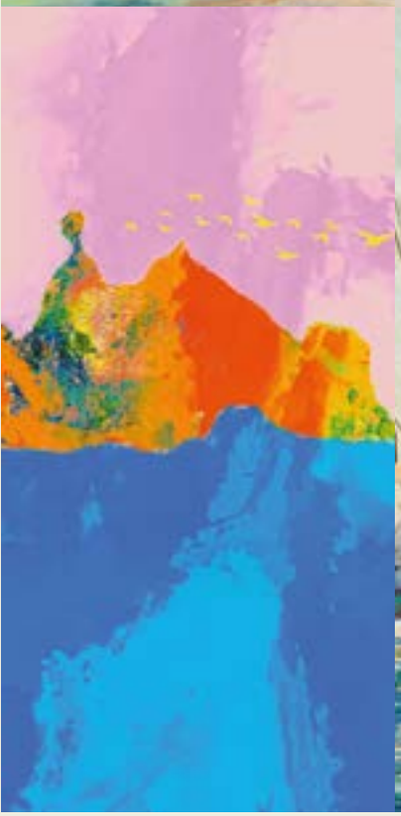
MCB

Annual Report 2026










This report has been prepared to assist relevant stakeholders in assessing the strategies of MCB Ltd (the 'Bank') 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 Bank'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 MCB Ltd 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.

The Directors of The Mauritius Commercial Bank Limited are pleased to present its Annual Report for the year ended 30 June 2026.

The Annual Report was approved by the Board of Directors on 18 September 2026.



Simon WALKER
Chairperson



Thierry HEBRAUD
Chief Executive Officer

Our purpose

Success Beyond Numbers

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

Vision 2030

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

Our Core Values



Service	Integrity	Innovation	Respect	Teamwork
Make Things Simple	Act Responsibly	Push Boundaries	Create Positive Impact	Build Partnerships

Our Shared Ways of Working

Vision 2030 in motion

A year on from launching Vision 2030, we are translating our ambitions into actions, building on our strong foundation while pursuing new opportunities to shape our future growth.



