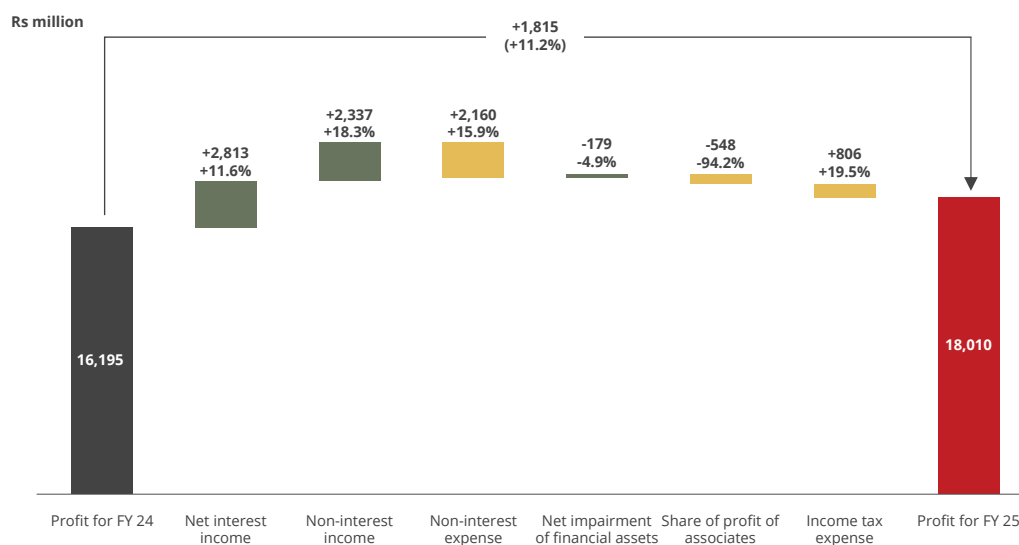
Credit impairment charges



Effective tax rate



Profit after tax increase by Rs 1,815 million, with foreign-sourced activities of MCB Ltd accounting for 64% of Group 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 0.8% to Rs 424.4 billion on an end-of-period basis. This is mainly explained by the drop in funded exposures in MCB Ltd's Commodity Trade Finance (CTF) business linked to evolving market dynamics in Nigeria with the scaling up of oil refining activities. The domestic lending business of MCB Ltd performed well with a 18.9% increase in loans and advances supported by higher disbursements in both the corporate and individual segments. The lending portfolio also grew across the overseas banking subsidiaries of the Group.

Increase in borrowings to diversify our funding base

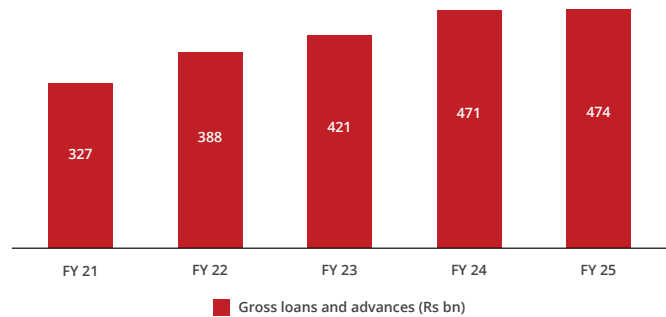
Total deposits increased by 4.5% to Rs 740.4 billion as at June 2025, supported by a rise across most entities within the banking cluster. At MCB Ltd, total deposits increased by 3.5% to Rs 699.2 billion, reflecting the rise in rupee-denominated deposits of 12.1% while foreign currency deposits decreased slightly year-on-year. 'Other borrowed funds' increased by 30.3% to Rs 86.8 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 Group's net customer loans and advances to customer deposit and net customer loans and advances to funding base ratios stood at 60.6% and 51.6% 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 15.3% to Rs 497.8 billion. Cash and cash equivalent increased by 44.8%, 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.

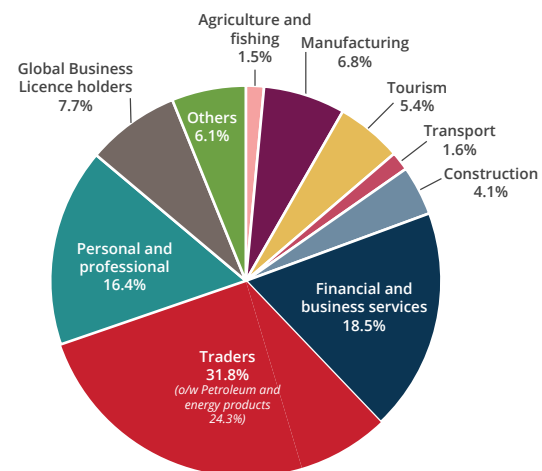
Overall, the liquid assets to total assets ratio stood at 49.4% as at June 2025.

Loans and advances

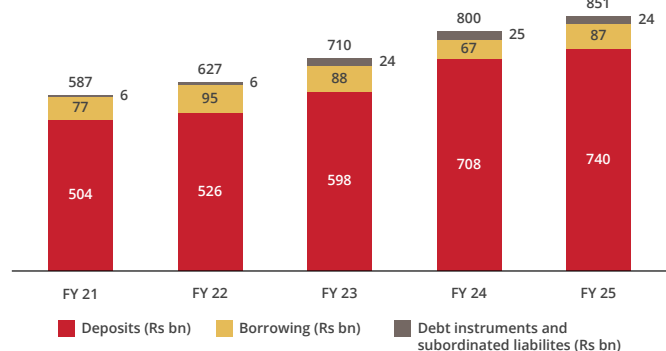


Note: Gross loans and advances figures include corporate notes

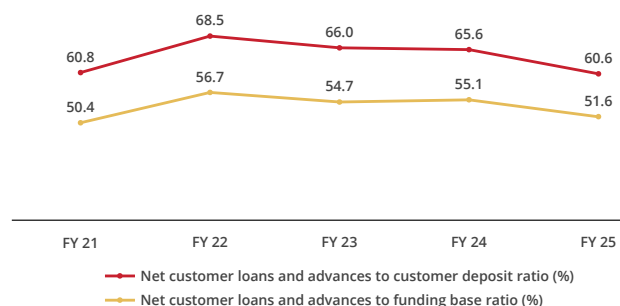
Loans to customers - Sector distribution



Funding base



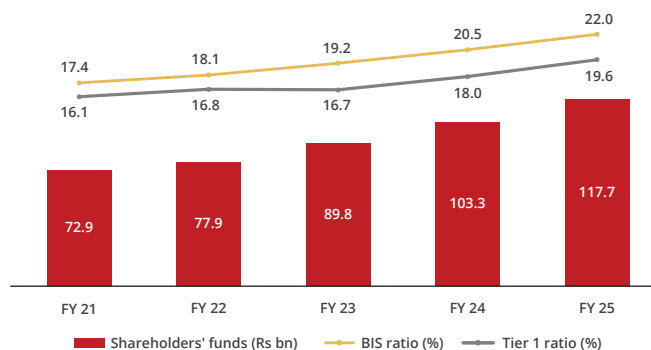
Funding ratios



Capital buffers remained solid amid slower pace of growth in assets

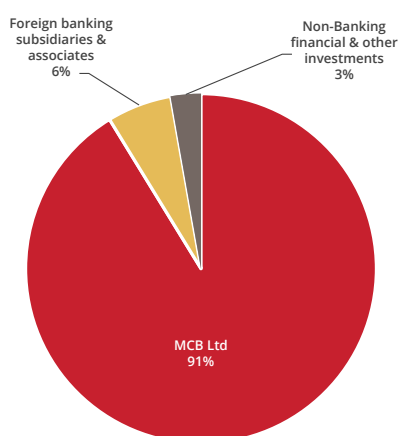
Shareholders' funds increased by 14.0% to Rs 117.7 billion resulting from an increase of Rs 10.9 billion in retained earnings, after accounting for dividends of Rs 6.2 billion during the financial year. Total eligible and Tier 1 capital increased by 12.1% to Rs 126.3 billion and 14.0% to Rs 112.4 billion respectively. Combined with a 4.6% increase in risk weighted assets, overall capital adequacy ratio and Tier 1 ratios improved further to 22.0% and 19.6% respectively.

Shareholders' funds and capital adequacy

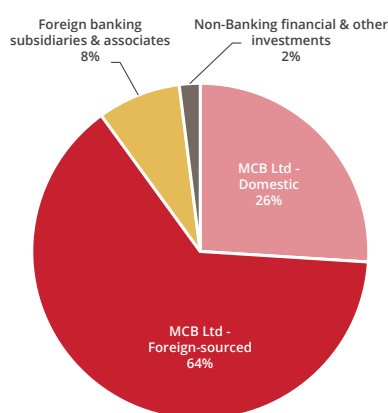


Performance by cluster

Asset by cluster



Contribution to Group profit



The growth in Group results was supported by an encouraging performance within the banking cluster with foreign-sourced income of MCB Ltd and the overseas banking subsidiaries making a strong contribution. On the other hand, the non-banking segment was impacted by the loss recorded at PAD Group. An analysis of the performance of key entities within each cluster is provided below.

Banking cluster

MCB Ltd

The Bank delivered a resilient financial performance in FY 2024/25, with net profit after tax increasing by 11% to Rs 17,211 million. This outcome was driven by growth in core earnings across both domestic and foreign operations.

In Mauritius, we remained the foremost banking partner to domestic corporates across economic sectors while actively contributing to the country's transition to a green economy through our sustainable finance offering. The Bank also strengthened its leading role in supporting entrepreneurs and individuals, as reflected in a notable growth in the loan books within these segments, underpinned by an enhanced value proposition and customer-centric approach. Our international businesses continued to make a strong contribution to the revenue line, leveraging our prominent market positioning in selected niches. The Bank sustained its involvement in the Energy and Commodities sector while adapting to evolving sector dynamics and advanced its Power and Infrastructure franchise to support critical energy projects. Additionally, we strengthened our role as a strategic partner for multinational corporations and large enterprises doing business in or with Africa, offering bespoke solutions that helped diversify our revenue streams.

Building on this momentum, operating income rose by 14%, driven by an 11% increase in net interest income on account of a sustained growth in interest-earning assets and higher yields on the deployment of our rupee excess liquidity. Non-interest income grew by 19%, with net fee income up by 9%, underpinned by payments, trade finance and wealth management activities while net trading income also improved on the back of higher volume of foreign currency transactions. However, the cost-to-income ratio rose to 35%, mainly reflecting continued investments in technology and higher system costs as well as continued focus on developing our people to support strategic execution. Whilst successful recoveries led to a drop in impairment charges, the share of profits of associate declined due to lower profitability of BFCOI and the tax charge increased at a faster rate than operating profit growth given the one-off impact of a deferred tax credit in FY 2023/24.

Building on its encouraging results, the Bank enhanced its financial soundness as reflected in improved asset quality, comfortable capital adequacy ratios and robust liquidity profile, thus reinforcing its capacity to support long-term growth.

MCB Madagascar

MCB Madagascar's strong financial performance in FY 2024/25 was driven by balance sheet optimisation. While gross loans and advances expanded by 19%, total deposits increased by 23%, leading to a drop in the loans-to-deposits ratio to 77% as at June 2025 and a growth of 46% in the investment securities portfolio. These dynamics translated into a 16% growth in net interest income, reinforcing the bank's core earnings. The bank's revenue was further supported by strong growth in non-interest income, with higher fees and commissions and forex income collectively contributing to a 19% rise in operating income. Operating expenses grew by 18%, mainly on account of capacity building initiatives. With impairment costs decreasing to MGA 10.5 billion (Rs 107 million), profit after tax doubled to MGA 16.1 billion (Rs 162 million). As a result, MCB Madagascar's contribution to Group results increased to Rs 146 million for FY 2024/25 (FY 2023/24: Rs 73 million).

MCB Maldives

MCB Maldives strengthened its market position in FY 2024/25, following HSBC's exit from the local banking sector. Deposits expanded by 37%, while gross loans and advances grew by 6%. The excess liquidity was invested mainly in investment securities which rose by 43%. These developments supported a 26% year-on-year increase in net interest income. In addition, MCB Maldives further diversified its revenue streams, with strong performances from payment activities and dealing in foreign currencies. As a result, operating income grew by 28%, outpacing a 17% increase in operating expenses, thereby improving the cost-to-income ratio from 35% to 32%. Consequently, the contribution of MCB Maldives to Group profits increased to Rs 322 million for the year under review (FY 2023/24: Rs 203 million).

MCB Seychelles

MCB Seychelles' gross loans and advances to customers and deposits increased by 5% and 7% respectively despite the competitive environment that prevailed in the country. Excess liquidity was redeployed into placements with banks, which expanded significantly. Net interest income remained relatively flat as compared to the previous year, mainly due to falling margins on placements. Non-interest income grew by 28%, driven primarily by cards revenues, contributing to a 9% uplift in operating income. While operating expenses rose by 6%, increased specific provisions led to impairment charges increasing to SCR 61 million (Rs 200 million). Nonetheless, attributable profits rose by 36%, largely driven by a one-off favourable tax adjustment. Overall, MCB Seychelles' contribution to Group profit reached Rs 712 million for FY 2024/25 (FY 2023/24: Rs 529 million).

BFCOI

BFCOI recorded a slight decline in both loans and deposits during the year under review. While net interest income grew by 5%, non-interest income dropped by 7%, resulting in a 2% contraction in operating income compared to one year earlier. On the cost side, operating expenses increased slightly and provisions for loan losses saw a notable reduction to EUR 6 million, down from EUR 9 million in FY 2023/24. Consequently, profit attributable to shareholders declined to EUR 11.8 million (Rs 588 million), with MCB Group's share of BFCOI's results amounting to Rs 294 million (FY 2023/24: Rs 306 million). BFCOI maintained a strong capital position, with a Tier 1 ratio of 11.9% and a capital adequacy ratio of 14.0%, both comfortably above the regulatory thresholds of 9.5% and 11.3% respectively.

Non-banking financial cluster**MCB Capital Markets**

MCBCM's consolidated revenues amounted to Rs 701 million in FY 2024/25 (FY 2023/24: Rs 625 million) while its contribution to Group profits declined from Rs 344 million to Rs 264 million, reflecting an exceptional loss of Rs 83 million and a rise in operating expenses to support business growth. Results were supported primarily by an increase in the size of and margin on its credit-linked notes portfolio, enhanced performance by its securities business and growth in assets under management, with an improvement in the topline across the main activities.

In particular, MCB Stockbrokers delivered a robust performance, with revenues rising by 32% to Rs 168 million and net operating profit increasing by 42% to approximately Rs 100 million, driven by successful promotion of its comprehensive capital market solutions and strengthened strategic positioning. Across other segments, MCB Investment Management and MCB Registry & Securities continued to achieve resilient revenue growth, supported by expanding business activities. In Corporate Finance Advisory, the company completed seven debt capital market transactions totaling around Rs 11.3 billion and two mergers and acquisitions, contributing to revenues of Rs 114 million in FY 2024/25, up from Rs 110 million in the previous year.

Private Equity

MCB Equity Fund is the MCB Group's captive USD 100 million evergreen fund that provides expansion capital to established businesses in Africa. The fund is managed by MCB Capital Partners Ltd, a wholly-owned subsidiary of MCB Capital Markets Ltd. During FY 2024/25, the fund manager focused its efforts on realising existing investments and re-investing the proceeds wherever possible. MCB Equity Fund generated a profit of Rs 29 million (FY 2023/24: loss of Rs 130 million) on account of net positive changes in the fair value of investments with net asset value remaining unchanged at Rs 3.8 billion at year-end.

MCB Real Assets Ltd

As at 30 June 2025, MCB Real Assets Ltd owned 93.4% in Compagnie des Villages de Vacances de L'Isle de France Limitée (COVIFRA), owner of the Club Med hotel resort located at Pointe aux Cannoniers, Mauritius. Total contribution of MCB Real Assets to Group results amounted to Rs 222 million for FY 2024/25 (FY 2023/24: Profit of Rs 208 million). The increase in profit is primarily due to lower finance costs resulting from debt repayments and lower interest rates.

In July 2025, MCB Group made an offer to acquire the remaining shareholding in COVIFRA by way of a Scheme of Arrangement. The Court sanctioned the scheme in July 2025 and the transaction was completed in August 2025, making COVIFRA a wholly owned subsidiary of MCB Group Ltd.

MCB Leasing Ltd

The lease portfolio increased by 32%, across both the finance and operating leases, to reach Rs 5,857 million whilst the deposit book expanded by 38% to Rs 5,875 million. Correspondingly, operating expenses increased by 22%. The impairment charge for the year was Rs 8 million compared to a credit of Rs 20 million following reversal of impairment charge in the previous year, which explained the drop in profit after tax from Rs 62 million in FY 2023/24 to Rs 55 million in FY 2024/25.

MCB Factors Ltd

MCB Factors Ltd is positioned as a prominent player in the field of factoring in Mauritius. It provides funding to clients against assignment of trade receivables as well as full sales ledger administration of the debtors' book. Both recourse and non-recourse factoring are offered, the latter implying protection against debtors' insolvency. During FY 2024/25, an increase of 13% was recorded in terms of invoices assigned by clients to MCB Factors. As such, operating income rose to Rs 105 million and the company's contribution to Group results stood at Rs 37 million.

MCB Microfinance Ltd

Since inception, MCB Microfinance has disbursed some 8,201 loans, corresponding to a gross amount of Rs 1,838 million, of which 52% relate to investment loans. Since the creation of its office in Rodrigues in March 2017, around 828 micro-loans have been disbursed, corresponding to a gross amount of Rs 135 million. As at 30 June 2025, MCB Microfinance's loans stood at around Rs 461 million while a net profit of Rs 4.9 million was recorded.

Other investment cluster

Fincorp Investment Ltd

Fincorp Investment Ltd (Fincorp) is an investment company listed on the Stock Exchange of Mauritius. Its main investments include MCB Leasing Ltd (a wholly owned subsidiary), MFD Limited and PAD Ltd (Associate). PAD's main investments are, in turn, Caudan Development Ltd (wholly owned subsidiary), Medine Ltd (Associate), MFD Ltd (Associate) and Eudcos Ltd (Associate).

Results of Fincorp for the year under review were adversely impacted by the following factors:

- While the yielding assets of Caudan Development Ltd performed well during the year with good rental growth and lower vacancy, Cyclone Belal caused damage to the quays, necessitating remedial works. As a result, the value of the property impacted by these repairs has been written down.
- Medine has had a challenging year with headwinds on both property and agricultural activities. The agricultural sector was hit by lower sugar prices and reduced cane yield, due to drought. The property cluster was impacted by delays in obtaining permits for its land parcelling projects as well as a fair value loss on some development.
- Reduced profitability of MCB Leasing Ltd as explained in the previous section.

As a result of the above, the company recorded a consolidated loss of Rs 202 million compared to a profit after tax of Rs 299 million in FY 2023/24.

Value created

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

The Group generates 46% of its revenue by serving customers in its home markets, with its banking operations in Mauritius accounting for approximately 39% of domestic credit and 50% of rupee deposits as at June 2025. Through our widespread presence across the island, we serve, support and contribute to wealth creation for our society and business community.

Our international businesses account for the bulk of the other 54% of our revenue, while contributing to 64% 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 Group 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 8.6 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. Payments to third-party providers of products and services, including for capitalised expenditures, were in excess of Rs 7 billion during FY 2024/25.

Shareholders and investors

We deliver consistent and sustainable financial returns with sound risk and capital management. Dividends to shareholders amounted to Rs 6.2 billion.

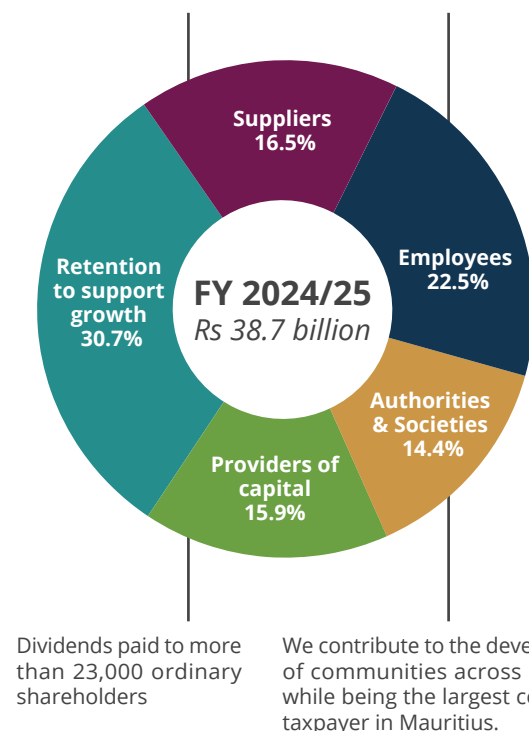
Authorities and societies

We are committed to making meaningful contribution to the socio-economic development of countries where we operate. With our status as the largest contributor to corporate tax revenue and banking levy in Mauritius, the amount of tax and levies payable by the Group to the authorities for FY 2024/25 stood at some Rs 5.1 billion. Following the recent national budget, this amount is expected to increase substantially in FY 2025/26, 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, amongst others.

We employ nearly 5,000 people across the Group which remains one of the largest employers in Mauritius. Out of the remuneration paid to employees, our colleagues contributed about Rs 540 million as pay-as-you-earn income tax in Mauritius in FY 2024/25.

We work with more than 1,000 suppliers of which some 75% are local.



Note: Depreciation and amortisation have been categorised under suppliers

Return to shareholders

The Group aims to provide adequate and consistent returns to shareholders whilst preserving enough capital for growth. To that end, the Group declared an interim dividend of Rs 10.50 in May 2025 compared to Rs 9.50 in May 2024. The final dividend declared also increased from Rs 13.50 for FY 2023/24 to Rs 15.00 for FY 2024/25, with the total dividend for FY 2024/25 increasing to Rs 25.50.

During the financial year to June 2025, the stock price of MCBG also appreciated by 13.2% despite a significant decline in June 2025 following the announcement of new fiscal measures in the National Budget 2025/26. The share price has since recovered reaching an all-time high of Rs 475.25 in August 2025.

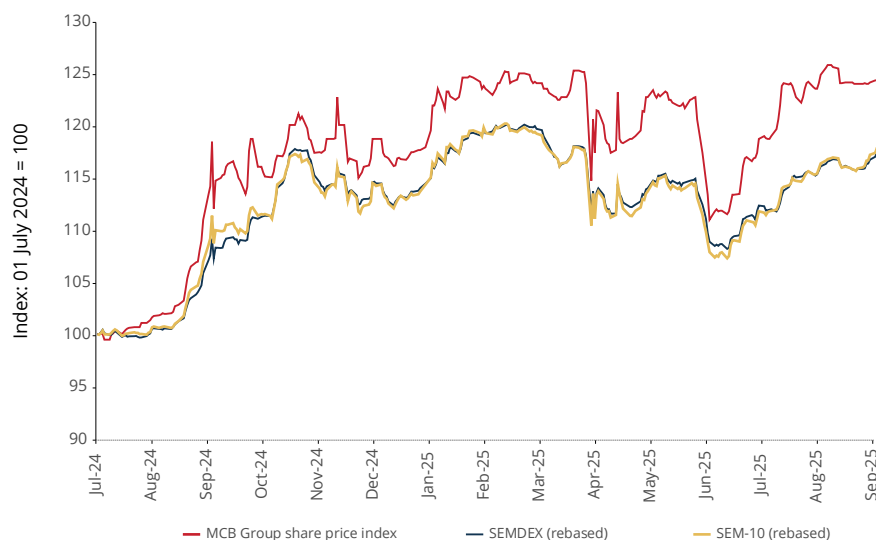
Shareholder Information

Year ending June	2023	2024	2025
Share price (Rs)			
High	326.00	399.50	474.50
Low	283.00	313.50	378.00
Average	310.54	342.07	441.24
Closing - Year end	313.25	380.00	430.25
Market capitalisation			
Market capitalisation as at 30 June (Rs m)	77,214	96,187	111,617
Market capitalisation as % of SEMDEX ¹	31.3	36.1	36.3
Value of shares traded (Rs m)	4,651	3,988	4,944
MCB market share ² (%)	45	45	52
Dividends			
Total	20.25	23.00	25.50
Interim	8.50	9.50	10.50
Final	11.75	13.50	15.00
Returns and ratios			
Price Return	1.9%	21.3%	13.2%
Dividend Yield	6.5%	6.1%	5.9%
Price/NAV ratio (times)	0.9	0.9	0.9
Price earnings ratio (times)	5.4	6.0	6.1

¹ excludes foreign currency denominated, GBL and international companies

² excludes one-off transactions

Share price evolution



Financial summary table

	Jun-25	Jun-24	Jun-23	Jun-22	Jun-21
Statement of profit or loss (Rs m)					
Operating income	42,160	37,010	31,792	23,845	22,404
Operating profit before impairment	26,413	23,423	20,535	14,713	14,133
Operating profit	22,908	19,739	16,891	11,232	9,367
Profit before tax	22,942	20,321	17,758	12,031	9,739
Profit attributable to ordinary equity holders of the parent	18,065	16,045	14,133	9,637	8,019
Statement of financial position (Rs m)					
Total assets	1,006,994	938,747	829,981	728,128	683,133
Total loans (gross)	424,444	427,734	382,333	357,686	303,319
Investment securities	355,436	345,677	267,472	239,684	198,530
Total deposits	740,373	708,408	597,766	525,656	503,972
Subordinated liabilities	6,707	7,057	8,172	1,793	1,984
Other borrowed funds	86,761	66,579	87,657	94,995	77,136
Debt securities	17,543	18,342	15,760	3,848	4,007
Shareholders' funds	117,703	103,259	89,763	77,912	72,892
Performance ratios (%)					
Return on average total assets	1.9	1.8	1.8	1.4	1.3
Return on average equity	16.4	16.6	16.9	12.8	11.8
Net customer loans and advances to customer deposit ratio ¹	60.6	65.6	66.0	68.5	60.8
Cost-to-income ratio	37.4	36.7	35.4	38.3	36.9
Capital adequacy ratios (%)					
BIS risk adjusted ratio	22.0	20.5	19.2	18.1	17.4
of which Tier 1	19.6	18.0	16.7	16.8	16.1
Asset quality					
Non-performing loans (Rs m)	13,988	14,436	13,636	14,331	11,878
Gross NPL ratio (%)	3.0	3.1	3.3	3.7	3.6
Cost of risk (%)	0.74	0.78	0.87	0.90	1.46

¹Ratio computed on balances net of impairment and excludes balances with banks

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 Group 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
Group Chief Finance Officer

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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 Group has during the year under review, adhered to the requirements and provisions of 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 profile¹ • 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 report²
Principle 6: Reporting with Integrity	• Corporate governance report • Delivering on our strategic objectives³ • Group Chief Finance Officer Report⁴ • Sustainability Report⁵
Principle 7: Audit	• Corporate governance report • Risk and capital management report²
Principle 8: Relations with Shareholders and Other Key Stakeholders	• Corporate governance report • Delivering on our strategic objectives³ • Sustainability Report⁵

Notes:

¹ 'Our corporate profile' can be found on pages 21 to 29

² The 'Risk and capital management report' can be found on pages 145 to 192

³ 'Delivering on our strategic objectives' which contains information on our strategy execution can be found on pages 43 to 71

⁴ The Group CFO Report provides an assessment of the Group's results and can be found on pages 73 to 87

⁵ The 'Sustainability Report' provides an overview of the Group's sustainability initiatives and its engagement with various stakeholders and is available on our website

Our philosophy

The Board of MCB Group 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 Company (refers to MCB Group Ltd on a standalone basis) and of its subsidiaries. The Board believes that good governance is fundamental to reinforcing the Group'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 Group 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 Group's commitment to sound corporate governance. The Group's Corporate Governance Framework is anchored on the four pillars highlighted hereunder.



Strong commitment to ethics and values

- Dedicated Board committee overseeing ethical conduct and sustainability matters across the Group
- Application of the Group's 'Code of Ethics and Business Conduct', approved and monitored by the Board
- Whistleblowing Policy allowing all employees and other stakeholders to report matters of concern in strict confidentiality
- Establishment of a Gender Equality Charter



Strict compliance to rules and regulations

- Adherence by Group entities to the provisions of legislations, rules and regulations in countries where they operate
- Compliance with the National Code of Corporate Governance for Mauritius (2016)
- Compliance with international reporting standards as applicable
- Adoption of the underlying Basel principles by banking subsidiaries



Robust risk governance and internal control

- Ring-fencing of activities, as gauged by the segregation of banking and non-banking operations
- 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
- 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 and resilience 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 Group Ltd is led by a committed and unitary Board, which holds the collective responsibility for strategic leadership, oversight and long-term value creation. The Group 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 six committees, each mandated to provide counsel, recommendations and specific expert guidance on matters affecting the Group's activities. Acting on the direction set by the Board, Executive Directors and Management at large are 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.

Role of the Board

The Board provides effective leadership in the formulation and delivery of the Group's strategy within a framework of robust risk management and internal controls, alongside ensuring adherence by the Company and its subsidiaries to relevant legislations, policies and norms, including sustainability principles.



Board of Directors

Role of the Board committees

Board committees facilitate the discharge of the Board's responsibilities and provide in-depth focus in specific areas. In fulfilling their role of providing oversight and guidance, the Chairperson of each Board committee escalates all significant matters affecting the Group to the Board.



Role of Management

Executive Directors and Management at large are responsible for strategy execution and the day-to-day running of the business, with well-defined accountabilities as endorsed by the Board. Executive Directors regularly report to the Board on the operational and financial performance of the Group.



Management

► More information on Board and Committee Charters is available on the website

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 Group Chief Executive. There is a clear segregation of responsibilities with the Chairperson leading the Board and the Group Chief Executive managing the Group's business on a day-to-day basis. The Board ascertains that the time commitments and 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, Group Chief Executive and directors are described in the following table.

Key roles and responsibilities

Chairperson	Group Chief Executive	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 Group's strategy • Ensures that committees are properly structured with appropriate terms of reference • 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 • Presides and conducts Board and shareholder meetings effectively • Advises, supports and oversees the performance of the Group Chief Executive • Oversees the succession planning process at Board and key management positions • Maintains sound relations with stakeholders and ensures effective disclosures and communication are maintained • Oversees the Group's ethics performance	• 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 Group • Acts as a liaison between Management and the Board • Provides leadership and direction to Management • Builds, protects and enhances the Group's brand value • Ensures that the Group's corporate culture and values are embraced throughout the organisation • Ensures the Group has implemented the necessary frameworks and structures to identify, assess and mitigate risks • Ensures that the information laid out before the Board is an accurate and true representation of his understanding of the Company's affairs	• Contribute to the development of the Group's strategy • Analyse and monitor the performance of Management against the set objectives • Ensure that the Group has adequate and proper internal controls as well as a robust system of risk management • Ensure that financial information released to markets and shareholders 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 • Maintain the skills required to discharge their obligations to the Group

Company Secretary

- Ensures compliance with 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 shareholders and guarantees that shareholders' interests are duly taken care of

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

Constitution of MCB Group Limited

The Constitution of MCB Group Ltd conforms to the provisions of the Mauritius Companies Act 2001 and the Listing Rules of the Stock Exchange of Mauritius Ltd. There are no clauses of the Constitution deemed material enough for specific disclosure. A copy of the Constitution is available on the website.

The Board

From left to right:

Maya Makanjee, Stephen Davidson,
Jean Michel Ng Tseung, Anna Margaretha Roets,
Jayananda Nirsimloo, Constantine Chikosi,
Georges Michael David Lising,
Marivonne Oxenham (*Secretary to the Board*),
Yvan Legris, San T Singaravelloo and
Dipak Chummun

Absent: Cédric Jeannot



Changes during the financial year under reviewJoined the Board

- Dipak CHUMMUN
(as from September 2024)
- Yvan LEGRIS (as from November 2024)
- Anna Margaretha ROETS
(as from June 2025)

Re-elected during the Annual Meeting of Shareholders held in November 2024

- San T SINGARAVELLOO

Left the Board

- Karuna BHOOJEDHUR-OBEEGADOO
- Jean-Philippe COULIER
- Didier HAREL



Directors’ profiles

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 hereafter. Unless otherwise stated in their respective profile, directors reside in Mauritius.

KEY



Audit Committee



Corporate Strategy Committee



Cyber and Technology Risk Committee



Remuneration, Corporate Governance, Ethics and Sustainability Committee



Risk Monitoring Committee



Supervisory and Monitoring Committee

C

Committee Chair

M

Committee Member

**Jayananda NIRSIMLOO**

Age 69

**POSITION:***Chairperson, Independent Non-Executive Director*

Non-Executive Director since November 2022 and Chairperson as from November 2024, Jay also chairs the Corporate Strategy Committee, the Supervisory and Monitoring Committee and the Remuneration, Corporate Governance, Ethics and Sustainability Committee. He is a member of the Risk Monitoring Committee and the Corporate Sustainability Committee (a sub-committee of the Remuneration, Corporate Governance, Ethics and Sustainability Committee).

QUALIFICATIONS:

BSc (Honours) in Economics (UK), Fellow Chartered Accountant (ICAEW UK), honorary 'Commissaire aux comptes' (France) and Wharton School Executive Development Program (USA)

SKILLS AND EXPERIENCE:

Jay gained significant boardroom and international business experience during his 40 year professional career. He was Chairperson and CEO of KPMG France for 16 years and was a member of the KPMG Global Board for 8 years. His main areas of expertise include M&A, Management Consultancy as well as Governance & Risk Management. He was a member of Institut Montaigne, a leading French think tank. He was also a member of the KPMG EMA Board, with his responsibilities extended to French speaking sub-Saharan Africa, Maghreb countries and Mauritius.

NATIONALITY: Mauritian**Jean Michel NG TSEUNG**

Age 57

**POSITION:***Group Chief Executive and Executive Director*

Executive Director as from September 2021 after having been a Non-Executive Director since November 2016, Jean Michel is a member of the Corporate Strategy Committee, the Remuneration, Corporate Governance, Ethics and Sustainability Committee, the Risk Monitoring Committee, the Cyber and Technology Risk Committee and the Supervisory and Monitoring Committee. Moreover, he is a member of the Corporate Sustainability Committee (a sub-committee of the Remuneration, Corporate Governance, Ethics and Sustainability Committee).

QUALIFICATIONS:

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

SKILLS AND EXPERIENCE:

Jean Michel is the Chief Executive of MCB Group Ltd since March 2023. He 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 a Board member of several companies within the Group namely MCB Investment Holding Ltd, Banque Française Commerciale Océan Indien, The Mauritius Commercial Bank Limited, MCB Seychelles Ltd, MCB Maldives Private Ltd, MCB Madagascar SA, MCB Capital Markets Ltd and MCB Equity Fund Ltd, amongst others. Moreover, he sits on the Risk Monitoring Committee and the Nomination & Remuneration Committee of MCB Ltd.

NATIONALITY: Mauritian



Dipak CHUMMUN
Age 58



POSITION:

Group Chief Finance Officer and Executive Director

Executive Director since September 2024, Dipak sits on the Risk Monitoring Committee as well as the Corporate Strategy and the Supervisory and Monitoring Committees, on which he acts as Secretary. Moreover, he is a member of the Corporate Sustainability Committee (a sub-committee of the Remuneration, Corporate Governance, Ethics and Sustainability 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. 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 sectors including in financial services namely Afrasia Bank Ltd, Eagle Insurance Ltd and DTOS. He has also served as Chairperson at The Stock of Exchange of Mauritius Ltd for 3 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 Ltd as well as a number of other companies within the Group and sits on some of their board committees.

NATIONALITY: Mauritian



Constantine CHIKOSI
Age 70



POSITION:

Independent Non-Executive Director

Independent Non-Executive Director since November 2019, Constantine is a member of the Remuneration, Corporate Governance, Ethics and Sustainability Committee.

QUALIFICATIONS:

LLB, MSc in Economics and Chartered Management Accountant (UK)

SKILLS AND EXPERIENCE:

In a career spanning over 19 years with the World Bank Group, Constantine has held various operational, strategy and management roles, delivering development solutions for the bank's client countries through analytical work and high-level policy dialogue with governments while advising the board on internal corporate strategy and forward-looking initiatives. He oversaw a threefold growth of the World Bank's investment portfolio in South-East Asia and a forty percent improvement in its performance as Chairperson of committees that shaped the bank's operational strategy and investment portfolios in Cambodia, Laos, Malaysia, Myanmar and Thailand.

Constantine led the opening of the World Bank Office in Mauritius where he assisted the Government in developing policy responses to the 2008 global financial crisis and streamlining the country's business regulation to reduce the cost of regulatory compliance. Prior to joining the World Bank, Constantine worked as Business Development Executive for a global mining company and as Company Secretary for a conglomerate listed on the Johannesburg Stock Exchange. He currently sits on the Board of Old Mutual Zimbabwe Limited and also acts as Chairperson on its Risk and Compliance Committee. Moreover, he is the Chairperson of Africa Sun Ltd, a hospitality management company in Zimbabwe.

NATIONALITY: Zimbabwean, Non-Resident

**Stephen DAVIDSON**

Age 70

**POSITION:***Independent Non-Executive Director*

Independent Non-Executive Director since December 2020, Stephen is the Chairperson of the Risk Monitoring Committee and a member of the Audit Committee and the Cyber and Technology Risk Committee.

QUALIFICATIONS:

MA in Mathematics and Statistics (Scotland)

SKILLS AND EXPERIENCE:

Stephen pursued an executive career in investment banking and in the technology, media and telecommunications (TMT) sector in the UK and in the USA. He held investment banking roles in Rothschild and Co, Chemical Bank (now JP Morgan) and WestLB Panmure, a British corporate and institutional investment bank. He was the Chief Financial Officer before being appointed as Chief Executive Officer of Telewest plc, a cable and broadband internet, telephone carrier and cable television provider, listed on the London Stock Exchange (LSE). He has had an extensive and rich non-executive career over the last 20 years, sitting on 23 Boards, of which 16 were listed companies, including 2 FTSE 100 listed companies and he held multiple chairmanships of nomination and remuneration, audit and corporate governance committees thereon. He is currently the Chairperson of Calnex Solutions plc, a UK-based company, which designs, produces and markets test and measurement instrumentation and solutions for the telecoms and cloud computing industries. He retired from PRS for Music Ltd and Datatec Ltd (listed on the Johannesburg Stock Exchange), which he chaired for over 9 and 15 years respectively.

NATIONALITY: British, Non-Resident

**Cédric JEANNOT**

Age 39

**POSITION:***Independent Non-Executive Director*

Independent Non-Executive Director since June 2023, Cédric is the Chairperson representing MCB Group Ltd on the Cyber and Technology Risk Committee and a member of the Corporate Strategy Committee.

QUALIFICATIONS:

PhD in Computer Science (USA)

SKILLS AND EXPERIENCE:

Cédric is the co-founder and CEO of Be Mobile Africa, a neobank which focuses on the unbanked and underbanked in Africa. The company covers over 30 markets and 22 currencies. It is known for operating one of the largest blockchain-based payment systems as well as having one of the most competitive savings accounts. Be Mobile Africa became a Harvard Business School Case Study and its story is also taught to the MBA class at MIT Sloan School of Management. He is also the co-founder of Be Financial Group, a Hong Kong based investment holding firm focused on emerging markets, and was a 'Growth Coach' at one of Canada's largest tech incubators, Communitech, where he mentored start-up founders for several years.

Prior to founding Be Financial Group, he was the co-founder and CEO of APrivacy, an award-winning FinTech digital security company, which provided encryption and privacy software to the banking industry. The company's revolutionary technology enabled banks to use consumer apps like Dropbox, WhatsApp and WeChat for banking purposes, while having all the security and compliance required by the financial industry. He was named as one of 16 Most Promising Entrepreneurs in Asia-Pacific by Ernst and Young and served as a Canadian delegate to the G20 Young Entrepreneur Summit for several years. Cédric is a frequent speaker at digital conferences worldwide on the topics of FinTech, trade, digital security, crypto, impact investing and poverty alleviation and has been quoted in a number of global press publications.

NATIONALITY: French, Non-Resident



Yvan LEGRIS
Age 62



POSITION:
Non-Executive Director

Non-Executive Director since November 2024, Yvan is a member of the Risk Monitoring Committee and the Remuneration, Corporate Governance, Ethics and Sustainability Committee. He is also a member of the Corporate Sustainability Committee (a sub-committee of the Remuneration, Corporate Governance, Ethics and Sustainability Committee).

QUALIFICATIONS:
BSc Actuarial Science (UK), Fellow Institute and Faculty of Actuaries

SKILLS AND EXPERIENCE:
Yvan Legris is an experienced non-executive director, serving on the boards of public and private companies as well as non-profit organisations. He is currently the non-executive Chairperson of Medine Limited and of Actuarix Consulting Limited. He was previously a board member of Médecins Sans Frontières International, having previously served as its international treasurer for 6 years. In his executive career, Yvan has held leadership positions in actuarial and employee benefits consulting firms in Mauritius, the UK and the USA. He has experience in risk management, executive rewards, actuarial evaluations, strategy and leadership of global teams. He founded the Mauritius office of Aon in 1997. He subsequently served as President of Consulting at Hewitt Associates (USA) and Global CEO of Consulting at Aon (an S&P 500 corporation quoted on the NYSE) where he was a member of their executive committee for several years.

