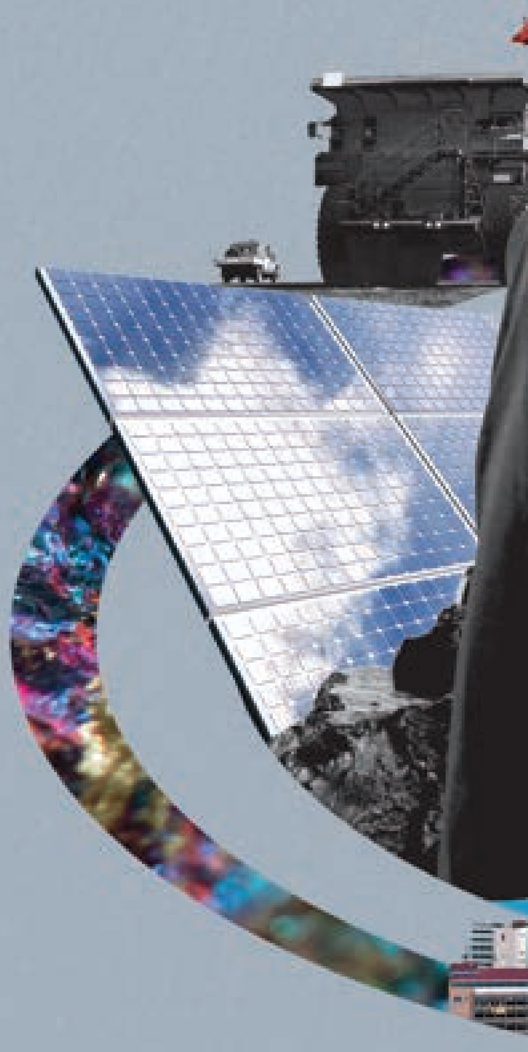
CONTENTS





## 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**

(90%) - Consolidate and grow the core

| Creating value for our stakeholders | Objectives | KPI | SDG Impacted |
|---|---|---|---|
| **Employees** | • Support employee engagement<br>• Develop and retain talents | ⊕ Trust Index<br>⊕ Internal mobility rate* | |
| **Customers** | • Improve customer satisfaction and client experience<br>• Deepen relationships and wallet share | ⊖ Net promoter score<br>⊕ Non-interest income growth | |
| **Shareholders and investors** | • Drive financial performance to deliver strong returns<br>• Grow responsibly within set risk appetite | ⊕ Return on equity<br>⊕ Operating income growth<br>⊕ Risk barometer** | |
| **Economies, societies and communities** | • Support local economies<br>• Enable sustainable transitions | ⊕ Local market share<br>⊕ 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<br>• Empowering environment that embraces diversity, inclusivity and meritocracy principles<br>• Strong leadership and change management<br>• Competitive reward and effective performance management system<br>• Training, development and career opportunities | • Innovative and customised financial solutions<br>• Excellent service quality and competitive pricing<br>• Safe and convenient access to financial solutions<br>• Security and privacy of transactions and data<br>• Effective process for dealing with complaints<br>• Responsible banking solutions |
| **How we engage with stakeholders and address their needs?** | • Ongoing quest to identify, attract, grow and retain talents<br>• Regular surveys to gauge employee engagement<br>• Enrichment of our training courses, in-class and online<br>• Adapted career architecture to align with current business realities and global best practices<br>• Fair and robust remuneration philosophy<br>• Provision of various fringe benefits, including staff banking facilities at preferential rates as well as the employee share option scheme<br>• Initiatives to cater for employee health/well-being, including Flexible Working Arrangements<br>• Social leave policy offering paid leave to engage in impactful activities<br>• Gender Equality Charter to promote a balanced and diversified workforce<br>• Gold Standard Management Routines to promote desired corporate culture<br>• Succession planning to ensure the organisation's continuity, stability and long-term success<br>• Maintenance of healthy relationships with employee representatives<br>• Application of Group Code of Ethics and Business Conduct<br>• Application of Code of Banking Practice<br>• Adoption of Group Whistleblowing Policy<br>• 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<br>• Enrichment of our offerings in line with customer needs and market trends<br>• Efforts to reduce waiting times and improve turnaround efficiency as well as address complaints<br>• Ongoing client interactions to better understand and anticipate their needs by leveraging our dedicated customer lab<br>• Compliance with data protection regulations and investments to ensure the safety and confidentiality of client information and reliability of our channels<br>• Fair pricing and effective management of new and existing product offerings by dedicated committees<br>• Transparent and timely communication through adapted channels, including on social media |
| **Selected metrics** | **68%** Trust Index score *(+12 p.p compared to the previous survey)*<br>**57.3 %** Internal mobility rate<br>**~ Rs 126 million** Investment in training<br>**~ 9%** Turnover rate | Net Promoter Scores (MCB Ltd)<br>**32.7** Retail<br>**21.1** Business Banking<br>**33.2** Private Wealth Management<br>**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<br>• Protection and growth of investment<br>• Robust business model<br>• Sound ESG practices<br>• Rigorous risk management<br>• Strong, experienced and diverse management<br>• Transparent reporting and effective communication | • Initiatives to promote socio-economic progress and financial inclusion and literacy<br>• Efficient use of natural resources and eco-friendly operations<br>• Responsible banking practices and adherence to laws and regulations<br>• 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<br>• Interactions with shareholders and investors to better understand their perspectives and update them on our performance, strategy and sustainability agenda<br>• Corporate announcements and publications, in particular quarterly Financial and Group Management Statements, roadshow presentations, and annual reports<br>• 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<br>• 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<br>• No political donations made during FY 2024/25<br>• Continuous support to local economies and modernisation of sectors across jurisdictions<br>• Contribution to the positioning of Mauritius as a credible and competitive IFC<br>• Key contributor to fiscal revenues in Mauritius<br>• Full compliance with regulatory requirements and guidelines<br>• Policies and procedures in place to detect and prevent financial crimes and prompt attendance to submission of regulatory reviews and reports<br>• 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<br>**13.9%** Operating income growth<br>**5.9%** Dividend yield<br>**~ Rs 4.9 billion** value traded<br>**~ 52%** of market turnover<br>*(Excludes one-off transactions)* | **A** MCB Group MSCI ESG rating<br>**~ Rs 13 bn** Outstanding loans to MSMEs (Includes micro finance)<br>**~Rs 5 bn** Total tax paid in Mauritius (MCB Ltd)<br>**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