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 socio-economic development



Win in the Workplace

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

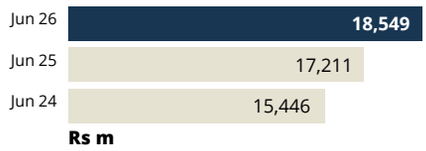
Financial highlights

Financial performance



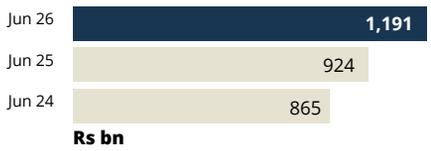
Net profit

Rs 18,549 m + 7.8%



Total assets

Rs 1,191 bn + 29.0%

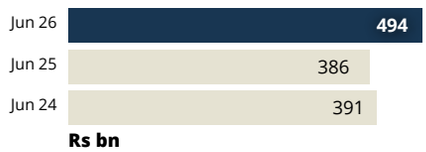


Market positioning



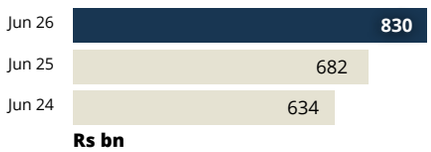
Customer loans

Rs 494 bn +28.1%



Customer deposits

Rs 830 bn +21.9%

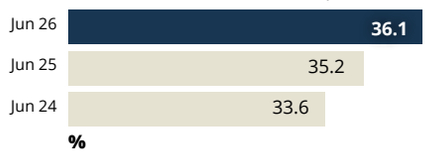


Efficiency and return ratios



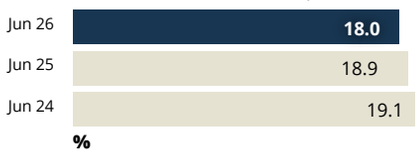
Cost-to-income

36.1% +96 bps



Return on equity

18.0% -94 bps

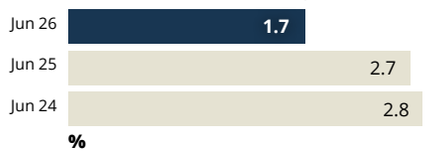


Asset quality and capitalisation



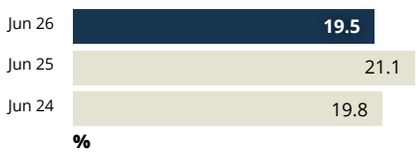
Gross NPL ratio

1.7% -102 bps



Capital adequacy ratio

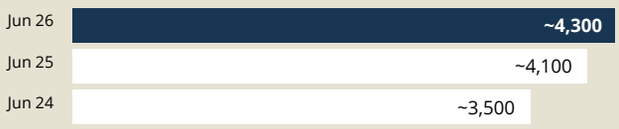
19.5% -158 bps



Sustainability highlights

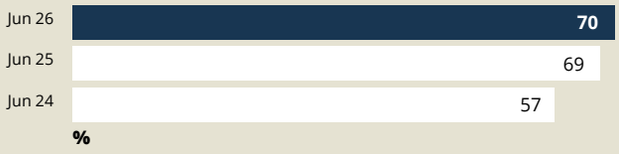
Empowering our people

Workforce



Trust index

MCB accredited Great Place to Work®

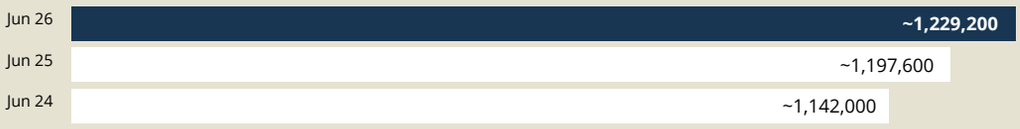


35.1%

Women at middle and senior management level

Supporting clients and sustainable growth

Overall customer base



Launch of Intra-African trade envelope

USD 1 bn

Amount earmarked

Scaling up sustainable finance envelope

Rs 25 bn

Up from Rs 10 bn previously

'Lokal is Beautiful' loan scheme

Rs 452.8 m

Amount disbursed

Creating shared prosperity

Rs 90.1 m

Amount entrusted to MCB Forward Foundation

~ 4.5%

of the total value added generated in Mauritius

14.5%

of total corporate tax paid in Mauritius (inclusive of levies on income)

Read more about our key stakeholders on pages 36 to 37

Read more in the Sustainability Report on our website

Note: Figures are as at 30 June 2026, unless otherwise stated

The concept

The Ocean: Our Shared Heritage, Our Shared Future

The ocean is central to who we are and to the future of our region. It shapes our identity, supports our economies and our communities, and plays an essential role in our everyday lives.

For generations, it has inspired artists who have captured our relationship with the sea, reflecting our cultural heritage and enriching the artistic identity of our islands.

As MCB strengthens its commitment to a sustainable blue economy, we have placed the ocean at the heart of this year's Annual Report. Through a selection of artworks by artists, past and present, we celebrate this shared heritage and its importance for future generations.



Poetics of Hexagon
Artist: Louis Goupille



Home
Artist: Anthesis



Deux pêcheurs et femme en sari à Cap Malheureux
Artist: Françoise Vrot



Ile Hermitage
Artist: S. Nuckcheddy



Trois proues de navires
Artist: Jocelyn Thomasse



Port Louis
Artist: Cl. Bethuel



Rade de Port-Louis
Artist: Cl. Brun



Blue Bay Fungi
Artist: Louis Goupille



Title unknown
Artist: Malcolm de Chazal



Les côtiers
Artist: F.A. Wilson



Reflections from the Chairperson

Setting the course together

I would like to begin my second statement as Chairperson of MCB Ltd by extending thanks to my fellow directors on the Boards of the Bank and the Group for their counsel and commitment through a demanding year, to Thierry and the Leadership Team for their stewardship, and to colleagues across the organisation whose work and efforts stand behind the pages that follow.