DIRECTORSHIP IN OTHER LISTED COMPANIES:
Medine Limited

NATIONALITY: Mauritian



Georges Michael David LISING
Age 53



POSITION:
Independent Non-Executive Director

Non-Executive Director since November 2018, Michael is a member of the Audit Committee.

QUALIFICATIONS:
BSc (Honours) in Accounting and Financial Analysis and Chartered Accountant (ICAEW UK)

SKILLS AND EXPERIENCE:
Michael has a long experience in the retail industry. He currently heads the Lising Group and occupies the position of Managing Director. Prior to joining the Lising Group, Michael has worked for Ernst & Young (UK) and De Chazal Du Mée & Co. (Mauritius) where he was responsible for various consultancy projects and conducted assignments for the World Bank in Rwanda, Tanzania, Madagascar and Burkina Faso.

He previously sat on the Council of the University of Mauritius and was a member of the Executive Committee of Young Presidents Organisation. He is also a director of MCB Factors Ltd, a subsidiary of MCB Group Ltd.

NATIONALITY: Mauritian



Maya MAKANJEE
Age 63



POSITION:

Independent Non-Executive Director

Independent Non-Executive Director since November 2023, Maya is a member of the Corporate Strategy Committee and Remuneration, Corporate Governance, Ethics and Sustainability Committee. Moreover, she is the Chairperson of the Corporate Sustainability Committee (a sub-committee of the Remuneration, Corporate Governance, Ethics and Sustainability Committee).

QUALIFICATIONS:

MBL cum laude (South Africa), BCom (South Africa), BA Fine Arts (India) and IMD Program for Executive Development (Switzerland)

SKILLS AND EXPERIENCE:

Maya is a seasoned non-executive director, serving on the boards of public and private companies as well as non-profit organisations. She currently chairs the Board of Datatec Limited, and is a director on the Boards of Mpact Limited, Cell C Limited, the AIG South Africa Group and the Nelson Mandela Foundation. In her executive career, Maya has held leadership positions in the telecommunications, financial services, consulting, and fast-moving consumer goods industries. She has held directorships in the field of human resources, marketing communication, corporate affairs and reputation management, strategy, and business re-engineering and has extensive experience in Southern African Development Community (SADC) countries, as well as in some markets in Asia. She was previously an Executive Director of Vodacom (Pty) Ltd, Nestlé South Africa (Pty) Ltd and SABMiller (Africa and Asia), Chair of the Vodacom Foundation (South Africa) and a Board member of World Wide Fund for Nature.

NATIONALITY: South African, Non-Resident



Anna Margaretha (Marna) ROETS
Age 57

POSITION:

Independent Non-Executive Director

QUALIFICATIONS:

Chartered Accountant (South Africa) (South African Institute of Chartered Accountants), BCom (Honours) Accounting (South Africa) and Certificate in the Theory of Accounting (South Africa)

SKILLS AND EXPERIENCE:

Anna Margaretha is an accomplished executive and non-executive director with over 35 years of experience spanning the banking, chemicals, mining, mobility services, corporate finance, and audit sectors across Africa, the UK, Europe and the USA. She brings deep expertise in governance, audit, financial risk management, compliance, and operational transformation. Her executive career includes senior leadership positions at Barclays Africa Group and Standard Bank Group. She served as an Executive Director and Chief Operating Officer at Stanbic IBTC Bank (Nigeria), where she played a key role in the bank's integration and expansion strategy, overseeing major operational and compliance portfolios and managing large teams. She is a former Audit Partner at PwC South Africa and has held numerous board and trustee positions throughout her career. She currently serves as a Non-Executive Director of Zeda Limited (trading as AVIS Southern Africa), where she is a member of the Audit Committee, the Investment and Transaction Committee, and the Information Technology & Risk Committee. She is also a Non-Executive Director of AECI Group, where she chairs the Audit Committee and serves on the Risk Committee and the Remuneration Committee, which she previously chaired.

NATIONALITY: South African, Non-Resident



San T SINGARAVELLOO

Age 52



C



M

POSITION:

Independent Non-Executive Director

Independent Non-Executive Director since November 2018, San is the Chairperson of the Audit Committee and a member of the Cyber and Technology Risk Committee.

QUALIFICATIONS:

BSc in Economics and Statistics (South Africa), BSc (Honours) Operation Research (South Africa), LLM International Business Law (France) and Fellow of the Institute of Faculty of Actuaries (UK)

SKILLS AND EXPERIENCE:

San is a qualified actuary with over 25 years of experience across the sub-Saharan Africa region, the UK and the Netherlands. Her experience spans an array of disciplines in the insurance and pension fields with particular focus on the African markets, having worked for various regional and international consulting and insurance companies. She was previously a director of IBL Group where she also chaired the Audit and Risk Committee. She currently heads the Global Benefits Solutions for Aon in sub-Saharan Africa. She is a director on Happy World Property Ltd.

NATIONALITY: Mauritian

Mandate of the Board

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

Key facts (FY 2024/25)



Responsibilities

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

- the composition of the Board with an appropriate balance of executive, non-executive and independent directors;
- the Chairperson of the Board who may be an independent non-executive director;
- the setting-up of Board committees;
- the approval of strategic objectives and policies as well as their communication throughout the organisation;
- the promotion of the right corporate culture and values throughout the organisation;
- the monitoring of Management 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 oversight of the Group's ethics performance;
- adherence to the highest standards of project governance, by ensuring the Board receives accurate, timely and clear information on key projects being implemented;
- the review of procedures and practices to ensure soundness and effectiveness of the Group's internal control systems;
- the establishment of a robust Enterprise Risk Management system, with a view to ensuring that key risks across each Group entity are effectively addressed and that risk discussions are duly elevated to Board level;
- the setting of principal guidelines and policies in respect of risk management and conduct of business for the Company; and
- the dissemination of timely and accurate information to shareholders, relevant authorities and the public.

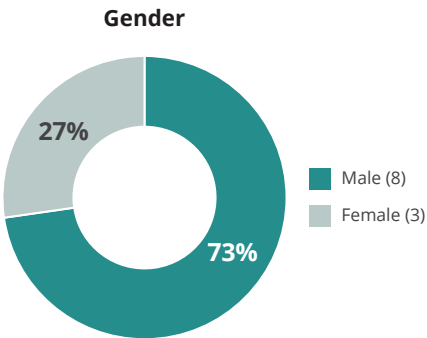
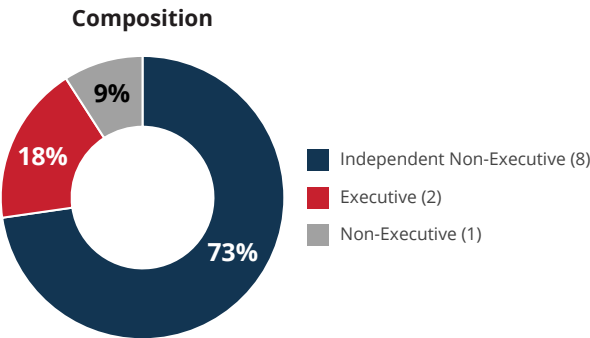
Approval of the Board is required for, amongst other important matters, modifying the Company's Constitution, issuing fresh capital or buying back its own shares, declaring dividends, acquiring or divesting sizeable stakes in subsidiaries or associates, appointing senior officers, and establishing the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

Composition and meetings

Composition

As per the Board Charter, the Board shall consist of a minimum of five and a maximum of twelve directors, with at least two executive directors and two independent directors. The Chairperson of the Board may be independent. The Board, assisted by the Remuneration, Corporate Governance, Ethics and Sustainability Committee (RCGESC), regularly reviews its size and composition, including the independent status of the non-executive directors, in line with applicable laws and regulations. In September 2024, Dipak Chummun joined the Board in his capacity of Group Chief Finance Officer and was appointed as Executive Director at the annual meeting. Yvan Legris was also appointed as non-Executive Director in replacement of Jean-Philippe Coulier. San Singaravelloo, who retired by rotation in line with the constitution of the Group, was re-elected as Independent Director. In addition, after spending nearly nine years on the Board, Didier Harel (Chairperson) and Karuna Bhoojedhur-Obeegadoo retired as Independent Directors. Subsequently, Jayananda Nirsimloo was appointed as Chairperson effective November 2024 while Anna Margaretha Roets joined the Board as an Independent Director in June 2025.

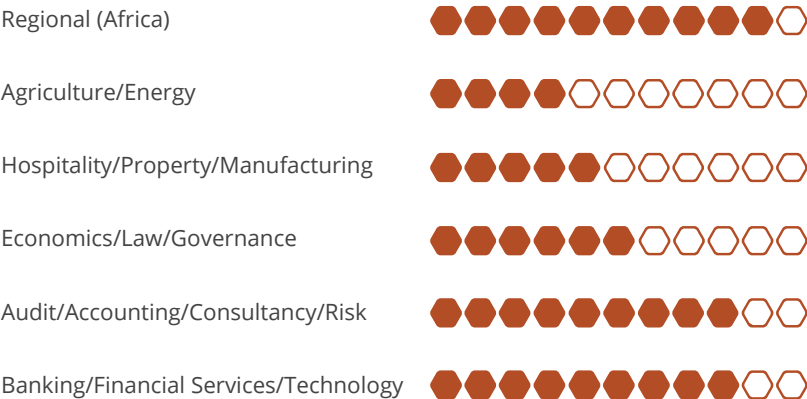
As at 30 June 2025, the Board comprised 11 members, bringing a diverse mix of skills, knowledge and experience. In addition, the Board seeks to promote gender diversity, with female representation on the Board currently standing at 27% in line with the minimum prescribed by the Mauritius Companies Act 2001. The average age of Board members stood at around 59 years. The Board composition at financial year end is shown hereunder.



Length of tenure

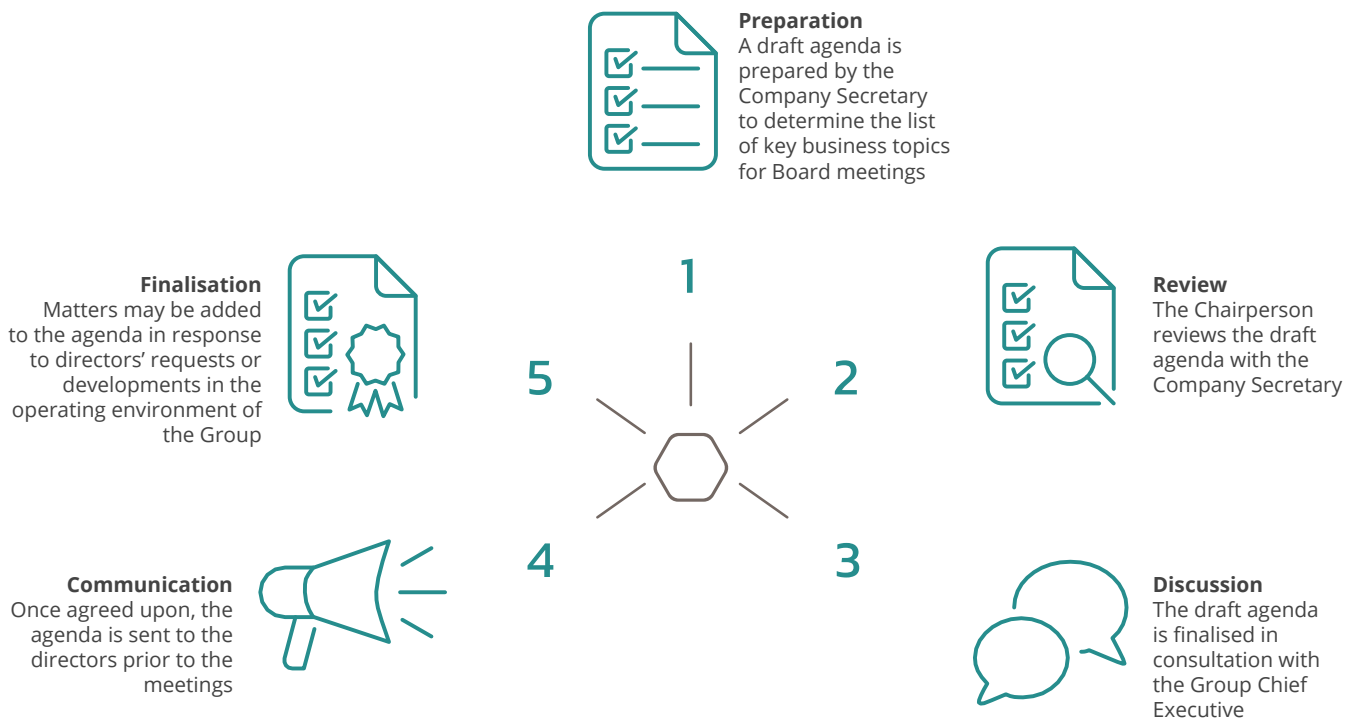


Mix of skills and experience



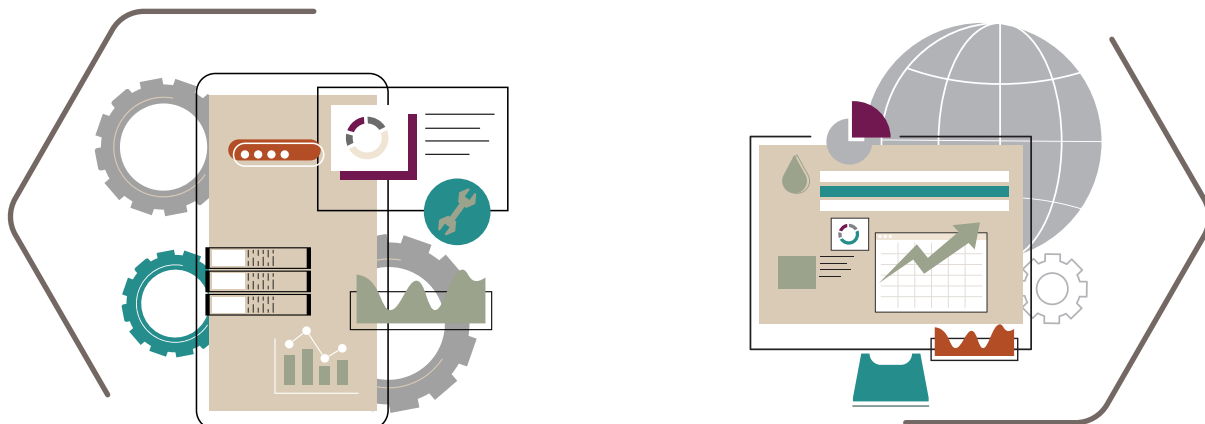
Meetings

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 Management 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 focus areas

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

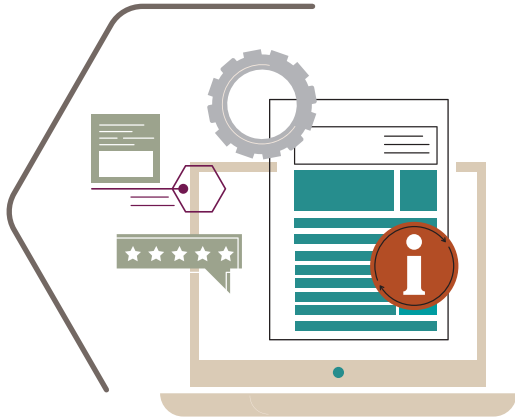


Strategy and performance

- Discussed the impact of developments in the operating environment on the strategy, financial performance, and operations of the Group
- Assessed the impact of geopolitical conflicts and trade tensions on the Mauritian economy and on business activities of the Group
- Deliberated on and approved the Vision 2030 and its strategic pillars
- Reviewed and endorsed the strategic orientations and budget plans of all the banking and non-banking subsidiaries of the Group
- Examined the progress made on the strategic initiatives of the Group
- Reviewed the strategic orientations, key focus areas and the deployment of the overall sustainability strategy
- Monitored the progress made on the main initiatives of the Financial Markets SBU of MCB Ltd
- Reviewed the status of implementation for the new operating model for Corporate and Institutional Banking of MCB Ltd
- Discussed the results of the 'Great Place to Work - Trust Index Survey'

Financial

- Assessed and monitored the Group's financial performance against budget
- Discussed and approved the dividend payout proposal/the Scrip Dividend scheme/conversion of preference shares
- Approved the disposal of Société Générale Moçambique S.A



Governance and risk

- Reviewed and validated the structure, size and composition of the Board and Board Committees
- Approved upon the recommendation of the Remuneration, Corporate Governance, Ethics and Sustainability Committee, the appointment of Anna Margaretha Roets, Yvan Legris and Dipak Chummun as new board members
- Approved, upon the recommendation of the Remuneration, Corporate Governance, Ethics and Sustainability Committee, the appointment of Jayananda Nirsimloo as new Chairperson
- Reviewed the Board and Committee Charters and other constitutive documents
- Approved the revised Code of Ethics and Business Conduct and Whistleblowing policy
- Considered and approved the introduction of a Board Skills Matrix
- 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 Executive Directors and key management personnel
- Approved the FY 2024/25 Group's Scorecard
- Reviewed the Risk Heat Map of the Group

Recurrent agenda items

- Approved the minutes of proceeding
- Reviewed reports from Chairpersons of Board Committees
- Reviewed and approved the Group's consolidated accounts on a quarterly basis
- Validated communiques/announcements as required by the relevant rules and regulations
- Approved the issue of share options under the Group Employee Share Option Scheme
- Reviewed relevant policies
- Debriefed on the Annual Meeting of Shareholders
- Updated on trends and developments in the operating environment

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
Jayananda NIRSIMLOO <i>(Chairperson as from November 2024)</i>	November 2022	Independent Non-Executive Director	12/12
Karuna BHOOJEDHUR-OBEEGADOO <i>(until November 2024)</i>	November 2015	Independent Non-Executive Director	6/6
Constantine CHIKOSI	November 2019	Independent Non-Executive Director	12/12
Jean-Philippe COULIER <i>(until November 2024)</i>	December 2020	Independent Non-Executive Director	6/6
Stephen DAVIDSON	December 2020	Independent Non-Executive Director	12/12
Didier HAREL <i>(until November 2024)</i>	November 2015	Independent Non-Executive Director	6/6
Cédric JEANNOT	June 2023	Independent Non-Executive Director	12/12
Georges Michael David LISING	November 2018	Independent Non-Executive Director	12/12
Maya MAKANJEE	November 2023	Independent Non-Executive Director	12/12
Anna Margaretha ROETS	June 2025	Independent Non-Executive Director	-
San T SINGARAVELLOO	November 2018	Independent Non-Executive Director	12/12
Yvan LEGRIS	November 2024	Non-Executive Director	6/6
Dipak CHUMMUN	September 2024	Executive Director	9/9
Jean Michel NG TSEUNG	November 2016	Executive Director	12/12

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

Remuneration philosophy

The Board recognises that our people are at the heart of the business and represent the greatest competitive asset in executing the Group's strategy. In this respect, the Group promotes a fair, result-oriented and well-governed approach to a remuneration package, 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 Group are structured to drive high performance in pursuit of its strategic ambitions, they also remain aligned with the Group'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 Management, including the executive directors, and the achievement of the Group's strategic objectives. A scorecard framework was developed and embedded within the organisation through the cascading of objectives across different levels of Management 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 Group's remuneration philosophy concerning non-executive directors, who do not hold an executive position within the Group, 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 reflecting 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. 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)	From the holding company	From subsidiaries	Total
Didier HAREL (<i>until November 2024</i>)	2,532	-	2,532
Karuna BHOOJEDHUR-OBEEGADOO (<i>until November 2024</i>)	591	181	772
Constantine CHIKOSI	805	-	805
Jean-Philippe COULIER (<i>until November 2024</i>)	575	578	1,152
Stephen DAVIDSON	1,546	-	1,546
Cédric JEANNOT	1,479	-	1,479
Yvan LEGRIS (<i>as from November 2024</i>)	694	-	694
Georges Michael David LISING	875	143	1,018
Maya MAKANJEE	1,651	-	1,651
Jayananda NIRSIMLOO	3,036	-	3,036
San T SINGARAVELLOO	1,424	-	1,424
Total Non-Executive	15,208	902	16,110
Jean Michel NG TSEUNG	51,030	-	51,030
Dipak CHUMMUN (<i>as from September 2024</i>)	19,239	-	19,239
Total Executive	70,269	-	70,269
Total (Non-Executive and Executive)	85,478	902	86,380

Note: Figures may not add up due to rounding

Group Employee Share Option Scheme

The Group Employee Share Option Scheme (GESOS) provides eligible employees with the opportunity to partake in the growth and prosperity of the Group through the acquisition of shares in MCB Group Ltd. 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. Management is, 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.

	Management	Other employees	Total
Percentage exercised from October 2023 GESOS offering	52%	37%	40%
Number of options granted in October 2024	154,411	768,065	922,476
Initial option price (Rs)	420.25	378.00	-
Number of options exercised to date	49,628	240,410	290,038
Value (Rs) ¹	20,856,167	90,874,980	111,731,147
Percentage exercised	32%	31%	31%
Number of employees	15	1,031	1,046
Available for the 4th window and expiring in mid-October 2025	104,783	527,655	632,438

¹Based on initial option price

Directors' interests and dealings in 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 of directors, which is available for consultation to shareholders upon written request to the Company Secretary. Upon their appointment, all new directors are required to provide written notification of their holdings as well as the holdings of their closely related parties in the Group's securities, to the Company Secretary.

The following tables itemise the interests of the directors in the Group's listed securities as at 30 June 2025 as well as related transactions effected by the directors during the year in review. None of the directors had any interest in the securities of the subsidiaries of MCB Group Ltd.

Interests in MCB Group Ltd Ordinary shares as at 30 June 2025	Number of Ordinary shares	
	Direct	Indirect
Georges Michael David LISING	11,722	62,223
Jean Michel NG TSEUNG	100,452	-
San T SINGARAVELLOO	1,200	5,000

Transactions during FY 2024/25	Number of Ordinary shares					
	Purchased		Sold		Others*	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Jean Michel NG TSEUNG	-	-	-	-	25,681	-
San T SINGARAVELLOO	1,200	-	-	-	-	-

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

Interests in MCB Group Ltd Unsecured Floating Rate Notes as at 30 June 2025	Number of notes	
	Direct	Indirect
Georges Michael David LISING	-	3,000

Directors' service contracts

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

Related party transactions

The Board is ultimately responsible for establishing and implementing appropriate policies on conflicts of interests and related party transactions and for administering the process for handling such transactions within the Group. Assisted by the Remuneration, Corporate Governance, Ethics and Sustainability Committee, the Board exercises this responsibility, through:

- monitoring and reporting by Senior Officers, as defined in the Banking Act 2004, within the Company and its subsidiaries in respect of related party transactions;
- regular review of related party exposures, including those pertaining to Senior Officers at the level of the Company and its subsidiaries; and
- formal review and ratification of the Conflicts of Interest and Related Party Transactions Policy as applicable.

Related party transactions of the Group were conducted in line with relevant internal policies and guidelines. Please refer to Note 37 of the Financial Statements for further details on related party transactions.

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 Group Ltd and MCB Ltd. Additionally, the Corporate Strategy Committee comprises members from both MCB Group Ltd and MCB Ltd given the strategic significance of the latter in the Group.

The mandate, composition and focus areas covered during FY 2024/25 of the six Committees namely: (i) Risk Monitoring Committee; (ii) Corporate Strategy Committee; (iii) Audit Committee; (iv) Remuneration, Corporate Governance, Ethics and Sustainability Committee; (v) Cyber and Technology Risk Committee; and (vi) Supervisory and Monitoring Committee, are set out in the next section.

Risk Monitoring Committee (RMC)*Key facts (FY 2024/25)*Average length
of tenure (years)**1.6**

Number of meetings

4Average meeting
attendance**84%****Current members****Stephen DAVIDSON (Chairperson)**

Yvan LEGRIS

Jayananda NIRSIMLOO

Dipak CHUMMUN

Jean Michel NG TSEUNG

*Secretary: Frederic PAPOCCHIA (Group Chief Risk Officer)***Committee
member since****January 2025**

January 2025

January 2025

September 2024

January 2019

Mandate

The RMC supports the Board in setting the tone from the top with the aim of embedding and maintaining an appropriate risk culture within the organisation. It guides the elaboration of risk mitigation strategies and exercises oversight on how these are operationalised across all subsidiaries of MCB Group Ltd. It also advises the Board on risk issues and monitors the risk of the different portfolios against the set risk appetite of the subsidiaries.

Composition and meetings

As per its Charter, the RMC shall consist of at least three members, including the Group Chief Executive, with a majority of non-executive directors. The Chairperson of the Committee shall be a non-executive director and shall not be the Chairperson of the Board. The RMC meets at least quarterly and on an ad hoc basis when required.

*Focus areas in FY 2024/25***Key topics discussed**

- Asset quality metrics and key risks of entities within the Group covering the principal risks (notably credit, country, market, liquidity) and actions taken to mitigate them
- Adequacy of capital, funding and liquidity requirements of the Group and its banking subsidiaries, including stress testing of financial soundness under different scenarios
- Detailed review of the top stage 1, 2 and 3 exposures of the various banking entities of the Group to forestall potential credit risks and of the level and adequacy of provisions
- Overview of write-offs
- Follow up on material legal risks
- Review of the Group Risk Heat Map recommended to the Board
- Review of the Market Risk and Asset and Liability Risk Appetite of MCB Ltd approved by its Board
- Review of Mauritian and Regional Corporate Risk Appetite of MCB Ltd
- Review of the impact analysis conducted on a potential Moody's rating downgrade on the Bank
- Quarterly review of the Bank's risk appetite ratio targets/limits/parameters including RWA and country risk limits as well as the Environmental and Social Risk Management reports

Corporate Strategy Committee (CSC)

Key facts (FY 2024/25)		Current members	Committee member since
Average length of tenure (years)	1.4	Jayananda NIRSIMLOO (Chairperson as from January 2025)	January 2023
Number of meetings	4	Cédric JEANNOT	July 2023
Average meeting attendance	97%	Maya MAKANJEE	January 2024
		Dipak CHUMMUN (also acts as Secretary)	September 2024
		Jean Michel NG TSEUNG	March 2023
		Thierry HEBRAUD (MCB Ltd)	July 2024
		Craig McKENZIE (MCB Ltd)	January 2025
		Simon WALKER (MCB Ltd)	July 2024

Mandate

The CSC assists the Board in overseeing the strategic direction of MCB Group Ltd and its subsidiaries and assesses their performance against set objectives whilst ensuring that capital allocation to subsidiaries is appropriate. In addition, it helps the Board in assessing major financial and investment plans and other material issues that affect the development of the Group.

Composition and meetings

As per its Charter, the CSC shall consist of at least eight members across both MCB Group Ltd and MCB Ltd, the majority of whom shall be MCB Group's representatives. The Chairpersons and Chief Executives of both entities shall be members of the Committee. The Chairperson of the Committee shall be a non-executive director and shall usually be the Chairperson of the Board of MCB Group Ltd. The Committee meets at least quarterly or more frequently as circumstances require.

Focus areas in FY 2024/25

Key topics discussed

- Developments in the operating environment both locally and internationally with potential implications on the Group's strategy and financials
- Group's vision and strategic pillars articulation
- Progress on key strategic initiatives across the Group
- Update on Technology Framework
- Review of the structure and governance framework of Corporate and Institutional Banking
- Review of customer experience governance framework and initiatives
- Medium to long-term workspace requirements
- Review of MCB Group Scorecard
- Acquisition and disinvestment opportunities for the Group
- Capital adequacy considerations of the Group to support its growth ambition
- Dividend payout and related implications

Audit Committee (AC)*Key facts (FY 2024/25)*Average length
of tenure (years)**3.1**

Number of meetings

8Average meeting
attendance**92%****Current members****Committee
member since****San T SINGARAVELLOO**
(Chairperson)**December 2018**

Stephen DAVIDSON

January 2021

Georges David Michael LISING

January 2025

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

The AC assists the Board in the oversight of MCB Group Ltd and its subsidiaries on matters relating to the safeguarding of assets, the monitoring of internal control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

Composition and meetings

As per its Charter, the AC shall consist of a minimum of three non-executive members, with a majority of independent directors from whom the Chairperson shall be nominated. The Chairperson of the Board and the Group Chief Executive shall not be members of the AC. The Committee 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. The Committee also holds consultations with the Chairpersons of Audit Committees of subsidiaries as deemed appropriate.

*Focus areas in FY 2024/25***Key topics discussed**

- Interim and audited consolidated Financial Statements published by the Group with recommendations made to the Board
- Reports from internal and external auditors and actions taken accordingly
- Internal and external audit reports of all subsidiaries
- Compliance plans and reports of all subsidiaries
- Internal control review
- AML/CFT review
- Operational risk review
- Risk Heat Map review
- Legal risk review
- Audit plans of internal and external auditors
- Review of relevant policies
- Subsidiaries' oversight further to the implementation of Group Risk and Compliance functions
- Review of training and awareness campaigns relating to risk and compliance

Remuneration, Corporate Governance, Ethics and Sustainability Committee (RCGESG)

Key facts (FY 2024/25)		Current members	Committee member since
Average length of tenure (years)	1.5	Jayananda NIRSIMLOO (Chairperson as from January 2025)	January 2023
Number of meetings	6	Constantine CHIKOSI	January 2025
Average meeting attendance	94%	Yvan LEGRIS	January 2025
		Maya MAKANJEE	January 2024
		Jean Michel NG TSEUNG	March 2023
		Secretary: MCB Group Corporate Services Ltd (represented by Marivonne OXENHAM)	

Mandate

The RCGESC assists the Board with respect to all remuneration aspects, corporate governance matters and nomination of directors and senior executives of MCB Group Ltd and all its subsidiaries. Moreover, it oversees the succession planning exercise for Group senior executives as well as key management positions and reviews the list of high potential managers within the Group on an annual basis. The RCGESC through its sub-committee, the MCB Group Corporate Sustainability Committee, which also includes directors from MCB Ltd, monitors the implementation of the Group’s corporate sustainability initiatives.

Composition and meetings

As per its Charter, the RCGESC shall consist of at least three members, the majority of whom shall be independent non-executive directors. The Chairperson shall be an independent non-executive director and shall usually be the Chairperson of the Board. The Group Chief Executive may be a member of the Committee. The Committee meets at least four times annually and on an ad hoc basis when required.

Focus areas in FY 2024/25

Key topics discussed

- Election/re-election of directors as Board members
- Board and Board Committees composition
- Succession planning for both executive and non-executive directors
- Appointment of senior executives and Board members of the Group’s subsidiaries
- Review of Directors’ fees for Board and Board Committees
- Review of the Performance Management Process
- Salary review for senior executives
- Review of directors’ development training programme
- FY 2024/25 Scorecard for Management
- Introduction of a Board Skills Matrix to the Board
- Review of the revised ‘Code of ethics and Business Conduct’ and ‘Whistle Blowing Policy’ of MCB Group
- Review of Board/Committee Charters and other constitutive documents
- Review of the Corporate Governance Report forming part of the Annual Report
- Setting up of the Cyber and Technology Risk Committee

More information on the Remuneration, Corporate Governance, Ethics and Sustainability 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

4Average meeting
attendance**100%****Current members****Committee
member since****Cedric JEANNOT**
(Chairperson representing MCB Group Ltd)**October 2024****Su Lin ONG**
(Chairperson representing MCB Ltd)**October 2024**

Stephen DAVIDSON

January 2025

San T SINGARAVELLOO

January 2025

Jean Michel NG TSEUNG

October 2024

Simon WALKER (MCB Ltd)

August 2025

Thierry HEBRAUD (MCB 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 within the Group and at the Bank. The Committee advises both Boards on cyber, information and technology risks and monitors the risk levels and risk postures against the set risk appetites.

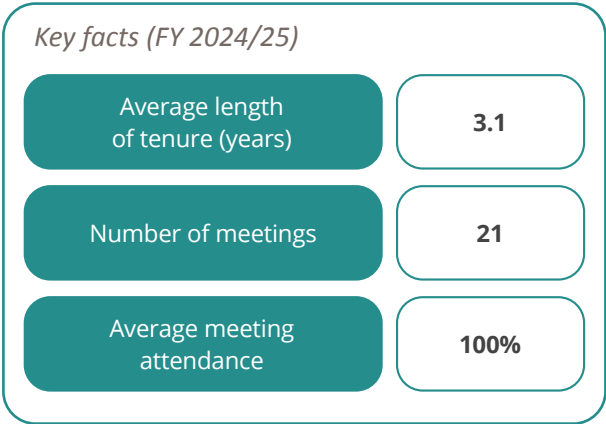
Composition and meetings

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 required

*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

Supervisory and Monitoring Committee (SMC)



Current members	Committee member since
Jayananda NIRSIMLOO (Chairperson)	January 2025
Jean Michel NG TSEUNG	July 2017
Dipak CHUMMUN (also acts as Secretary)	September 2024

Mandate

The SMC assists the Board in overseeing the overall management of MCB Group Ltd and its subsidiaries as well as in providing direction and guidance on major policy matters. It also monitors and measures the Group’s performance against set objectives, in line with the strategic orientations.

Composition and meetings

As per its Charter, the SMC shall consist of a minimum of three members, including the Chairperson, the Group Chief Executive and any other executive director of the Company. Chief Executives of the subsidiaries of MCB Group Ltd may be invited to attend SMC meetings as required. 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 Group
- Evaluate the implications of the changes in tax laws in Mauritius
- Sensitivity analysis and stress test relating to potential sovereign rating downgrade
- Vision 2030 and strategic pillars articulation
- Review of the implementation of approved strategies and major policies
- Progress made on major transformation projects
- Update on the Corporate and Institutional Banking new operating model
- Overseas hub expansion strategy
- Review of financial performance
- Dividend pay-out proposal of the Group for approval by the Board
- Legal, operational and compliance matters impacting MCB Group
- Follow-up on the recommendations of the various Board committees
- Review of Board and Committee composition
- Succession planning for the Board
- Corporate sustainability initiatives
- HR matters, including the review of employee engagement survey results, recruitment of potential candidates in senior executive positions within the Group, resignations and movements of key senior personnel
- Updates in relation to succession planning for senior roles and leadership changes within the organisation

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	CSC	AC	RCGESC	CTRC	SMC
● Chairperson as at 30 June 2025						
MCB Group Ltd Directors						
Jayananda NIRSIMLOO ¹	2/2	4/4 ●		6/6 ●		11/11 ●
Didier HAREL (until November 2024)	2/2	1/1		3/3	2/2	10/10
Karuna BHOOJEDHUR-OBEEGADOO (until November 2024)			2/4	3/3		
Constantine CHIKOSI ²	0/2			2/2		
Jean-Philippe COULIER (until November 2024)	2/2					
Stephen DAVIDSON ³	2/2 ●		8/8	4/4	1/1	
Cédric JEANNOT		4/4			4/4 ●	
Georges Michael David LISING ⁴		1/2	4/4			
Maya MAKANJEE		4/4		5/6		
San T SINGARAVELLOO			8/8 ●		1/1	
Yvan LEGRIS	1/2			1/2		
Jean Michel NG TSEUNG	4/4	4/4		6/6	4/4	21/21
Dipak CHUMMUN	3/3	3/3			1/1	10/10
MCB Ltd Directors						
Jean-François DESVAUX DE MARIGNY (until December 2024)		1/1			2/2	
Simon WALKER		4/4				
Su Lin ONG					4/4 ●	
Craig McKENZIE		2/2				
Thierry HEBRAUD		4/4			4/4	

1. Jayananda NIRSIMLOO joined the RMC in FY 2024/25

2. Constantine CHIKOSI left the RMC and joined the RCGESC in FY 2024/25

3. Stephen DAVIDSON left the RCGESC and joined the RMC in FY 2024/25

4. Georges Michael David LISING left the CSC and joined the AC in FY 2024/25

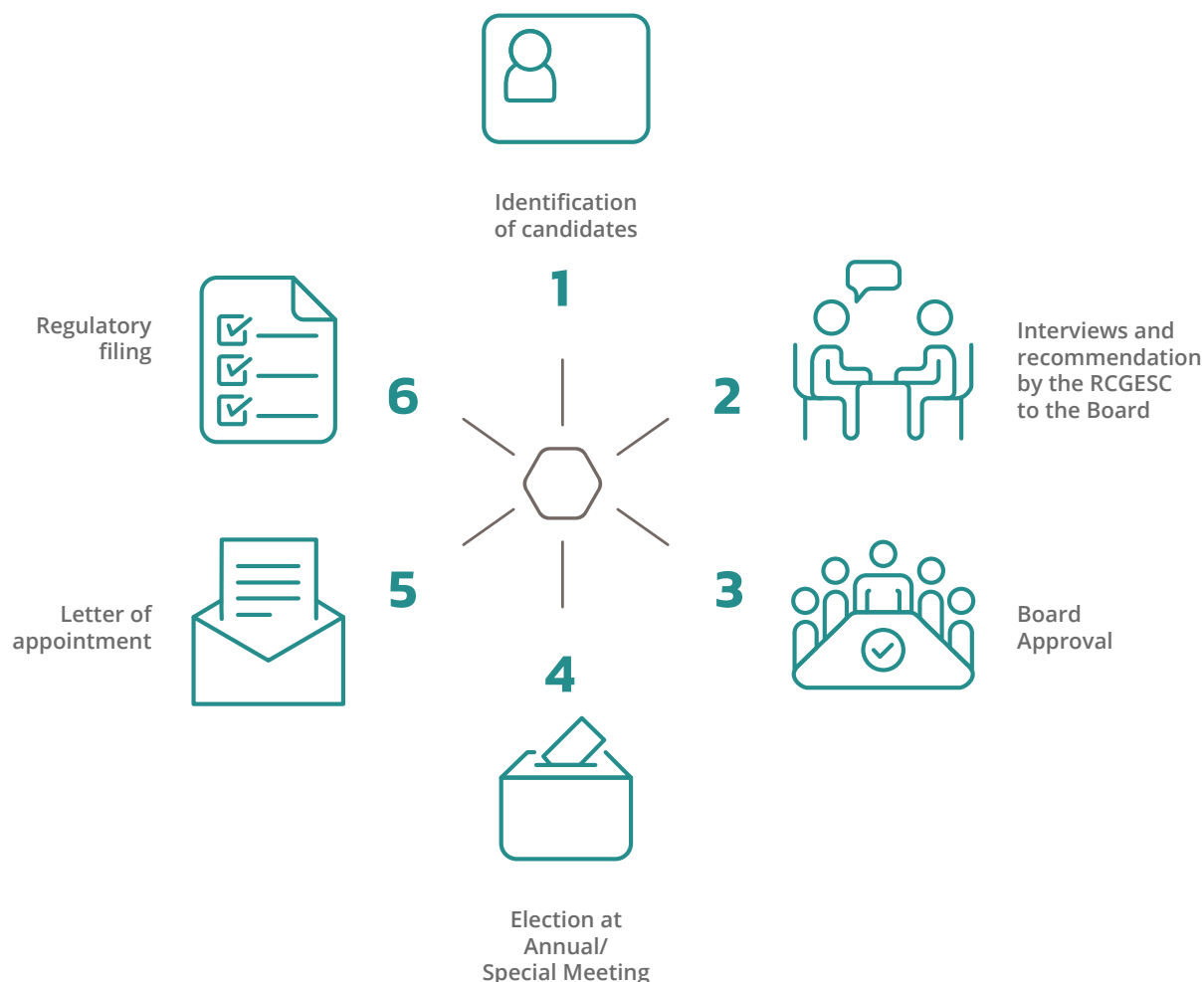
Board effectiveness

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 Remuneration, Corporate Governance, Ethics and Sustainability Committee (RCGESC), which is responsible for overseeing Board directorship's renewal and succession planning. The RCGESC 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 Group's strategy. The RCGESC considers that the size of the Board contributes to its effectiveness.

The RCGESC 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 RCGESC 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. 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.