**Identification**

We identify a list of factors taking into account:

- Our operating environment
- Stakeholder needs and expectations
- Risks and opportunities

**Prioritisation**

This involves ranking material matters in order of importance through an impact evaluation by ensuring:

- Alignment with the Group's strategic objectives and sustainability goals
- Stakeholder interests

**Strategic integration**

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

**Monitoring**

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

## Material matters identified for the period under review

**Operating context influences**

**1 Geopolitical and macroeconomic conditions**

Intensifying geopolitical tensions; mixed sovereign rating outcomes; FX pressures; and diverging interest rate paths

**2 Heightened regulatory demands**

Forthcoming increase in taxation; more complex regulatory and supervisory requirements; divergent outcomes regarding inclusion of African countries on the FATF list

**3 Climate, environmental and social considerations**

Prominent emphasis on climate change; growing focus on gender diversity, transparency and evolving disclosure requirements

**4 Cybersecurity and technological advancements**

Data protection and privacy; increased interconnectedness, digital adoption and more sophisticated demand; accelerated AI deployment

**5 Workplace transformations and employee engagement**

Evolving workplace culture and DEI; skills shortages and talent retention challenges; talent development; flexibility and wellbeing; succession planning

**6 Customer experience in a competitive landscape**

Innovative product offerings and competitive pricing models; new players such as fintech or mobile money companies

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

## Our response to operating context influences

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

### *Geopolitical and macroeconomic conditions*

- Global growth remains modest, with trade tensions persisting despite some easing; inflation continues its gradual decline amidst softer commodity prices, while the US has started cutting rates, albeit at a slow pace during the year
- Sub-Saharan Africa picking up, though challenges persist in light of a difficult external context, limited fiscal space, climate shocks and social tensions, with sovereign rating pressures lingering in some countries despite upgrades 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 I Manufactured I 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 I Manufactured I 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 I Natural I Social and relationship I 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 increasecybersecurity knowledge and awareness
- Equipped employees with more sophisticated tools, leveraging machine learning

**Capital impacted:**
Intellectual I Manufactured I
Social and relationship I 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 I Human I 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 I Human I
Intellectual I Social and relationship I Natural

**Risk impacted**

Strategic and business risk

*Read more in the 'Risk and capital management' report on page 145-192*