If I were to single out one moment from the year, it would be our Strategy Retreat. It brought together members of both Boards and the Group Executive Strategy Committee for two days of open discussion on growth, innovation and our readiness to embrace change. We came away aligned on the priorities that will guide the next phase of Vision 2030, and with a more coherent sense of shared purpose. This alignment matters, because the emphasis has shifted from setting direction to delivering on Vision 2030. Delivery was tested this year, as the war in the Middle East heightened volatility and uncertainty across markets in which we operate. The Bank nonetheless posted a net profit after tax of Rs 18,549 million, up 7.8%, with the balance sheet remaining solid and asset quality improving. The Board is very pleased with the progress recorded against the scorecard, which is anchored on measures spanning employees, customers, shareholders and the wider economy.

Achievements that inspire confidence

The year brought recognition across the breadth of our franchise, with awards across our retail and SME franchise, our private banking offering, and our structured products and syndicated lending capabilities in Africa. Awards are not an end in themselves, but taken together they tell us that the quality of what we do is visible well beyond our shores. I attach equal weight to the recognition earned for our workplace. During the year we renewed our Great Place to Work® Certification for a second consecutive year, were named Best Workplace for Women in Tech Africa, and maintained our EQUAL SALARY Certification. These distinctions rest on sustained investment in our people, notably through the IMPACT leadership programmes, the Beyond Graduate Programme alongside a strengthened succession pipeline. The launch of Beyond, our new employer brand, and of our DEI Charter gave clearer expression to what we ask of ourselves as an employer.

Positioning our franchise for long-term success

In Mauritius, MCB consolidated its leadership position, accounting for around 50% of local currency deposits and around 40% of domestic credit to the economy. Our lending extended across the breadth of the economy during the year, with growth in mortgage and unsecured lending, continued support to entrepreneurs and small businesses and financing provided to corporates across a wide range of sectors. In addition, we disbursed around Rs 5 billion under our sustainable credit line in FY 2025/26. We also continued to invest in the technology and digital capabilities needed to support future growth and evolving customer expectations. This was reflected in milestones such as the launch of Apple Pay, making MCB the first bank in Mauritius and Eastern Africa to offer the service to both Visa and Mastercard cardholders, and the upgrade to Juice 5.0. Together, these developments are supporting Mauritius' transition towards a more cash-lite and digitally enabled economy.

In parallel, we continued to deepen our role as a trusted partner in Africa. We reinforced our positioning as a specialist bank in niche segments. We deepened our energy franchise, continued to broaden our commodities offering into gas, metals and minerals and built a growing pipeline of power and infrastructure transactions, all of which underpin Africa's economic and social development. Capitalising on the Mauritius IFC and our regional hubs, we continued to facilitate trade and capital flows into, within and out of Africa, connecting investors, businesses and markets through tailored cross-border banking and financial solutions.

Our access to international capital markets during the year confirmed investor confidence in the Bank's credit profile and growth prospects. In wealth management, leveraging our leading position in Mauritius, we continued to strengthen our regional positioning by delivering a personalised service experience to high-net-worth clients.

Upholding our commitment to governance and sustainability

Strong governance remains the foundation on which our ability to execute rests. During FY 2025/26, the Board's attention centered notably on progress against Vision 2030, on the implications of geopolitical developments for the markets in which we operate and on the approval of the Bank's risk appetite and updated Risk Heat Map. The continued good rapport between the Board, Thierry and the Leadership Team, together with the synergies we draw from MCB Group, remains central to sound decision-making and effective execution. The Board is pleased with the appointments of a Chief Information Officer and a Chief Customer Experience Officer. We also took stock of our own effectiveness, commissioning Ernst & Young to conduct an external evaluation against the National Code of Corporate Governance. The exercise confirmed that the Board and its committees comply with the Code and that directors continue to fulfil their roles as required, with the overall assessment improving on the previous review and positioning the Board as a leading practice in Mauritius. The organisation continued to place emphasis on director development, with particular attention given to the themes reshaping our industry, including artificial intelligence, cyber and technology risk, and the climate transition. On the latter front, directors participated in a seminar on the Just Transition facilitated by UNEP FI. Risk oversight was reinforced accordingly, including through the approval of a dedicated Climate-related Financial Risk Policy, with physical and transition indicators now reported regularly to the Risk Monitoring Committee.