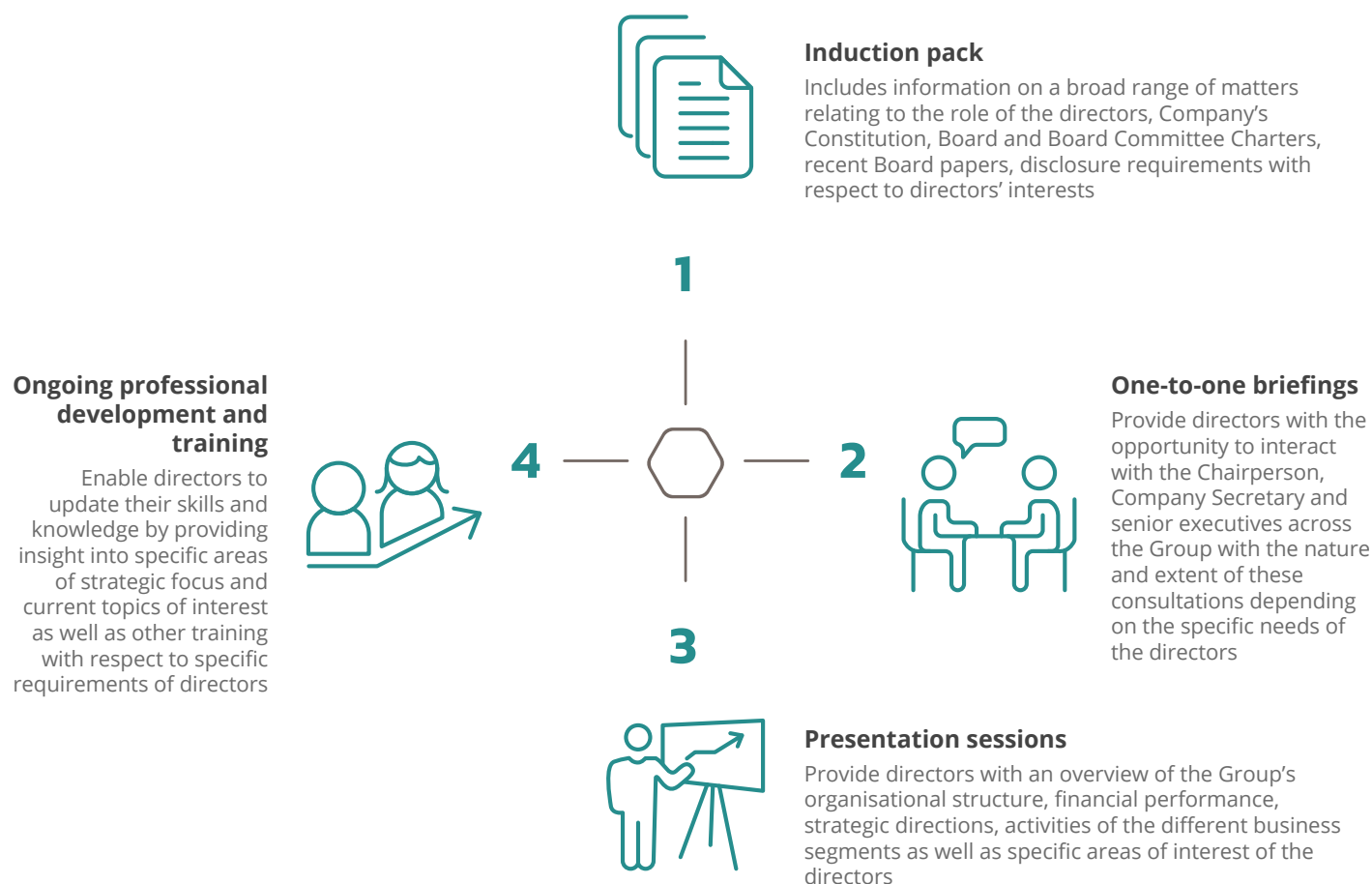
Board induction and training

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 Group'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 Group.

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 Group 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.



Yvan LEGRIS
Non-Executive Director

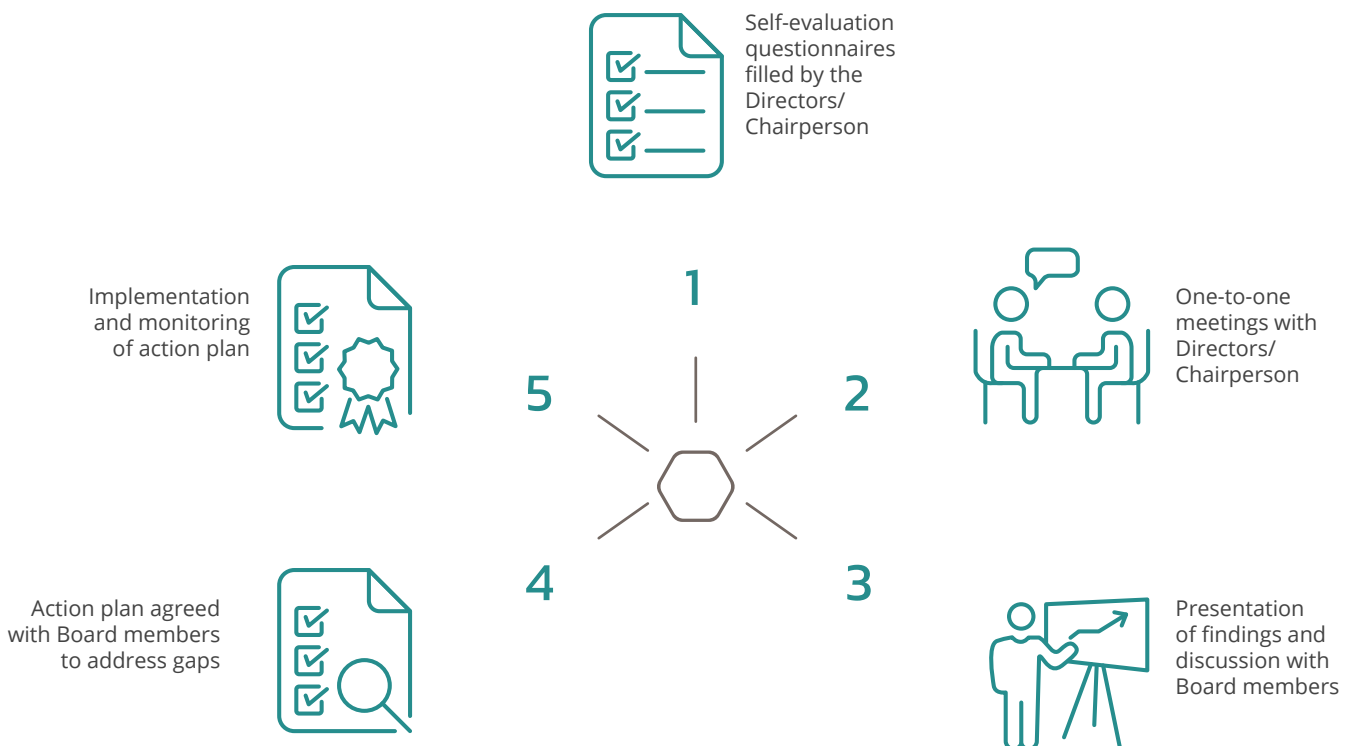
"The induction program was both well planned and well delivered at the very start of my tenure on the Board. A lot of ground was covered in interactive sessions to provide the relevant information to understand the scope and activities of the Group. My questions led to more in-depth material being provided subsequently, which contributed to my full understanding of the various entities and business units of the Group.

I have had the opportunity to meet in person with most of the senior executives. This helped me get a sense of the culture, diversity, values and execution capabilities of the Group."

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 Remuneration, Corporate Governance, Ethics and Sustainability Committee (RCGESC). In FY 2023/24, an external Board evaluation exercise of the Group'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 RCGESC, 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 Group'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 Group 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 while guaranteeing compliance with established internal policies and procedures and relevant laws and regulations. The Internal Audit, Compliance and Risk (for non-financial risk matters) functions regularly report to the Audit Committee. In addition to feedback from Audit Committees of subsidiaries, 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 received comfort that internal control systems are adequate and effective.

Information governance

The Group places significant emphasis on the 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 for ensuring that they are appropriately implemented through adequate structures and processes 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 awareness exercises including training sessions and simulated phishing attacks. The Group 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 Group entities' information and IT policies while the Audit Committee evaluates the effectiveness of related internal control systems.

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

📖 More information is available in the 'Risk and capital management report' on pages 145 to 192

Internal audit

The internal audit function provides independent and objective assurance to the Board and on the adequacy and effectiveness of the Group'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 relevant legislation and guidelines in countries where the Group operates 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 organisation. Whilst the Internal Audit SBU of MCB Ltd provides independent assurance over the internal control systems at Bank level, its scope of activity also encompasses also other Group entities in line with its Group-wide mandate. In this respect, it reports to the Audit Committee and/or Board of each subsidiary as well as to the Audit Committee of the Group, which acts as the overarching authority.

The approved Internal Audit Plan for FY 2024/25 was implemented, with reviews conducted across all significant areas of the Group'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 Group's control environment and the protection of stakeholder value.



More information is available in the 'Risk and capital management report' on pages 145 to 192

External auditors

With a view to ensuring the overall adequacy of the Group'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 Group Ltd. In this respect, the appointment of Deloitte as external auditor was approved at the Annual Meeting of Shareholders of MCB Group Ltd, held in November 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 Group Ltd, *via* the Audit Committee, has a process in place to ensure 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

	2025		2024	
	The Group	The Company	The Group	The Company
	Rs '000	Rs '000	Rs '000	Rs '000
Audit, Quarterly Review and Internal Control Review fees paid to:				
<u>Deloitte Mauritius</u>				
The Mauritius Commercial Bank Limited	23,577	-	22,016	-
MCB Leasing Limited	1,611	-	1,879	-
MCB Group Limited	1,296	1,296	1,234	1,234
MCB Investment Holding Ltd	130	-	123	-
Fincorp Investment Limited	399	-	334	-
The Mauritius Commercial Bank (Seychelles) Limited	4,328	-	3,616	-
Mascareignes Properties Ltd	145	-	160	-
MCB International Services Ltd	96	-	-	-
<u>Deloitte Nigeria</u>				
The Mauritius Commercial Bank Representative Office (Nigeria) Limited	1,187	-	645	-
<u>BDO & Co</u>				
MCB Capital Markets Ltd	3,995	-	3,107	-
MCB Equity Fund Ltd	956	-	910	-
MCB Consulting Services Ltd	570	-	563	-
MCB Factors Ltd	362	-	345	-
MCB Properties Ltd	-	-	108	-
MCB Microfinance Ltd	345	-	327	-
MCB Real Assets Ltd	660	-	645	-
MCB Group Corporate Services Ltd	104	-	99	-
MCB Forward Foundation	122	-	116	-
Blue Penny Museum	86	-	82	-
<u>KPMG Maldives</u>				
MCB (Maldives) Private Ltd	444	-	745	-
<u>EY Maldives</u>				
MCB (Maldives) Private Ltd	651	-	-	-
<u>Crowe</u>				
The Mauritius Commercial Bank Limited (DIFC Branch)	473	-	490	-
<u>Volpe Sàrl</u>				
MCB Trade Services S.A.	77	-	86	-
<u>Sey Auditors & Associates</u> (formerly known as BDO & Associates)				
MCB International Services Ltd	-	-	72	-
<u>PwC Madagascar</u>				
The Mauritius Commercial Bank Limited (Madagascar) S.A	918	-	1,002	-
<u>Forvis Mazars</u>				
The Mauritius Commercial Bank Limited (Madagascar) S.A	393	-	-	-
<u>CGA</u>				
The Mauritius Commercial Bank Limited (Madagascar) S.A	106	-	303	-

	2025		2024	
	The Group	The Company	The Group	The Company
	Rs '000	Rs '000	Rs '000	Rs '000
<i>Fees for other services payable to:</i>				
<u>Deloitte Mauritius</u>				
The Mauritius Commercial Bank Limited	2,075	-	1,944	-
MCB Leasing Limited	214	-	210	-
<u>PwC Madagascar</u>				
The Mauritius Commercial Bank Limited (Madagascar) S.A	19	-	-	-
<u>CGA</u>				
The Mauritius Commercial Bank Limited (Madagascar) S.A	61	-	-	-
<u>KPMG Maldives</u>				
MCB (Maldives) Private Ltd	219	-	-	-
<u>EY Maldives</u>				
MCB (Maldives) Private Ltd	386	-	-	-

Note: Fees for other services relate mainly to comforts on dividend declaration and AML/CFT review

Directors of MCB Group Ltd Subsidiaries

The Board composition of the subsidiaries is given below, with the corresponding Chairperson as well as Chief Executive or Managing Director (where applicable) sitting on the respective Boards being mentioned. Changes in the Board Composition during the FY 2024/25 and to date are also highlighted.

Subsidiary	Cluster	Directors
MCB Investment Holding Ltd	Banking	Jean-François DESVAUX DE MARIGNY (Chairperson) Paul CORSON (<i>as from November 2024</i>) Jean Michel NG TSEUNG Margaret WONG PING LUN
The Mauritius Commercial Bank Limited	Banking	Simon WALKER (Chairperson as from December 2024) Jean-François DESVAUX DE MARIGNY (<i>until December 2024</i>) Dipak CHUMMUN (<i>as from December 2024</i>) Johanne HAGUE Thierry HEBRAUD (<i>Chief Executive Officer</i>) Craig McKENZIE Jean Michel NG TSEUNG Su Lin ONG
The Mauritius Commercial Bank Representative Office (Nigeria) Limited (A subsidiary of MCB Ltd)	Banking	Thierry HEBRAUD (Chairperson) Abiodun Babatunde AZEEZ (<i>Chief Representative Officer</i>) Frederic PAPOCCHIA Murray VAN ROSSOM (<i>until January 2025</i>)
The Mauritius Commercial Bank Limited (Madagascar) S.A	Banking	Jean-François DESVAUX DE MARIGNY (Chairperson) Paul CORSON Désiré LEO (<i>until July 2024</i>) Vikash NATHOO Jean Michel NG TSEUNG Rony RADAYLALL (<i>Managing Director</i>) Patrick RAZAFINDRAFITO Dominic PROVENÇAL (<i>as from July 2024</i>)
MCB (Maldives) Private Limited	Banking	Jean Michel NG TSEUNG (Chairperson) Paul CORSON Jean-François DESVAUX DE MARIGNY Hemraj HOSANEE (<i>Managing Director</i>) Désiré LEO (<i>until August 2024</i>) Marcello Chee Yan LEUNG HING WAH Laila MANIK Dominic PROVENÇAL (<i>as from August 2024</i>)
The Mauritius Commercial Bank (Seychelles) Limited	Banking	Jean Michel NG TSEUNG (Chairperson) Regis BISTOQUET (<i>Deputy Managing Director</i>)(<i>until December 2024</i>) Paul CORSON Jean-François DESVAUX DE MARIGNY Désiré LEO (<i>Managing Director</i>)(<i>as from July 2024</i>) Vikash NATHOO (<i>as from March 2025</i>) Dominic PROVENÇAL (<i>as from November 2024</i>)

Subsidiary	Cluster	Directors
MCB Capital Markets Ltd (MCBCM)	Non-Banking Financial	Jean Michel NG TSEUNG (Chairperson) Couldip BASANTA LALA (until November 2024) Dipak CHUMMUN (as from November 2024) Rony LAM YAN FOON (Chief Executive Officer) Sichelesile MOYO (as from July 2025) Jeremy PAULSON-ELLIS Eric SIEW HEW SAM Catherine SWANEPOEL (until November 2024) Gilles TRANCART Paul TSANG MIN CHING (as from November 2024)
MCB Investment Services Ltd (a subsidiary of MCBCM)	Non-Banking Financial	Rony LAM YAN FOON Akesh UMANEE
MCB Registry and Securities Ltd (a subsidiary of MCBCM)	Non-Banking Financial	Edgar Vincent BOURELLY (as from November 2024) Rony LAM YAN FOON Vimal ORI Marivonne OXENHAM
MCB Securities Ltd (formerly MCB Stockbrokers Ltd) (a subsidiary of MCBCM)	Non-Banking Financial	Jeremy PAULSON-ELLIS (Chairperson) Dipak CHUMMUN (as from November 2024) Rony LAM YAN FOON Shivraj RANGASAMI (Managing Director) Paul TSANG MIN CHING (as from September 2024)
MCB Capital Partners Ltd (a subsidiary of MCBCM)	Non-Banking Financial	Dipak CHUMMUN (as from November 2024) (Chairperson as from March 2025) Catherine SWANEPOEL (Chairperson)(until November 2024) Couldip BASANTA LALA (until November 2024) Arthur DESCAMPS (as from November 2024) Rony LAM YAN FOON
MCB Investment Management Co. Ltd (a subsidiary of MCBCM)	Non-Banking Financial	Jeremy PAULSON-ELLIS (Chairperson) Couldip BASANTA LALA (until November 2024) Dipak CHUMMUN (as from November 2024) Ameenah IBRAHIM (Managing Director) Rony LAM YAN FOON Michael NAAMEH Catherine SWANEPOEL (until November 2024) Gilles TRANCART
MCB Structured Solutions Ltd (a subsidiary of MCBCM)	Non-Banking Financial	Krishen PATTEN (Chairperson as from September 2024) Ferial AUMEERALLY (until April 2025) Robert IP MIN WAN Anbar JOWAHEER (as from July 2025) Rony LAM YAN FOON Vimal ORI Bernard YEN (as from December 2024)
CM Special Opportunities Ltd (a subsidiary of MCBCM – Incorporated in November 2024)	Non-Banking Financial	Shayl SAWMYNADEN (as from November 2024) Afolabi Ayokunle SOREMEKUN (as from November 2024)

Subsidiary	Cluster	Directors
CM Diversified Credit Ltd <i>(a subsidiary of MCBCM)</i>	Non-Banking Financial	Krishen PATTEN (Chairperson) Ferial AUMEERALLY <i>(until April 2025)</i> Robert IP MIN WAN Anbar JOWAHEER <i>(as from July 2025)</i> Rony LAM YAN FOON Vimal ORI Bernard YEN <i>(as from December 2024)</i>
CM Structured Finance Ltd <i>(a subsidiary of MCBCM)</i>	Non-Banking Financial	Anish GOORAH Rony LAM YAN FOON Vimal ORI
CM Structured Products Ltd <i>(a subsidiary of MCBCM)</i>	Non-Banking Financial	Krishen PATTEN (Chairperson as from September 2024) Ferial AUMEERALLY <i>(until April 2025)</i> Robert IP MIN WAN Anbar JOWAHEER <i>(as from July 2025)</i> Rony LAM YAN FOON Vimal ORI Bernard YEN <i>(as from December 2024)</i>
MCB Financial Advisers <i>(a subsidiary of MCBCM)</i>	Non-Banking Financial	Paul TSANG (Chairperson)(as from September 2024) Rony LAM YAN FOON Nirmal SHIMADRY
MCB Equity Fund Ltd	Non-Banking Financial	Eric SIEW HEW SAM (Chairperson as from March 2025) Jean Michel NG TSEUNG Karuna BHOOJEDHUR-OBEEGADOO
MCB Leasing Limited <i>(a subsidiary of Fincorp Investment Ltd)</i>	Non-Banking Financial	Simon Pierre REY (Chairperson) Raj GUNGAH <i>(Managing Director)</i> Johanne HAGUE Yan Chong NG CHENG HIN Dominic PROVENÇAL Anju UMROWSING-RAMTOHUL <i>(until July 2024)</i>
MCB Factors Ltd	Non-Banking Financial	Jean-Philippe COULIER (Chairperson) Jenifer CHUNG WONG TSANG <i>(as from May 2025)</i> Jean-Mée ERNEST <i>(Managing Director)</i> Martine IP MIN WAN <i>(until January 2025)</i> Georges David Michael LISING Dominic PROVENÇAL Sapna SEWRAJ-SHAH <i>(Managing Director – Designate as from July 2025)</i>
MCB Microfinance Ltd	Non-Banking Financial	Alain REY (Chairperson) Paul CORSON Jean-Philippe COULIER Aurélien LECLEZIO <i>(Chief Executive Officer)</i> Dominic PROVENÇAL
MCB Real Assets Ltd (MCBRA)	Non-Banking Financial	Margaret WONG PING LUN (Chairperson) Jean Michel NG TSEUNG Marivonne OXENHAM

Subsidiary	Cluster	Directors
MCB Trade Services S.A. <i>(incorporated in November 2023)</i>	Non-Banking Financial	Hemandra Kumar HAZAREESING (Chairperson) Mary-Hedwige EL-KHOURY Muhammed Cassim HOSSEN Arnaud Louis Dominique LEVASSEUR
Compagnie des Villages de Vacances de L'Isle de France Ltée <i>(a subsidiary of MCBRA)</i>	Other Investments	Margaret WONG PING LUN (Chairperson) Angelo LETIMIER Jean Michel NG TSEUNG Medina TORABALLY
Fincorp Investment Ltd	Other Investments	Jean-Pierre MONTOCCHIO (Chairperson) Jean-Philippe COULIER Navindranath HOOLOOMANN Marivonne OXENHAM Frederic TYACK <i>(as from December 2024)</i> <i>(Chief Executive Officer as from January 2025)</i> Margaret WONG PING LUN
MCB Properties Ltd	Other Investments	Bhavish NAECK Marivonne OXENHAM
MCB Consulting Services Ltd	Other Investments	Mushtaq OOSMAN (Chairperson) Nadine CORETTE Jean-Michel FELIX <i>(until December 2024)</i> Bhavish NAECK
MCB Institute of Finance Ltd	Other Investments	Nadine CORETTE <i>(as from December 2024)</i> Jean-Michel FELIX <i>(until December 2024)</i> Bhavish NAECK <i>(as from December 2024)</i> Dhiren PONNUSAMY <i>(until May 2025)</i>
MCB Shared Services Ltd <i>(Incorporated in December 2024)</i>	Other Investments	Dipak CHUMMUN Marivonne OXENHAM
MCB Group Corporate Services Ltd	Other Investments	Joël LAMBERT Marivonne OXENHAM <i>(Managing Director)</i>
Mascareignes Properties Ltd <i>(Incorporated in Seychelles)</i>	Other Investments	Regis BISTOQUET <i>(until December 2024)</i> Jean-François DESVAUX DE MARIGNY Désiré LEO Dominic PROVENÇAL

Subsidiary	Cluster	Directors
MCB International Services Ltd (Incorporated in Seychelles)	Other Investments	Jean-François DESVAUX DE MARIGNY (Chairperson) Regis BISTOQUET (until December 2024) Désiré LEO
MCB Forward Foundation	Other Investments	Vanessa DOGER DE SPEVILLE (Chairperson) Didier HAREL (until December 2024) Jean-François DESVAUX DE MARIGNY (until December 2024) Thierry HEBRAUD Madeleine DE MARASSE ENOUF (until December 2024) Bernard JACKSON (as from December 2024) Aurélie LECLEZIO (as from December 2024) Dominic PROVENÇAL (as from December 2024)
Blue Penny Museum	Other Investments	Jean-François DESVAUX DE MARIGNY (Chairperson) Paul CORSON Vanessa DOGER DE SPEVILLE

Directors of subsidiaries' remuneration

The remuneration and benefits paid to directors of subsidiaries, who did not sit on the Board of MCB Group Ltd during the financial year, are shown below.

Remuneration and benefits received (Rs '000)	2025
Executive (Full-time)	185,607
Non-executive	20,331
Total	205,938

Management

The conduct of the business is entrusted to Management who has the responsibility to operate within the strategic framework, risk appetites and policies set by the Board while adhering to regulatory requirements. To facilitate the smooth running of the business while delivering on key strategic priorities, the governance of the Group is reinforced through dedicated executive committees and forums. The Group Executive Committee (GEC) assists the Chief Executive of MCB Group Ltd in managing the activities, operations and affairs of the Group in line with the strategic objectives as set and validated by the Board. Among other things, the GEC drives organisational alignment, closely monitors developments in its operating environment and manages issues impacting the Group. Another key committee is the Group Executive Strategy Committee. Consistent with the direction given by the Board, the Committee leads the Group's strategy setting and execution, and measures performance against set objectives and targets. In addition to managing the Group Scorecard and guide the annual strategic and budgeting process, the Committee deliberates on themes of strategic relevance and is entrusted with the responsibility to steer and track progress on the Group's long-term strategy as set by Vision 2030. Specific Group Management Forums have been set up to steer the organisation's agenda on strategic themes namely HR, sustainability and customer experience.

Profiles of the Group Executive Committee members

The profiles of the Group Executive Committee members as at 30 June 2025 are given below. The profile of Jean Michel NG TSEUNG and Dipak CHUMMUN are provided in the Directors' profile section.

Thierry HEBRAUD – Age 63

Chief Executive Officer and Executive Director – MCB Ltd

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

SKILLS AND EXPERIENCE: Prior to being appointed Chief Executive Officer of MCB Ltd 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.

Vanessa DOGER DE SPEVILLE – Age 46

Group Head of Sustainability, Reputation and Engagement

QUALIFICATIONS: Maîtrise en Communication et Information (France) and Master's Degree in Professional Communication (Australia)

SKILLS AND EXPERIENCE: Vanessa has extensive experience in sustainability and corporate communication, with a proven track record in developing and executing strategic initiatives within MCB Group. She has been instrumental in establishing the Group's sustainability strategy, driving efforts to enhance corporate reputation and align with global sustainability standards. Her expertise in stakeholder engagement and partnership development supports the Group's long-term objectives and commitment to responsible business practices.

Allan FREED – Age 47

Group Head of Human Resources

QUALIFICATIONS: B.A (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 Group to excel both in the marketplace and the workplace. In March 2024, he was appointed 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 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

Group Chief Risk Officer

QUALIFICATIONS: Master's 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 Group Chief Risk Officer since August 2023. He joined the Bank in July 2012 as a Consultant to the 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 and MCB Ltd alongside sitting on dedicated risk committees and other executive 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.

Profiles of the Group Executive Strategy Committee members

The profiles of the Group Executive Strategy Committee members at financial year end, excluding that of Jean Michel NG TSEUNG, Thierry HEBRAUD, Dipak CHUMMUN, Vanessa DOGER DE SPEVILLE, Allan FREED and Frederic PAPOCCHIA – which appear in the previous sections – are given below.

Rony LAM – Age 54

Chief Executive Officer – MCB Capital Markets Ltd

QUALIFICATIONS: BA (Honours) and MA (Cantab) in Economics (UK), Chartered Accountant (UK) and Diploma in Mandarin Chinese (China)

SKILLS AND EXPERIENCE: Rony was appointed Chief Executive Officer of MCB Capital Markets Ltd in 2014. Prior to that, he worked in investment banking in London and Asia for over 15 years. He started his career with KPMG in Beijing and London, where he qualified as a Chartered Accountant. He then joined HSBC's M&A team covering financial institutions in Europe and North America followed by a stint at Barclays, where he worked on the expansion of the consumer finance division in Asia. From 2007 to 2012, he was a Partner at Fenchurch Advisory Partners, a leading investment banking firm focused on advising financial institutions on mergers and acquisitions and capital raising transactions. He has deep experience of advising global financial institutions and private equity firms on domestic and cross-border M&A transactions. Among others, his banking clients have included HSBC, Barclays and Royal Bank of Scotland (UK) while in Insurance, he has advised Standard Life and Bupa (UK), Unum and MetLife (USA), Sun Life and Manulife (Canada), Groupama (France) and Aegon (Netherlands). He has also advised the Polish and Icelandic governments on the privatisation of domestic banks.

Dominic PROVENÇAL – Age 51

Head of MCB Overseas – MCB Group Ltd

QUALIFICATIONS: Chartered Management Accountant (CIMA/CGMA) and MBA (UK)

SKILLS AND EXPERIENCE: Dominic is the Head of MCB Overseas since May 2024. With more than 25 years of experience at MCB in varied roles, he has developed strong leadership, entrepreneurial and strategic thinking capabilities that reflect his deep understanding of the banking industry. Over the years, he has held several key leadership positions with the MCB Group, including Head of Business Banking from November 2019 to May 2024, Acting Head of Private Banking from November 2018 to November 2019, Deputy Head of Retail from August 2017 to October 2019 and Head of Individual and Business Banking from July 2016 to August 2017. His current focus is on expanding the Group's regional presence in Seychelles, Maldives and Madagascar while consolidating domestic para-banking activities.

Parikshat TULSIDAS – Age 46

Head of Financial Markets – MCB Ltd

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 & 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 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 – MCB Ltd

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 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 Hongkong Shanghai Banking Corporation Ltd (Mauritius Branch).

Shareholder relations and communication

How we communicate:

- Annual Report
- Sustainability Report
- Earnings releases
- Website
- External events and conferences
- SEM filings

Who we engage with:

- Retail shareholders
- Institutional investors
- Financial analysts
- Brokers

How we engage:

- Quarterly earnings calls
- Bi-annual analyst meeting
- Roadshows
- Annual Meeting
- Institutional Investors' queries to the Investors Relation Unit
- Conference calls and one-to-one meetings

The Board is committed to promoting open and transparent communication with shareholders in order to build trust and maintain strong relationships with them. The Group upholds an ongoing dialogue with shareholders and provides them with accurate and relevant information to help them make informed decisions, while providing them with the opportunity to engage with Group Executives through various forums. Shareholders are kept abreast of all material business developments that influence the Group in a transparent and timely manner through various communication channels as highlighted above. The Group corporate website hosts a dedicated investor relations section, the 'Investor Centre', which enables shareholders to have access to a range of corporate documents and publications including quarterly Financial Statements and Group Management Statements as well as earnings call and roadshow presentations, amongst others. Complementing the information on the 'Investor Centre', a 'Sustainability' section is also available on the Group's corporate website, where shareholders are kept informed of initiatives undertaken in line with our purpose, Success Beyond Numbers.

Investor engagement

Given the Group's broad range of investors with different information needs, the investor relations engagement programme provides for dedicated teams to attend to the requests of individuals and institutional shareholders as well as bondholders of the Group.

Individual shareholders

The Group's Company Secretary oversees communication with retail shareholders, in collaboration with the Group's Registrar and Transfer Agent, MCB Registry and Securities Ltd (MCBRS). MCBRS caters for the information needs of retail shareholders that range from sending relevant correspondence to responding to their queries in a timely manner, in strict compliance with applicable rules and regulations. The Company Secretary escalates, as and when necessary, feedback from retail shareholders to the Board.

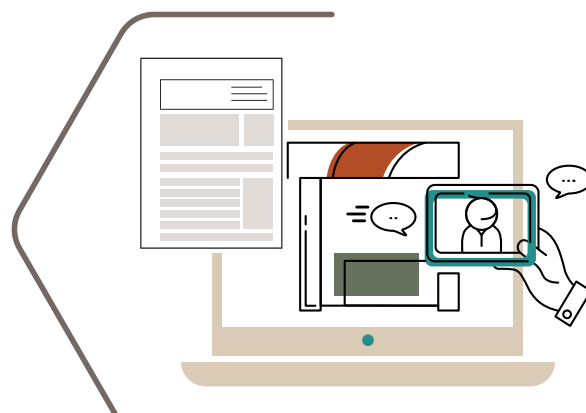
Institutional investors

The Group's Investor Relations (IR) Unit acts as the point of contact for institutional investors and is responsible for managing and developing relationships with existing and potential investors. The objective is to achieve a stable and diversified shareholder base and support high liquidity in and fair valuation of MCB Group shares. During FY 2024/25, the IR Unit has maintained a comprehensive Investor Relations engagement programme in order to provide investors with timely updates on the Group's strategy, financial performance, ESG matters as well as latest developments in the operating environment. In addition to quarterly interactions with investors through results briefings, half-yearly analyst meetings and online earnings calls, the Group engaged with investors through conference calls and one-to-one meetings arranged outside the preset reporting cycle. The IR Unit keeps the Board up-to-date on key market trends as well as investors' views and sentiment. An outline of the Group's engagement programme during the year in review is set out in the following section.

Our engagement with investors during FY 2024/25

Investor conference call and Meetings

- Interacted with 15 international institutional investors and analysts to discuss the performance and strategy of the Group
- Ongoing engagement with international and local institutional investors, brokers and analysts



Earnings Call and Analyst Meeting

- Earnings Calls are organised on a quarterly basis in October 2024, November 2024, February 2025 and May 2025 following publication of financial statements
- Bi-annual analyst meeting held in October 2024 and February 2025
- An average of 50 participants interacted with Group Management



Annual Meeting of Shareholders

- Annual Meeting of Shareholders held in November 2024
- Shareholders who attended were given the opportunity to express their views, ask questions and receive feedback directly from Board members



In FY 2024/25, the key topics discussed between Group Executives and investors revolved around, but were not limited to the following themes:

Operating Environment

- Expectations of the Bank of Mauritius (BoM) Key Rate
- Impact of the local rate hike on the economy and excess liquidity situation
- Operating environment amidst the general elections in November 2024
- Implications of 2024-25 national budget measures
- General economic conditions prevailing in the country and key African markets
- Moody's sovereign rating outlook review
- Evolution of Mauritian Rupee against major currencies
- Fiscal situation in Mauritius

MCB Group

- Financial performance and outlook
- Progress on strategic objectives
- Updates on the Group's corporate sustainability strategy
- Foreign currency funding and liquidity
- Expected cost of risk
- Evolution of the Group's cost base
- Impact of changes in tax laws on the Group's financial performance
- Interest margin expectations
- Energy and Commodities business segment
- Dividend policy
- Impact of the restructuring in the 'Other Investments' cluster (Promotion & Development Limited)
- International loan book expansion and diversification
- Asset quality
- Impact of changes in the operating environment in key African markets

Shareholder information

Shareholding profile

Ordinary shareholders

The Group has a diversified ownership base of around 23,000 shareholders, with foreign shareholding accounting for around 8% of the total. As at 30 June 2025, outstanding ordinary issued capital of MCB Group Ltd amounted to Rs 9.5 billion, comprising 259.4 million ordinary shares. The following tables set out the 10 largest institutional shareholders and ownership of ordinary share capital by size and type as at 30 June 2025.

Largest institutional shareholders	Number of shares owned	% Holding
National Pensions Fund	18,630,338	7.2
State Insurance Company of Mauritius Ltd	11,752,307	4.5
Swan Life Ltd	10,002,429	3.9
Promotion and Development Limited	6,064,500	2.4
BNYM SA/NV A/C Eastspring Investments SICAV-FIS	3,961,800	1.5
The Mauritius Commercial Bank Ltd Superannuation Fund	3,569,213	1.4
National Savings Fund	2,482,147	1.0
SSL C/O SSB Boston A/C Russell Investment Company PLC FN: NAS5	2,306,067	0.9
MUA Life Ltd	2,172,485	0.8
IBL Pension Fund	2,021,124	0.8

Size of shareholding	Number of shareholders	% of shareholder base	Number of shares owned	% Holding
1-500 shares	15,190	64.3	1,645,607	0.6
501-1,000 shares	1,734	7.3	1,279,879	0.5
1,001-5,000 shares	3,319	14.0	8,043,641	3.1
5,001-10,000 shares	1,034	4.4	7,387,115	2.8
10,001-50,000 shares	1,588	6.7	35,786,303	13.8
50,001-100,000 shares	360	1.5	25,341,428	9.8
Above 100,000 shares	412	1.7	179,939,898	69.4
Total	23,637	100.0	259,423,871	100.0

Category	Number of shareholders	% of shareholder base	Number of shares owned	% Holding
Individuals	22,408	94.8	119,912,359	46.2
Insurance and Assurance Companies	17	0.1	27,654,298	10.7
Investment and Trust Companies	139	0.6	28,784,226	11.1
Pension and Provident Funds	69	0.3	38,485,827	14.8
Other Corporate Bodies	1,004	4.2	44,587,161	17.2
Total	23,637	100.0	259,423,871	100.0

Preference shareholders

Since June 2022, holders of preference shares benefit from the option of converting their preference shares into ordinary shares. During the financial year 2024/25, an aggregate of 67,765,331 preference shares have been converted into 1,640,551 ordinary shares in the conversion windows corresponding to the payment of the June 2024 and December 2024 preference dividend. As at 30 June 2025, the Group had 94,271,057 preference shares in issue.

The latest conversion window corresponding to the payment of the June 2025 preference dividend resulted in the conversion of 6,448,633 preference shares into 146,627 ordinary shares, which were listed in July 2025.

The next conversion window for the outstanding preference shares will occur with the payment of the December 2025 preference dividend.

Scrip dividend scheme

In September 2021, the Group launched its Scrip dividend scheme (the Scheme) with a view to further consolidating its capital base to support its future expansion and/or to provide the Group with additional capacity to improve its dividend pay-out. As part of the Scheme, ordinary shareholders are given the option of receiving their ordinary dividends, or part thereof, by way of ordinary shares of MCB Group Ltd (Scrip shares).

In relation to the ordinary dividends declared during the course of FY 2024/25, the proportion of dividends payable converted into Scrip shares are as follows:

Dividend payment date	Conversion rate (%)	Scrip share (Rs m)
December 2024	28.7	988.7
July 2025	30.1	818.8

Dividend policy

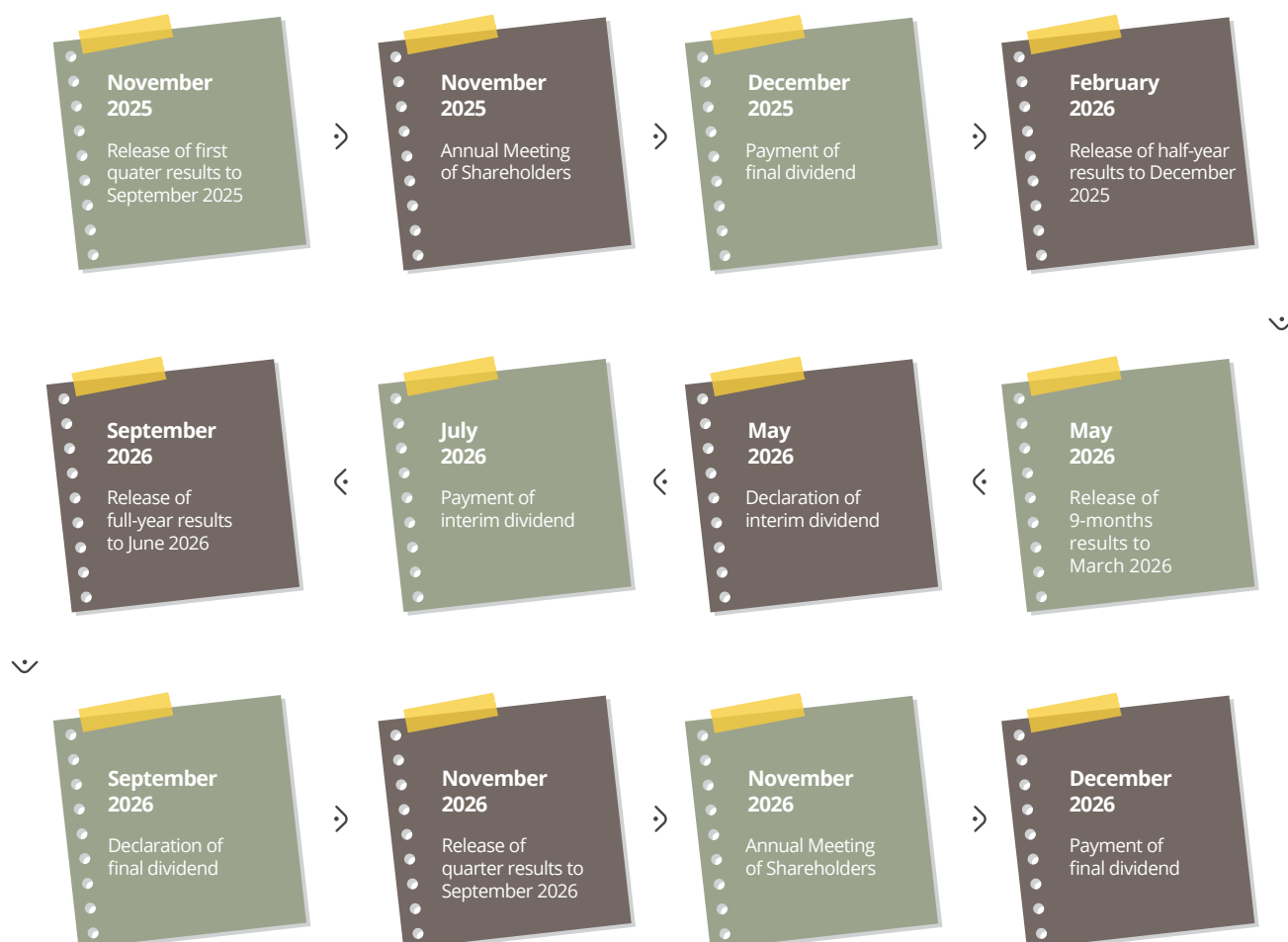
MCB Group Ltd normally seeks to distribute around one third of its profits in the form of dividends.

Taking into account the Earnings per Share of Rs 70.13 for the financial year, the Board decided to apply part of the proceeds from the issue of Scrip shares amounting to Rs 1.8 billion to declare a final dividend of Rs 15.00. This, together with the interim dividend per share of Rs 10.50 paid in July 2025, resulted in a total dividend pay-out of Rs 25.50 per share for FY 2024/25.

Shareholder agreements

There are currently no shareholder agreements affecting the governance of the Company by the Board.

Shareholders' diary



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 Group and the Company.

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 Group and the Company will continue in business;
- keep proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Group and the Company while ensuring that the Financial Statements fairly present the state of affairs of the Group and the Company, as at the financial year end, and the results of their 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 and the Financial Reporting Act 2004.

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 Group and the Company 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 Group and the Company.

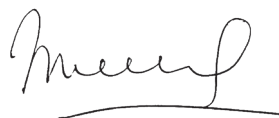
The directors hereby report that:

- adequate accounting records and an effective internal control system and risk management framework have been maintained;
- the Financial Statements fairly present the state of affairs of the Group and the Company, as at the financial year end, and the results of their operations and cash flows for that period;
- appropriate accounting policies supported by reasonable and prudent judgements and estimates have been consistently used;
- the Financial Statements have been prepared in accordance with IFRS Accounting Standards, the Mauritius Companies Act 2001 and the Financial Reporting Act 2004; and
- the Financial Statements have been prepared on the going concern basis.

On behalf of the Board



Jayananda NIRSIMLOO
Chairperson



Jean Michel NG TSEUNG
Group Chief Executive

Statement of Compliance

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

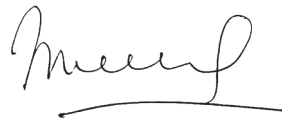
Name of Public Interest Entity ('the PIE'): MCB Group Limited

Reporting Period: 1 July 2024 to 30 June 2025

We, the Directors of MCB Group 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).