Charting the next chapter with confidence

The environment ahead is likely to pose a broadening array of challenges. Geopolitical uncertainty persists, competitive pressures on the Mauritian jurisdiction are rising as regional peers strengthen their offerings, energy security remains a structural constraint, and climate-related disruption is now a recurring feature rather than an occasional one. AI adds a challenge of a different order: it is reshaping how banking is done, and while it brings real opportunity, it can also disrupt long-established business models faster than institutions can adapt. The Board's role in such conditions is to hold prudence and ambition together, with clear guidance on where resources need to be focused. We intend to see the priorities agreed at the Retreat executed, supported by effective risk oversight and continued investment in our capabilities. I am confident in our strategy, in the pipeline of growth we see before us, and above all in our people. I am equally confident that we will continue to contribute meaningfully to the communities we serve.

To our customers, thank you for entrusting us with your business. To our shareholders, thank you for your continued support. Our purpose, Success Beyond Numbers, is a reminder that the value we create is measured not only in results but in the durability of the relationships and the impact behind them.



Simon WALKER

Chairperson



Board of Directors

Independent Non-Executive Directors

Simon WALKER *(Chairperson)*

Johanne HAGUE

Craig McKENZIE

Su Lin ONG

Non-Executive Director

Jean Michel NG TSEUNG

Executive Directors

Thierry HEBRAUD

Dipak CHUMMUN

Secretary to the Board:

MCB Group Corporate Services Ltd
(represented by Marivonne OXENHAM)

Committees of the Board

Supervisory and Monitoring Committee

Simon WALKER *(Chairperson)*

Dipak CHUMMUN

Thierry HEBRAUD *(also acts as Secretary)*

Audit Committee

Su Lin ONG *(Chairperson)*

Johanne HAGUE

Craig McKENZIE

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

Cyber and Technology Risk Committee

Su Lin ONG *(Chairperson representing MCB Ltd)*

Thierry HEBRAUD

Simon WALKER

Directors from MCB Group Ltd

Cedric JEANNOT *(Chairperson representing MCB Group Ltd)*

Stephen DAVIDSON

Jean Michel NG TSEUNG

San T SINGARAVELLOO

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

Nomination and Remuneration Committee

Simon WALKER *(Chairperson) (also acts as Secretary)*

Johanne HAGUE

Thierry HEBRAUD

Jean Michel NG TSEUNG

Risk Monitoring Committee

Craig McKENZIE *(Chairperson)*

Thierry HEBRAUD

Jean Michel NG TSEUNG

Simon WALKER

Secretary: Frederic PAPOCCHIA

Leadership team

Management Committee

Thierry HEBRAUD	**Chief Executive Officer**
Dipak CHUMMUN	Chief Finance Officer
Ashvin DEENA	Global Head – Coverage
Mathieu DELTEIL	Global Head – Structured Finance
Philippe ENJALBAL	Chief Information Officer *(as from January 2026)*
Allan FREED	Head – Human Resources
Hemandra Kumar HAZAREESING	Chief Operating Officer
Frederic PAPOCCHIA	Chief Risk Officer
Parikshat TULSIDAS	Head – Financial Markets
Anju UMROWSING-RAMTOHUL	Head – Domestic Banking
Adrian VERMOOTEN	Chief Customer Experience Officer *(as from November 2025)*
Stephanie AH TOW	Head – Compliance
Matthieu BENOIT	Head – Customer Experience and Marketing *(until June 2026)*
Hema CEDERHAGE	Head – Securities Services
Pamela CHAN KING YUEN	Head – Business Banking
Koomaren CUNNOOSAMY	Head – Debt Restructuring and Recovery Management
François DESVAUX DE MARIGNY	Head – Private Wealth Management
Vanessa DOGER DE SPEVILLE	Head – Sustainability, Reputation and Engagement
Eddie EMMANUEL	Head – Internal Audit
Youri HAREL	Head – Energy, Infrastructure and Commodities
Jean-François HENRI	Head – Facilities Management
Patrice HERVE	Head – Technology
Vicky HURYNAG	Head – Strategy, Research and Development
Bernard JACKSON	Head – Retail
Anbar JOWAHEER	Head – Strategic Funding
Joel LAMBERT	Head – Legal
Bhavish NAECK	Head – Finance
Vikash NATHOO	Head – Enterprise Risk
Stephanie NG TSEUNG-YUE	Head – Payments
Krishen PATTEN	Head – Financial Risk *(until September 2026)*
	Head – Private Wealth Management International *(as from September 2026)*
Lindley PERRINE	Head – Treasury Management
Rajeshwar PERTAB	Head – Middle Office, Corporate and Institutional Banking
Neekeea RAMEN	Head – Credit Management
Abraham RAWAT	Head – Banking Operations
Aldo SYDONIE	Head – Mauritian and Regional Corporates



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Value creation for our stakeholders

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Administrative information



ABOUT THIS REPORT

About this Report

Philosophy of the Annual Report

Guided by our purpose, Success Beyond Numbers, this Annual Report (the 'Report') provides a holistic account of how MCB Ltd creates, delivers and preserves value for its stakeholders over the short, medium and long term. The Report has been prepared in line with recognised reporting principles and applicable local and international regulations, codes and standards. These provide the basis for reporting on the Bank's strategy, governance, performance, prospects and sustainability-related matters.

Integrated reporting process

Compilation of the Report
in line with

Integrated Reporting Framework and Global Reporting Initiative (GRI) standards

Local and international regulations, codes and standards

Ensuring integrity of the Report
using a coordinated assurance model

Oversight by independent external auditors

Review by Management as well as Chairperson of the Board and Chairs of relevant committees

Approval of the Report
at Board level

The Annual Report and Financial statements are approved by the Board of Directors

The Corporate Governance Report is discussed at the Nomination and Remuneration Committee

Our reporting suite

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

This Annual Report is complemented by our Sustainability Report, which highlights our efforts to strengthen local and regional economies, protect our culture and environment and improve well-being across our communities.

The reports can be accessed on our websites. They are available in a format that is fully adapted to smartphones, tablets and computers. This format enables the readers to navigate the content easily. 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 2025 to 30 June 2026. Material events taking place after this date and until approval of the Report by the Board of Directors of MCB Ltd have also been communicated.

Financial and non-financial reporting

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

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

Report content and materiality

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

Specific areas of reporting

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

Capital types

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

Operating business

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

Icons used in this report

Stakeholders

Customers

Shareholders and investors

Economies, societies and communities

Employees

Capital types

Financial capital

Social and relationship capital

Natural capital

Human capital

Intellectual capital

Manufactured capital

Sustainable Development Goals (SDGs)



Others

Read more in this Annual Report

Find out more online (i.e. across MCB websites)

Read more in the Sustainability Report on our website



OUR CORPORATE PROFILE

Who we are

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



Presence in
11 countries

Wide network of correspondent banks across Africa
~100

MCB Ltd
While headquartered in Mauritius, the Bank leverages synergies across its business lines and with other MCB Group entities, while also drawing on partnerships with external parties

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

Our channels

34
Branches/Kiosks

185
ATMs

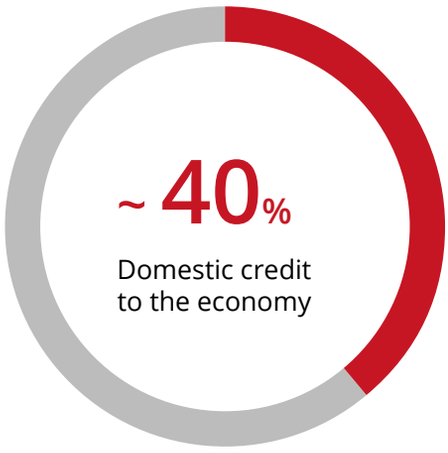
>730,000
MCB Juice subscribers

Credit ratings

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

Care Ratings (Africa) Private Limited
AAA (Stable)
Pertains to the servicing of financial obligations in Mauritius