Jayananda NIRSIMLOO
Chairperson



Jean Michel NG TSEUNG
Group Chief Executive

26 September 2025



Company Secretary's certificate

Name of Public Interest Entity ('the PIE'): MCB Group 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 Mauritius Companies Act 2001 in terms of section 166(d).



Marivonne OXENHAM

Per MCB Group Corporate Services Ltd
Company Secretary

26 September 2025

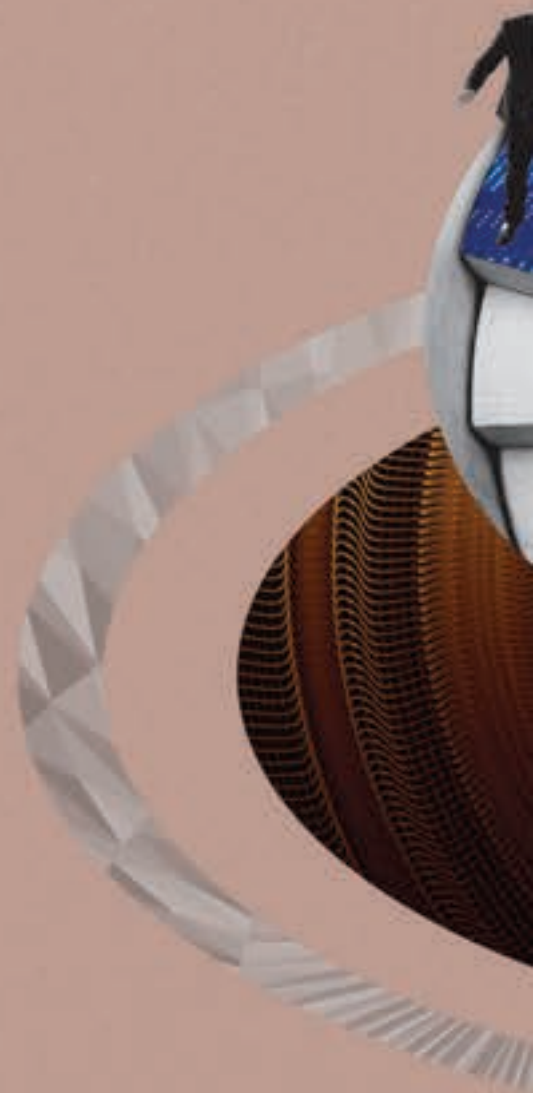
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INTEGRITY

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 to 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 across the Group. 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 Group's risk management framework. A key focus was laid on operationalising Group-level risk oversight to drive greater consistency in standards and practices across all subsidiaries. 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, at the level of MCB Ltd, 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 Group further embedded a strong risk culture across the organisation through 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 36 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.

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

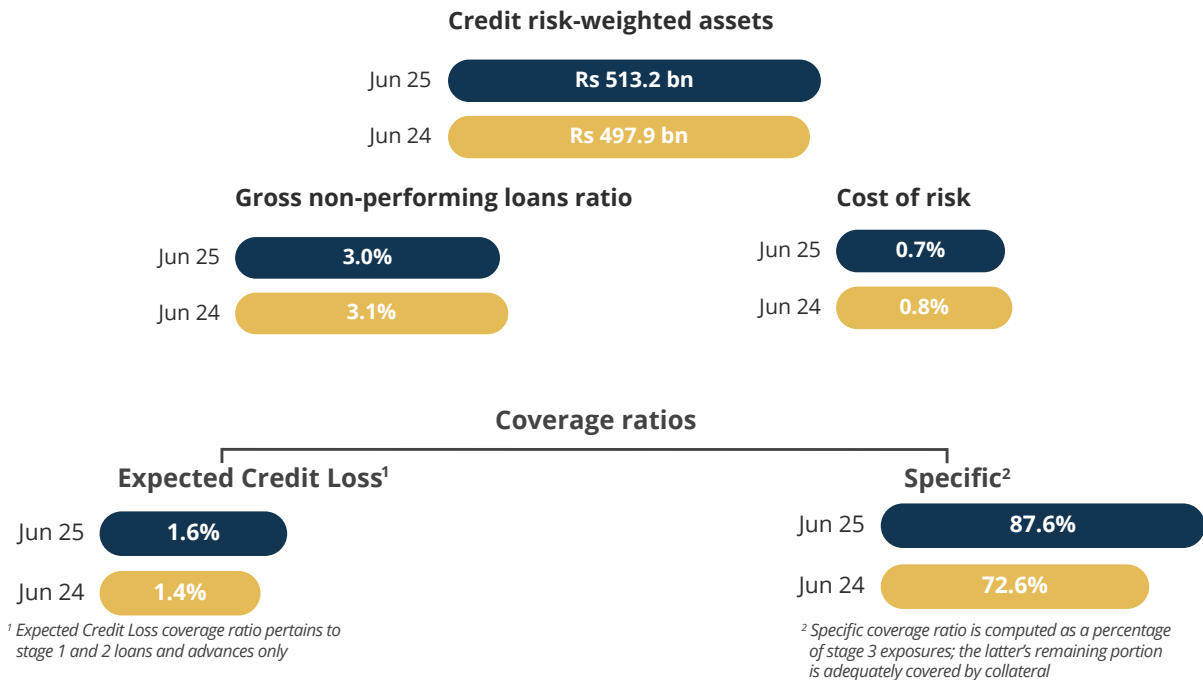
Continued economic growth, supported by gradual monetary policy easing across economies amidst declining inflation, helped stabilise credit default risks. However, the fallout from heightened geopolitical tensions and the still-elevated interest rates and currency pressures in some regional markets continue 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
- Reviewed and updated the credit policies and practices across overseas banking and para banking subsidiaries to ensure Group-wide alignment with best practices
- Aligned credit management practices and strengthened the recovery process across selected entities of the Group
- Ensured a diversified loan portfolio across sectors, setting range targets as part of the credit risk appetite

Our performance

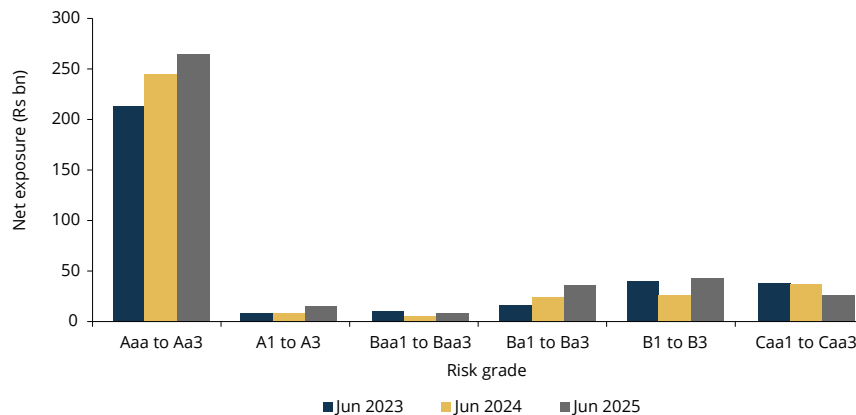
We improved the quality of our exposures on the back of careful market endeavours and strong risk management framework, leading to lower gross non-performing loans ratio as well as a reduced cost of risk (inclusive of notable recoveries made during the year), while reinforcing our provisioning levels.



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 of MCB Ltd 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

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.

Capital impacted



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 of MCB Ltd 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 4.9 bn**

Jun 24 **Rs 4.4 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

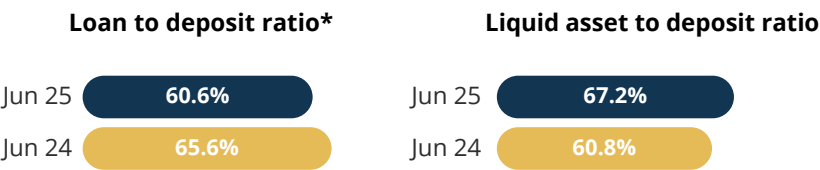
Persisting global uncertainties along with heightened competitive pressures confronting the Mauritian jurisdiction and foreign exchange constraints in regional markets are impacting Asset and Liability Management risk, particularly given their potential impact on funding stability.

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 MCB Ltd in Syndicated Term Loan from Asia in line with its endeavour in diversifying funding sources
- Formalised the risk appetite for ALM of MCB Ltd at Board level, which was previously set and overseen by ALCO

Our performance

We sustained strong funding and liquidity positions throughout FY 2024/25, with MCB Ltd reporting a consolidated Liquidity Coverage Ratio (LCR) of 621%, reflecting a comfortable buffer and sound financial management.



*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.

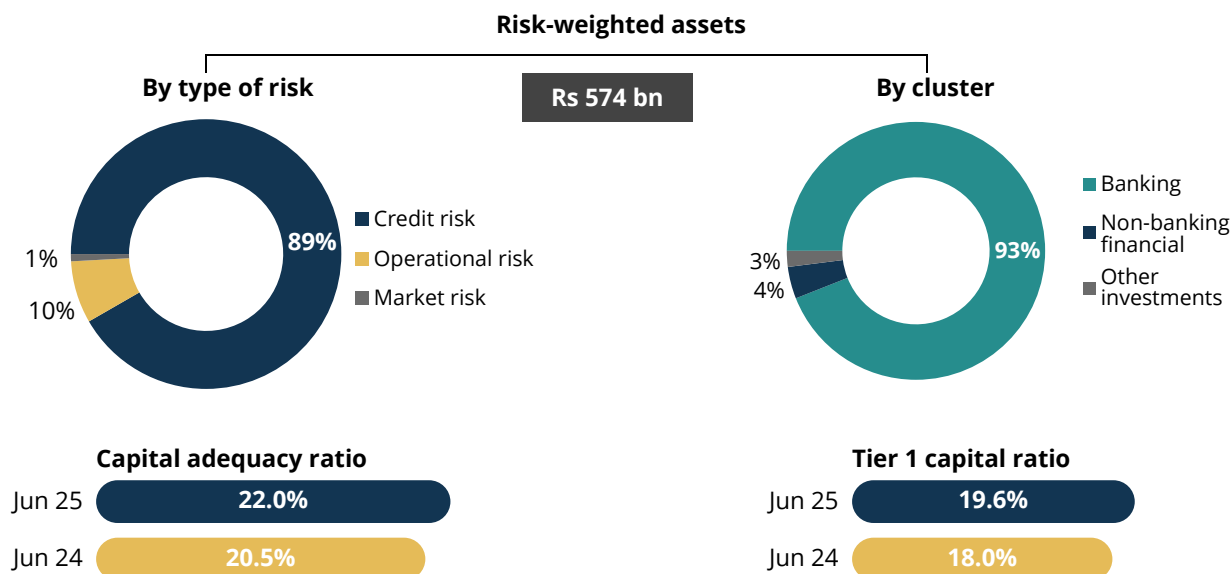
Our response

- Maintained capital levels well above minimum regulatory requirements driven by higher retained earnings, alongside optimising risk-weighted assets (RWAs) utilisation; At the level of MCB Ltd, RWAs limits were set 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

We maintained a robust capital position during the year, supported by our strong financial performance. The main contribution emanated from the banking entities, for which maintenance of adequate capital levels is a key priority by virtue of their business operations and regulatory responsibilities. MCB Ltd's capital adequacy ratio and Tier 1 capital ratio stood at 21.1% and 18.6% respectively, well above its regulatory requirements of 15% and 13% respectively.



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

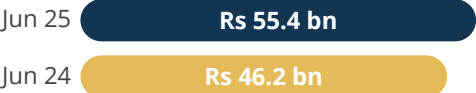
The Group continued to face potential operational disruptions arising from the growing complexity of its activities, the rising incidence of cyber-attacks globally and an increasingly competitive labour market.

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, supported by the expansion of the Permanent Supervision and Operational Risk frameworks across specific Group entities
- 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 Group entities through an update of the Operational Risk Cartography
- Conducted targeted awareness sessions to relevant audiences, with particular focus on overseas banking and local para-banking subsidiaries as part of the deployment of Group Risk oversight

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 Group 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 Group. 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 the Group's 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
- 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) for all banking subsidiaries
- 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.

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

- 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 Group-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
- 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
- Undertook impact assessments related to a potential rating downgrade, including evaluation of potential contingency actions

Reputation risk

The risk arising from the damage to the Group'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 Group'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 Group'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

- Implemented governance enhancements following the risk assessment of MCB Capital Markets, further reducing potential conflicts of interest and strengthening the delineation between buy-side and sell-side activities
- Implementation of a Group-wide distribution framework to ensure suitable distribution of financial products to non-professional clients

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 legislation.

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 organisation'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 Group through the continued deployment of the Risk Culture Programme
- Continuing to reinforce Group risk oversight for overseas and para banking subsidiaries as well as for MCB Capital Markets, while aligning their policies and practices to Group standards
- 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 across all Group entities
- 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, including the deployment of the ESRM process across MCB Overseas Banking Subsidiaries
- 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 risk management philosophy and foundations

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.

Key objectives

- Ensuring that our risk management principles are anchored on advocated norms and principles through alignment with industry best practices, corporate governance standards, and applicable statutory and regulatory requirements
- Upholding sound risk metrics by entities to support prudent and informed risk-taking across all decision-making processes
- Adoption of strong governance frameworks, including clear lines of defense, with well-defined and segregated authorities, accountabilities and responsibilities for taking on and managing risk
- Establishment of a clear risk appetite which sets out the types and levels of risk that the Group is willing to take, while ensuring risks are effectively identified, assessed, monitored and managed within acceptable levels
- Availing strong, coherent and harmonised risk management processes, policies, limits and targets
- Catering for an adequate balance between risk and reward considerations, while creating conducive conditions for tapping into market development opportunities

Governance framework

- Ultimate responsibility of the Board of MCB Group Ltd for risk management, with specific responsibilities delegated to its sub committees
- Direct oversight exercised by the Boards of entities and their relevant committees, with support from Group Risk and Compliance functions
- Effective delegation of authority from the Board of each entity to its management and risk functions, with the scope of the latter depending on the nature and depth of relevant operations and activities
- Well-defined intra-Group service delivery and collaboration in support of effective risk management, e.g. specific functions of MCB Ltd providing dedicated services to other entities

Other key foundations

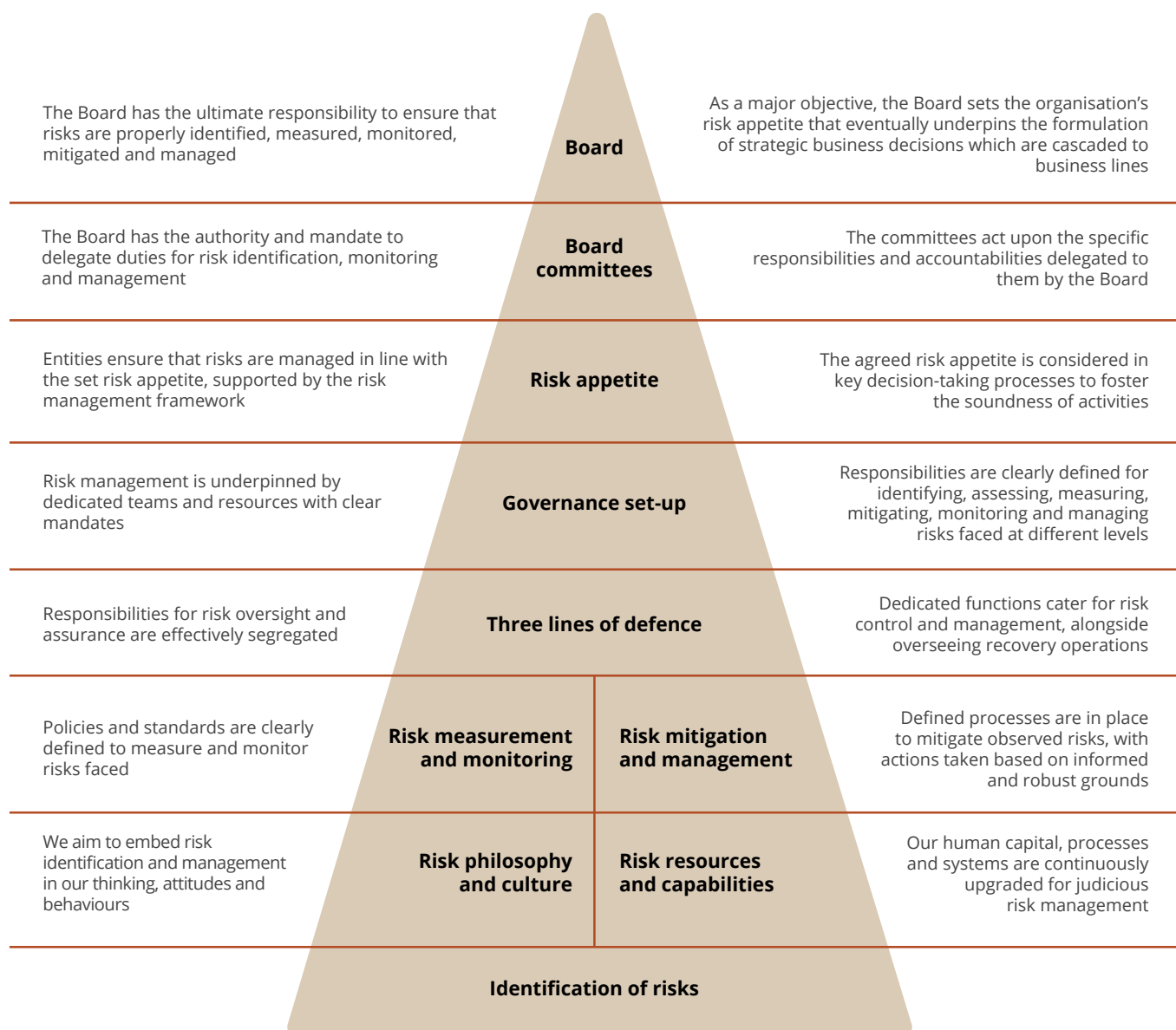
- Regular review and update of risk management practices to ensure consistency with business activities and relevance to financial strategies, while catering for changes in the economic, market and regulatory landscapes
- Adoption of policies and processes that are clear and simple to be understood and executed, alongside ensuring that they are well-documented and disseminated across all layers of the Group
- Adherence to a common set of behaviours, attitudes, skills and guiding courses of action that are integrated throughout the Group in support of coherent decision-taking
- Ensuring that the price charged for solutions is reasonable in relation to the relative riskiness of the exposure

Financial soundness

- Complying with applicable regulatory requirements at all times
- Ensuring that subsidiaries of the Group are adequately capitalised to help achieve sound and sustained business growth and upholding adequate buffers to confront any untoward circumstances
- Maintaining appropriate discipline over the nature and extent of our market development initiatives, with due focus on optimising the allocation of capital across businesses
- Preserving the soundness of our exposures with emphasis laid on healthy loan portfolios through strong credit discipline, prudent market development approach and sensible strategy execution, cautious loan origination and disbursements, and active efforts for debt collection and recovery
- Keeping sound funding and liquidity positions in support of our business development ambitions

Key elements of our risk management set-up

Operating within the directions set by the Board of the MCB Group Ltd, individual entities have their own arrangements to manage risks faced. The following illustration provides an overview of the underlying set-up being generally adopted by entities of the Group, with the scale of structures in place depending on the nature of each entity's activities.



Governance and oversight

To ensure that key risks faced by its entities are properly identified, measured and monitored, the Group adopts a robust governance framework, backed by the articulation of coherent responsibilities, reporting lines and oversight across the organisation. The risk management framework of the Group provides high-level direction for each entity on how to manage risks in a consistent and interactive manner. The allocation of responsibilities across the Group ensures that decisions are taken at the right levels, in alignment with the mandates of internal stakeholders and the strategic orientations pursued by the organisation. MCB's Risk and Compliance functions have been established as Group functions to reinforce enterprise-wide risk oversight and ensure a consistent and integrated approach to risk management across all entities. Each subsidiary, however, continues to take ownership of the risks of its operations and the management of its risk and compliance functions, underpinned by its own governance framework, in line with Group-level orientations, its inherent specificities and prevalent market realities, while Group Risk and Compliance functions ensure oversight on those risks and activities. To support this model, entities also benefit from technical and advisory support provided by specific Strategic Business Units of the Bank, e.g. Internal Audit and Legal through clearly-defined Service Level Agreements. In parallel, the Group Head of Finance assists in fostering a harmonised financial governance framework across the Group.

At Group Level

The Board

- In alignment with its business development orientations, the Board of MCB Group Ltd determines the principal strategies in respect of the risk management of the organisation, while ensuring that all laws, regulations and codes of business practice are adhered to.
- Through the establishment and enforcement of clear lines of responsibility and accountability across the organisation, it ensures that relevant procedures and practices are in place in order to protect the Group's assets and reputation. For the discharge of its duties, the Board is assisted by committees which enable it to properly formulate, review and approve policies on monitoring and managing risk exposures.

Risk Monitoring Committee

- The Risk Monitoring Committee (RMC) advises the Board on risk issues and monitors the risk of the different portfolios against the defined risk appetite, in particular for the banking subsidiaries. While assigning relevant responsibilities and accountability lines, it ensures that rigorous internal processes and controls are implemented to identify, monitor, measure and report different types of risks.
- The RMC monitors risk portfolios against set limits with respect to, *inter alia*, risk concentration, asset quality, large and foreign country exposures. It also oversees the adequacy of the capital, liquidity and funding positions, including under stressed conditions.

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 oversees the overall management of the Group and is also responsible for the ongoing monitoring of the Group's performance against set objectives in line with the strategic orientations of the Group.
- The Corporate Strategy Committee oversees the business strategy of the Group and its subsidiaries and measures the latter's performance against set objectives whilst ensuring that capital allocation is appropriate.
- The Audit Committee caters for the monitoring of internal control processes and ensuring the preparation of accurate financial reporting and statements in compliance with applicable legal requirements and accounting standards. It also reviews operational and information risks and the actions taken to mitigate them.

 Read more on the key mandates and focus areas of the Board committees of MCB Group Ltd in the 'Corporate Governance Report' on pages 89 to 141

At entity level

The entities of the Group adhere to the overall risk management principles and frameworks validated by the Board of MCB Group Ltd and are accordingly monitored by the Risk Monitoring Committee of the latter. The ultimate responsibility for ensuring that risks are properly identified and managed, however, rests at the level of each entity.

The Board

- Functioning in alignment with the Group's objectives and targets, the Board of each entity supervises its overall risk management, alongside overseeing the establishment of relevant policies, controls, standards, practices and processes, in accordance with the inherent realities of the business. It also acts as the focal point of contact for shaping the relationship with MCB Group Ltd.
- The Board of each entity is responsible for strategy formulation in respect of risk-taking, risk appetite and policy setting. It ensures that its business strategies are clearly linked to its risk appetite and tolerance level. The aim is to ensure that the organisation manages its capital resources at an optimal level in support of growth-related objectives.
- In discharging their duties, the respective Boards demonstrate, to the satisfaction of regulatory authorities and other stakeholders, that a clear structure of policy and control systems is adopted to identify and manage the risk inherent in activities.

Delegation of duties	Control processes
For each entity, risk governance is executed through the delegation of authority and responsibilities from its Board to dedicated committees and/or Management. Control processes and reporting lines have been put into place to foster a coherent and sound segregation of duties with regard to risk taking, processing and control.	The types of risk infrastructure and control processes that are adopted by each entity is a function of the nature, size and complexity of the risks involved. The approach and practices embraced by entities to fulfill their risk management obligations are shaped up by the following factors: (i) advocated corporate governance and risk management principles; (ii) the risk-return profiles of markets in which they are involved; (iii) the opportunities and challenges characterising the operating environment; and (iv) relevant legal and regulatory requirements as well as local and international codes and standards impacting the industries and countries in which businesses are carried out.

Key committees by entity

Key committees by entity		
Banking cluster		Non-banking financial cluster
MCB Ltd	Overseas Banking Subsidiaries	MCB Capital Markets (MCBCM) and its subsidiaries
Board committees		
Risk Monitoring Committee	Audit and Risk Committee	Risk & Audit Committee (MCBCM)
Audit Committee		
Cyber and Technology Risk Committee		Supervisory and Monitoring Committee (SMC)
Supervisory and Monitoring Committee		
Executive committees		Financial Products Supervisory Committee (MCBCM)
Financial risk: Credit risk		
Executive Credit Committees (ECC) • The ECC (A), 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	Subsidiary Credit Committee (SCC) • The Local OBS credit committee sanctions/declines credit applications for customers with exposures of up to USD 500,000. Exposures from USD 500,000 to USD 2 million are approved by a joint MCB Subsidiaries Credit Committee. Facilities above this level are channelled to the MCB Subsidiaries Executive Credit Committee	• The committee comprising independent directors, with international expertise, of MCB Capital Markets Ltd, is responsible to oversee all new product launches within MCBCM with the exception of investments which fall within the ambit of the CIS Supervisory Committee
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		MCB Investment Management (MCBIM) Collective Investment Scheme (CIS) Supervisory Committee • The committee is responsible for the review and assessment of all aspects relating to the CIS management activities of MCBIM, including set-up of new funds, material changes to existing funds and regulatory compliance
Country Risk Committee (CoRC) • The CoRC is responsible for setting individual country limits within the validated risk parameters on selected countries		Investment Committee (IC)
Conduct Review Management Committee (CRMC) • The CRMC ratifies credit exposures and other transactions with related parties where the aggregate of credit exposures/any other transactions to any single related party and/ or its group of connected counterparties do not exceed 2% of the Bank's Tier 1 capital or Rs 500 million, whichever is lower		• The committee, though not a sub-committee of the Board of MCBIM, serves an important purpose in respect of the investment management activities of MCBIM. The IC meets on a quarterly basis and reviews all material aspects of MCBIM's portfolio management process, including strategic and tactical asset allocation, portfolio performance/risk and mandate compliance
Financial risks: Market and Asset & Liability Management risks		MCB Financial Advisers (MCBFA)
Asset and Liability Committee	Asset and Liability Committee	
Non-financial risks		On-boarding Committee (OBC)
Information and Operational Risk Committee	Overseas Banking Subsidiaries Cybersecurity Committee	• The OBC, though an internal committee, plays an important role in the governance framework of MCBFA by screening and (if deemed relevant) approving all new corporate finance advisory mandates being contemplated by the company's executives. The OBC may escalate material transactions to the SMC for review and final approval
Compliance, Anti-Money Laundering and Legal Committee		MCB Securities (MCBSL) Transaction Review Committee (TRC) • The TRC is an internal committee of MCBSL which has the responsibility to review all material transactions/ activities being contemplated by MCBSL including, but not limited to, underwriting, market making and IPOs. The TRC has the authority to (where applicable) approve, reject or escalate to the SMC all transactions being contemplated by MCBSL

In line with principles determined at Group level, risk management policies and structures in other non-banking entities have been designed in order to ensure that business activities are carried out in a sound manner, depending on the types of market undertakings being engaged into as well as the range and depth of risks faced.

Adherence to the three lines of defence approach

The risk control framework of the Group's entities is anchored on the three lines of defence approach, which promotes transparency, accountability and consistency through the proactive identification and segregation of actual and potential risks across the entities.

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 organisation

2nd

line of defence

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

Risk control and compliance

- The Group has relevant independent risk control and compliance functions across entities for effective risk management which also provide advice and guidance in relation to the risk
- At the level of MCB Ltd, the Risk SBU establishes methodologies and activities for risk measurement and regularly monitors and reports risk exposures and profiles, whilst the Compliance SBU ensures compliance with applicable laws, regulations, guidelines, codes of conduct and standards of good practice.
- MCB's Risk and Compliance SBUs, in their capacity as Group functions, provide guidance, expertise and oversight to other Group entities, which can also avail of intra-Group services from Legal SBU in line with the Group Shared Services

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
- MCB's Internal Audit SBU provides assurance over control systems and reports on those via the Audit Committee and/or Board of each entity. The findings are consolidated and presented to the MCB Group Audit Committee for an integrated view of the effectiveness of risk management, control and governance processes

Key tenets of our risk management strategy

Risk capacity

The Group determines the 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 their ability to take risk.

Risk appetite

The Group entities ensure that their activities are undertaken within the parameters of their risk appetite. The latter is subject to constraints, such as the need to *inter alia* uphold their financial soundness and foster sound and sustainable revenue growth.

Risk tolerance

The Group entities establish the maximum level of risk that they are willing to tolerate for a particular risk category or specific initiative, while ensuring that they achieve their business strategies and operate within their broader-level risk appetite.

Risk profile

Expressed in terms of quantitative indicators and qualitative assessments, each entity's risk profile refers to its current net risk exposures for different risk categories. Amidst an evolving operating environment, Group entities regularly monitor their risk profile, thereby helping to prevent the level of risk from going beyond the set risk appetite.

Risk control

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

Risk culture

The Group 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

A key objective of the Group's risk management strategy is to determine the level and type of risk that the organisation is able and willing to take when executing its business strategies. The risk appetite is established by means of a complementary set of statements that are determined at Group level and cascaded throughout the entities and their business segments. Qualitative statements seek to make sure that the desired risk culture is adhered to across entities. Quantitative statements seek to shield the organisation from potential adverse events in the operating environment. While ensuring congruence with directions established at Group level as well as relevant mandatory requirements, Group entities set their own risk appetite, control and tolerance levels and mechanisms, which they continuously monitor and, if necessary, update to reflect the optimal level of risk that they are willing to take for the sound execution of their short and medium-term business strategies.

As a case in point, key considerations that guide the Group's main subsidiary, i.e. MCB Ltd, for the identification and quantification of risks are as follows:

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

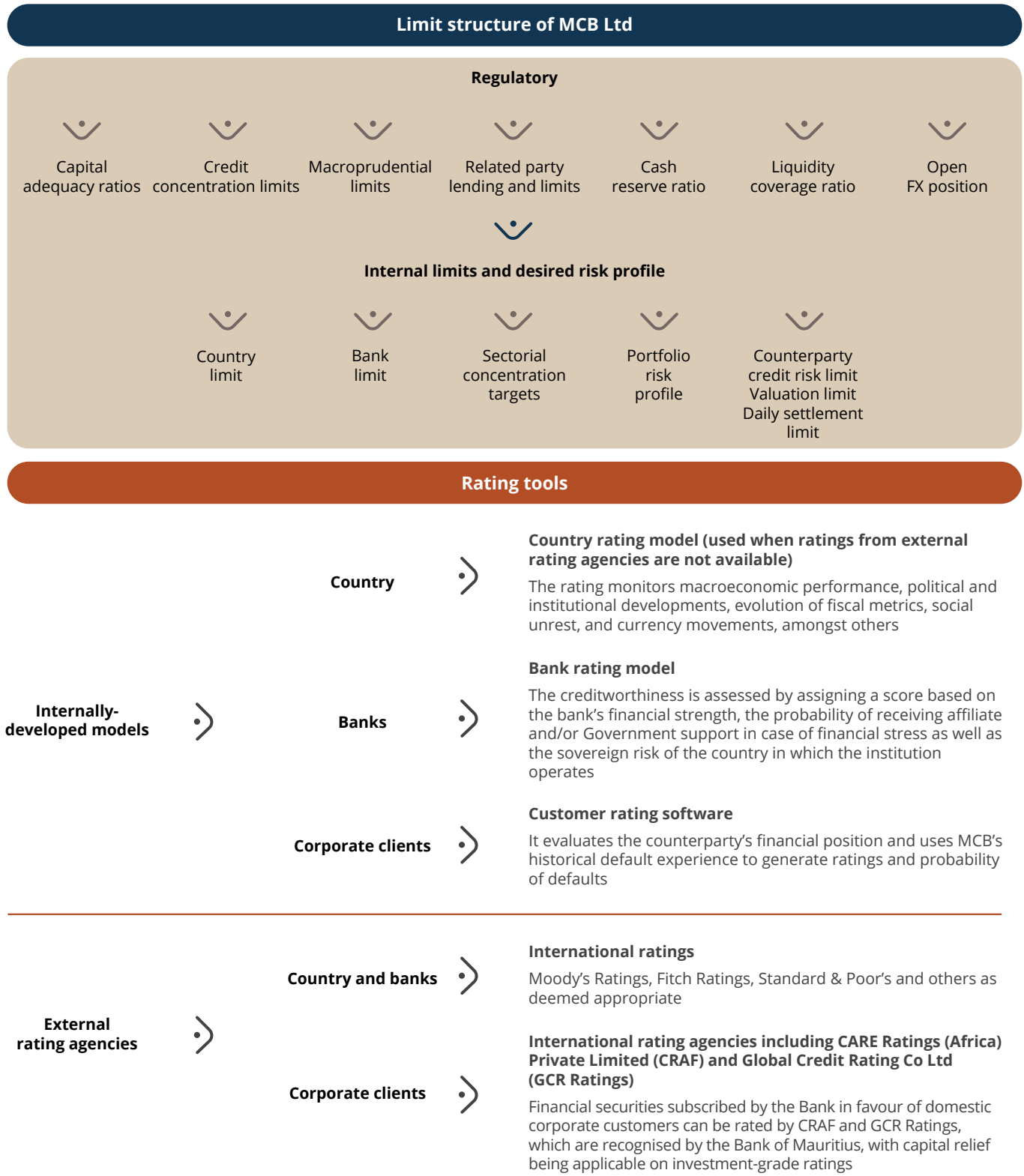


Use of internally-generated and externally-sourced rating tools



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.



Management of key risks

Our risk management cycle

Our expanding portfolio and growing market presence underscore the critical importance of maintaining a continuous and integrated risk management lifecycle. The Group'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 the Group, 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 our main operations and activities. We ensure that sound credit risk management principles are adopted to uphold quality and well-diversified portfolios that are aligned with the 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 the 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. MCB Group strives to adopt a strong culture of responsible lending and debt recovery, while 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.

The Credit Risk Policy of applicable Group entities, which is approved and reviewed by their respective Boards and relevant sub-committees, sets forth the principles by which they conduct their credit risk management activities. The Policy defines the roles and responsibilities for credit risk to be effectively managed across business segments. It provides guidance in the formulation of appropriate frameworks that work towards ensuring that business generation is harmonised with the established target market criteria. The *modus operandi* shaping up the credit risk management set-up is governed by rules set out in Guidelines issued by the respective central banks.

Measurement and monitoring

Credit risk measurement consists of appraising the track record of customers as appropriate for the prediction of likely future behaviours of existing accounts. Credit facilities granted are guided by the credit standing, source of repayment and debt servicing ability of the borrower. As a fundamental credit principle, we do 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 performed depending on the type, liquidity and volatility of the collateral value.

Ultimately, we assess 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. This is achieved by channelling risk capital from low-return to high-return business areas, commensurate with risks shouldered. We measure credit risk capital requirements by applying appropriate risk weights to both on-balance sheet and off-balance sheet exposures in line with regulatory requirements. In this respect, MCB Ltd 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 also used for the purpose of the stress testing and limits determination exercises.

The relevant credit risk metrics of the Group entities, in particular banking and para-banking subsidiaries are measured and reviewed against set limits by the respective Boards and/or RMCs on a quarterly and ad hoc basis. The objective is to ensure that the entities, at any time, maintain adequate capital to provide for their growth and to support a reasonable measure of unexpected losses.

Risk-weighted assets for credit risk

Risk-weighted on-balance sheet assets	Jun 25			Jun 24
	Amount	Weight	Weighted Assets	Weighted Assets
	Rs m	%	Rs m	Rs m
Cash items	4,328	0 - 20	92	78
Claims on sovereigns	277,294	0 - 100	1,400	5,908
Claims on central banks	115,978	0 - 100	13,033	14,286
Claims on banks	114,597	20 - 100	36,462	29,072
Claims on non-central government public sector entities	1,445	0 - 100	345	413
Claims on corporates	343,475	20 - 150	296,858	296,621
Claims on retail segment	18,260	75	12,669	13,168
Claims secured by residential property	51,985	35 - 125	21,306	18,394
Claims secured by commercial real estate	14,298	100 - 125	16,331	18,084
Fixed assets/other assets	52,333	100 - 250	56,394	51,401
Past due claims	2,482	50 - 150	3,236	6,460
Total			458,126	453,885

Non-market related off-balance sheet risk-weighted assets	Jun 25					Jun 24
	Nominal Amount	Credit Conversion Factor	Credit Equivalent Amount	Weight	Weighted Amount	Weighted Amount
	Rs m	%	Rs m	%	Rs m	Rs m
Direct credit substitutes	2,594	100	2,593	0 - 100	2,493	2,485
Transaction-related contingent items	43,766	50	19,804	0 - 100	19,589	16,037
Trade related contingencies	115,835	20 - 100	22,725	0 - 100	18,734	16,714
Outstanding loans commitment	17,339	20 - 50	6,984	0 - 100	7,556	4,635
Total					48,372	39,871

Market-related off-balance sheet risk-weighted assets	Jun 25						Jun 24
	Nominal Amount	Credit Conversion Factor	Potential Future Exposure	Current Exposure	Credit Equivalent Amount	Weighted Assets	Weighted Assets
	Rs m	%	Rs m	Rs m	Rs m	Rs m	Rs m
Interest rate contracts	49,587	0 - 1.5	279	589	867	739	589
Foreign exchange contracts	739	1 - 7.5	632	834	1,466	1,041	477
Other commodity contracts (other than precious metals)	53,133	10 - 15	5,596	2,252	7,848	4,954	3,061
Total						6,734	4,128

Jun 25						Jun 24
Rs m						Rs m
Total credit risk-weighted assets						513,231
						497,884

Note: Figures may not add up to totals due to rounding

Mitigation and management

The credit risk management framework enables Group entities to manage credit risk within the limits of their defined risk appetite, to develop risk-response strategies and to optimise risk-taking by anticipating and acting on potential opportunities or threats. This framework encompasses the following: (i) comprehensive credit policies; (ii) clear segregation of the decision-making authority for the approval of loans; (iii) effective identification, measurement and management of credit risk; (iv) portfolio management to ensure capital adequacy; and (v) regular reporting to Management and committees on pertinent risk characteristics/trends.

Credit risk exposures are managed through robust credit assessments, structuring and monitoring processes. The latter involves the daily monitoring of credit limit excesses as well as 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 for closer scrutiny where appropriate. Several credit mitigation techniques are adopted by the banking entities in the course of their activities. These include security/collateral, netting, guarantees, credit insurance and political risk cover. Exposures arising from foreign exchange and derivatives are mainly mitigated through agreements, e.g. International Swaps and Derivatives Association Master Agreements and Credit Support Annex documentation, while exposures arising from repurchase agreements are mitigated through the Global Master Repurchase Agreement (GMRA).

We are intent on diversifying our lending portfolios by setting relevant exposure limits to ensure that our performance is not negatively impacted, for instance, by a large sectoral exposure default. It is the policy of the Group's entities to limit credit risk exposures and concentrations within the constraints of their capital base, while complying with regulatory stipulations, notably relating to aggregate large exposures and single borrower limits. Stress tests are, in some instances, performed on portfolios to ensure that sufficient capital is held to withstand any loss arising from significant exposure to a sector, single customer and group of closely-related customers.

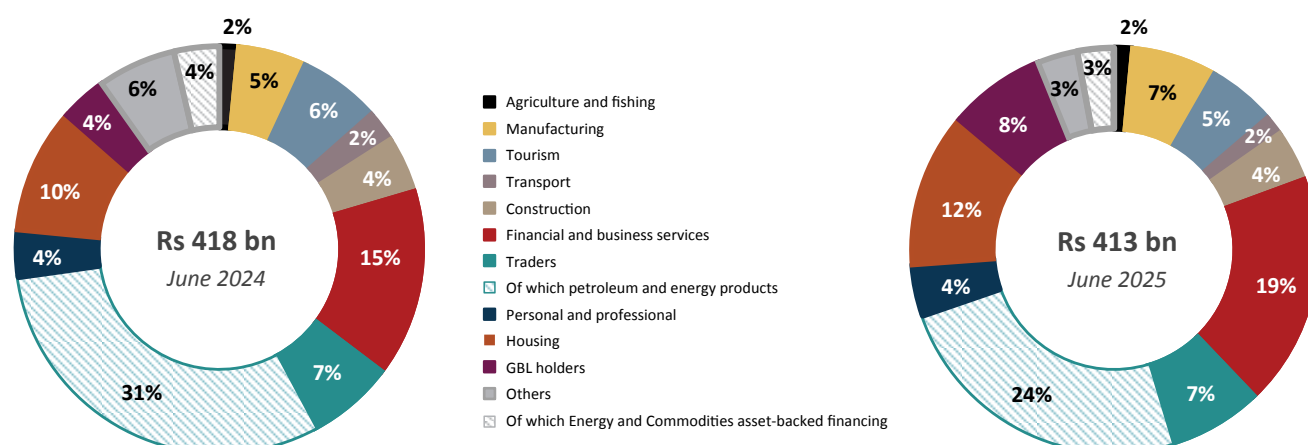
In FY 2024/25, we maintained a diversified market footprint across segments and geographies, which helped us remain well positioned in terms of credit concentration and within regulatory limits. Our largest credit concentration pertains to oil and gas with a major part of these exposures being of a short-term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

Loans to customers by segment



* Entities outside Mauritius pertain to MCB Ltd's cross-border activities

Loans to customers by sector



Concentration of exposures at MCB Ltd

Bank of Mauritius Guideline on Credit concentration Risk

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

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 Risk functions of Group entities perform independent assessments of distressed restructurings for staging purposes and to determine economic gains or losses.