Domestic market shares





Figures are as at 30 June 2026

Accolades

World

GTR Best Deals 2026

Captain Arctic transaction recognised as one of the standout deals of 2025

Africa

Africa's Best Bank for Structured Products

Euromoney Private Banking Awards 2026

Best Cash, Liquidity and/or Risk Management Provider– Sub-Saharan Africa

Trade Treasury Payments Awards 2026

Financial Institutions Syndicated Loan Deal of the Year

Global Banking & Markets Awards 2026

Portfolio Financing Deal of the Year, Africa

IJGlobal Awards 2025

Structured Finance Deal of the Year - Africa

Global Banking & Markets Awards 2026

Financial Institutions/ Bank Bond Deal of the Year

Global Banking & Markets Awards 2025



Mauritius

Best Bank

Best Bank for SMEs

Euromoney Awards for Excellence
2026

Best Digital CX Strategy, Mauritius

Digital Banker Africa Awards
2026

Best Trade Finance Provider in Mauritius

Best Bank for Cash Management

Global Finance
2026

Best Private Bank in Mauritius

The Banker, Global Private Banking Awards
2025

Best Private Bank

Euromoney Private Banking Awards
2026

Best Transaction Bank, Mauritius

Euromoney Transaction Banking Awards
2025

Top Employer Brand

Top Trustworthy Brand

Most Innovative Brand (2nd)

Top Local Heritage Brand (2nd)

Top Brands of Mauritius by Kantar, Brand Magic
2026

How we operate

MCB Group structure

MCB Ltd is a wholly-owned subsidiary of **MCB Investment Holding Ltd**, itself a wholly-owned subsidiary of **MCB Group Ltd**. The latter is the ultimate holding company of MCB Group's entities. The subsidiaries and associates of MCB Group Ltd operate under three distinct clusters, namely 'Banking', 'Non-banking financial', and 'Other investments'. These entities enable us to serve clients across markets, diversify earnings streams and support our regional growth ambitions.

MCB GROUP LTD

Banking*

MCB Investment Holding Ltd (100%)

- 100% MCB Ltd
  - 49.99% Banque Française Commerciale Océan Indien (Associate)
  - 100% MCB Representative Office (Nigeria) Ltd
  - 80% MCB Madagascar SA
- 10%
- 100% MCB Seychelles Ltd
- 100% MCB (Maldives) Private Ltd

Non-Banking Financial*

- 100% MCB Capital Markets Ltd
- 100% MCB Equity Fund Ltd
- MCB Leasing Ltd — 100%
- 100% MCB Factors Ltd
- 100% MCB Microfinance Ltd
- 40% Credit Guarantee Insurance Co. Ltd (Associate)
- 100% MCB Real Assets Ltd
- 100% MCB Trade Services S.A.