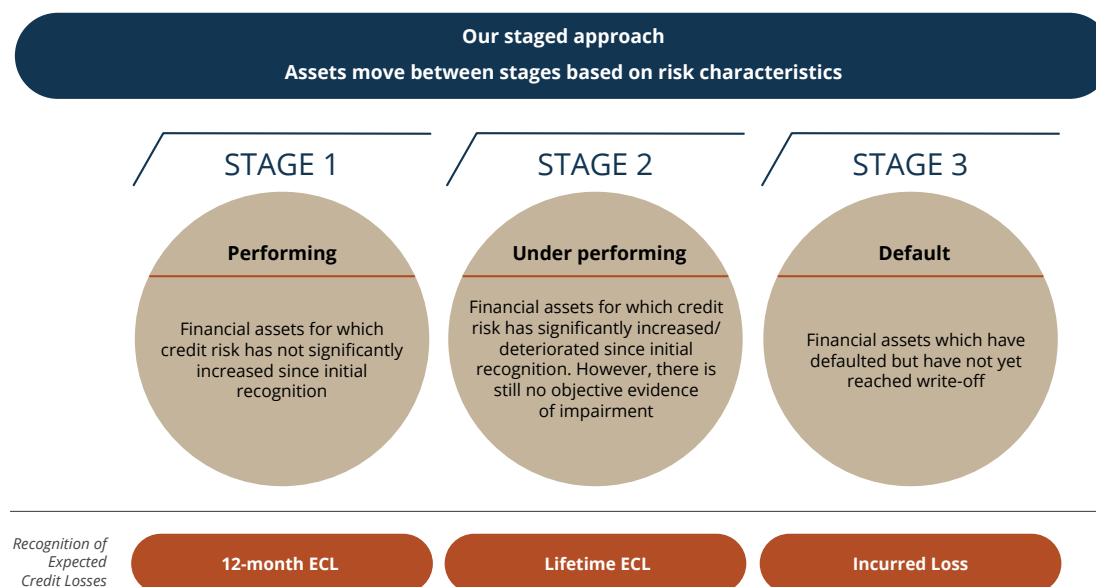
Determination and review of impairment and provisioning

With regard to the determination and review of impairment and provisioning levels, Group entities undertake their respective exercises on a regular basis. The entities adhere to relevant regulatory stipulations, alongside aligning themselves to other advocated standards. At the level of MCB Ltd, this exercise is undertaken on a quarterly basis 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 (BoM). 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, an entity considers reasonable and supportable information that is relevant and available without undue cost or effort. Within the Group, 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.

Relevant entities of the Group calculate ECL parameters for the retail segment 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. As for wholesale portfolios pertaining to corporate, financial institutions and sovereign amongst others, they use a combination of internal models and external benchmarking for the calculation of PDs, LGDs and EADs.

Formulation of Expected Credit Losses for FY 2024/25

Reflecting the proactive and prudent approach being endorsed by the Group to hold adequate provisioning levels in view 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.

In addition to the recalibration of models and review of forward-looking indicators, the entities applied additional overlays when the calculated ECLs were deemed insufficient. For instance, MCB Ltd applied an additional overlay on its retail portfolio for each quarter and conducted an in-depth individual analysis of clients with an exposure amount of Rs 100 million or more for its wholesale portfolio, which resulted in rating overlays or staging overlays where necessary.

As at 30 June 2025, ECL amounted to Rs 8.7 billion, of which Rs 7.5 billion pertained to stage 1 and stage 2 loans and advances, with the corresponding ECL coverage ratio standing at 1.6%.

MCB Ltd: 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

MCB Ltd: 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

Overseas banking subsidiaries: Provisions as at 30 June 2024

Overseas banking subsidiaries	Retail	Corporate	Financial institutions	Sovereign
	Rs m	Rs m	Rs m	Rs m
Stage 1				
Exposures	3,419	20,176	7,256	20,152
Expected Credit Losses	30	160	6	44
Coverage ratio (%)	0.9	0.8	0.1	0.2
Stage 2				
Exposures	50	498	0	0
Expected Credit Losses	5	37	0	0
Coverage ratio (%)	9.8	7.4	-	-
Stage 3				
Exposures	350	1,741	0	3
Specific provisions	292	988	0	3
Coverage ratio (%)	83.3	56.8	-	100.0

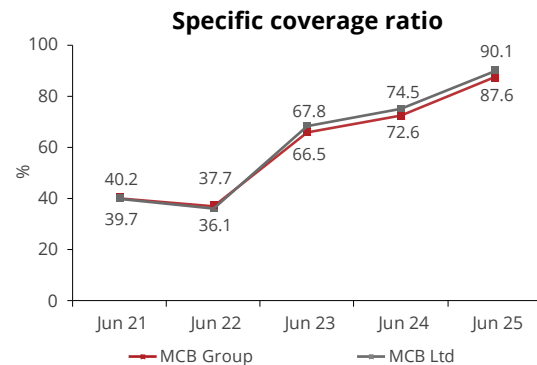
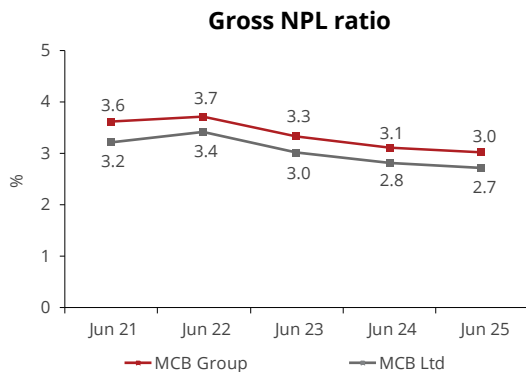
Overseas banking subsidiaries: Provisions as at 30 June 2025

Overseas banking subsidiaries	Retail	Corporate	Financial institutions	Sovereign
	Rs m	Rs m	Rs m	Rs m
Stage 1				
Exposures	3,521	18,361	9,154	22,563
Expected Credit Losses	33	144	8	77
Coverage ratio (%)	0.9	0.8	0.1	0.3
Stage 2				
Exposures	78	754	0	0
Expected Credit Losses	19	60	0	0
Coverage ratio (%)	23.9	8.0	-	-
Stage 3				
Exposures	330	1,667	0	3
Specific provisions	290	1,155	0	3
Coverage ratio (%)	87.9	69.3	-	100.0

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 3.0% as at June 2025, down from 3.1% in June 2024. Our specific coverage ratio rose from 72.6% to 87.6%, 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 Group	Rs m	% of exposures	Rs m	% of NPLs
Loans to customers				
Agriculture and fishing	445	7.3	292	49.6
Manufacturing	427	1.5	463	82.7
Tourism	3,379	15.4	3,857	96.4
Transport	286	4.5	441	90.0
Construction (including property development)	666	3.9	619	83.2
Financial and business services	1,363	1.8	1,330	88.7
Traders	2,653	2.0	3,067	92.1
of which petroleum and energy products	1,670	1.7	1,878	100.0
Personal and professional	1,014	1.5	532	39.2
of which credit cards	50	4.3	45	90.0
of which housing	536	1.1	191	30.4
Global Business Licence holders	3,033	9.9	4,341	98.3
Others	351	1.4	263	61.9
of which Energy and Commodities asset-backed financing	0	0.0	0	0.0
Corporate notes/bonds	371	0.7	391	99.6
Total	13,988	3.0	15,596	87.6

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 at MCB Ltd

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 BoM Guidelines on Country Risk Management and Cross-Border Exposure. The RMC is entrusted with the task of setting and reviewing the country risk framework and country risk appetite parameters. The RMC meets at least quarterly to monitor the performance of the Bank's cross-border exposures, including compliance with the risk appetite, risk limits and overall requirements set out in the framework on cross-border exposure. In February 2025, a Senior Country Risk Officer was appointed to head the 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.

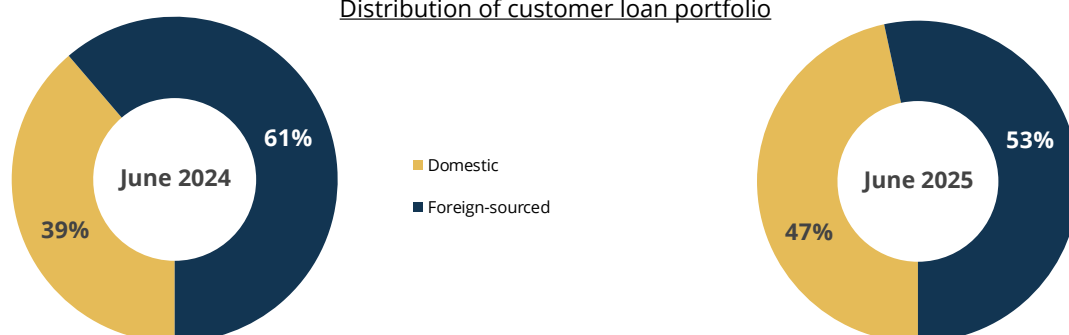
We carefully monitor country risk events, including macroeconomic developments, sovereign credit worthiness, and specific occurrences such as social unrest, nationalisation and expropriation of assets, foreign exchange controls, currency depreciation/devaluation and political developments. Foreign country 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.

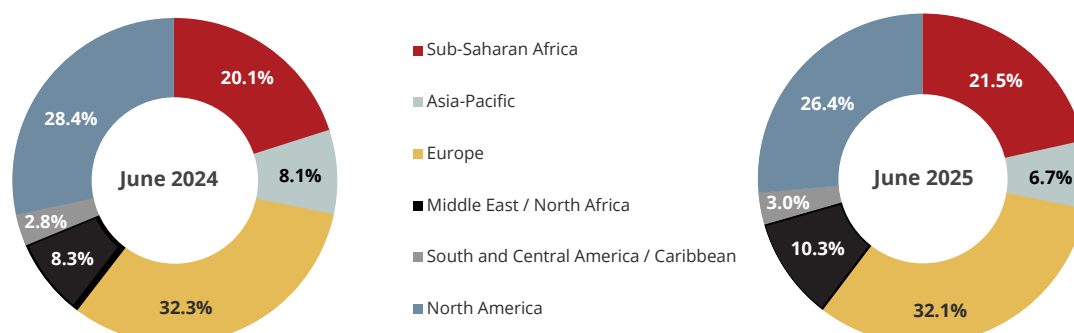
Diversification of exposures

Distribution of customer loan portfolio



Exposures by region

(Excluding Mauritius)



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

Market risk

General approach and objectives

The Group 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.

At the level of MCB Ltd, the 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.

Our overseas banking subsidiaries operate within the precinct of their Market Risk Policies, which put forward the relevant processes and controls to mitigate interest rate, foreign exchange as well as funding and liquidity risks faced. Market risk sanctioning mandates are delegated to Management for the conduct and monitoring of relevant day-to-day operations and activities. They are assisted by MCB Ltd's Financial Markets SBU in the deployment of their undertakings. The latter function services both their foreign exchange and money market requirements by delivering advisory services through direct access to its traders, who share their views about market trends and provide notifications on relevant updates.

Measurement and management

Interest rate risk

The Group is exposed to interest rate risks, mainly at the level of MCB Ltd 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 Group 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.

Asset and Liability Management risk

The Group 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 Group'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 Group limits this source of risk through the application, in most cases, of floating interest rates that are linked to benchmark rates.

The Group 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 Group 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 Group 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 of the banking subsidiaries oversee 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 entities in this respect. The Market Risk Policy stipulates that liquidity risk oversight is conducted independently of the risk-taking units, reinforcing the Group's 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 Group assesses funding and liquidity positions with respect to obligations under both Business As Usual (BAU) and stressed conditions. At the level of MCB Ltd, it sets 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

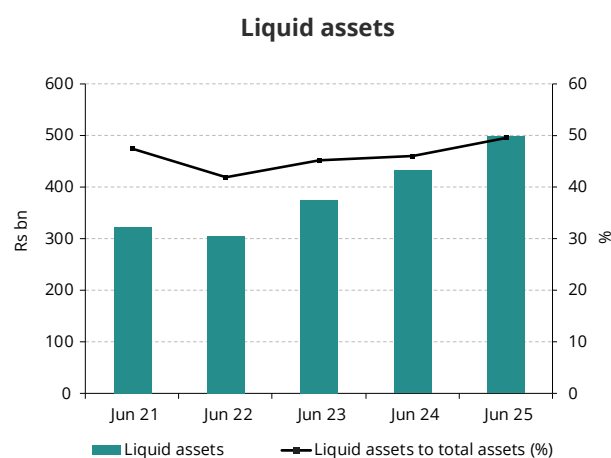
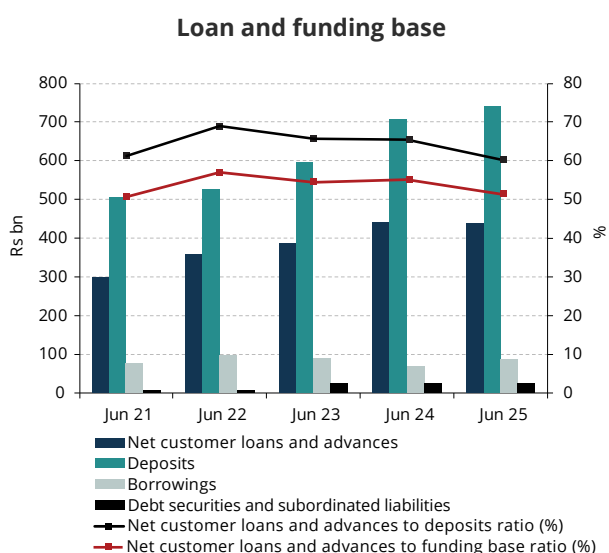
Mitigation and management

The Group 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, banking entities of the Group employ 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. They 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. They 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.

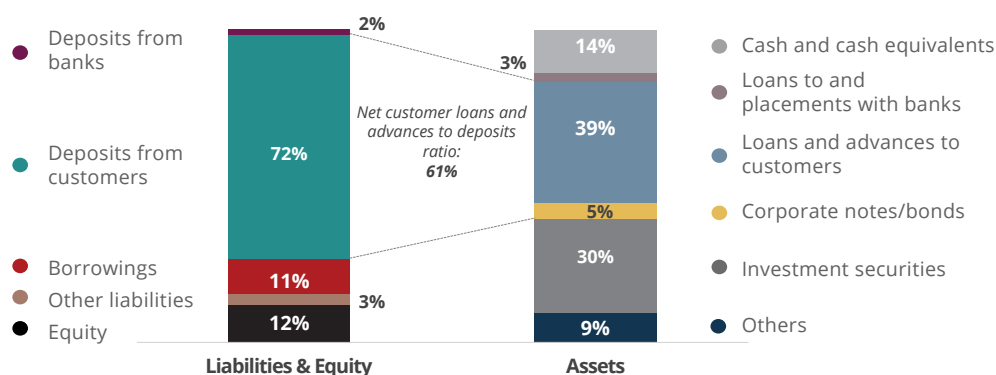
The stock of liquid assets is proactively managed to cover day-to-day cash management needs as well as to provide for an adequate coverage of the risk-weighted cash outflows associated with the standardised crisis scenario under the Basel III framework for liquidity coverage ratio. The components of 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 banking entities remain 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 Group 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, MCB Ltd 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 facility from the Asian market and repaid maturing syndicated facilities.



Note: Liquid assets comprise cash, balances with Central Banks, placements, T-Bills, Government securities and bonds

Asset funding structure as at June 2025



MCB Ltd: Key liquidity ratios

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. The minimum regulatory LCR stands at 100% for MUR, as well as for material foreign currencies, and consolidated LCR. The Guideline on Liquidity Risk Management requires banks to 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, the Bank's LCR in dollar terms stands at 306%. 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%, effective December 2024. Although this regulation has only recently been introduced, MCB Ltd has, since long, been monitoring its NSFR performance to ensure a 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.

Zoom on MCB Capital Markets (MCBCM)

By virtue of their activities, MCBCM and its subsidiaries are exposed to both financial and non-financial risks.

Financial risks:

Through its brokerage business, MCB Securities Ltd (MCBSL), MCBCM acts as market-maker and liquidity provider in respect of certain securities listed on the Stock Exchange of Mauritius. Appropriate safeguards have been implemented to ensure that any risks arising from this activity are properly mitigated. MCB Securities also offers underwriting services to corporate clients and is thus subject to financial risks. Such risks are managed by a formal process that involves: (i) a review and decision by MCBSL's Transaction Review Committee; and (ii) Escalation to the SMC for final review and approval.

Moreover, MCBCM is involved in the structuring, issuance and management of Credit Linked Notes. The underlying instruments are medium and long dated debt securities but are structured so as to provide targeted investors with regular exit windows, hence improving the liquidity profile of these financial products. Associated financial risks being borne by MCBCM also require some degree of active funding and liquidity management, mainly through adequate levels of capitalisation and access to appropriate funding lines.

The Group is also exposed to financial risks via its investment vehicles, MCB Equity Fund and MCB Real Assets, and, as such, ensures that it has the appropriate framework in place, including relevant due diligence, financial appraisal and follow-up of prospective investments, to manage and mitigate those risks.

Non-financial risks:

MCBCM is exposed to reputational risk given the potential conflict of interest particularly between buy-side and sell-side activities. This risk is managed through strict separation of the two activities both physically and in terms of information flows. Rigorous procedures are in place to control business interactions between these activities so as to ensure that transactions (if any) are carried out at arm's length. These procedures are further monitored by an independent risk function to ensure strict adherence thereto.

Model risk

General approach and objectives

We make 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 Group is determined to continuously 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. At the level of MCB Ltd, 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.

Mitigation and management

Policies and procedures have been established 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 post-deployment to evaluate input drift and accuracy. Once sufficient historical data is available, back-testing is conducted to validate their robustness and reliability.

Operational risk

General approach and objectives

The Group 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. Operational risk sanctioning mandates and day-to-day oversight responsibilities are entrusted to the Management of Group entities. The latter are responsible for the application and effectiveness of their respective Operational Risk Policy as approved by the Audit Committee. The operational risk policies formulate the principles and methodologies for the management of operational risk. They set out a framework which is aligned with best practices and standards, advocated rules and norms on the local and international fronts, while setting out the relevant roles and responsibilities within the entity. As part of their responsibility to implement the operational risk management framework, Management has to (i) ensure compliance with underlying objectives set in terms of the management of such types of risk; and (ii) foster the development, implementation and documentation of internal controls and processes.

Measurement and monitoring

The determination of the risk exposures is anchored on the regular review of operational risks inherent in internal processes and client solutions, with monitoring thereof performed against acceptable tolerance limits. MCB Ltd applies the Alternative Standardised Approach for calculating and reporting its operational risk capital charge whilst the other entities apply the Basic Indicator Approach. Information on operational risk events is recorded in centralised databases, which enables systematic root cause and trend analysis for necessary corrective actions.

Mitigation and management

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. For example, an overview of both Operational Risk and Business Continuity Management is provided – in the form of a dedicated induction course – to new employees joining MCB Ltd. The latter's Operational Risk Management Framework relies on three primary lines of control, as shown below.



Whilst the Operational Risk BU is responsible for the identification, assessment and management of related risks, operational risk management forms part of the day-to-day responsibilities of Management and employees. The Operational Risk Cartographies of the various SBUs are regularly updated and leveraged for the assessment of operational risks and the implementation of relevant controls.

Specific tools and systems adopted by MCB Ltd – such as the incident reporting system – are also leveraged by subsidiaries and tailored to their business realities for the management of operational risks. In addition, staff are offered training courses from MCB Ltd to ensure that they are well prepared to deal with specific risk management needs.

At MCB Capital Markets, the initial stage for the management of operational risks includes formal reviews of procedures and processes, analysis of complaints, incident reports and IT change requests as well as review of new products and services. The output is then used to update MCBCM's risk maps, where applicable, ensuring that all material risks faced by the business are captured along with their corresponding pre-control ratings. These risks are eventually re-assessed taking into account existing and additional controls that are required to arrive at a post-control rating. Any residual post-control risks deemed material will lead to a re-design of the relevant controls until such risks are adequately addressed, mitigated or eliminated.

Health and safety

The Group ensures the highest standards of safety and health are adopted across all our business activities and on our premises. Towards this end, it complies with the provisions of relevant legislations, e.g. the Occupational Safety and Health Act in Mauritius. 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 organisation, 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 Group to ensure that its entities continue to conduct their 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 the reputation of entities and the interests of key stakeholders by effectively planning for and responding to incidents.

Mitigation and management

The Group's Business Continuity Management (BCM) framework is an integral component of the Operational Risk Management framework and is encapsulated in entities' respective BCM policies. These policies set out the governance structure, methodology and principles for managing disruption-related risks, with a forward-looking focus on emerging threats, such as cyber risks, climate-related events and third-party dependencies, alongside traditional risks including technology outages and site unavailability. The BCM programme is centrally coordinated by entities' risk functions, in collaboration with relevant support functions. Crisis roles and responsibilities are clearly defined: dedicated Crisis Management Teams provide central command during a crisis, supported by specialised crisis teams and Business Continuity Champions within business segments who act as process owners for the design, periodic review and maintenance of recovery plans aligned to each entity's specificities.

Contingency strategies are refreshed on a continuing basis and validated through a structured cycle of exercises to confirm effectiveness and readiness to protect mission-critical activities. Banking entities conduct planned and unplanned disaster recovery simulations to validate DR site operability and the failover of critical systems; for illustration, MCB Ltd completed its planned annual concurrent DR simulation during the year and executed additional unplanned exercises to evidence technical readiness. Cyber resilience is assessed through immersive crisis simulations using realistic, evolving attack scenarios to test response capabilities and cross-functional coordination, while climate resilience is exercised through remote-working and alternative service-delivery arrangements during adverse weather. Findings are formally documented, with remediation actions assigned and tracked to closure through the BCM programme, reinforcing continuous improvement and overall organisational resilience.

Cyber and information security risk

General approach and objectives

The Group adopts a dedicated approach to safeguard its information security, alongside complying with applicable regulatory requirements on data protection. It ensures that we are prepared to respond to potential cyber-attacks and threats to our information assets in a timely and effective manner. The Group'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.

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. At MCB Ltd, 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 the 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, MCB Ltd conducts 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.

From a broader perspective, the Group's entities are guided by roadmaps that have been developed in order to ensure that policies and processes are continuously geared up to effectively cope with growing challenges posed by cyber threats. As such, several initiatives have been deployed to strengthen and ensure the robustness of the entities' information security including regular independent Penetration Testing and Vulnerability Assessments by leveraging external expertise. Further details on moves undertaken by MCB Ltd are provided below:

Recent initiatives at MCB Ltd

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 Group's second line of defence for managing risks, the Group Compliance Function is duty-bound to provide assistance to the Board and Management of the Group entities in order to ensure 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 organisation, the Group is committed to upholding ethical conduct and adherence to legal standards which, in turn, reinforces the trust and confidence of our stakeholders, including investors, customers and the communities in which the Group operates. It fosters a compliance-oriented culture, supporting business lines in delivering fair outcomes for customers and preserving the Group's reputation, all while helping to achieve sustainable business development objectives.

The Group Compliance Function also helps to protect the Group's goodwill and to minimise the risk of investigation, prosecution, regulatory sanctions and penalties.

The year in review from a Compliance Risk perspective

During the year, we ensured that our business activities were conducted in adherence to our compliance framework, while reinforcing Group-level oversight. The Group Compliance Function henceforth oversees the compliance aspects of the banking and non-banking entities of the Group, both locally and internationally where the Group has a presence. While the oversight is carried out by the Group Head of Compliance and her respective teams, each subsidiary of the Group takes ownership of the risks of its operations and the management of its compliance functions.

Group Code of Ethics and Business Conduct ('The Code')

The Code of Ethics and Business Conduct (the 'Code') has been revamped so that the Code 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.

Whistleblowing Policy

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.

Group Compliance AML/CFT initiatives

As part of its Anti-Money Laundering/Combating the Financing of Terrorism and Proliferation (AML/CFT) obligations, the Group has remained resilient in its approach towards maintaining the adequate framework in the fight against financial crimes. Indeed, our continued efforts to combat Money Laundering/Terrorist & Proliferation Financing (ML/TF/PF) has enabled us to reduce the impact of such risks on our customers, investors, societies in which we operate, to name a few. As a way to proactively address and effectively mitigate such risks, entities within the Group have put in place the relevant controls, policies and procedures which include, *inter alia*, staff training and awareness as well as monitoring activities to ensure adherence to legal and regulatory obligations.

Group Compliance main objectives

One of the main objectives of the Group Compliance Function is to foster collaboration across, create synergy and the necessary harmonisation among the organisation in compliance and regulatory matters. This operationalisation of the Group Compliance Function is achieved through the following key Group initiatives:

1. Centralised oversight – by identifying trends, gaps and best practices, while simultaneously reducing duplication of efforts
2. Economies of scale – in terms of cost efficiency for resources and compliance-related technology
3. Standardisation of policies and procedures – to the extent possible so as to establish a consistent approach for managing compliance risks
4. Enhancing overall compliance effectiveness – by conducting regular risk assessments, audits and reviews across the Group entities
5. Capacity building – sharing and transfer of knowledge among the entities of the Group, empowering staff through learning, thereby also creating a blend of specialist competencies

Group Compliance main priorities

From a holistic perspective, the main compliance priorities during the year in review encompassed the following:

- Implementing Group compliance controls, policies and procedures
- Ensuring adherence to Group's Code of Ethics and Business Conduct, Anti-Bribery Policy, Whistleblowing Policy and Fraud Policy to uphold good conduct, good order and the values of honesty and integrity
- Promoting strong ethical behaviour amongst employees of the Group as well as to prevent and manage any potential conflicts of interests
- Conducting compliance risk assessments, compliance audits and reviews
- Providing proactive compliance advice and support
- Conducting regular awareness and training programmes aiming to promote compliance culture, transparency and coherence across the Group
- Revamping and upholding the Group's whistleblowing system

- Ensuring ongoing enhancement of the transactional monitoring and screening alert systems, parameters and framework to reinforce effectiveness
- Implementing state-of-the-art compliance technologies
- Conducting Enterprise Risk Heat Map and the Enterprise Wide Risk Assessment (EWRA) from an AML/CFT perspective, including the identification of new/emerging risks and ensuring corrective measures are taken and monitored to minimise the likelihood of the risks materialising
- Paying continuous attention to the fast-changing legal and regulatory framework and undertaking regular reviews of ongoing developments with respect to laws, regulations, guidelines and standards of good practice
- Fostering trusted relationships with regulatory and supervisory bodies by sustaining productive and value-adding dialogue with them to uphold effective two-way communication
- Increasing synergies and close collaboration amongst risk functions and with other areas of the Group

Legal risk

General approach and objectives

The Group manages legal risk through a proactive and integrated approach that combines legal expertise with technology-driven solutions. The Legal SBU serves the entire Group, except MCB Capital Markets Ltd which maintains its own legal department, and plays a critical role in the risk management framework. 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 Group Risk. 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 Group continues to apply the Permanent Supervision methodology across banking entities to reinforce independent controls within its second line of defence. The permanent control approach is governed by the Group 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 banking entities adhere 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 within the entity.

The Group 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. Specifically at MCB Ltd, 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 at MCB Ltd

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 established 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.

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 at MCB Ltd

General approach and objectives

MCB Ltd 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 our 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 function 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.

Measurement, monitoring and management

MCB Ltd 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 its credit process, from initiation to monitoring, MCB Ltd 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

General approach

Our Internal Audit function, i.e. the third line of defence which is independent of the first and second lines, is responsible for providing independent assurance to the MCB Group Audit Committee, the Audit Committees of its subsidiaries and Management on the overall design and operating effectiveness of the risk management framework and its components. This includes the adequacy and effectiveness of key internal controls, governance and the risk management in place to monitor, manage and mitigate the principal risks to MCB Group and its subsidiary companies achieving their objectives.

The overseas banking subsidiaries are structured with their locally-based internal auditors, who carry out their assurance activities with the guidance and support of the Internal Audit SBU of MCB Ltd. The audit plans of both internal audit functions are considered by their respective Audit Committee to ascertain the most adequate coverage, with the expertise of Internal Audit SBU – which is certified as compliant with the Institute of Internal Auditors' (IIA) standards leveraged – to standardise the approach and quality of audit work. This provides the opportunity to enhance the effectiveness of internal audit management approach and processes. Based on its assessments, the Internal Audit function is presently not aware of any significant area of the Group where there are inadequate internal controls. The function does not believe that there are significant deficiencies in internal controls that could give rise to risks which could eventually jeopardise the operations of the Group. The third line of defence executes its duties freely and objectively in accordance with the IIA Code of Ethics and International Standards on independence and objectivity.

Capital management

The framework

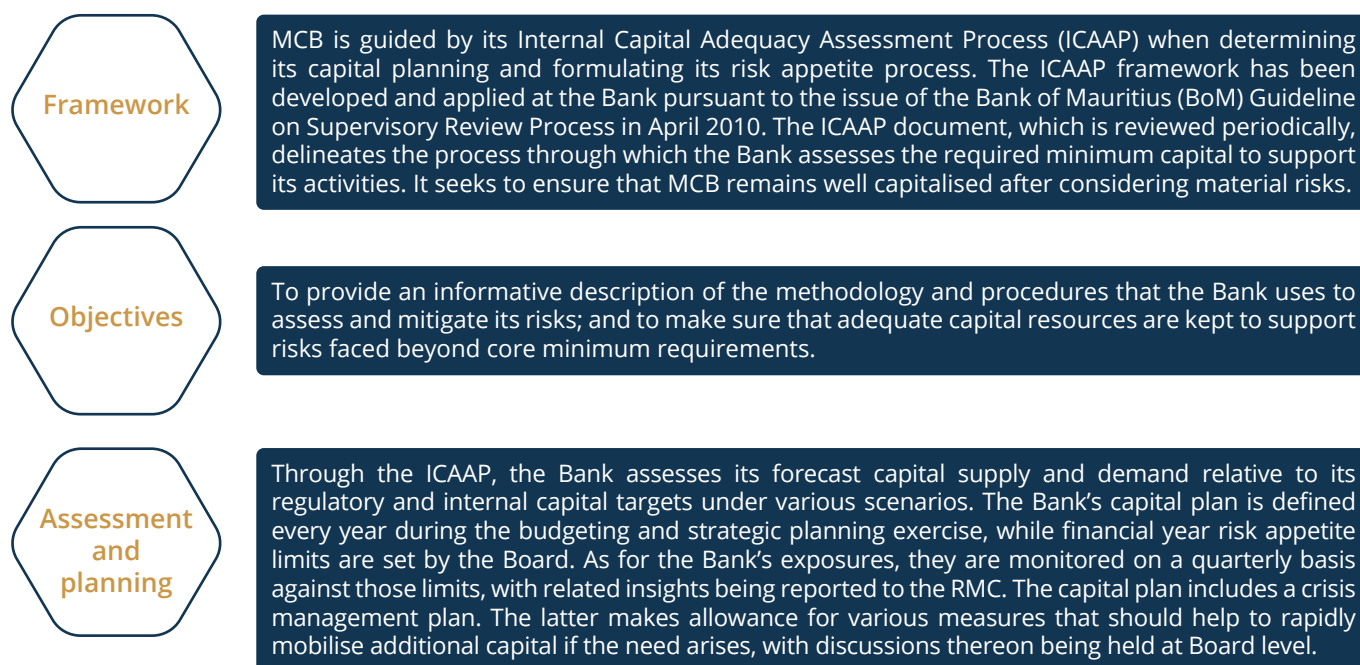
In line with regulatory rules, Basel requirements and industry best practices, the capital management objective of the Group is to ensure that adequate capital resources are available to operate effectively, foster sustained business growth, either maintain or enhance credit ratings and cope with adverse situations. Capital management policies and practices of the Group entities aim to maintain a strong capital position that is consistent with stakeholder expectations and requirements.

Capital management at the Group is underpinned by a forward-looking approach and coupled with a comprehensive governance framework. The entities determine the level and composition of capital after making allowance for multiple factors. They include the legal and regulatory landscape across countries, the business environments, conditions prevailing across economies and financial markets, the Group's strategic orientations, etc. Through this holistic assessment, we fine-tune our capital strategy to align with our broader goals, thereby ensuring our sustained resilience and capacity for strategic advancement.

Our process

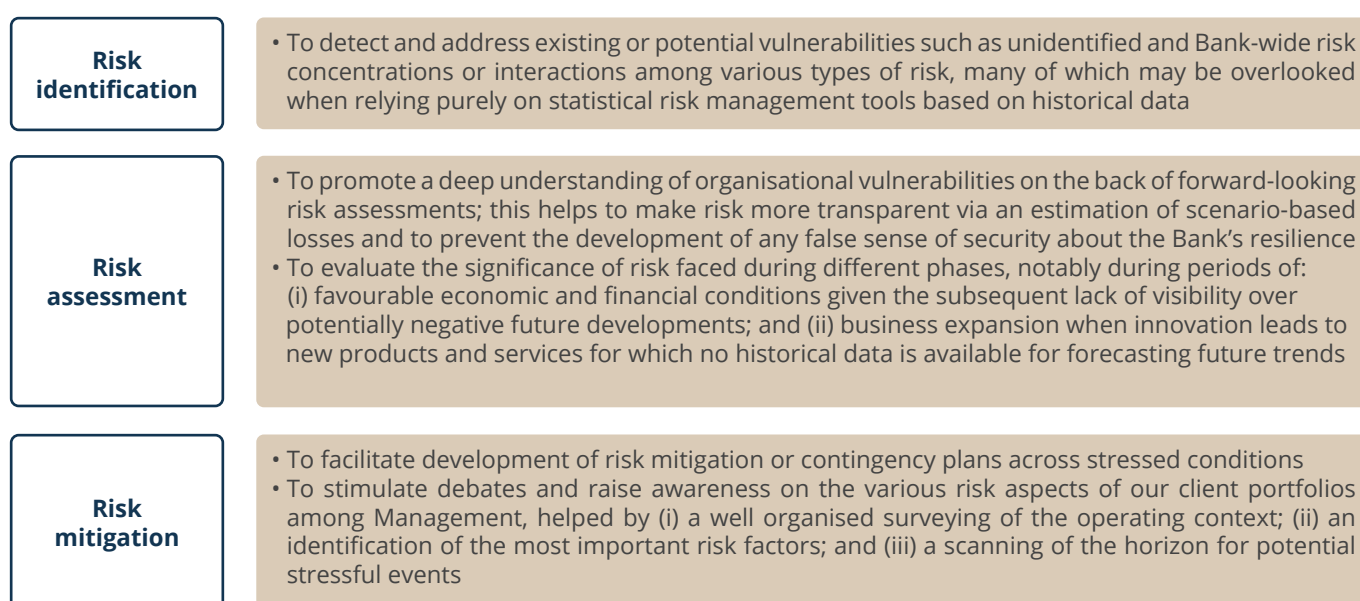
Commensurate with the strategic orientations, risk appetite and risk management framework approved by the Board of MCB Group Ltd, the entities, particularly those within the banking cluster, abide by their internal policies and practices for undertaking their capital management initiatives. These include (i) capital planning and allocation across business segments and geographies wherever applicable; (ii) capital reporting, budgeting and analysis; and (iii) management of capital consumption against budgets. Banking subsidiaries are guided by their Internal Capital Adequacy Assessment Process (ICAAP) in determining the capital planning exercise and formulating the risk appetite. This provides the framework to ensure that adequate capital is kept beyond core minimum requirements to support business activities.

Internal Capital Adequacy Assessment Process of MCB Ltd



Stress testing at MCB Ltd

Stress testing is a key risk management tool used by the Bank and is an integral part of its ICAAP. The aim of the Bank's stress testing framework is to identify, 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 new 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 stresses. 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.). In line with this approach, climate risk considerations have also started to be integrated into the Bank's stress testing framework, notably through the inclusion of a dedicated climate scenario as part of the risk appetite setting process and the ICAAP for FY 2024/25. 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.



Stress testing 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, NSFR, 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.

Internal Capital Adequacy Assessment Process at the level of our overseas banking subsidiaries

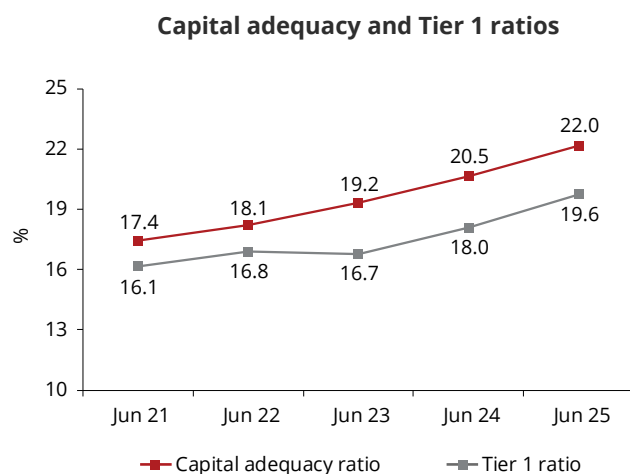
During the year under review, our overseas subsidiaries submitted their annual ICAAP documents. They demonstrated that they had robust internal assessment processes for capital adequacy towards Pillar II risk types to which they are exposed, as well as external risk factors.

Stress testing results

Our overseas subsidiaries conducted stress tests under various scenarios to assess the impact of unfavourable events on their capital position. They proved that they had robust capital bases, allowing them to withstand adversities in events of severe shocks, whilst also maintaining the capital adequacy ratios above the regulatory thresholds in the scenarios tested.

Capital position for FY 2024/25

The Group continued to be well capitalised in view of higher retained earnings and the issue of scrip shares in lieu of dividend under the Group's scrip dividend scheme. The capital adequacy and Tier 1 capital ratios increased to 22.0% and 19.6% respectively as at 30 June 2025. The predominant contribution thereto has emanated from the banking entities of the Group, for which maintenance of adequate capital levels is a key priority by virtue of their business operations and regulatory responsibilities. Risk-weighted assets of the Group stood at Rs 574 billion as at 30 June 2025, out of which 93% was accounted for by the banking cluster with MCB Ltd representing 83% of the overall risk-weighted assets.



Zoom on the banking cluster

Regulatory requirements

The Group's banking entities foster strict compliance with mandatory stipulations set by the regulators in their respective jurisdictions. In respect of MCB Ltd, it 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 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 Domestic-Systemically Important Banks is carried out on a yearly basis by the Central Bank using end-June figures. According to the assessment carried out by the BoM, 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 MCB Ltd stand at 13.0% and 15.0% respectively. As for the overseas banking entities, they are guided by the minimum regulatory ratios set out in the table below.

Minimum regulatory ratios

	MCB Ltd	MCB Seychelles	MCB Maldives	MCB Madagascar
As at 30 June 2025	%	%	%	%
Capital adequacy ratio	15.0	12.0	12.0	10.5
Tier 1 ratio	13.0	6.0	6.0	8.5

Performance for FY 2024/25

The capital adequacy ratio of the banking cluster – as measured at the level of MCB Investment Holding Ltd on a consolidated basis – stood at 20.1% as at 30 June 2025. The capital base was primarily made up of core capital, with the Tier 1 ratio standing at 17.8%. The following tables depict the capital adequacy ratios posted by the banking cluster.

Banking cluster: Capital adequacy ratios

Capital adequacy	MCB Group		Banking cluster	
	Jun 24	Jun 25	Jun 24	Jun 25
	Rs m	Rs m	Rs m	Rs m
Capital base				
Ordinary shares (paid-up) capital	6,975	9,545	8,880	8,880
Retained earnings	89,913	102,647	72,069	81,971
Accumulated other comprehensive income and other disclosed reserves	7,264	6,266	10,924	11,062
Common Equity Tier 1 capital before regulatory adjustments	104,153	118,458	91,873	101,913
Regulatory adjustments				
Goodwill and other intangible assets	(3,211)	(3,494)	(2,719)	(3,050)
Deferred tax assets	(3,168)	(3,599)	(4,118)	(4,846)
Cash flow hedge reserve	0	110	0	11
Defined benefit pension fund assets	(754)	0	(754)	0
Common Equity Tier 1 capital (CET1)	97,020	111,474	84,283	94,028
Additional Tier 1 capital (AT1)	1,621	943	-	-
Tier 1 capital (T1 = CET1 + AT1)	98,640	112,417	84,283	94,028
Capital instruments	7,057	6,757	7,057	6,757
Provisions or loan-loss reserves	6,224	6,415	5,858	5,927
45% of surplus arising from revaluation of land and buildings	1,288	1,264	-	-
Tier 2 capital before regulatory adjustments	14,568	14,436	12,915	12,684
Regulatory adjustments	(559)	(583)	(557)	(580)
Tier 2 capital (T2)	14,009	13,854	12,358	12,104
Total capital (T1 + T2)	112,649	126,271	96,641	106,132
Risk-weighted assets	Rs m	Rs m	Rs m	Rs m
Weighted amount of on-balance sheet assets	453,885	458,126	424,784	419,907
Weighted amount of off-balance sheet exposures	43,999	55,106	43,875	54,290
Weighted risk assets for operational risk	46,229	55,428	44,258	53,096
Aggregate net open foreign exchange position	4,446	4,914	1,148	1,017
Total risk-weighted assets	548,558	573,573	514,065	528,310
Capital adequacy ratios (%)	Jun 24	Jun 25	Jun 24	Jun 25
Total capital adequacy ratio	20.5	22.0	18.8	20.1
of which Tier 1	18.0	19.6	16.4	17.8

Note: Figures may not add up to totals due to rounding

	MCB Ltd	MCB Seychelles	MCB Maldives	MCB Madagascar
	%	%	%	%
Capital adequacy ratio				
As at 30 June 2024	19.8	20.2	66.5	11.2
As at 30 June 2025	21.1	20.8	62.8	10.9
Tier 1 ratio				
As at 30 June 2024	17.3	17.4	57.4	9.3
As at 30 June 2025	18.6	17.9	52.6	8.8

Note: Figures are as per the banking entities' respective regulatory norms



Stephen DAVIDSON
Director
Chairperson Risk Monitoring Committee



Jean Michel NG TSEUNG
Group Chief Executive



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.