Other Investments*

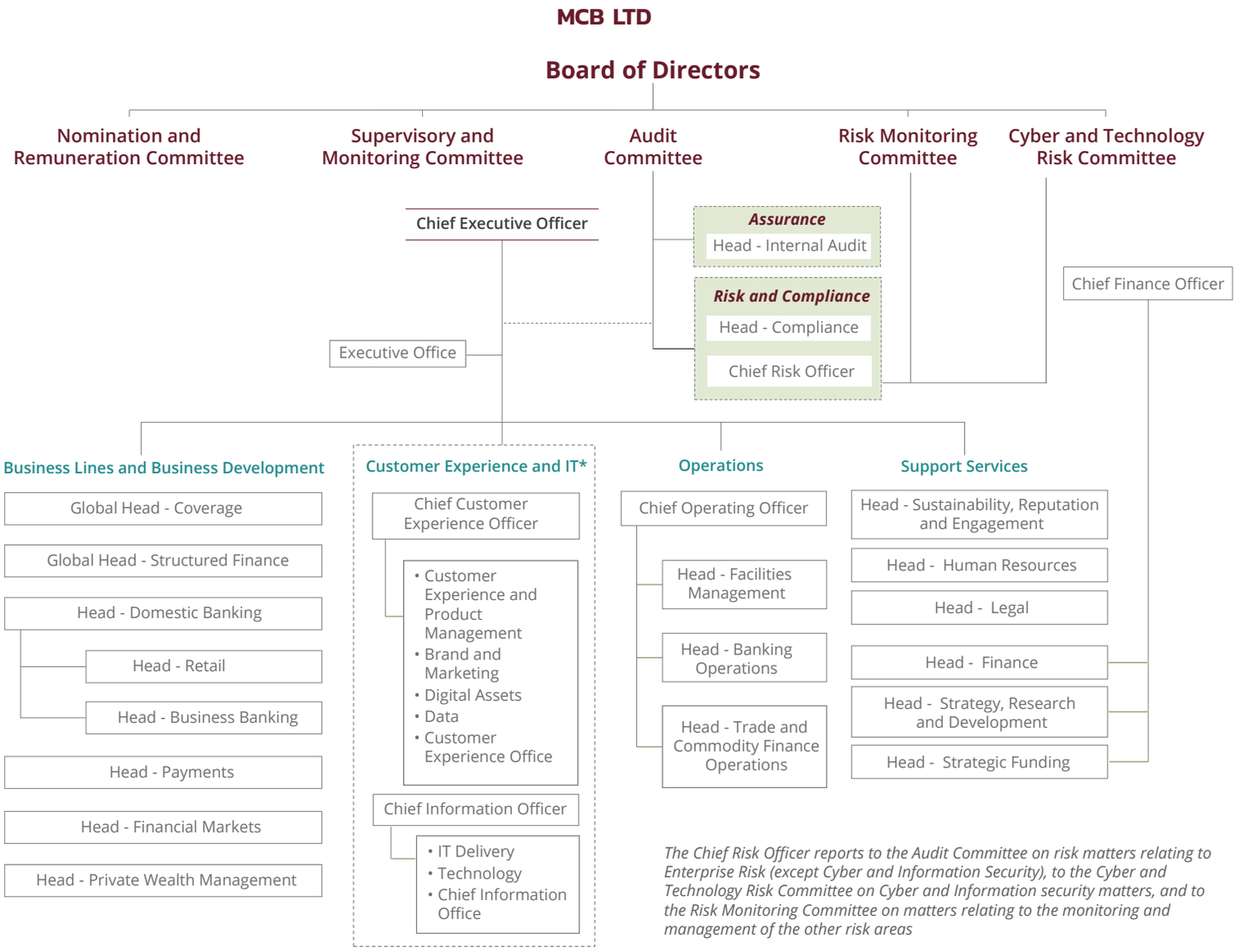
- 57.73% Fincorp Investment Ltd
- 100% MCB Properties Ltd
- 100% MCB Group Corporate Services Ltd
- 100% MCB Shared Services Ltd
- 100% Mascareignes Properties Ltd
- 100% MCB International Services Ltd
- 100% MCB Forward Foundation
- 99.85% Blue Penny Museum — 0.15%

**Relate to clusters*



Organisation chart of the Bank

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



** Implementation of the new operating model underway*

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

- Building on the strategic realignment undertaken in the previous year, a Chief Customer Experience Officer (CXO) and a Chief Information Officer (CIO) were appointed during the year under review. The appointments strengthen leadership oversight of customer experience, digital transformation, technology and information security across the organisation, with a new operating model currently being unfolded.

- In November 2025, the Bank established the Trade and Commodity Finance Operations SBU under the office of the Chief Operating Officer, strengthening its operating model to support the distinct requirements of trade finance and commodity trade finance activities. The new structure enhances efficiency, oversight and risk management, supporting a more seamless and client-focused trade finance offering.