Independent auditor’s report to the Shareholders of MCB Group Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **MCB Group Limited** (the “Company” or the “Public Interest Entity”) and its subsidiaries (the “Group”) set out on pages 202 to 313, 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, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and 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 Company 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 (“IFRS Accounting Standards”), and comply with the requirements of the Mauritius Companies Act 2001 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 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.

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. The key audit matters described below relate to the consolidated financial statements and no key audit matter was identified on the separate financial statements.

Key audit matter	How our audit addressed the key audit matter
Provision for expected credit losses - Financial assets which are not credit impaired	
<i>IFRS 9 Financial Instruments</i> (“IFRS 9”) requires the Group 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 has used the run-off triangle model to estimate ECL 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.	Our audit procedures included amongst others: • Inspecting the minutes of the Board and its subcommittees to ensure that there are governance controls in place in relation to assessment of the ECL; • Using specialist team in performing certain procedures: - Evaluating the appropriateness of the impairment methodologies applied by the Group against the requirements of IFRS 9; - Assessing the appropriateness of macro-economic forecasts used; and - Independently assessing assumptions underlying the PD, LGD and EAD.

Independent auditor's report to the Shareholders of MCB Group Limited (Cont'd)

Key audit matters (Cont'd)

Key audit matter	How our audit addressed the key audit matter
Provision for expected credit losses - Financial assets which are not credit impaired (Cont'd)	
• 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 ECL on a forward-looking basis using the most appropriate macro-economic forecasts. The macroeconomic 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.	• Reviewing a sample of the rating reports derived from the internal rating system; • 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.

Due to the significance of the judgements and estimates 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.

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.

Our audit procedures included amongst others:

- Obtaining audit evidence in respect of key controls over the processes for identification of impairment events for impaired assets and impairment assessment;
- Inspecting the minutes of the Board and its subcommittees to ensure that there are governance controls in place in relation to assessment of allowances for credit impairment;
- Challenging the methodologies applied by using our industry knowledge and experience;
- Obtaining audit evidence of management judgements and assumptions;

Independent auditor's report to the Shareholders of MCB Group Limited (Cont'd)

Key audit matters (Cont'd)

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 (Cont'd)	
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.	- 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 allowances for credit impairment; and - Assessing whether the disclosures are in accordance with the requirements of IFRS 9.

Other information

The directors are responsible for the other information. The other information comprises the below sections:

- Financial highlights
- Non-financial highlights
- Reflections from the Chairperson
- Board of Directors, Committees of the Board and Management
- About this report
- Our corporate profile
- Value creation for our stakeholders
- Delivering on our strategic objectives
- CFO report
- Corporate governance report, including the statement of directors' responsibilities and statement of compliance
- Company Secretary's certificate;
- Risk and capital management report; and
- Administrative information

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.

Independent auditor's report to the Shareholders of MCB Group Limited (Cont'd)

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, and in compliance with the requirements of the Mauritius Companies Act 2001 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 the 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 Company'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/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and the Company's financial reporting process.

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 Company's internal control.
- Evaluate the appropriateness of material accounting policy information 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 Company'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 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/or the Company 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless laws or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditor's report to the Shareholders of MCB Group 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 Company 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 Company 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.

Use of this report

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them 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 Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



Deloitte
Chartered Accountants

26 September 2025



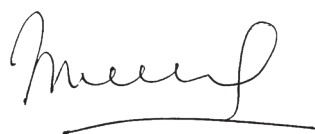
Vishal Agrawal, FCA
Licensed by FRC

Consolidated and Separate Statements of financial position

as at 30 June 2025

		GROUP		COMPANY	
		2025	2024	2025	2024
	Notes	RS'M	RS'M	RS'M	RS'M
ASSETS					
Cash and cash equivalents	4	136,864	94,508	1,103	1,862
Derivative financial instruments	5	3,748	2,077	-	-
Loans to and placements with banks	6(a)	30,508	12,742	-	1,233
Loans and advances to customers	6(b)	391,118	399,161	-	-
Investment securities	7	355,436	345,677	4,990	615
Investments in associates and joint venture	8	13,276	13,102	154	154
Investments in subsidiaries	9	-	-	13,510	13,378
Investment properties	10	5,552	5,305	-	-
Goodwill and other intangible assets	11	3,427	3,144	-	-
Property, plant and equipment	12	8,060	7,611	227	229
Deferred tax assets	13	4,845	4,118	-	-
Post employment benefit asset	20	-	754	-	-
Other assets	14	54,160	50,548	3,366	2,842
Total assets		1,006,994	938,747	23,350	20,313
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities					
Deposits from banks	15(a)	14,811	35,944	-	-
Deposits from customers	15(b)	725,562	672,464	-	-
Derivative financial instruments	5	4,071	1,996	-	-
Other borrowed funds	16	86,761	66,579	-	-
Debt securities	17	17,543	18,342	4,489	4,485
Subordinated liabilities	18	6,707	7,057	-	-
Preference shares	19	943	1,621	943	1,621
Current tax liabilities		2,751	2,864	-	3
Deferred tax liabilities	13	651	548	-	-
Post employment benefit liability	20	456	-	-	-
Other liabilities	21	25,484	24,317	3,568	3,355
Total liabilities		885,740	831,732	9,000	9,464
Shareholders' equity					
Stated capital	22	9,546	6,975	9,546	6,975
Retained earnings		93,116	82,170	4,445	3,913
Other components of equity		15,041	14,114	359	(39)
Equity attributable to the equity holders of the parent		117,703	103,259	14,350	10,849
Non-controlling interests		3,551	3,756	-	-
Total equity		121,254	107,015	14,350	10,849
Total equity and liabilities		1,006,994	938,747	23,350	20,313
CONTINGENT LIABILITIES (NET)					
	23	202,919	190,152		

These financial statements were approved by the Board of Directors and authorised for issue on 26 September 2025.



Jean Michel NG TSEUNG
Director
Group Chief Executive



Jayananda NIRSIMLOO
Director
Chairperson-Board of Directors



San T. SINGARAVELLOO
Director
Chairperson-Audit Committee

Consolidated and Separate Statements of profit or loss

for the year ended 30 June 2025

	Notes	GROUP		COMPANY	
		2025	2024	2025	2024
		RS'M	RS'M	RS'M	RS'M
Interest income using the effective interest method	24	49,037	45,617	56	76
Interest expense	25	(21,985)	(21,378)	(285)	(332)
Net interest income		27,052	24,239	(229)	(256)
Fee and commission income	26	12,200	11,309	-	-
Fee and commission expense	27	(3,757)	(3,758)	-	-
Net fee and commission income		8,443	7,551	-	-
Net trading income	28	5,058	4,220	(94)	60
Net gain from equity financial instruments carried at fair value through profit or loss		471	336	-	-
Dividend income	29	191	136	7,582	6,032
Other operating income		945	769	-	-
Loss on disposal of associate		-	(241)	-	-
		6,665	5,220	7,488	6,092
Operating income		42,160	37,010	7,259	5,836
Non-interest expense					
Salaries and human resource costs	30(a)	(8,706)	(7,415)	(123)	(142)
Depreciation of property, plant and equipment	12	(935)	(889)	(2)	(3)
Amortisation of intangible assets	11	(701)	(702)	-	-
Other	30(b)	(5,405)	(4,581)	(103)	(89)
		(15,747)	(13,587)	(228)	(234)
Operating profit before impairment		26,413	23,423	7,031	5,602
Impairment charge	31	(3,505)	(3,684)	(319)	(239)
Operating profit		22,908	19,739	6,712	5,363
Share of profit of associates	8(e)	34	582	-	-
Profit before tax		22,942	20,321	6,712	5,363
Income tax expense	32	(4,932)	(4,126)	(6)	(2)
Profit for the year		18,010	16,195	6,706	5,361
Profit for the year attributable to:					
Ordinary equity holders of the parent		18,065	16,045	6,706	5,361
Non-controlling interests		(55)	150	-	-
		18,010	16,195	6,706	5,361
Earnings per share:					
Basic (Rs)	34(a)	70.15	63.69		
Diluted (Rs)	34(b)	70.13	63.65		

The notes on pages 212 to 313 form part of these financial statements.
Auditor's report on pages 196 to 200.

Consolidated and Separate Statements of comprehensive income

for the year ended 30 June 2025

	GROUP		COMPANY	
	2025	2024	2025	2024
Note	RS'M	RS'M	RS'M	RS'M
Profit for the year	18,010	16,195	6,706	5,361
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Net fair value gain/(loss) on equity instruments	712	75	401	(30)
Remeasurement of defined benefit pension plan, net of deferred tax	(1,085)	117	-	-
Share of other comprehensive income of associates	92	341	-	-
	(281)	533	401	(30)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(91)	357	-	-
Reclassification adjustment on disposal of associate	-	192	-	-
Change in fair value of hedge instrument	(66)	-	-	-
Reclassification of effective portion of hedge	55	-	-	-
Net fair value gain/(loss) on debt instruments	128	(43)	(3)	6
	26	506	(3)	6
Other comprehensive income for the year	(255)	1,039	398	(24)
Total comprehensive income for the year	17,755	17,234	7,104	5,337
Total comprehensive income attributable to:				
Ordinary equity holders of the parent	17,920	16,767	7,104	5,337
Non-controlling interests	(165)	467	-	-
	17,755	17,234	7,104	5,337

The notes on pages 212 to 313 form part of these financial statements.
Auditor's report on pages 196 to 200.

Consolidated Statement of changes in equity

for the year ended 30 June 2025

		Attributable to equity holders of the parent						Non-Controlling Interests	Total Equity	
		Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	Cash Flow Hedge Reserve			Total
Notes		RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	
GROUP										
At 1 July 2023		4,907	71,323	2,655	1,913	8,965	-	89,763	3,332	93,095
Profit for the year		-	16,045	-	-	-	-	16,045	150	16,195
Other comprehensive income for the year		-	131	51	540	-	-	722	317	1,039
Total comprehensive income for the year		-	16,176	51	540	-	-	16,767	467	17,234
Dividends to ordinary shareholders	33	-	(5,339)	-	-	-	-	(5,339)	(43)	(5,382)
Issue of shares following conversion of preference shares into ordinary shares	22	679	-	-	-	-	-	679	-	679
Shares issued under the Scrip Dividend Scheme	22	1,275	-	-	-	-	-	1,275	-	1,275
Issue of shares following the exercise of Group Employee Share Options Scheme	22	114	-	-	-	-	-	114	-	114
Transactions with owners		2,068	(5,339)	-	-	-	-	(3,271)	(43)	(3,314)
Share of other movements in reserves of associate		-	39	(39)	-	-	-	-	-	-
Transfers		-	(29)	-	24	5	-	-	-	-
At 30 June 2024		6,975	82,170	2,667	2,477	8,970	-	103,259	3,756	107,015
Profit/(loss) for the year		-	18,065	-	-	-	-	18,065	(55)	18,010
Other comprehensive income for the year		-	(1,128)	1,088	(94)	-	(11)	(145)	(110)	(255)
Total comprehensive income for the year		-	16,937	1,088	(94)	-	(11)	17,920	(165)	17,755
Dividends to ordinary shareholders	33	-	(6,174)	-	-	-	-	(6,174)	(40)	(6,214)
Issue of shares following conversion of preference shares into ordinary shares	22	678	-	-	-	-	-	678	-	678
Shares issued under the Scrip Dividend Scheme	22	1,691	-	-	-	-	-	1,691	-	1,691
Issue of shares following the exercise of Group Employee Share Options Scheme	22	202	-	-	-	-	-	202	-	202
Transactions with owners		2,571	(6,174)	-	-	-	-	(3,603)	(40)	(3,643)
Share of other movements in reserves of associate		-	207	(61)	-	-	-	146	-	146
Transfers and other movements		-	(24)	-	-	5	-	(19)	-	(19)
At 30 June 2025		9,546	93,116	3,694	2,383	8,975	(11)	117,703	3,551	121,254

The notes on pages 212 to 313 form part of these financial statements.
Auditor's report on pages 196 to 200.

Separate Statement of changes in equity

for the year ended 30 June 2025

COMPANY	Notes	Stated Capital	Retained Earnings	Capital Reserve	Total Equity
		RS'M	RS'M	RS'M	RS'M
At 1 July 2023		4,907	3,891	(15)	8,783
Profit for the year		-	5,361	-	5,361
Other comprehensive income for the year		-	-	(24)	(24)
Total comprehensive income for the year		-	5,361	(24)	5,337
Dividends to ordinary shareholders	33	-	(5,339)	-	(5,339)
Issue of shares following conversion of preference shares into ordinary shares	22	679	-	-	679
Shares issued under the Scrip Dividend Scheme	22	1,275	-	-	1,275
Issue of shares following the exercise of Group Employee Share Options Scheme	22	114	-	-	114
Transactions with owners		2,068	(5,339)	-	(3,271)
At 30 June 2024		6,975	3,913	(39)	10,849
Profit for the year		-	6,706	-	6,706
Other comprehensive income for the year		-	-	398	398
Total comprehensive income for the year		-	6,706	398	7,104
Dividends to ordinary shareholders	33	-	(6,174)	-	(6,174)
Issue of shares following conversion of preference shares into ordinary shares	22	678	-	-	678
Shares issued under the Scrip Dividend Scheme	22	1,691	-	-	1,691
Issue of shares following the exercise of Group Employee Share Options Scheme	22	202	-	-	202
Transactions with owners		2,571	(6,174)	-	(3,603)
At 30 June 2025		9,546	4,445	359	14,350

The notes on pages 212 to 313 form part of these financial statements.
Auditor's report on pages 196 to 200.

Consolidated and Separate Statements of cash flows

for the year ended 30 June 2025

	GROUP		COMPANY	
	2025	2024	2025	2024
Notes	RS'M	RS'M	RS'M	RS'M
Cash flows from operating activities				
Operating profit	22,908	19,739	6,712	5,363
Adjustments for:				
Depreciation of property, plant and equipment	935	889	2	3
Amortisation of intangible assets	701	702	-	-
Loss on disposal of property, plant and equipment	106	143	-	-
Loss on scrapped intangible assets	1	11	-	-
Loss on disposal of associate	-	241	-	-
Exchange (profit)/loss	(971)	611	7	-
Release of provision for employee benefits	(93)	(113)	-	-
Release for residual retirement gratuities	(4)	(45)	-	-
Charge/(Release) for credit impairment:				
Cash and cash equivalents	45	(22)	-	-
Loans and advances	4,011	4,341	-	-
Investment securities at amortised cost	232	458	-	-
Investment securities at fair value through other comprehensive income	1	1	-	-
Other assets - receivables	-	92	317	101
Off-balance sheet exposures	615	(171)	-	-
Fair value gain on investment property net of impairment of goodwill	(10)	-	-	-
Impairment of investment in subsidiaries	-	-	2	138
	28,477	26,877	7,040	5,605
Changes in:				
Other assets	(8,066)	(8,086)	(834)	(523)
Other liabilities	4,810	7,004	(110)	405
Derivative financial instruments	404	(83)	-	-
Investment securities at fair value through profit or loss	(2,319)	(2,246)	-	-
Deposits	36,151	109,872	-	-
Loans and advances	(21,288)	(51,019)	1,233	-
	9,692	55,442	289	(118)
Purchase of investments at fair value through other comprehensive income	(23,813)	(778)	(3,987)	(19)
Proceeds from sale of investments at fair value through other comprehensive income	19,053	561	-	-
Dividends received from associates	343	501	4	-
Dividends paid to ordinary shareholders	(4,164)	(3,754)	(4,164)	(3,754)
Dividends paid to non-controlling interests in subsidiaries	(40)	(43)	-	-
Income tax paid	(5,441)	(5,342)	(9)	-
	(14,062)	(8,855)	(8,156)	(3,773)
Net cash flows from operating activities	24,107	73,464	(827)	1,714
Investing activities				
Placement with bank	-	-	-	(1,233)
Purchase of property, plant and equipment	(1,364)	(910)	-	-
Purchase of intangible assets	(1,031)	(1,052)	-	-
Proceeds from sale of property, plant and equipment	7	14	-	-
Investment in subsidiary	-	-	(120)	(2)
Net subordinated loan granted to subsidiaries	-	-	(14)	(88)
Increase in investment securities at amortised cost	(3,187)	(75,898)	-	-
Net cash flows from investing activities	(5,575)	(77,846)	(134)	(1,323)
Financing activities				
Employee share options exercised	202	114	202	114
Issue of debt securities	-	2,484	-	2,484
Increase/(Decrease) in other borrowed funds	24,015	(22,987)	-	(1,616)
Repayment of lease liabilities	(203)	(84)	-	-
Net refund of subordinated liabilities	-	(1,375)	-	(1,104)
Net cash flows from financing activities	24,014	(21,848)	202	(122)
Increase/(Decrease) in cash and cash equivalents	42,546	(26,230)	(759)	269
Net cash and cash equivalents at beginning of the year	94,377	120,409	1,862	1,593
Effect of foreign exchange rate changes	(106)	198	-	-
Net cash and cash equivalents at 30 June	136,817	94,377	1,103	1,862

The notes on pages 212 to 313 form part of these financial statements.
Auditor's report on pages 196 to 200.

General information

MCB Group Limited ("the Company") was incorporated as a public company limited by shares on 5 August 2013. Its registered office is situated at 9-15, Sir William Newton Street, Port-Louis, Mauritius.

The Company is listed on the Official Market of the Stock Exchange of Mauritius.

The main activities of the Company and those of its subsidiaries ("the Group") consist in providing a whole range of banking and financial services in the Indian Ocean region and beyond.

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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 and the Financial Reporting 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. The Directors further have 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 MCB Group Limited ("The Company") 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.

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.

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.

1. Material accounting policy information (Cont'd)

(a) Basis of preparation (Cont'd)

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 financial statements.

(b) Basis of consolidation and equity accounting

(1) Subsidiaries

(i) 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.

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.

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)

(1) Subsidiaries (Cont'd)

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.

(ii) 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.

(iii) 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 disposals 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 and joint venture

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 or joint venture are accounted for using the equity method except when classified as held-for-sale. Investments in associates or joint venture are initially recognised at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate or joint venture 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 or joint venture'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 or joint venture's profit or loss.

When the Group's share of losses exceeds its interest in an associate or joint venture, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate or joint venture.

If there is objective evidence that the Group's net investment in an associate or joint venture 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.

1. Material accounting policy information (Cont'd)

(b) Basis of consolidation and equity accounting (Cont'd)

(2) Associates and joint venture (Cont'd)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture. When the Group retains an interest in the former associate or joint venture 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 or joint venture 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 or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture 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 or joint venture is disposed of.

When the Group transacts with an associate or joint venture, profits and losses resulting from the transactions are recognised in the financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate or joint venture. 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 or joint venture 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 or joint venture are recognised in profit or loss.

In the separate financial statements of the Company, the investments in associates or joint venture are carried at cost (which includes transaction costs). In subsequent years, the carrying amount is reduced to recognise any impairment in the value of the individual companies.

(c) Foreign currency translation

The foreign subsidiaries' statement 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 entity 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.

(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.

Notes to the financial statements

for the year ended 30 June 2025

1. Material accounting policy information (Cont'd)

(c) Foreign currency translation (Cont'd)

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 rate at the date 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 are subsequently 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:

- 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.
- 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, commissions and other income

Fees and commission

Fees and Commission income and expense include fees that are not integral part of the EIR.

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.

Fees and commission 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.

1. Material accounting policy information (Cont'd)

(g) Fees, commissions and other income (Cont'd)

Other income

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(h) Sale and repurchase agreements

Securities sold subject to linked repurchase agreements ("repos") are retained in the statement 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 amounts 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 entity 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.

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)

Debt instruments (Cont'd)

Business model (Cont'd)

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, 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 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 a 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 categorized 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 and impairment expenses are presented as separate line item in the statement of profit or loss.

1. Material accounting policy information (Cont'd)

(i) Investments, other financial assets and financial liabilities (Cont'd)

Debt instruments (Cont'd)

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.

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 fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. 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 statement of 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 amount 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.

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)

Modification of loans (Cont'd)

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 impairment charge.

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-months 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 does not result in derecognition, the estimate of 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 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-months 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.

1. Material accounting policy information (Cont'd)

(i) Investments, other financial assets and financial liabilities (Cont'd)

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 periods, 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 derivatives 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 statement of 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 expires).

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. 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 instrument.

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 guarantee contracts and loan commitments (Cont'd)

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 recognising gains and losses (or revenues and expenses) on associated hedging instruments and hedged items, so that both are recognised in profit or loss or other comprehensive income 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 Group 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 Group 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 profit or loss. 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.

Provided the hedge is effective, changes in the fair value of the hedging instrument are initially recognised in other comprehensive income 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 profit or loss.

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 profit or loss 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.

1. Material accounting policy information (Cont'd)

(i) Investments, other financial assets and financial liabilities (Cont'd)

Hedge Accounting (Cont'd)

For other cash flow hedges, the accumulated gains and losses recorded in equity should be reclassified to profit or loss as a reclassification adjustment, as defined in IAS 1, in the same period or periods during which the hedged expected future cash flows affect profit or loss. 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 profit or loss.

(j) Impairment Charge

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.

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-months 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 types 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 regulatory guidelines.

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 obligor is unlikely to honour its credit obligations.

Notes to the financial statements

for the year ended 30 June 2025

1. Material accounting policy information (Cont'd)

(j) Impairment charge (Cont'd)

Credit impaired (Cont'd)

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 a 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-months 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 considers 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.

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.

1. Material accounting policy information (Cont'd)

(j) Impairment charge (Cont'd)

Measurement of ECL (Cont'd)

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 'Impairment charge' as recoveries of advances written off.

(k) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Investment properties comprise hotel property that is occupied substantially for use by, or in the operations of the Group, not for sale in the ordinary course of business, but are held primarily to earn rental income. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

For the purpose of these financial statements, in order to avoid double counting, the fair value reported in the financial statements is:

- Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments.
- In the case of investment property held under a lease, increased by the carrying amount of any liability to the head lessor that has been recognised in the statement of financial position as a finance lease obligation.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(l) Goodwill

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity over the fair value of the net identifiable assets is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Notes to the financial statements

for the year ended 30 June 2025

1. Material accounting policy information (Cont'd)

(l) Goodwill (Cont'd)

Goodwill on acquisition of associates is included in investments in associates. According to IAS 36, goodwill is tested for impairment on an annual basis, or more frequently when there are indications that an impairment may have occurred. Impairment is tested by comparing the carrying amount of the cash-generating unit (CGU), including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds its carrying amount, the CGU and the goodwill allocated to that CGU are not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Group recognises an impairment loss. On disposal of a subsidiary or associate, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

(m) 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.

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.

(n) Intangible Assets

Computer software

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 management intends 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; and
- 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 are 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.

1. Material accounting policy information (Cont'd)

(n) Intangible Assets (Cont'd)

Customer relationship

Customer relationship paid by the Group and having finite useful life is initially recorded at cost. It is subsequently measured at cost less accumulated amortisation and impairment losses. Customer relationship is amortised using the straight-line method over its estimated useful life of 5 years. Amortisation method and useful life are reviewed at each reporting date and adjusted if appropriate.

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.

(o) 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 for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Notes to the financial statements

for the year ended 30 June 2025

1. Material accounting policy information (Cont'd)

(o) Leases (Cont'd)

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included as part of Property, plant and equipment in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in 'Property, Plant and Equipment'.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other non-interest expense" in profit or loss.

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.

(p) Accounting for leases - where the subsidiary is the lessor

Finance leases

The Group's subsidiary is engaged in the provision of leases to both individuals and corporates. The portfolio is made up principally of motor vehicles and equipment. As part of the wider risk management principles of the Group, the risks associated with the lease portfolio were monitored through rigorous credit assessment, determining the financed amount as part of the cost of the asset based on the customers' credit risk profile, setting up buy back agreements with suppliers for assets with high residual values, amongst others.

(i) Recognition and initial measurement

When assets are leased out under a finance lease, substantially all the risks and rewards incidental to legal ownership are transferred by the Group, and thus the lease payment receivable is treated by the Group as repayment of principal and interest income to reimburse and reward the lessor for its investment and services.

Initial direct costs such as commissions, legal fees and internal costs that are incremental and directly attributable to negotiating and arranging a lease, but excluding general overheads, are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term. The interest rate implicit in the lease is defined in such a way that the initial direct costs are included automatically in the finance lease receivable; there is no need to add them separately.

(ii) Subsequent measurement

The recognition of interest income shall be based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease. The Group aims to allocate interest income over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the Group's finance lease receivable.

Lease repayments relating to the period, excluding cost for services, are applied against the gross investment in the lease to reduce both the principal and the unearned finance income. Estimated unguaranteed residual values used in computing the Group's gross investment in a lease are reviewed regularly. If there has been a reduction in the estimated unguaranteed residual value, the income allocation over the lease is revised and any reduction in respect of amounts accrued is recognised immediately.

1. Material accounting policy information (Cont'd)

(p) Accounting for leases - where the subsidiary is the lessor (Cont'd)

Operating leases

Assets leased out under operating leases are included in plant and equipment in the statement of financial position. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Assets classified as operating leases are depreciated over their useful lives on a basis consistent with similar fixed assets.

(q) 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.

(r) 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.

(s) 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.

(t) 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.

Notes to the financial statements

for the year ended 30 June 2025

1. Material accounting policy information (Cont'd)

(t) Employee benefits (Cont'd)

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 20 to the financial statements.

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 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 leaves

The vacation leaves 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.

1. Material accounting policy information (Cont'd)

(u) 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 (via The Mauritius Commercial Bank Limited). 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 Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

(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 difference 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.

(v) 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.

(w) Dividend declared and unpaid

Dividend declared and unpaid to the Company's shareholders at reporting date is recognised as a liability in the period in which dividend is declared.

Notes to the financial statements

for the year ended 30 June 2025

1. Material accounting policy information (Cont'd)

(x) 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.

(y) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Supervisory and Monitoring Committee to make decisions about resources to be allocated to segments and assess their performance, and for which discrete financial information are available.

Detailed analysis of segment reporting is shown in note 36 to the financial statements.

(z) Stated capital

- (i) Ordinary shares are classified as equity.
- (ii) 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.

(aa) 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.

(ab) 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).

(ac) Share-based payments

Share-based compensation benefits are provided to all employees via the Group Employee Share Option Scheme ("GESOS"). Information relating to this scheme is set out in note 30 (c).

The fair value of options granted under the GESOS is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions,
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Social security contributions payable in connection with an option grant are considered an integral part of the grant itself and the charges are treated as cash-settled transactions.

(ad) 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 ordinary shares outstanding during the reporting year.

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 affects the reported amounts 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 the Risk and capital management report, 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 first be 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)

The management therefore make 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 is recognised to the extent that it is probable that future taxable income will be available against which unused tax losses can be utilised. 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 realised. 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 utilisation 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 Group 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. The Directors consider 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 assumptions and estimates are:

- Determination of the appropriate rate to discount the lease payments;
- Estimating the lease term;
- Assessing whether the right of use is impaired.

2. Critical accounting estimates and judgements (Cont'd)

(k) Property valuation

In arriving at the fair value of the properties, which was determined on an income approach basis, the Directors in consultation with the independent valuers had to make assumptions and estimates that were mainly based on market conditions existing at 30 June 2025. Should these assumptions and estimates change, or not be met, the valuation as adopted in the financial statements will be affected.

(l) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which the goodwill has been allocated. The value-in-use calculation requires the Directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value of the recoverable amount.

3. Financial risk management

(a) Financial risk management

The Group is actively engaged in the delivery of financial services, which includes retail and commercial banking, treasury services, custody and credit cards. 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 (including interest rate and foreign currency risk)

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.

More information on the credit risk profile and policies of the Group is provided in the Risk and capital management report.

Given that The Mauritius Commercial Bank Limited (the Bank) comprises a significant portion of the Group, some details provided below relate mainly to the Bank, unless otherwise stated.

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, the Bank uses Overnight Index Swap ("OIS") to convert the floating rate exposure of its assets into fixed rate cash flows. This strategy aims to protect the Bank's interest income from the adverse impact of declining interest rates, ensuring financial stability.

Notes to the financial statements

for the year ended 30 June 2025

3. Financial risk management (Cont'd)

(a) Financial risk management (Cont'd)

Cash flow hedge Accounting (Cont'd)

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 profit or loss within 'Net trading income'. The accumulated gains and losses recognised in other comprehensive income are reclassified to profit or loss 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 profit or loss. 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 profit or loss.

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 years
Interest rate risk - Interest rate Swaps (RS'M)	(6,756)	6,756

(b) Credit risk

Credit risk arises when customers or counterparties are not able to fulfil 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 Bank 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 Bank 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 Bank 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 Bank 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)

The following tables set out indicative information about the Group credit quality of financial assets. Unless otherwise stated, the amount in the table represent the gross carrying amount. More information on the credit risk profile and policies of the Group is provided in the Risk and capital management report.

GROUP				
	Stage 1	Stage 2	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M
At 30 June 2025				
Loans to and placements with banks				
Performing	30,618	-	-	30,618
	30,618	-	-	30,618
Loans and advances to customers				
Performing	384,040	-	-	384,040
Under performing	-	11,802	-	11,802
Non-performing	-	-	17,222	17,222
	384,040	11,802	17,222	413,064
At 30 June 2024				
Loans to and placements with banks				
Performing	13,076	-	-	13,076
	13,076	-	-	13,076
Loans and advances to customers				
Performing	390,613	-	-	390,613
Under performing	-	10,134	-	10,134
Non-performing	-	-	17,092	17,092
	390,613	10,134	17,092	417,839

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

The following tables set out the credit quality of exposures measured at amortised cost by different segments.

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
Small and medium enterprise	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

* Excluding interest in suspense

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 given below:

At 30 June 2025

	Gross exposure			Expected credit loss			Net exposure		
	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
Internal Rating									
<u>Total Wholesale</u>									
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
<u>Sovereign</u>									
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	-	-

* Excluding interest in suspense

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		
	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
Internal Rating									
<u>Financial Institutions</u>									
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	-	-

* Excluding interest in suspense

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		
	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
Internal Rating									
<u>Project Finance</u>									
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	-

* Excluding interest in suspense

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		
	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
Internal Rating									
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

* Excluding interest in suspense

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.

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
Small and medium enterprise	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

* Excluding interest in suspense

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 given below:

At 30 June 2024

Gross exposure			Expected credit loss			Net exposure		
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

Internal Rating

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	-	395	557	-	38,054	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	-	234	120	-	1,575	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

* Excluding interest in suspense

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		
	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
Internal Rating									
<u>Financial Institutions</u>									
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	-	-

* Excluding interest in suspense

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		
	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
Internal Rating									
<u>Project Finance</u>									
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
<u>Energy & Commodities</u>									
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	-

* Excluding interest in suspense

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		
	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
Internal Rating									
<u>Corporate</u>									
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

* Excluding interest in suspense

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)

Restructured financial assets

The Bank defines "rescheduling" as any amendment 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
	RS'M	RS'M
Amortised cost before restructure	25	95
Net modification gain or loss	3	2
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

Assets obtained by taking possession of collateral

Details of assets obtained by the Bank during the year by taking possession of collateral held as security against loans and advances and held at 30 June are shown below:

	2025	2024
	RS'M	RS'M
Property	103	105

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).

	GROUP	
	2025	2024
	RS'M	RS'M
Derivative financial instruments	3,748	2,077
Investment securities	10,685	4,361

Credit risk for the Company is negligible and managed through the Group's policies and processes.

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 the 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.

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)

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)

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) <i>SME</i> | Ln (GDP at basic prices)
Average Lending rate |
| (b) <i>Housing</i> | Ln (GDP at basic prices)
Unemployment rate for the year |
| (c) <i>Secured</i> | Ln (GDP at market prices)
Average lending rate |
| (d) <i>Unsecured</i> | 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	
	2025	2024
	RS'M	RS'M
Agriculture and fishing	355	364
Manufacturing	5,499	751
Tourism	3,072	3,743
Transport	206	1,855
Construction	7,949	8,181
Financial and business services	21,581	15,155
Traders	196,079	173,154
<i>of which Petroleum and Energy products</i>	183,008	161,244
Global Business Licence holders	1,376	435
Others	985	9,876
	237,102	213,514

Refer to the risk and capital management report for further details on concentration risk management.

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 Group'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 Group 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 Asset, Liability and Capital Management Unit (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 Group.

(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 Group 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 Group's equity. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	GROUP	
	2025	2024
	RS'M	RS'M
Financial assets at fair value through other comprehensive income	447	186
Financial assets at fair value through profit or loss	677	561
	1,124	747

(ii) Currency risk

Currency risk is defined as the risk that movements in foreign exchange rates adversely affect the value of the Group'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 ALCO.

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)

Concentration of assets, liabilities and off-balance sheet items

GROUP

At 30 June 2025

Financial assets

	EURO	USD	GBP	MUR	OTHER	TOTAL
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cash and cash equivalents	8,965	57,732	5,359	55,596	9,295	136,947
Derivative financial instruments	52	2,981	-	715	-	3,748
Loans to and placements with banks	7,260	19,555	3,220	583	-	30,618
Loans and advances to customers	45,116	197,975	213	152,134	17,626	413,064
Investment securities	12,852	92,963	88	238,569	12,129	356,601
Other financial assets	3,754	9,580	502	36,065	3,935	53,836
	77,999	380,786	9,382	483,662	42,985	994,814
Less allowances for credit impairment						(23,327)
						971,487

Financial liabilities

Deposits from banks	460	11,095	9	760	2,487	14,811
Deposits from customers	70,109	257,162	7,985	358,337	31,969	725,562
Derivative financial instruments	52	2,983	-	1,036	-	4,071
Other borrowed funds	3,719	81,786	1,013	60	183	86,761
Debt securities	-	13,527	-	4,074	(58)	17,543
Subordinated liabilities	-	6,757	-	-	(50)	6,707
Preference shares	-	-	-	943	-	943
Other financial liabilities	758	91	21	8,974	1,254	11,098
	75,098	373,401	9,028	374,184	35,785	867,496

Net on-balance sheet position

Less allowances for credit impairment	2,901	7,385	354	109,478	7,200	127,318
						(23,327)
						103,991

Off balance sheet net notional position

Credit commitments	20,138	57,483	651	-	6,624	84,896
	7,767	200,633	141	21,420	4,241	234,202

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

Concentration of assets, liabilities and off-balance sheet items (Cont'd)

COMPANY

At 30 June 2025

Financial assets

Cash and cash equivalents

Investment securities

Other financial assets

Less allowances for credit impairment

Financial liabilities

Debt securities

Preference shares

Other financial liabilities

Net on-balance sheet position

Less allowances for credit impairment

EURO	USD	MUR	TOTAL
RS'M	RS'M	RS'M	RS'M
239	812	52	1,103
14	4,773	203	4,990
8	13	3,763	3,784
261	5,598	4,018	9,877
			(418)
			9,459
-	-	4,489	4,489
-	-	943	943
-	1	3,567	3,568
-	1	8,999	9,000
261	5,597	(4,981)	877
			(418)
			459

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, and the impact on the Group's profit and Equity.

Impact on the Group's profit and equity

2025

+5%

-5%

EURO	USD	GBP	MUR	OTHER
RS'M	RS'M	RS'M	RS'M	RS'M
(145)	(369)	(18)	(5,474)	(360)
145	369	18	5,474	360

2024

+5%

-5%

(104)	(262)	(51)	(4,487)	(286)
104	262	51	4,487	286

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)

Concentration of assets, liabilities and off-balance sheet items

GROUP

At 30 June 2024

	EURO	USD	GBP	MUR	OTHER	TOTAL
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Financial assets						
Cash and cash equivalents	9,328	46,775	8,286	20,452	9,705	94,546
Derivative financial instruments	258	1,490	-	329	-	2,077
Loans to and placements with banks	2,589	10,383	63	(12)	53	13,076
Loans and advances to customers	41,715	225,860	388	132,668	17,208	417,839
Investment securities	10,085	85,645	9	240,204	10,659	346,602
Other financial assets	3,617	5,995	492	24,953	6,565	41,622
	67,592	376,148	9,238	418,594	44,190	915,762
Less allowances for credit impairment						(20,092)
						895,670
Financial liabilities						
Deposits from banks	-	34,818	6	1,077	43	35,944
Deposits from customers	60,258	252,680	7,356	319,995	32,175	672,464
Derivative financial instruments	(85)	1,835	-	246	-	1,996
Other borrowed funds	4,296	59,205	808	(226)	2,496	66,579
Debt securities	-	14,393	-	3,949	-	18,342
Subordinated liabilities	-	7,057	-	-	-	7,057
Preference shares	-	-	-	1,621	-	1,621
Other financial liabilities	1,035	913	39	2,195	3,760	7,942
	65,504	370,901	8,209	328,857	38,474	811,945
Net on-balance sheet position	2,088	5,247	1,029	89,737	5,716	103,817
Less allowances for credit impairment						(20,092)
						83,725
Off balance sheet net notional position	16,959	55,876	982	-	5,456	79,273
Credit commitments	4,923	197,280	165	20,545	3,720	226,633

3. Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

Concentration of assets, liabilities and off-balance sheet items (Cont'd)

COMPANY

At 30 June 2024

	EURO	USD	MUR	TOTAL
	RS'M	RS'M	RS'M	RS'M
Financial assets				
Cash and cash equivalents	788	580	494	1,862
Placements with banks	760	473	-	1,233
Investment securities	18	395	202	615
Other financial assets	19	18	2,906	2,943
	1,585	1,466	3,602	6,653
Less allowances for credit impairment				(101)
				6,552
Financial liabilities				
Debt securities	-	-	4,485	4,485
Preference shares	-	-	1,621	1,621
Other financial liabilities	-	-	3,355	3,355
	-	-	9,461	9,461
Net on-balance sheet position	1,585	1,466	(5,859)	(2,808)
Less allowances for credit impairment				(101)
				(2,909)

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

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 Asset, Liability and Capital Management Business Unit, situated within the Finance Strategic Business Unit employs a variety of strategies, including 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 below table delineates the carrying amount of the Group'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.

Impact on Earnings

GROUP	
2025	2024
RS'M	RS'M
1,799	1,101

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	131,769	504	402	-	-	-	4,272	136,947
Derivative financial instruments	136	-	-	-	-	-	3,612	3,748
Loans to and placements with banks	407	941	5,646	22,949	256	27	392	30,618
Loans and advances to customers	254,777	46,041	49,024	23,642	6,952	20,650	11,978	413,064
Investment securities	17,082	44,324	40,247	60,500	78,247	100,192	16,009	356,601
Other financial assets	-	-	-	-	-	-	53,836	53,836
	404,171	91,810	95,319	107,091	85,455	120,869	90,099	994,814
Less allowances for credit impairment								(23,327)
								971,487
Financial liabilities								
Deposits from banks	9,738	3,964	736	247	3	-	123	14,811
Deposits from customers	368,805	38,260	21,231	20,392	10,147	3,384	263,343	725,562
Derivative financial instruments	-	633	-	-	-	-	3,438	4,071
Other borrowed funds	2,714	61,474	10,835	10,823	309	684	(78)	86,761
Debt securities	-	-	-	-	14,917	2,490	136	17,543
Subordinated liabilities	6,621	-	-	-	-	-	86	6,707
Preference shares	-	-	-	-	-	-	943	943
Other financial liabilities	-	-	-	-	-	-	11,098	11,098
	387,878	104,331	32,802	31,462	25,376	6,558	279,089	867,496
On balance sheet interest sensitivity gap	16,293	(12,521)	62,517	75,629	60,079	114,311	(188,990)	127,318
Less allowances for credit impairment								(23,327)
								103,991

COMPANY

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	1,103	-	-	-	-	-	-	1,103
Investment securities	188	2	4	7	28	-	4,761	4,990
Other financial assets	-	-	-	-	-	-	3,784	3,784
	1,291	2	4	7	28	-	8,545	9,877
Less allowance for credit impairment								(418)
								9,459
Financial liabilities								
Debt securities	-	-	-	-	2,000	2,489	-	4,489
Preference shares	-	-	-	-	-	-	943	943
Other financial liabilities	-	-	-	-	-	-	3,568	3,568
	-	-	-	-	2,000	2,489	4,511	9,000
On balance sheet interest sensitivity gap	1,291	2	4	7	(1,972)	(2,489)	4,034	877
Less allowances for credit impairment								(418)
								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

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	89,916	1,353	-	-	-	-	3,277	94,546
Derivative financial instruments	89	-	-	-	-	-	1,988	2,077
Loans to and placements with banks	-	6,687	2,354	3,083	828	-	124	13,076
Loans and advances to customers	225,074	82,748	48,154	20,392	10,631	17,900	12,940	417,839
Investment securities	25,033	35,682	28,381	53,177	115,447	74,155	14,727	346,602
Other financial assets	-	-	-	-	-	-	41,622	41,622
	340,112	126,470	78,889	76,652	126,906	92,055	74,678	915,762
Less allowances for credit impairment								(20,092)
								895,670
Financial liabilities								
Deposits from banks	32,714	573	2,304	78	-	-	275	35,944
Deposits from customers	359,436	27,244	13,668	22,468	10,115	4,346	235,187	672,464
Derivative financial instruments	-	-	-	153	(151)	-	1,994	1,996
Other borrowed funds	1,034	44,329	5,789	5,012	9,720	542	153	66,579
Debt securities	-	1,128	2,256	-	-	14,833	125	18,342
Subordinated liabilities	6,953	-	-	-	-	-	104	7,057
Preference shares	-	-	-	-	-	-	1,621	1,621
Other financial liabilities	-	-	-	-	-	-	7,942	7,942
	400,137	73,274	24,017	27,711	19,684	19,721	247,401	811,945
On balance sheet interest sensitivity gap	(60,025)	53,196	54,872	48,941	107,222	72,334	(172,723)	103,817
Less allowances for credit impairment								(20,092)
								83,725
COMPANY								
At 30 June 2024								
	Up to 1 month	1-3 years	Over 3 years	Non- interest bearing *	Total			
	RS'M	RS'M	RS'M	RS'M	RS'M			
Financial assets								
Cash and cash equivalents	1,862	-	-	-	1,862			
Placements with bank	-	1,233	-	-	1,233			
Investment securities	-	-	200	415	615			
Other financial assets	-	-	-	2,943	2,943			
	1,862	1,233	200	3,358	6,653			
Less allowances for credit impairment					(101)			
					6,552			
Financial liabilities								
Debt securities	-	-	4,485	-	4,485			
Preference shares	-	-	-	1,621	1,621			
Other financial liabilities	-	-	-	3,355	3,355			
	-	-	4,485	4,976	9,461			
On balance sheet interest sensitivity gap	1,862	1,233	(4,285)	(1,618)	(2,808)			
Less allowances for credit impairment					(101)			
					(2,909)			

* Includes interest receivable

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 and 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 table are undiscounted.

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 cash flows 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.

The carrying value of the assets kept at amortised cost approximates their fair values.

(e) Capital risk management

Disclosures relating to capital and management are available in the Risk and Capital Management Report.

3. Financial risk management (Cont'd)

(f) Financial instruments by category:

GROUP

At 30 June 2025

Financial assets

	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
Cash and cash equivalents	136,864	-	-	-	-	136,864
Derivative financial instruments	-	-	3,748	-	-	3,748
Loans to and placements with banks	30,508	-	-	-	-	30,508
Loans and advances to customers	391,118	-	-	-	-	391,118
Investment securities	332,963	13,531	-	1,526	7,416	355,436
Other financial assets	53,836	-	-	-	-	53,836
Total	945,289	13,531	3,748	1,526	7,416	971,510

Financial liabilities

Deposits from banks	14,811	-	-	-	-	14,811
Deposits from customers	725,562	-	-	-	-	725,562
Derivative financial instruments	-	-	4,071	-	-	4,071
Other borrowed funds	86,761	-	-	-	-	86,761
Debt securities	17,543	-	-	-	-	17,543
Subordinated liabilities	6,707	-	-	-	-	6,707
Preference shares	943	-	-	-	-	943
Other financial liabilities	11,098	-	-	-	-	11,098
Total	863,425	-	4,071	-	-	867,496
Net on-balance sheet position	81,864	13,531	(323)	1,526	7,416	104,014

COMPANY

At 30 June 2025

Financial assets

	Amortised cost	Fair value through other comprehensive income		Total
		Debt instrument	Equity instrument	
	RS'M	RS'M	RS'M	RS'M
Cash and cash equivalents	1,103	-	-	1,103
Investment securities	-	402	4,588	4,990
Other financial assets	3,366	-	-	3,366
Total	4,469	402	4,588	9,459

Financial liabilities

Debt securities	4,489	-	-	4,489
Preference shares	943	-	-	943
Other financial liabilities	3,568	-	-	3,568
Total	9,000	-	-	9,000
Net on-balance sheet position	(4,531)	402	4,588	459

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):

GROUP

At 30 June 2024

Financial assets

	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
Cash and cash equivalents	94,508	-	-	-	-	94,508
Derivative financial instruments	-	-	2,077	-	-	2,077
Loans to and placements with banks	12,742	-	-	-	-	12,742
Loans and advances to customers	399,161	-	-	-	-	399,161
Investment securities	330,744	11,212	-	952	2,769	345,677
Other financial assets	41,622	-	-	-	-	41,622
Total	878,777	11,212	2,077	952	2,769	895,787

Financial liabilities

Deposits from banks	35,944	-	-	-	-	35,944
Deposits from customers	672,464	-	-	-	-	672,464
Derivative financial instruments	-	-	1,996	-	-	1,996
Other borrowed funds	66,579	-	-	-	-	66,579
Debt securities	18,342	-	-	-	-	18,342
Subordinated liabilities	7,057	-	-	-	-	7,057
Preference shares	1,621	-	-	-	-	1,621
Other financial liabilities	7,942	-	-	-	-	7,942
Total	809,949	-	1,996	-	-	811,945
Net on-balance sheet position	68,828	11,212	81	952	2,769	83,842

Amortised cost	Fair value through other comprehensive income		Total
	Debt instrument	Equity instrument	
RS'M	RS'M	RS'M	RS'M

COMPANY

At 30 June 2024

Financial assets

Cash and cash equivalents	1,862	-	-	1,862
Placement with bank	1,233	-	-	1,233
Investment securities	-	393	222	615
Other financial assets	2,842	-	-	2,842
Total	5,937	393	222	6,552

Financial liabilities

Debt securities	4,485	-	-	4,485
Preference shares	1,621	-	-	1,621
Other financial liabilities	3,355	-	-	3,355
Total	9,461	-	-	9,461
Net on-balance sheet position	(3,524)	393	222	(2,909)

3. Financial risk management (Cont'd)

(g) Fair values of financial assets and liabilities

The fair values of those financial assets and liabilities not presented on the Group's and the Company's statements of financial position at fair values are not materially different from their carrying amounts.

(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, the carrying amount approximates their fair value.

(iv) Subordinated liabilities

Fair values for loan capital are based on quoted market rates for the issuer concerned or issuers with similar terms and conditions.

Notes to the financial statements

for the year ended 30 June 2025

4. Cash and cash equivalents

Cash in hand
Foreign currency notes and coins
Unrestricted balances with Central Banks*
Balances due in clearing
Treasury bills
Money market placements with banks
Balances with banks abroad
Balances with local bank and interbank loans

Allowances for credit impairment

GROUP		COMPANY	
2025	2024	2025	2024
RS'M	RS'M	RS'M	RS'M
4,036	2,060	1,103	1,862
365	300	-	-
2,779	2,824	-	-
468	396	-	-
2,121	2,541	-	-
80,142	52,014	-	-
40,679	34,411	-	-
6,357	-	-	-
136,947	94,546	1,103	1,862
(83)	(38)	-	-
136,864	94,508	1,103	1,862

* Unrestricted balances with Central Banks represent amounts above the minimum cash reserve requirements.

Money market placements with banks, balances with banks abroad and balances with local bank 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.

(i) Allowances for credit impairment

At 1 July 2024

Provision for credit impairment for the year
Provision released during the year
Financial assets that have been derecognised
Changes in models /risk parameters

At 30 June 2025

At 1 July 2023

Provision for credit impairment for the year
Provision released during the year
Financial assets that have been derecognised

At 30 June 2024

GROUP
Stage 1
RS'M
38
30
(3)
(3)
21
83
60
16
(29)
(9)
38

(ii) Cash and cash equivalents as shown in the statements of cash flows:

Cash and cash equivalents as per above
Other borrowed funds (note 16)

Net cash and cash equivalents

Change in year

Effect of foreign exchange rate changes

Increase/(decrease) in cash and cash equivalents as per the statements of cash flows

GROUP		COMPANY	
2025	2024	2025	2024
RS'M	RS'M	RS'M	RS'M
136,947	94,546	1,103	1,862
(130)	(169)	-	-
136,817	94,377	1,103	1,862
42,440	(26,032)	(759)	269
106	(198)	-	-
42,546	(26,230)	(759)	269

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.

Warrant is a derivative financial instrument which gives the right, but not the obligation to buy or to sell a specific amount of a given stock, currency, index or debt, at a specified price (the strike price) during a specified period or on a specified date.

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.

The fair values of derivative financial instruments held are set out below:

(a) Fair value through profit or loss - Level 2*

Derivative Instruments

At 30 June 2025

Currency forwards

Interest rate swaps**

Currency swaps

Warrants

Commodities

Others

At 30 June 2024

Currency forwards

Interest rate swaps

Currency swaps

Warrants

Commodities

Others

GROUP		
Contractual/ Nominal Amount	Fair value assets	Fair value liabilities
RS'M	RS'M	RS'M
33,563	447	488
40,358	622	792
32,532	130	414
230	3	3
106,266	2,247	2,238
12,750	299	136
225,699	3,748	4,071
28,624	125	106
36,309	531	680
25,244	176	123
160	6	6
60,875	993	993
16,160	246	88
167,372	2,077	1,996

*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.

Notes to the financial statements

for the year ended 30 June 2025

5. Derivative financial instruments (Cont'd)

(b) Hedge Accounting

The table below shows the cash flow hedge which are carried on the Group's statements of financial position:

At 30 June 2025

Hedge Type Risk category

Cash flow Interest Rate Risk

GROUP		
Nominal Amount	Carrying Amount	
	Asset	Liabilities
RS'M	RS'M	RS'M
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

Description of hedged relationship and hedged risk

Cash flow hedge of interest rate risk

Recycled to net trading income

GROUP	
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
RS'M	RS'M
55	-

A detailed reconciliation of the movements of the cash flow hedging reserve:

Balance on 1 July

Hedging loss

Amount reclassified in relation to cash flow affecting statement of profit or loss

Balance 30 June 2025

Cash flow hedging reserve
RS'M
-
(66)
55
(11)

6. Loans

(a) Loans to and placements with banks

(i) Loans to and placements with banks

in Mauritius
outside Mauritius

Less:

Loans and placements with original maturity less than
3 months and included in cash and cash equivalents

Less:

Allowances for credit impairment

(ii) Remaining term to maturity

Up to 3 months
Over 3 months and up to 6 months
Over 6 months and up to 1 year
Over 1 year and up to 5 years
Over 5 years

(iii) Reconciliation of gross carrying amount

At 1 July 2024

New loans and placements with banks, originated or purchased
Loans and placements with banks derecognised or repaid
Write off
Changes in models/risk parameters

At 30 June 2025

At 1 July 2023

New loans and placements with banks, originated or purchased
Loans and placements with banks derecognised or repaid

At 30 June 2024

(iv) Allowances for credit impairment

At 1 July 2024

Provision for credit impairment for the year
Provision released during the year
Financial assets that have been derecognised
Changes in models/risk parameters

At 30 June 2025

At 1 July 2023

Provision for credit impairment for the year
Provision released during the year
Financial assets that have been derecognised
Changes in models/risk parameters

Provision at 30 June 2024

GROUP		COMPANY	
2025	2024	2025	2024
RS'M	RS'M	RS'M	RS'M
65,383	26,596	-	1,233
92,413	72,905	-	-
157,796	99,501	-	1,233
(127,178)	(86,425)	-	-
30,618	13,076	-	1,233
(110)	(334)	-	-
30,508	12,742	-	1,233
11,840	2,671	-	-
6,302	2,720	-	1,233
12,244	7,004	-	-
230	673	-	-
2	8	-	-
30,618	13,076	-	1,233

GROUP		
Stage 1	Stage 3	Total
RS'M	RS'M	RS'M
13,076	-	13,076
34,054	3	34,057
(16,244)	-	(16,244)
-	(3)	(3)
(268)	-	(268)
30,618	-	30,618
14,568	-	14,568
16,831	-	16,831
(18,323)	-	(18,323)
13,076	-	13,076

GROUP
Stage 1
RS'M
334
75
(27)
(298)
26
110
788
328
(105)
(678)
1
334

Notes to the financial statements

for the year ended 30 June 2025

6. Loans (Cont'd)

(b) Loans and advances to customers

(i) Loans and advances to customers

Retail customers:

Credit cards

Mortgages

Other retail loans

Corporate customers

Governments

Entities outside Mauritius

Less:

Allowances for credit impairment

GROUP	
2025	2024
RS'M	RS'M
1,167	2,838
50,885	41,514
16,567	14,124
155,646	135,793
1,164	1,235
187,635	222,335
413,064	417,839
(21,946)	(18,678)
391,118	399,161

Finance lease receivable included in Group loans amounts to Rs 4,410M (2024:Rs 3,256M) net of unearned future finance income on finance leases of Rs 739M (2024:Rs 503M).

(ii) Remaining term to maturity

Up to 3 months

Over 3 months and up to 6 months

Over 6 months and up to 1 year

Over 1 year and up to 5 years

Over 5 years

139,442	159,368
16,892	13,860
26,528	13,643
114,216	116,420
115,986	114,548
413,064	417,839

(iii) Reconciliation of gross carrying amount

At 1 July 2024

Exchange adjustment

Transfer to Stage 1

Transfer to Stage 2

Transfer to Stage 3

New loans and advances to customers, originated or purchased

Loans and advances to customers derecognised or repaid (excluding write off)

Write offs

At 30 June 2025

At 1 July 2023

Exchange adjustment

Transfer to Stage 1

Transfer to Stage 2

Transfer to Stage 3

New loans and advances to customers, originated or purchased

Loans and advances to customers derecognised or repaid (excluding write off)

Write offs

At 30 June 2024

GROUP			
Gross carrying amount subject to:			
Stage 1	Stage 2	Stage 3	Total
RS'M	RS'M	RS'M	RS'M
390,613	10,134	17,092	417,839
(980)	(26)	(70)	(1,076)
1,230	(1,044)	(186)	-
(6,891)	7,174	(283)	-
(1,683)	(1,644)	3,327	-
218,905	3,006	3,196	225,107
(217,154)	(5,798)	(4,208)	(227,160)
-	-	(1,646)	(1,646)
384,040	11,802	17,222	413,064
331,418	19,675	16,672	367,765
410	20	93	523
4,098	(3,776)	(322)	-
(1,683)	1,799	(116)	-
(996)	(2,185)	3,181	-
245,584	3,098	5,254	253,936
(188,218)	(8,497)	(1,415)	(198,130)
-	-	(6,255)	(6,255)
390,613	10,134	17,092	417,839

6. Loans (Cont'd)

(b) Loans and advances to customers (Cont'd)

(iv) Allowances for credit impairment

At 1 July 2024

Exchange adjustment

Transfer to Stage 1

Transfer to Stage 2

Transfer to Stage 3

Provision for credit impairment for the year

Provision released during the year

Financial assets that have been derecognised

Write offs

Changes in models/risk parameters

At 30 June 2025

Interest in suspense

Provision and interest in suspense at 30 June 2025

At 1 July 2023

Exchange adjustment

Transfer to Stage 1

Transfer to Stage 2

Transfer to Stage 3

Provision for credit impairment for the year

Provision released during the year

Financial assets that have been derecognised

Write offs

Changes in models/risk parameters

At 30 June 2024

Interest in suspense

Provision and interest in suspense at 30 June 2024

GROUP			
Allowances for credit impairment			
Stage 1	Stage 2	Stage 3	Total
RS'M	RS'M	RS'M	RS'M
3,426	2,248	9,984	15,658
(9)	(5)	(434)	(448)
227	(180)	(47)	-
(71)	114	(43)	-
(19)	(339)	358	-
2,157	2,211	5,758	10,126
(1,587)	(468)	(1,041)	(3,096)
(1,095)	(958)	(1,831)	(3,884)
-	-	(1,104)	(1,104)
900	189	-	1,089
3,929	2,812	11,600	18,341
-	-	3,605	3,605
3,929	2,812	15,205	21,946
2,650	3,892	8,902	15,444
5	-	213	218
416	(325)	(91)	-
(20)	56	(36)	-
(13)	(436)	449	-
2,521	1,468	6,469	10,458
(1,095)	(1,014)	(527)	(2,636)
(860)	(1,378)	(596)	(2,834)
-	-	(4,799)	(4,799)
(178)	(15)	-	(193)
3,426	2,248	9,984	15,658
-	-	3,020	3,020
3,426	2,248	13,004	18,678

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

	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	6,172	445	16	18	292	326
Manufacturing	27,963	427	266	361	463	1,090
Tourism	22,471	3,379	129	227	3,857	4,213
Transport	6,472	286	94	584	441	1,119
Construction	16,987	666	115	184	619	918
Financial and business services	76,403	1,363	1,162	29	1,330	2,521
Traders	131,526	2,653	1,189	914	3,067	5,170
<i>of which Petroleum and Energy products</i>	100,574	1,670	971	646	1,878	3,495
Personal	67,107	1,003	343	141	526	1,010
<i>of which credit cards</i>	1,155	50	15	3	45	63
<i>of which housing</i>	50,885	536	103	43	191	337
Professional	729	11	7	3	6	16
Global Business Licence holders	31,921	3,033	73	240	4,341	4,654
Others	25,313	351	535	111	263	909
<i>of which Energy and Commodities Asset Backed financing</i>	12,095	-	85	-	-	85
	413,064	13,617	3,929	2,812	15,205	21,946

	GROUP					
	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	6,393	417	48	16	256	320
Manufacturing	22,597	312	188	261	313	762
Tourism	27,281	3,599	134	540	2,689	3,363
Transport	10,344	302	85	31	465	581
Construction	18,815	399	111	220	248	579
Financial and business services	62,102	333	529	224	316	1,069
Traders	156,599	2,951	706	803	2,974	4,483
<i>of which Petroleum and Energy products</i>	127,909	1,755	553	694	1,755	3,002
Personal	56,409	970	151	24	505	680
<i>of which credit cards</i>	1,427	43	11	1	38	50
<i>of which housing</i>	41,514	468	67	9	188	264
Professional	760	13	4	-	5	9
Global Business Licence holders	15,442	4,134	83	121	4,914	5,118
Others	41,097	642	1,387	8	319	1,714
<i>of which Energy and Commodities Asset Backed financing</i>	15,082	-	30	-	-	30
	417,839	14,072	3,426	2,248	13,004	18,678

*Non performing loans excludes interest in suspense.

7. Investment securities

(a) Investment securities

Investment in debt securities at amortised cost

Less:

Allowances for credit impairment on investment in debt securities at amortised cost

Investment in debt and equity securities measured at fair value through other comprehensive income

Investment in debt and equity securities measured at fair value through profit or loss

GROUP	
2025	2024
RS'M	RS'M
334,128	331,669
(1,165)	(925)
332,963	330,744
8,942	3,721
13,531	11,212
355,436	345,677

As at 30 June 2025 credit impaired investments fair valued through other comprehensive income amounts to Rs 1M (2024:Rs 1M).

Investment securities can be classified as:

Current

Non-current

140,629	128,422
215,972	218,180

(b) Investment in debt securities at amortised cost

Government of Mauritius and Bank of Mauritius bonds

Treasury bills

Foreign bonds

Notes

Index linked note

GROUP	
2025	2024
RS'M	RS'M
147,977	134,020
51,421	70,424
93,934	88,735
40,400	38,092
396	398
334,128	331,669

(i) Remaining term to maturity

Government of Mauritius and Bank of Mauritius bonds

Treasury bills

Foreign bonds

Notes

Index linked note

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
16,197	8,888	18,472	53,526	50,894	147,977
27,176	10,459	11,010	2,776	-	51,421
12,437	7,356	15,907	39,751	18,483	93,934
180	1,309	1,583	22,404	14,924	40,400
-	208	-	14	174	396
55,990	28,220	46,972	118,471	84,475	334,128

Government of Mauritius and Bank of Mauritius bonds

Treasury bills

Foreign bonds

Notes

Index linked note

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
5,383	4,847	13,171	74,779	35,840	134,020
39,558	11,412	18,037	1,417	-	70,424
1,200	10,265	17,627	49,224	10,419	88,735
511	2,412	514	17,490	17,165	38,092
-	-	-	228	170	398
46,652	28,936	49,349	143,138	63,594	331,669

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) Reconciliation of gross carrying amount

At 1 July 2024

Investments originated or purchased

Investments derecognised or repaid (excluding write off)

Exchange adjustment

At 30 June 2025

At 1 July 2023

Transfer to Stage 3

Investments originated or purchased

Investments derecognised or repaid (excluding write off)

Exchange adjustment

At 30 June 2024

GROUP			
Gross carrying amount subject to:			
Stage 1	Stage 2	Stage 3	Total
RS'M	RS'M	RS'M	RS'M
331,293	-	376	331,669
134,991	-	15	135,006
(131,436)	-	-	(131,436)
(1,111)	-	-	(1,111)
333,737	-	391	334,128
254,921	429	-	255,350
-	(167)	167	-
168,862	-	273	169,135
(92,813)	(262)	(64)	(93,139)
323	-	-	323
331,293	-	376	331,669

(iii) Allowances for credit impairment

At 1 July 2024

Provision for credit impairment for the year

Provision released during the year

Financial assets that have been derecognised

Changes in models/risk parameters

At 30 June 2025

Interest in suspense

Provision and interest in suspense at 30 June 2025

At 1 July 2023

Transfer to Stage 3

Provision for credit impairment for the year

Provision released during the year

Financial assets that have been derecognised

Changes in models/risk parameters

At 30 June 2024

Interest in suspense

Provision and interest in suspense at 30 June 2024

GROUP			
Allowances for credit impairment			
Stage 1	Stage 2	Stage 3	Total
RS'M	RS'M	RS'M	RS'M
550	-	362	912
265	-	12	277
(436)	-	(5)	(441)
(32)	-	-	(32)
428	-	-	428
775	-	369	1,144
-	-	21	21
775	-	390	1,165
389	65	-	454
-	(64)	64	-
343	-	298	641
(105)	-	-	(105)
(66)	(1)	-	(67)
(11)	-	-	(11)
550	-	362	912
-	-	13	13
550	-	375	925

7. Investment securities (Cont'd)

(c) Investment in debt and equity securities measured at fair value through other comprehensive income

Quoted - Level 1

Official list: shares (equity instrument)
Bonds (debt instrument)
Foreign shares

Unquoted - Level 2

Notes
Investment fund (debt instrument)
Shares (equity instrument)

Unquoted - Level 3

Preference shares (equity instrument)
Shares (equity instrument)

GROUP		COMPANY	
2025	2024	2025	2024
RS'M	RS'M	RS'M	RS'M
1,174	1,141	-	-
662	74	187	200
5,072	579	4,371	-
6,908	1,794	4,558	200
12	48	-	-
852	830	215	193
207	176	-	-
1,071	1,054	215	193
-	-	200	200
963	873	17	22
963	873	217	222
8,942	3,721	4,990	615

Reconciliation of level 3 fair value measurements

At 1 July

Additions
Movement in fair value
Exchange adjustments

At 30 June

GROUP		COMPANY	
2025	2024	2025	2024
RS'M	RS'M	RS'M	RS'M
873	737	222	220
-	-	-	2
78	117	(5)	-
12	19	-	-
963	873	217	222

(d) Investment in debt and equity securities measured at fair value through profit or loss

Quoted - Level 1

Local bonds
Local shares
Foreign shares

Unquoted - Level 2

Government of Mauritius & Bank of Mauritius bonds
Treasury bills
Investment funds

Unquoted - Level 3

Local shares
Foreign shares
Debt

GROUP	
2025	2024
RS'M	RS'M
31	50
725	851
-	3,429
756	4,330
777	1
8,670	3,484
304	282
9,751	3,767
1,211	1,899
910	672
903	544
3,024	3,115
13,531	11,212

Notes to the financial statements

for the year ended 30 June 2025

7. Investment securities (Cont'd)

(d) Investment in debt and equity securities measured at fair value through profit or loss (Cont'd)

Reconciliation of level 3 fair value measurement

At 1 July

Additions

Disposals

Movement in fair value

At 30 June

GROUP	
2025	2024
RS'M	RS'M
3,115	2,843
35	421
(43)	(115)
(83)	(34)
3,024	3,115

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.

8. Investments in associates and joint venture

(a) The Group's interests in its associates and joint venture are as follows:

	Nature of business	Principal place of business	Country of incorporation	Holding %	
				Direct	Indirect
2025					
Banque Française Commerciale Ocean Indien	Banking & financial services	Réunion	Réunion	-	49.99
Promotion and Development Limited	Investment and property development	Mauritius	Republic of Mauritius	1.98	44.07
Credit Guarantee Insurance Co Ltd	Insurance services	Mauritius	Republic of Mauritius	40.00	-
Kudos Pensions Ltd (Joint Venture)	Pension administration	Mauritius	Republic of Mauritius	-	50.00
2024					
Banque Française Commerciale Ocean Indien	Banking & financial services	Réunion	Réunion	-	49.99
Promotion and Development Limited	Investment and property development	Mauritius	Republic of Mauritius	0.13	46.34
Caudan Development Limited	Property development, investment and provision of security services	Mauritius	Republic of Mauritius	6.79	38.06
Credit Guarantee Insurance Co Ltd	Insurance services	Mauritius	Republic of Mauritius	40.00	-
Kudos Pensions Ltd (Joint Venture)	Pension administration	Mauritius	Republic of Mauritius	-	50.00

- (i) The above associates and joint venture are accounted for using the equity method.
- (ii) Except for Credit Guarantee Insurance Co Ltd, the other above associates and joint venture are held mainly through subsidiaries.
- (iii) Banque Française Commerciale Ocean Indien, Kudos Pensions Ltd and Credit Guarantee Co Ltd are unquoted.
- (iv) The Company held investments in Promotion and Development Ltd ("PAD") and Caudan Development Ltd ("CDL"). On 31 January 2025, a Scheme of Arrangement between PAD and Caudan was sanctioned by the Supreme Court of Mauritius, under which there was an issue of new ordinary shares by PAD in exchange for the shares held by the shareholders of CDL (except PAD). Following the exchange, CDL was delisted from the Stock Exchange of Mauritius, and the Company became holder of additional PAD shares. Subsequently, PAD implemented a 4-for-1 share split. The Scheme of Arrangement became effective in January 2025, resulting in PAD holding 100% of the share capital of CDL. The direct shareholding of the company in PAD and CDL of 0.13% and 6.79% respectively prior to the scheme, now stands at 1.98 % in PAD.
- (v) The fair value of the Group's interest in PAD which is listed on the Stock Exchange of Mauritius was Rs 1,763M (2024:Rs 1,746M)

Group's share of net assets
Goodwill
Subordinated loans to associate

GROUP	
2025	2024
RS'M	RS'M
12,627	12,477
68	68
581	557
13,276	13,102

The Directors are satisfied that there are no indications requiring an impairment of the Group's investments in associates and joint venture.

(b) Summarised financial information in respect of material entities, included for Group reporting

Banque Française Commerciale Ocean Indien

(i) Summarised statement of financial position:

Current assets	21,431	17,207
Non current assets	87,851	90,446
Current liabilities	25,896	26,239
Non current liabilities	73,197	71,670
Equity attributable to owners	10,189	9,744

(ii) Summarised statement of profit or loss and other comprehensive income:

Revenue	6,185	6,091
Profit	588	614
Other comprehensive income	(76)	25
Total comprehensive income	512	639

(iii) Dividend received during the year

249	420
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Notes to the financial statements

for the year ended 30 June 2025

8. Investments in associates and joint venture (Cont'd)

(b) Summarised financial information in respect of material entities, included for Group reporting (Cont'd)

Promotion and Development Limited

(i) Summarised statement of financial position:

	GROUP	
	2025	2024
	RS'M	RS'M
Current assets	307	363
Non current assets	17,353	18,079
Current liabilities	297	605
Non current liabilities	1,467	1,458
Non-controlling interest	4	1,316

(ii) Summarised statement of profit or loss and other comprehensive income:

Revenue	890	817
(Loss)/Profit	(593)	560
Other comprehensive income	297	699
Total comprehensive income	(296)	1,259

(iii) Dividend received during the year

86	81
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(c) Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

	Opening net assets	Profit/(Loss)	Other comprehensive income	Other movements in reserves	Dividend	Closing net assets	Ownership interest	Interest in associates	Goodwill	Subordinated loan	Carrying value
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	%	RS'M	RS'M	RS'M	RS'M
2025											
Banque Française Commerciale Ocean Indien	9,744	588	(76)	431	(498)	10,189	49.99%	5,093	68	581	5,742
Promotion and Development Limited	15,063	(593)	297	1,352	(227)	15,892	46.05%	7,318	-	-	7,318
2024											
Banque Française Commerciale Ocean Indien	9,694	614	25	251	(840)	9,744	49.99%	4,871	68	557	5,496
Promotion and Development Limited	13,977	560	699	2	(175)	15,063	46.47%	7,000	-	-	7,000

Figures may differ from the financial statements of the associates due to consolidation adjustments.

8. Investments in associates and joint venture (Cont'd)

(d) Aggregate information of associates and joint venture that are not individually material

	GROUP	
	2025	2024
	RS'M	RS'M
Carrying amount of interests	218	606
Share of profit	15	15
Share of other comprehensive income	(7)	(16)

AT COST

At 30 June

COMPANY	
2025	2024
RS'M	RS'M
154	154

(e) Movement in investment in associates and joint venture

	GROUP	
	2025	2024
	RS'M	RS'M
At 1 July	13,102	13,169
Share of profits	34	582
Share of other comprehensive income	92	491
Dividends	(343)	(501)
Disposal	-	(654)
Exchange and other movements	391	15
At 30 June	13,276	13,102

Investments in associates and joint venture are classified as non-current asset.

Notes to the financial statements

for the year ended 30 June 2025

9. Investments in subsidiaries

(a) The Group has the following subsidiaries:

					Proportion of ownership interests held by non-controlling interests		Proportion of ownership interests held by non-controlling interests		Cost of investment COMPANY		
	Country of incorporation/operation	Principal activities	Stated capital	Effective Holding		Effective Holding					
				2025 %	2025 %	2024 %	2024 %	2025 RS'M	2024 RS'M		
BANKING											
Direct											
MCB Investment Holding Ltd	Republic of Mauritius	Activities of holding companies, without managing	RS'M	8,880	100.00	-	100.00	-	8,880	8,880	
Indirect											
The Mauritius Commercial Bank Limited	Republic of Mauritius	Banking & Financial services	RS'M	8,880	100.00	-	100.00	-	-	-	
The Mauritius Commercial Bank (Seychelles) Limited	Seychelles	Banking & Financial services	SRS'M	20	100.00	-	100.00	-	-	-	
The Mauritius Commercial Bank Limited (Madagascar) S.A	Madagascar	Banking & Financial services	MGA'BN	14	90.00	10.00	90.00	10.00	-	-	
MCB (Maldives) Private Ltd	Republic of Maldives	Banking & Financial services	MVR'M	150	100.00	-	100.00	-	-	-	
The Mauritius Commercial Bank Representative Office (Nigeria) Limited	Republic of Nigeria	Financial services	NGN'M	100	100.00	-	100.00	-	-	-	
NON-BANKING FINANCIAL											
Direct											
MCB Equity Fund Ltd	Republic of Mauritius	Private Equity Fund	RS'M	2,084	100.00	-	100.00	-	2,084	2,084	
MCB Capital Markets Ltd	Republic of Mauritius	Investment Holding Company	RS'M	73	100.00	-	100.00	-	73	73	
MCB Factors Ltd	Republic of Mauritius	Factoring	RS'M	50	100.00	-	100.00	-	50	50	
MCB Microfinance Ltd	Republic of Mauritius	Credit Finance	RS'M	225	100.00	-	100.00	-	225	125	
MCB Real Assets Ltd*	Republic of Mauritius	Investment Holding Company	RS'M	-	100.00	-	100.00	-	-	-	
MCB Trade Services S.A	Luxembourg	Commercial advisory & collection services	USD'M	-	100.00	-	100.00	-	2	2	
Indirect											
MCB Financial Advisers	Republic of Mauritius	Investment Advisory	Rs'M	2	100.00	-	100.00	-	-	-	
MCB Registry and Securities Ltd	Republic of Mauritius	Share and Unit Registrar services	Rs'M	12	100.00	-	100.00	-	-	-	
MCB Investment Management Co. Ltd	Republic of Mauritius	Investment Advisory and CIS Manager	Rs'M	5	100.00	-	100.00	-	-	-	
MCB Capital Partners Ltd	Republic of Mauritius	Asset Management	Rs'M	1	100.00	-	100.00	-	-	-	
MCB Securities Ltd (Previously known as MCB Stockbrokers Ltd)	Republic of Mauritius	Investment Dealer	Rs'M	1	100.00	-	100.00	-	-	-	
MCB Investment Services Ltd	Republic of Mauritius	Shared Services	Rs'M	20	100.00	-	100.00	-	-	-	
MCB Investment Services (Rwanda) Ltd	Rwanda	Investment Advisory	RWF'M	5	100.00	-	100.00	-	-	-	
MCB Structured Solutions Ltd*	Republic of Mauritius	Investment Product Structuring	Rs'M	-	100.00	-	100.00	-	-	-	
CM Structured Products (1) Ltd	Republic of Mauritius	Investment Product Structuring	Rs'M	135	100.00	-	100.00	-	-	-	
CM Structured Products (2) Ltd	Republic of Mauritius	Investment Product Structuring	Rs'M	38	100.00	-	100.00	-	-	-	
CM Structured Finance (1) Ltd	Republic of Mauritius	Investment Product Structuring	Rs'M	69	100.00	-	100.00	-	-	-	
CM Structured Finance (2) Ltd	Republic of Mauritius	Investment Product Structuring	Rs'M	8	100.00	-	100.00	-	-	-	

9. Investments in subsidiaries (Cont'd)

(a) The Group has the following subsidiaries (Cont'd):

						Proportion of ownership interests held by non-controlling interests		Proportion of ownership interests held by non-controlling interests		Cost of Investment COMPANY	
	Country of incorporation/operation	Principal activities	Stated capital	Effective Holding	2025 %	2025 %	Effective Holding	2024 %	2024 %	2025 RS'M	2024 RS'M
Indirect (Cont'd)											
CM Diversified Credit Ltd	Republic of Mauritius	Investment Product Structuring	Rs'M	193	100.00	-	100.00	-	-	-	-
CM Special Opportunités Ltd	Republic of Mauritius	Investment Holding Company	Rs'M	166	100.00	-	0.00	-	-	-	-
CM Securities Holdings Ltd*	Republic of Mauritius	Investment Holding Company	Rs'M	-	100.00	-	0.00	-	-	-	-
MCB Leasing Limited	Republic of Mauritius	Leasing	Rs'M	200	57.73	42.27	57.73	42.27	-	-	-
OTHER INVESTMENTS											
Direct											
Fincorp Investment Ltd	Republic of Mauritius	Investment Company	RS'M	103	57.73	42.27	57.73	42.27	29	29	29
MCB Properties Ltd	Republic of Mauritius	Property ownership & development	RS'M	15	100.00	-	100.00	-	15	15	15
Blue Penny Museum	Republic of Mauritius	Philatelic museum	RS'M	34	99.63	0.37	99.63	0.37	33	13	13
MCB Group Corporate Services Ltd	Republic of Mauritius	Company secretarial services	RS'M	2	100.00	-	100.00	-	2	2	2
MCB Consulting Services Ltd	Republic of Mauritius	Consulting, advisory, support and maintenance services	USD'M	2	100.00	-	100.00	-	50	50	50
MCB Institute of Finance	Republic of Mauritius	To develop the financial know-how of professionals and students	RS'M	20	80.00	20.00	80.00	20.00	16	16	16
Mascareignes Properties Ltd*	Seychelles	Property rental	SRS'M	-	100.00	-	100.00	-	-	-	-
MCB International Services Ltd*	Seychelles	Financial services	SRS'M	-	100.00	-	100.00	-	-	-	-
Indirect											
Compagnie des Villages de Vacances de l'Isle de France ("COVIFRA")	Republic of Mauritius	Real Estate Activities	Rs'M	825	93.39	6.61	93.39	6.61	-	-	-
EF Property Ltd*	Republic of Mauritius	Real Estate Activities	Rs'M	-	100.00	-	100.00	-	-	-	-
										11,459	11,339
Subordinated loans to subsidiaries										2,191	2,177
Impairment charge										(140)	(138)
										13,510	13,378

Except for Fincorp Investment Ltd and COVIFRA which are quoted, the other above companies are unquoted.
COVIFRA was delisted from the Stock Exchange of Mauritius in August 2025

*The stated capital or the cost of investment is below Rs 1M.

Notes to the financial statements

for the year ended 30 June 2025

9. Investments in subsidiaries (Cont'd)

(b) Details of Fincorp Investment Limited which has non-controlling interests that are material to the Company

	(Loss)/Profit attributable to non-controlling interests	Net assets attributable to non-controlling interests
	RS'M	RS'M
GROUP		
2025	(85)	3,357
2024	126	3,411

(c) Summarised financial information of Fincorp Investment Limited

	GROUP	
	2025	2024
	RS'M	RS'M
(i) Summarised statement of financial position:		
Total assets	14,539	13,029
Total liabilities	6,597	4,960
Total equity	7,942	8,069
(ii) Summarised statement of profit or loss and statement of comprehensive income:		
(Loss)/Profit	(202)	299
Other comprehensive income	164	326
Total comprehensive income	(38)	625
(iii) Summarised statement of cash flows:		
Net cash flows from operating activities	340	245
Investing activities	(172)	(80)
Financing activities	(90)	(159)
Taxation	8	1
Net increase in cash and cash equivalents	86	7

The summarised financial information above is the amount before intra-group eliminations.

Investments in subsidiaries are classified as non-current assets.

10. Investment properties

At 1 July

Exchange adjustment

Fair value adjustment

Modification of lease

Fair value of land and buildings at 30 June

Rental income

GROUP	
2025	2024
RS'M	RS'M
5,305	5,139
179	166
45	-
23	-
5,552	5,305
457	410

The investment properties are held through the Compagnie des Villages de Vacances de l'Isle de France Limitée (COVIFRA), a subsidiary of MCB Real Assets Ltd.

The right-of-use of the land and the buildings have been treated as investment property under IAS 40 and are stated at fair value.

Valuation Process

The Company's policy is to fair value its investment property every year with a qualified independent valuer appointed every three years.

Each year, management assesses whether there is a significant change in current market conditions which could cause the fair value of the investment property to differ materially from the carrying amount.

Every three years and upon observance of significant change in market conditions, management recommends the appointment of an independent external valuer, who is responsible for the external valuations of the Company's investment properties for the annual financial statements. Selection criteria for an independent valuer include market knowledge, reputation, independence, objectivity and whether professional standards are maintained.

The fair value of the investment property has been arrived at on the basis of valuations performed by Jones Lang LaSalle (Pty) Ltd ("JLL"), a professional service company specialising in real estate and offering a range of services such as hotel advisory, valuation services, property and project management. Based on the income approach using the discounted cash flow method and a number of assumptions including a discount rate of 9.50%, JLL determined that the fair value of the investment property at 30 June 2025 was EUR 105,200,000.

The land is leased from the Government of the Republic of Mauritius for a term expiring on 30 September 2069.

Direct operating expenses from the investment property that generated rental income during the year amounted to EUR 349,832 (2024: EUR 354,557). The expenses are reimbursable as they are recharged by the Company to Holiday Villages Management Services (Mauritius) Ltd (HVMS). The investment property has been classified within level 3 of the fair value hierarchy based on the following information:

	Valuation Technique	Significant Unobservable Inputs	Sensitivity	
			2025	2024
Hotel located in Pointe aux Canoniers	- Income Approach	- Rent growth p.a.	1.5% - 2.0%	1.5% - 1.7%
	- Discounted Cash Flow	- Discount Rate	9.50%	9.71%
		- Terminal Yield	7.25%	8.31%

Significant increases/(decreases) in estimated rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the property.

Significant increases/(decreases) in the discount rate and terminal yield would result in a significantly lower/(higher) fair value.

Notes to the financial statements

for the year ended 30 June 2025

11. Goodwill and other intangible assets

(a) Goodwill

At 1 July

Impairment

At 30 June

GROUP	
2025	2024
RS'M	RS'M
403	403
(35)	-
368	403

The significant portion of goodwill pertains to MCB Real Assets Ltd, details of which are provided below. The remaining amount relates to other subsidiaries.

Goodwill is attributable to the following cash generating units:

Investment properties

At 30 June

2025	2024
RS'M	RS'M
351	386

Goodwill previously arose on the acquisition of the 93.4% stake in Compagnie des Villages de Vacances de L'isle de France Limitée ("COVIFRA") by the Group. The goodwill amount was the difference between the price paid and the net asset value of the corresponding stake in COVIFRA. Goodwill acquired through business combinations have indefinite lives and have been allocated to the main income generating asset of COVIFRA, i.e. its investment property (see Note 10). The Group assesses goodwill annually for impairment or more frequently if there are indication that goodwill might be impaired.

The management have reviewed the carrying values of goodwill at 30 June 2025 and an impairment of Rs 35m has been recognised.

The recoverable amount of the above cash-generating unit ("CGU") has been determined based on fair value less cost to sell, on the basis of a reassessment of the independent valuation performed by Jones Lang LaSalle (Pty) Ltd in June 2022 as detailed in Note 10, and its value in use calculations.

The key assumptions for the value in use calculations are as follows:

- (i) Cash flows are based on financial forecast approved by management covering a period of at least 5 years;
- (ii) The discount rates used are based on the Group's weighted average cost of capital, adjusted to reflect a risk premium specific to each business. The pre-tax discount rates applied are 9.30% (2024: 9.13%); and
- (iii) The nominal long-term growth rates, which are based on historical growth rates and the growth prospects for businesses, do not exceed 5%.

11. Goodwill and other intangible assets (Cont'd)

(b) Other intangible assets

Cost

At 1 July 2023

Additions

Scrap/Impairment

Transfer

Exchange adjustment

At 30 June 2024

Additions

Scrap/Impairment

Transfer

Exchange adjustment

At 30 June 2025

Accumulated amortisation

At 1 July 2023

Scrap/Impairment

Charge for the year

Exchange adjustment

At 30 June 2024

Scrap/Impairment

Charge for the year

Exchange adjustment

At 30 June 2025

Net book value

At 30 June 2025

At 30 June 2024

Goodwill and other intangible assets

At 30 June 2025

At 30 June 2024

GROUP			
Computer software	Customer relationship	Work in progress	Total
RS'M	RS'M	RS'M	RS'M
5,383	-	250	5,633
1,032	8	12	1,052
(13)	-	-	(13)
8	-	(8)	-
(16)	-	1	(15)
6,394	8	255	6,657
20	-	1,011	1,031
(406)	-	-	(406)
763	-	(763)	-
(42)	-	(1)	(43)
6,729	8	502	7,239
3,237	-	-	3,237
(2)	-	-	(2)
700	2	-	702
(21)	-	-	(21)
3,914	2	-	3,916
(405)	-	-	(405)
697	2	2	701
(32)	-	-	(32)
4,174	4	2	4,180
2,555	4	500	3,059
2,480	6	255	2,741
			3,427
			3,144

Intangible assets are classified as non-current assets.

Notes to the financial statements

for the year ended 30 June 2025

12. Property, plant and equipment

	GROUP						
	Land and buildings	Computer and other equipment	Furniture, fittings and vehicles*	Work in progress	Right-of-Use assets		Total
					(Land and Buildings)	(Equipment)	
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cost							
At 1 July 2023	5,745	4,376	3,288	212	847	-	14,468
Additions	7	247	413	243	164	-	1,074
Scrap/Disposals	-	(162)	(418)	-	(12)	-	(592)
Adjustment on remeasurement	-	(1)	-	-	15	-	14
Transfer	44	84	43	(171)	-	-	-
Exchange adjustment	12	8	7	10	18	-	55
At 30 June 2024	5,808	4,552	3,333	294	1,032	-	15,019
Additions	16	342	709	297	206	6	1,576
Scrap/Disposals	-	(353)	(269)	-	(34)	-	(656)
Adjustment on remeasurement	-	-	-	-	4	-	4
Transfer	25	72	58	(156)	-	-	(1)
Exchange adjustment	(34)	(25)	(27)	(5)	(48)	-	(139)
At 30 June 2025	5,815	4,588	3,804	430	1,160	6	15,803
Accumulated depreciation							
At 1 July 2023	1,405	3,540	1,562	-	427	-	6,934
Charge for the year	104	328	330	-	127	-	889
Scrap/Disposal adjustment	(155)	(21)	(247)	-	(12)	-	(435)
Exchange adjustment	1	5	5	-	9	-	20
At 30 June 2024	1,355	3,852	1,650	-	551	-	7,408
Charge for the year	81	321	347	-	184	2	935
Scrap/Disposal adjustment	(327)	(30)	(151)	-	(11)	-	(519)
Exchange adjustment	(16)	(25)	(14)	-	(26)	-	(81)
At 30 June 2025	1,093	4,118	1,832	-	698	2	7,743
Net book value							
At 30 June 2025	4,722	470	1,972	430	462	4	8,060
At 30 June 2024	4,453	700	1,683	294	481	-	7,611

*Includes assets under operating lease with NBV of Rs 1,447M (2024: Rs 1,167M).

12. Property, plant and equipment (Cont'd)

	COMPANY						
	Land and buildings	Computer and other equipment	Furniture, fittings and vehicles	Work in progress	Right-of-Use assets		Total
					(Land and Buildings)	(Equipment)	
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cost							
At 30 June 2024 and 2025	222	-	26	-	-	-	248
Accumulated depreciation							
At 1 July 2023	-	-	16	-	-	-	16
Charge for the year	-	-	3	-	-	-	3
At 30 June 2024	-	-	19	-	-	-	19
Charge for the year	-	-	2	-	-	-	2
At 30 June 2025	-	-	21	-	-	-	21
Net book value							
At 30 June 2025	222	-	5	-	-	-	227
At 30 June 2024	222	-	7	-	-	-	229

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

13. Deferred tax assets/(liabilities)

GROUP					
Balance as at 1 July	Effect of change in tax rate	Exchange adjustments	Recognised in Statements of profit or loss	Recognised in Statements of comprehensive income	Balance as at 30 June
RS'M	RS'M	RS'M	RS'M	RS'M	RS'M

At 30 June 2025

Deferred tax assets:

Provisions and post retirement benefits	398	-	-	(25)	222	595
Provisions for credit impairment	4,188	-	(28)	699	-	4,859
Tax losses carried forward	11	-	(1)	-	-	10
Leases	10	-	1	2	-	13
Accelerated tax depreciation	(489)	-	1	(144)	-	(632)

	4,118	-	(27)	532	222	4,845
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Deferred tax liabilities:

Accelerated tax depreciation	(757)	-	(23)	(49)	-	(829)
Provisions for credit impairment	9	-	-	2	-	11
Tax losses carried forward	169	-	4	(40)	-	133
Leases	31	-	1	2	-	34

	(548)	-	(18)	(85)	-	(651)
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At 30 June 2024

Deferred tax assets:

Provisions and post retirement benefits	428	57	-	(63)	(24)	398
Provisions for credit impairment	3,055	360	(2)	775	-	4,188
Tax losses carried forward	7	-	4	-	-	11
Leases	9	-	1	-	-	10
Accelerated tax depreciation	(375)	(52)	(2)	(60)	-	(489)

	3,124	365	1	652	(24)	4,118
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Deferred tax liabilities:

Accelerated tax depreciation	(712)	-	(19)	(26)	-	(757)
Provisions for credit impairment	13	-	-	(4)	-	9
Tax losses carried forward	190	-	5	(26)	-	169
Leases	31	-	1	(1)	-	31

	(478)	-	(13)	(57)	-	(548)
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The applied deferred tax rate is in the range of 17% to 33% (2024: from 17% to 33%)
Deferred tax assets are classified as non-current assets.

14. Other assets

	GROUP		COMPANY	
	2025	2024	2025	2024
	RS'M	RS'M	RS'M	RS'M
Mandatory balances with Central Banks	45,926	41,295	-	-
Prepayments and other receivables	2,222	2,930	3,784	2,943
Credit Card Clearing	620	632	-	-
Non-banking assets acquired in satisfaction of debts*	103	105	-	-
Impersonal and other accounts	5,312	5,703	-	-
	54,183	50,665	3,784	2,943
Less allowances for credit impairment	(23)	(117)	(418)	(101)
	54,160	50,548	3,366	2,842

* 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'.

Allowances for credit impairment

	GROUP			
	Allowances for credit impairment			
	Stage 1	Stage 2	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2024	4	106	7	117
Adjustments	-	(94)	-	(94)
Provision for credit impairment for the year	2	3	-	5
Provision released during the year	(1)	-	-	(1)
Financial assets that have been derecognised	-	-	(4)	(4)
At 30 June 2025	5	15	3	23

At 1 July 2023	4	11	7	22
Exchange adjustment	-	3	-	3
Provision for credit impairment for the year	-	93	-	93
Provision released during the year	-	(1)	-	(1)
At 30 June 2024	4	106	7	117

At Company level, impairment of Rs 418m pertains to receivable from subsidiary (FY24: Rs 101m)

Notes to the financial statements

for the year ended 30 June 2025

15. Deposits

(a) Deposits from banks

Demand deposits

Money market deposits with remaining term to maturity:

Up to 3 months

Over 3 months and up to 6 months

Over 6 months and up to 1 year

Over 1 year and up to 5 years

Deposits from banks can be classified as:

Current

Non-current

GROUP	
2025	2024
RS'M	RS'M
9,786	12,610
3,968	20,762
765	2,418
275	154
17	-
5,025	23,334
14,811	35,944
14,794	35,944
17	-

15. Deposits(Cont'd)

(b) Deposits from customers

(i) Retail customers

Demand deposits

Savings deposits

Time deposits with remaining term to maturity:

Up to 3 months

Over 3 months and up to 6 months

Over 6 months and up to 1 year

Over 1 year and up to 5 years

Over 5 years

(ii) Corporate customers

Demand deposits

Savings deposits

Time deposits with remaining term to maturity:

Up to 3 months

Over 3 months and up to 6 months

Over 6 months and up to 1 year

Over 1 year and up to 5 years

Over 5 years

(iii) Government

Demand deposits

Time deposits with remaining term to maturity:

Up to 3 months

Over 3 months and up to 6 months

Deposits from customers can be classified as:

Current

Non-current

GROUP	
2025	2024
RS'M	RS'M
64,675	58,619
265,824	232,834
17,302	15,088
7,000	6,173
8,854	9,690
17,751	15,934
25	7
50,932	46,892
381,431	338,345
237,630	218,700
7,131	6,573
65,550	73,097
14,841	7,886
13,988	16,292
3,962	10,198
-	1
98,341	107,474
343,102	332,747
569	849
456	397
4	126
460	523
1,029	1,372
725,562	672,464
703,824	646,324
21,738	26,140

The carrying amounts of deposits are not materially different from their fair values.

Notes to the financial statements

for the year ended 30 June 2025

16. Other borrowed funds

Other borrowed funds comprise the following:

Borrowings from banks:
in Mauritius
abroad

Other borrowed funds include borrowings with original maturity
of less than 3 months as shown in note 4

The carrying amounts of other borrowed funds are not materially different from their fair values.

Remaining term to maturity:

On demand or within a period not exceeding 1 year
Within a period of more than 1 year but not exceeding 2 years
Within a period of more than 3 years

Other borrowed funds can be classified as:

Current
Non-current

GROUP	
2025	2024
RS'M	RS'M
7,749	6,703
79,012	59,876
86,761	66,579
130	169

61,637	6,509
9,073	53,540
16,051	6,530
86,761	66,579

61,637	6,509
25,124	60,070

In 2024, the Mauritius Commercial Bank Limited drew down 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.

17. Debt securities

Floating rate senior unsecured notes (Level 1)

Rs 2.0 billion notes maturing in June 2028 at an average rate of 5.35%*

Rs 0.8 billion notes maturing in August 2026 at an average rate of 4.85%*

Rs 1.7 billion notes maturing in August 2028 at an average rate of 5.00%*

5-year senior unsecured notes maturing in 2028 at a fixed coupon rate of 7.95%

Exchange adjustments and others

(i)

(i)

(i)

(ii)

GROUP		COMPANY	
2025	2024	2025	2024
RS'M	RS'M	RS'M	RS'M
1,702	2,000	2,000	2,000
769	769	771	769
1,603	1,259	1,718	1,716
14,134	13,759	-	-
(665)	555	-	-
17,543	18,342	4,489	4,485

Debt securities are classified as non-current liabilities.

(i) These notes are quoted on the Official Market of the Stock Exchange of Mauritius Ltd.

(ii) During the year 2023, The Mauritius Commercial Bank Limited 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.

* Net of adjustment at Group level.

18. Subordinated liabilities

Opening balance
Repayment during the year
Exchange adjustments and others

GROUP	
2025	2024
RS'M	RS'M
7,057	7,059
-	(271)
(350)	269
6,707	7,057

The carrying amount of the subordinated liabilities are not materially different from their fair value.
The subordinated liabilities are classified as non-current.

On 31 March 2023, The Mauritius Commercial Bank Limited 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.

19. Preference shares

At 1 July 2023

Conversion of preference shares

At 30 June 2024

Conversion of preference shares

At 30 June 2025

Number of shares	RS'M
229,973,292	2,300
(67,936,804)	(679)
162,036,488	1,621
(67,765,331)	(678)
94,271,157	943

During the year ended 30 June 2020, 339,622,500 convertible redeemable non-voting preference shares of no par value were issued at an issue price of Rs 10. each. Subject to a non-conversion period of two years, starting on the issue date and upon receipt of a conversion notice, the eligible preference shareholders have the option of converting some or all of their preference shares into ordinary shares of the Company based on the conversion price at the specified conversion date. The preference shares rank junior to all secured and unsecured creditors of the Group but ahead of the ordinary shares. Redemption is at the option of the Company after the tenth anniversary of the Issue Date. Subject to the number of preference shares in issue being less than fifty million, and all applicable laws, the Company may, by serving a Redemption Notice, redeem on a Redemption Date, all (but not part of) the preference shares.

Preference dividend

Subject to dividends being declared by the Board and to the applicable laws, the preference shareholders, at the close of the preference dividend record date, are entitled to a fixed annual non-cumulative dividend of MUR 0.47 per share. During the non-conversion period, dividends to preference shareholders have been recognised in the statement of changes in equity. Since 1 July 2022, dividend is recognised as interest expense.

Conversion of preference shares into ordinary shares

In July 2025, MCB Group Limited has received requests from holders of Preference Shares to convert an aggregate of 6,448,633 Preference Shares into Ordinary Shares. In this context, the Board has approved the issue of 146,627 Ordinary Shares of the Company for a total consideration of Rs 64M.

Notes to the financial statements

for the year ended 30 June 2025

20. Post employment benefit liability/(asset)

Post employment benefits liability/(asset):

- (a) Staff superannuation fund (defined benefit section)
- (b) Residual retirement gratuities

(a) Staff superannuation fund (defined benefit section)

Reconciliation of net defined benefit liability/(asset)

- Opening balance
- Amount recognised in statements of profit or loss (Note 30(a))
- Amount recognised in statements of comprehensive income
- Less employer contributions

Closing balance

Reconciliation of fair value of plan assets

- Opening balance
- Interest income
- Employer contributions
- Benefits paid
- Return on plan assets above interest income

Closing balance

Reconciliation of present value of defined benefit obligation

- Opening balance
- Current service cost
- Interest expense
- Benefits paid
- Liability experience loss
- Liability loss due to change in financial assumptions

Closing balance

Components of amount recognised in statements of profit or loss

- Current service cost
- Net interest on net defined benefit asset

Total

Components of amount recognised in statements of comprehensive income

- Return on plan assets above interest income
- Liability experience loss
- Liability loss due to change in financial assumptions

Total

GROUP	
2025	2024
RS'M	RS'M
34	(1,001)
422	247
456	(754)
(1,001)	(689)
239	201
1,128	(199)
(332)	(314)
34	(1,001)
11,224	10,229
613	580
332	314
(510)	(425)
286	526
11,945	11,224
10,223	9,540
303	249
549	532
(510)	(425)
1,411	-
3	327
11,979	10,223
303	249
(64)	(48)
239	201
(286)	(526)
1,411	-
3	327
1,128	(199)

20. Post employment benefit liability/(asset) (Cont'd)

(a) Staff superannuation fund (defined benefit section) (Cont'd)

Allocation of plan assets at end of year

Equity - Local quoted
Equity - Local unquoted
Debt - Overseas quoted
Debt - Local quoted
Debt - Local unquoted
Property - Overseas
Property - Local
Investment funds
Cash and other

Total

Allocation of plan assets at end of year

Reporting entity's own transferable financial instruments
Property occupied by reporting entity
Other assets used by reporting entity

Principal assumptions used at end of year

Discount rate
Rate of salary increases
Rate of pension increases
Average retirement age (ARA)
Average life expectancy for:
Male at ARA
Female at ARA

Sensitivity analysis on defined benefit obligation at end of year

Increase due to 1% decrease in discount rate
Decrease due to 1% increase in discount rate
Increase due to 1% increase in salary increase rate
Decrease due to 1% decrease in salary increase rate
Increase due to 1% increase in pension increase rate
Decrease due to 1% decrease in pension increase rate

GROUP	
2025	2024
%	%
32	30
1	1
2	1
18	19
6	6
-	5
4	1
35	33
2	4
100	100
%	%
13	11
4	5
1	-
6.0%	5.5%
4.7%	4.2%
3.2%	2.7%
63	63
17.3 years	17.3 years
21.7 years	21.7 years
2025	2024
RS'M	RS'M
2,109	1,882
1,666	1,462
887	808
767	696
1,126	988
970	828

Notes to the financial statements

for the year ended 30 June 2025

20. 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 defined benefit asset of: Rs 1,001M).

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.

Future cash flows

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries:

Expected employer contribution for the next year: **Rs 298M**

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.

20. Post employment benefit liability/(asset) (Cont'd)

(b) Residual retirement gratuities

Amounts recognised in the financial statements at end of year

Reconciliation of net defined benefit liability

Opening balance	
Amount recognised in statements of profit or loss (Note 30(a))	
Amount recognised in statements of comprehensive income	
Employer contribution	

Closing balance

Reconciliation of present value of defined benefit obligation

Opening balance	
Current service cost	
Interest expense	
Past service cost	
Other benefits paid	
Liability experience loss	
Liability loss due to change in financial assumptions	

Closing balance

Components of amount recognised in statements of profit or loss

Current service cost	
Past service cost	
Net interest on net defined benefit liability	

Total

Components of amount recognised in statements of comprehensive income

Liability experience loss	
Liability loss due to change in financial assumptions	

Total

Principal assumptions used at end of year

Discount rate	
Rate of salary increases	
Rate of pension increases	
Average retirement age(ARA)	

Sensitivity analysis on defined benefit obligation at end of year

Increase due to 1% decrease in discount rate	
Decrease due to 1% increase in discount rate	
Increase due to 1% increase in salary increase rate	
Decrease due to 1% decrease in salary increase rate	
Increase due to 1% increase in pension increase rate	
Decrease due to 1% decrease in pension increase rate	

GROUP	
2025	2024
RS'M	RS'M
247	234
55	12
179	58
(59)	(57)
422	247
247	234
43	15
12	11
-	(14)
(59)	(57)
178	45
1	13
422	247
43	15
-	(14)
12	11
55	12
178	45
1	13
179	58
6.0%	5.5%
4.7%	4.2%
3.2%	2.7%
63	63
2025	2024
RS'M	RS'M
142	86
114	78
125	68
99	52
16	10
18	11

The Group has also recognised a net defined benefit liability of Rs 422M as at 30 June 2025 (2024: Rs 247M) 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 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 in the IAS 19 schedule 'Residual Retirement Gratuity' is due to the retirement gratuities paid to employees who retired during the year being higher than their past service reserve.

Notes to the financial statements

for the year ended 30 June 2025

20. Post employment benefit liability/(asset) (Cont'd)

(b) Residual retirement gratuities (Cont'd)

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 cash flow as and when due.

Expected employer contribution for the next year: **Rs 2M**

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)

21. Other liabilities

Impersonal, other accounts and deferred income

Structured products notes*

Proposed dividend (note 33)

Lease liabilities

Allowances for credit impairment on off-balance sheet exposures

Others

GROUP		COMPANY	
2025	2024	2025	2024
RS'M	RS'M	RS'M	RS'M
13,543	15,121	844	950
6,056	5,411	-	-
2,724	2,405	2,724	2,405
1,096	1,023	-	-
934	319	-	-
1,131	38	-	-
25,484	24,317	3,568	3,355

* These structured products notes were issued at the level of our subsidiaries.

All elements under other liabilities are classified as current liabilities except 'Impersonal, other accounts and deferred income' and 'lease liabilities' (amounts over 1 year).

(i) The Lease liabilities can be analysed as follows:

Up to 3 months

Over 3 months and up to 6 months

Over 6 months and up to 1 year

Over 1 year and up to 5 years

Over 5 years

GROUP	
2025	2024
RS'M	RS'M
11	7
11	7
90	27
336	229
648	753
1,096	1,023

21. Other liabilities (Cont'd)

(ii) Allowances for credit impairment on off-balance sheet exposures

	GROUP
	Allowances for credit impairment
	Stage 1
	RS'M
At 1 July 2024	319
Provision for credit impairment for the year	635
Provision released during the year	(20)
At 30 June 2025	934
At 1 July 2023	490
Provision for credit impairment for the year	222
Provision released during the year	(393)
At 30 June 2024	319

22. Stated capital and reserves

(a) Stated capital

	Number of shares	RS'M
At 1 July 2023	246,493,830	4,907
Issue of shares following the exercise of Group Employee Share Options Scheme (Note 30 c)	344,348	114
Conversion of preference shares	2,226,643	679
Issue of shares following the Scrip Dividend Scheme (Non-cash)	4,061,107	1,275
At 30 June 2024	253,125,928	6,975
Issue of shares following the exercise of Group Employee Share Options Scheme (Note 30 c)	460,014	202
Conversion of preference shares	1,640,551	678
Issue of shares following the Scrip Dividend Scheme (Non-cash)	4,197,378	1,691
At 30 June 2025	259,423,871	9,546

Fully paid ordinary shares carry one vote per share and the right to dividend.

The shares have no par value and rank 'pari passu' in all respects with the existing ordinary shares of the Company.

Scrip Dividend Scheme

The Board has approved a Scrip Dividend Scheme whereby Ordinary Shareholders have the option of receiving dividends, or part thereof, by way of Ordinary Shares of the Company.

The Scrip Price of a Scrip Share is calculated as the five-day volume-weighted average of the traded price of the Company's ordinary share on the market, beginning with the first ex-dividend date, less a discount of 3%, as described in the terms governing the Scrip Dividend Scheme.

(b) Reserves

(i) Capital reserve

The capital reserve represents the cumulative net change in:

- (a) the fair value of investment securities until the securities are derecognised or impaired.
- (b) revaluation surplus on land and buildings where applicable, until it is derecognised.

(ii) Translation reserve

The translation reserve represents all foreign currency differences arising from the translation of the results and financial position of foreign operations.

(iii) Statutory reserve

Statutory reserve represents accumulated transfers from retained earnings in accordance with relevant local banking legislations. These reserves are not distributable.

(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.

Notes to the financial statements

for the year ended 30 June 2025

23. Contingent liabilities

(a) Instruments

Acceptances on account of customers
Guarantees on account of customers
Letters of credit and other obligations on account of customers (net)
Other contingent items (net)

(b) Commitments

Loans and other facilities, including undrawn credit facilities

GROUP	
2025	2024
RS'M	RS'M
250	197
70,116	58,199
108,297	120,831
6,224	42
184,887	179,269
18,032	10,883
202,919	190,152

24. Interest income using the effective interest method

Loans to and placements with banks
Loans and advances to customers
Investments at amortised cost
Investments at fair value through other comprehensive income
Other

GROUP		COMPANY	
2025	2024	2025	2024
RS'M	RS'M	RS'M	RS'M
4,240	5,201	-	-
30,313	29,497	13	14
14,230	10,879	-	-
254	14	18	14
-	26	25	48
49,037	45,617	56	76

25. Interest expense

Deposits from banks
Deposits from customers
Other borrowed funds
Debt securities
Subordinated liabilities
Preference shares
Lease liabilities

952	1,000	-	-
15,155	13,819	-	-
3,846	4,494	-	28
1,319	1,290	228	215
600	636	-	7
67	82	57	82
46	57	-	-
21,985	21,378	285	332

26. Fee and commission income

Cards and other related fees
Trade finance fees
Transaction fees
Guarantee fees
Loan related fees
Private banking and wealth management fees
Others

4,913	4,692	-	-
2,245	1,967	-	-
1,684	1,573	-	-
1,183	1,361	-	-
679	562	-	-
611	501	-	-
885	653	-	-
12,200	11,309	-	-

26. Fee and commission income (Cont'd)

Revenue contract from customers

MCB Factors Ltd

Performance obligations and timing of revenue recognition

The majority of the revenue is derived from providing factoring services with revenue recognised at a point in time when control has been transferred to the customer. This is generally when the services are rendered to the customer.

Determining the transaction price

Revenue is mainly derived from interest income that are based on financing of factored debts recognised on an accrual basis using the effective yield method and factoring income based on consideration of factoring and recovery services provided.

Allocating amounts to performance obligations

For most contracts, the Company receives a factoring commission fee under a factoring contract for managing the clients' receivables. Therefore, there is no judgement involved in allocating the contract price to each performance obligation. Where a customer requests more than one product line, the Company is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Costs of obtaining long-term contracts and costs of fulfilling contracts

The costs of fulfilling contracts do not result in the recognition of a separate asset because for service contracts, revenue is recognised over time by reference to the satisfied performance obligation, meaning that control of the asset is transferred to the customer on a continuous basis as work is carried out. Consequently, no asset for work in progress is recognised.

Disaggregated revenue information

MCB Factors Ltd

Factor Fee

Other fees (including signing, closure, maintenance fees)

MCB Capital Market Ltd

Mandates fees

Success fees

CIS fees

Brokerage fees

Distribution fees

GROUP	
2025	2024
RS'M	RS'M
62	58
3	3
65	61
263	234
114	110
97	89
74	61
49	36
597	530

Notes to the financial statements

for the year ended 30 June 2025

27. Fee and commission expense

Cards and other related fees
Loan related and trade finance fees
Transaction fees
Others

GROUP		COMPANY	
2025	2024	2025	2024
RS'M	RS'M	RS'M	RS'M
3,030	3,129	-	-
499	443	-	-
171	158	-	-
57	28	-	-
3,757	3,758	-	-

28. Net trading income

Profit/(loss) arising from dealing in foreign currencies
Net gain from derivative financial instruments fair valued through profit or loss
Net gain from investment securities fair valued through profit or loss
Cash flow hedge
Net gain from other investment securities

4,203	3,721	(94)	60
146	179	-	-
759	320	-	-
(55)	-	-	-
5	-	-	-
5,058	4,220	(94)	60

29. Dividend income

Quoted investments FVOCI
Quoted investments FVPL
Unquoted investments FVOCI
Unquoted investments FVPL
Subsidiaries
Associates

101	74	33	17
30	26	-	-
52	28	-	-
8	8	-	-
-	-	7,543	6,015
-	-	6	-
191	136	7,582	6,032

30. Non-interest expense

(a) Salaries and human resource costs

Wages and salaries
Defined benefit plan
Residual retirement gratuities
Defined contribution plan
Compulsory social security obligations
Equity settled share-based payments
Other personnel expenses

GROUP		COMPANY	
2025	2024	2025	2024
RS'M	RS'M	RS'M	RS'M
5,587	5,088	114	138
239	201	-	-
55	12	-	-
334	225	-	-
274	212	-	-
30	7	-	-
2,187	1,670	9	4
8,706	7,415	123	142

(b) Other non-interest expense

Legal and professional fees
Rent, repairs, maintenance and security costs
Software licensing and other information technology costs
Electricity, water and telephone charges
Advertising, marketing costs and sponsoring
Postage, courier and stationery costs
Insurance costs
Others
of which short term leases

1,158	904	68	52
634	484	-	1
1,549	1,165	-	-
561	459	-	-
318	353	1	1
264	265	-	-
467	192	-	-
454	759	34	35
21	7	-	-
5,405	4,581	103	89

(c) Share-based payments

During FY 2014, the Group proposed a Group Employee Share Option Scheme (GESOS) to all employees.

The Board of Directors has the authority to issue up to 5 million shares to the employees. In November 2024, a further offer of 922,476 options was made on similar terms.

Outstanding and exercisable at 1 July
Expired during the year
Granted during the year
Exercised during the year
Outstanding and exercisable at 30 June

GROUP			
2025		2024	
Weighted avg exercise price	Number of options	Weighted avg exercise price	Number of options
RS		RS	
299.32	794,674	286.19	605,396
297.57	(606,382)	283.30	(484,034)
385.07	922,476	299.00	1,017,660
352.57	(460,014)	297.82	(344,348)
	650,754		794,674

The options outstanding at 30 June 2025 under GESOS have an exercise price in the range of Rs 383.75 to Rs 429.25 and a weighted average contractual life of 3½ months.

The weighted average share price at the date the share options were exercised under GESOS during FY 24/25 was Rs 433.99 (2024: Rs 329.43).

The fair value of services in return for share options granted is based on the fair value of the share options granted measured by the average market price of the share of the last three months, as may be adjusted by the Board of Directors of MCB Group Limited. The fair value at measurement date is Rs 420.25 (2024:Rs 325.00).

Notes to the financial statements

for the year ended 30 June 2025

31. Impairment charge

Net allowance for credit impairment:

Cash and cash equivalents

Loan and advances

Loans to and placements with banks

Loans and advances to customers

Investment securities:

Amortised cost

Fair value through other comprehensive income

Other assets - receivables

Off-balance sheet exposures

Recoveries of advances previously written off

Other impairment:

Investment in subsidiary

GROUP		COMPANY	
2025	2024	2025	2024
RS'M	RS'M	RS'M	RS'M
45	(22)	-	-
(224)	(454)	-	-
4,235	4,795	-	-
232	458	-	-
1	1	-	-
-	92	317	101
615	(171)	-	-
4,904	4,699	317	101
(1,399)	(1,015)	-	-
3,505	3,684	317	101
-	-	2	138
3,505	3,684	319	239

32. Income tax expense

(a) The tax charge related to statements of profit or loss is as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	RS'M	RS'M	RS'M	RS'M
Income tax based on the adjusted profit	4,032	3,344	4	2
Deferred tax	(447)	(595)	-	-
Levy	1,292	1,260	-	-
Corporate Social Responsibility contribution	191	166	-	-
Tax credit	(135)	(76)	(2)	-
(Over)/Under provision in previous years	(18)	15	-	-
Foreign tax	17	12	4	-
Charge for the year	4,932	4,126	6	2

The tax on the profits differs from the theoretical amount that would arise using the basic tax rate as follows:

Profit before tax	22,942	20,321	6,712	5,363
Less share of profit of associates	(34)	(582)	-	-
	22,908	19,739	6,712	5,363
Tax calculated at applicable rates (5%-33%)	3,492	3,127	1,007	802
Effect of change in tax rate	-	(365)	-	-
Impact of:				
Income not subject to tax	(2,431)	(2,280)	(1,142)	(924)
Expenses not deductible for tax purposes	2,524	2,267	139	124
Levy	1,292	1,260	-	-
Corporate Social Responsibility contribution	191	166	-	-
Tax credits	(135)	(76)	(2)	-
(Over)/Under provision in previous years	(18)	15	-	-
Foreign tax	17	12	4	-
Tax charge	4,932	4,126	6	2

Corporate Social Responsibility (CSR) tax

Corporate Social Responsibility (CSR) tax was legislated by the Government of Mauritius in July 2009. The Group is entitled, via its local subsidiaries, 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.

Pillar Two

In October 2021, the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) agreed on a two-pillar solution to address tax challenges arising from the digitalisation of the economy. Pillar Two introduces a global minimum effective tax rate of 15% for multinational enterprise (MNE) groups with consolidated revenue of at least EUR 750 million. Mauritius, as a member of the Inclusive Framework, has enacted legislation to implement a Qualified Domestic Minimum Top-up Tax (QDMTT) through the Finance Act 2025, effective for year of assessment commencing on 1 July 2025.

Under the legislation, the Group qualifies as an MNE for QDMTT purpose and is liable to pay a top-up tax for the difference between the combined effective tax rate of the Group in Mauritius and the 15% minimum rate. Following a preliminary assessment, the Group has determined that the combined effective tax rate for covered persons of MCB Group in Mauritius exceeds 15%. Accordingly, no top-up tax is expected to arise under the Pillar Two framework based on the current structure and prevailing tax rates.

The Group will continue to monitor developments and assess the potential implications of the Pillar Two income taxes legislation on its future financial performance.

Notes to the financial statements

for the year ended 30 June 2025

32. Income tax expense (Cont'd)

(a) The tax charge related to statements of profit or loss is as follows (Cont'd):

Applicable Tax Rates

The applicable tax rate for the Mauritius Commercial Bank Limited is as follows:

- First Rs 1.5 billion of chargeable income at 5%
- Remainder at 15%

(b) The tax credit/(charge) related to statements of comprehensive income is as follows:

Remeasurement of defined benefit pension plan and retirement residual gratuities

Deferred tax credit/(charge)

Remeasurement of defined benefit pension plan and retirement residual gratuities, net of deferred tax

GROUP	
2025	2024
RS'M	RS'M
(1,307)	141
222	(24)
(1,085)	117

33. Dividends

Ordinary shares

Opening dividends payable

Declared during the year

Paid during the year

Scrip dividend

Closing dividend payable

GROUP & COMPANY	
2025	2024
RS'M	RS'M
2,405	2,095
6,174	5,339
(4,164)	(3,754)
(1,691)	(1,275)
2,724	2,405

34. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Profit attributable to the ordinary equity holders of the parent (Rs' 000)

Weighted average number of ordinary shares (thousands)

Basic earnings per share (Rs)

GROUP	
2025	2024
18,065,000	16,045,000
257,508	251,911
70.15	63.69

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year after adjustment for the effects of all dilutive potential ordinary shares.

The Company has only one category of dilutive potential ordinary shares which is share options.

For share options, the proceeds from these instruments shall be regarded as having been received from the issue of ordinary shares at the average market price of ordinary shares during the period. The difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at the average market price of ordinary shares during the period is treated as an issue of ordinary shares for no consideration.

Profit attributable to the ordinary equity holders of the parent (Rs' 000)

Weighted average number of ordinary shares - basic (thousands)

Effect of share options in issue (thousands)

Weighted average number of ordinary shares - diluted (thousands) at year end

Diluted earnings per share (Rs)

GROUP	
2025	2024
18,065,000	16,045,000
257,508	251,911
69	169
257,577	252,080
70.13	63.65

35. Commitments

(a) Capital commitments

Expenditure contracted for but not incurred

Expenditure approved by the Board but not contracted for

GROUP	
2025	2024
RS'M	RS'M
138	199
131	123

(b) Securities pledged

The Group has pledged the 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.

Government of Mauritius & Bank of Mauritius bonds with other financial institutions

GROUP	
2025	2024
RS'M	RS'M
11,893	15,191

(c) The Company has pledged to invest EUR 5M in a carbon-impact fund.

Notes to the financial statements

for the year ended 30 June 2025

36. Operating segments

Operating segments are reported in accordance with the internal reporting provided to the Supervisory and Monitoring Committee, whose responsibility is to allocate capital and resources to the reportable segments and assessing their performance.

All operating segments used by the Group meet the definition of a reportable segment under IFRS 8.

Year ended 30 June 2025

	GROUP	Banking	Non-Banking Financial	Other Investments	Eliminations
	RS'M	RS'M	RS'M	RS'M	RS'M
Income:					
External gross income	67,902	66,559	2,160	153	(970)
Expenses	(41,489)	(40,806)	(1,378)	(287)	982
Operating profit before impairment	26,413	25,753	782	(134)	12
Impairment charge	(3,505)	(3,415)	(88)	(2)	-
Operating profit	22,908	22,338	694	(136)	12
Share of profit of associates	34	294	18	(278)	-
Profit before tax	22,942	22,632	712	(414)	12
Income tax expense	(4,932)				
Profit for the year	18,010				
Other segment items:					
Segment assets	985,446	972,169	26,459	1,732	(14,914)
Investments in associates	13,276	5,741	83	7,455	(3)
Goodwill and other intangible assets	3,427				
Deferred tax assets	4,845				
Total assets	1,006,994				
Segment liabilities	854,421	851,239	16,941	1,758	(15,517)
Unallocated liabilities	31,319				
Total liabilities	885,740				

36. Operating segments (Cont'd)

Year ended 30 June 2024

	GROUP	Banking	Non-Banking Financial	Other Investments	Eliminations
	RS'M	RS'M	RS'M	RS'M	RS'M
Income:					
External gross income	62,146	61,467	1,817	142	(1,280)
Expenses	(38,723)	(38,046)	(1,219)	(411)	953
Operating profit before impairment	23,423	23,421	598	(269)	(327)
Impairment charge	(3,684)	(3,612)	19	(91)	-
Operating profit	19,739	19,809	617	(360)	(327)
Share of profit of associates	582	306	14	262	-
Profit before tax	20,321	20,115	631	(98)	(327)
Income tax expense	(4,126)				
Profit for the year	16,195				
Other segment items:					
Segment assets	918,383	913,634	23,589	1,723	(20,563)
Investments in associates	13,102	5,496	66	7,543	(3)
Goodwill and other intangible assets	3,144				
Deferred tax assets	4,118				
Total assets	938,747				
Segment liabilities	798,895	798,806	13,870	1,654	(15,435)
Unallocated liabilities	32,837				
Total liabilities	831,732				

Notes to the financial statements

for the year ended 30 June 2025

36. Operating segments (Cont'd)

Year ended 30 June 2025

	GROUP	Net interest income/ (expense)	Net fee and commission income	Dividend income	Forex profit and others
	RS'M	RS'M	RS'M	RS'M	RS'M
Operating income:					
Banking	41,448	26,833	7,903	871	5,841
Non-Banking Financial	1,734	226	697	38	773
Other Investments	129	(22)	25	49	77
Eliminations	(1,151)	15	(182)	(767)	(217)
	42,160	27,052	8,443	191	6,474
Segment assets	907,905	897,643	-	10,262	-
Investments in associates	13,276				
Goodwill and other intangible assets	3,427				
Deferred tax assets	4,845				
Unallocated assets	77,541				
Total assets	1,006,994				

Year ended 30 June 2024

	GROUP	Net interest income/ expense	Net fee and commission income	Dividend income	Forex profit and others
	RS'M	RS'M	RS'M	RS'M	RS'M
Operating income:					
Banking	36,524	24,084	7,081	843	4,516
Non-Banking Financial	1,445	162	605	33	645
Other Investments	102	(37)	21	21	97
Eliminations	(1,061)	30	(156)	(761)	(174)
	37,010	24,239	7,551	136	5,084
Segment assets	846,044	836,424	-	9,620	-
Investments in associates	13,102				
Goodwill and other intangible assets	3,144				
Deferred tax assets	4,118				
Post employment benefit asset	754				
Unallocated assets	71,585				
Total assets	938,747				

37. Related party transactions

(a) The Group

	Associated companies	Directors and Key Management Personnel*	Enterprises in which Directors and Key Management Personnel have significant interest*	Defined benefit plan
	RS'M	RS'M	RS'M	RS'M
Cash equivalents, Loans and Advances				
Balance at year end:				
30 June 25	1,320	232	135	-
30 June 24	2,226	148	159	-
Deposits				
Balance at year end:				
30 June 25	77	372	317	319
30 June 24	117	436	429	490
Amounts due from/(to)				
Balance at year end:				
30 June 25	(1,053)	-	-	-
30 June 24	(923)	-	-	-
Off-Balance sheet items				
Balance at year end:				
30 June 25	3	-	41	-
30 June 24	3	-	29	-
Interest income				
For the year ended:				
30 June 25	94	6	9	-
30 June 24	138	5	13	-
Interest expense				
For the year ended:				
30 June 25	2	12	-	3
30 June 24	1	16	1	6
Fees and commissions and Other income				
For the year ended:				
30 June 25	5	2	2	6
30 June 24	3	2	2	4

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.

Credit facilities granted to related parties are secured except for credit cards, money market lines and facilities provided to related financial institution counterparties in accordance with our policy and are settled from the underlying obligor's operating cash flows.

* Directors and Key Management Personnel also includes other key members of the Leadership Team.

Notes to the financial statements

for the year ended 30 June 2025

37. Related party transactions (Cont'd)

(a) The Group (Cont'd)

The FY 2024/2025 figure for "Fees and commissions and Other income" from Associated Companies includes an annual amount in respect of management fees charged to Banque Francaise Commerciale Ocean 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).

(b) The Company

In addition to the amounts disclosed in (a) above, the following information relate to subsidiaries and associates of the Company:

(i) Balances as at 30 June :

Subsidiaries

2025

2024

Amount owed by	Amount owed to
RS'M	RS'M
4,785	707
6,324	789

(ii) Income and expenses for the year ended 30 June:

Subsidiaries

2025

2024

Dividend income	Interest income	Other expense
RS'M	RS'M	RS'M
7,543	53	29
6,015	76	56

(iii) Other

During the year, the Company has purchased investments amounting to Rs 3,966 M from its subsidiary.

(c) Key Management Personnel compensation

Remuneration and other benefits relating to members of Group

Executive Strategy Committee and Directors, were as follows:

Salaries and short term employee benefits

Post employment benefits

GROUP		COMPANY	
2025	2024	2025	2024
RS'M	RS'M	RS'M	RS'M
314	346	80	126
26	24	6	8
340	370	86	134

38. Events after reporting date

- (i) In July 2025, the Board has approved the issue of additional notes, by way of preferential offer.
- (ii) Conversion of 6,448,633 preference shares into ordinary shares - *Refer to Note 19.*
- (iii) 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 local 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 residents 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.

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 Sustainability Report is available here:
mcbgroup.com