- The Procurement Business Unit has been moved from the Facilities Management and Procurement SBU to the Finance SBU, enabling closer coordination with financial planning, cost management and resource allocation.

- As part of the continued evolution of its people function, the HR operating model has been enhanced to sharpen its strategic focus and support MCB's growth ambitions. Dedicated HR Business Partnering teams now support distinct business segments, drawing on specialist expertise in People Experience and Organisational Effectiveness and supported by HR Operations. This model fosters closer alignment with business priorities, while enabling more focused talent, culture and organisational initiatives in support of Vision 2030.



Our market operations

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

Our lines of business

Retail

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

Private Wealth Management

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

Business Banking

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

Corporate and Institutional

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

Our extensive and customised financial and wealth solutions

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

Individuals

Everyday Banking

- Deposit accounts (current and savings)
- Multi-currency accounts
- Cross-currency transfer and remittances (Forex transactions)
- Overdrafts
- Debit, credit and prepaid cards
- Distribution of general insurance cover
- Account sweep

Financing Solutions

- Home loans
- Personal loans
- Education loans
- Car financing
- Green loans and leases
- Microfinance
- Lombard facilities

Banking Channels

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

Savings and Investments

- Education plan/Retirement plan
- Investment funds
- Custodian services
- Fixed deposits
- Distribution of Life insurance plans, Treasury bills and Government bonds

Payment Services

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

Wealth Management Solutions

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

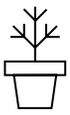
We work closely with customers to understand their imperatives, challenges and priorities, while assisting them to design solutions adapted to their needs. Furthermore, our business segments offer solutions conceived and managed by other MCB Group entities.

Entrepreneurs, Corporates and Institutions



Cash Management Solutions

- Card and QR Acceptance
- Cards acquiring services
- Business debit and deposit cards
- Corporate Cards in MUR and FCY
- Fleetman card
- E-commerce
- Domestic and international transfers
- 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
- SWIFT MT940 and MT942
- E-Bank Statements and Advices
- Deposit accounts
- Foreign Currency Accounts
- Cross-currency transfers in over 40 foreign currencies and remittances
- Overdrafts
- Mobile banking: MCB JuicePro
- Traditional and Centralised Direct Debit
- Cash Deposit Solutions and standing orders
- Account sweep



Investment Related Services

- Securities and custodian services
- Short-term investment solutions
- Investment trade execution



Financing Solutions

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



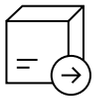
Financial Market Solutions

- Foreign currency
- Risk Management
- Investments
- Funding
- Research
- Securities and custodian services



Outsourcing and Advisory Services

- Payments outsourcing
- Corporate finance advisory
- Investment advisory



Trade Finance

- 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: trade.mu*
- 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 Trade Finance



Business Services

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

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VALUE CREATION FOR OUR STAKEHOLDERS

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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 operating context influences, we deliver both financial returns and broader non-financial benefits to stakeholders, 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



Lead in our Home Markets



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



Win in the workplace

Our value-adding activities



Finance growth

Adapted financing and credit structuring solutions



Promote savings and investment

Deposits and investment related products and services



Enable trade and transactions

Domestic and international payments, cash management and trade finance solutions



Facilitate access to financial markets

Foreign exchange, derivatives and risk hedging instruments



Grow wealth

Asset management, private wealth and custodian services



Give back

Socio-economic/ welfare support and sustainable development initiatives

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

Material matters

Operating context influences

Material sustainability topics

⊕ On/Above target ⊖ Below target

Outcome

Creating value for our stakeholders

Measuring our impact through our scorecard

(85%) - Optimise the core

	Objectives	KPI	SDG Impacted*
Employees	• Support employee engagement • Develop and retain talents	⊕ Trust Index ⊖ Succession Readiness Index (SRI)**	
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	⊕ MSCI ESG rating ⊕ Sustainable finance	

(15%)
Build for the future (Delivering on key strategic initiatives)

International growth

Strategic capabilities

The Group Scorecard captures key indicators of strategic progress and performance. However, these metrics should be considered alongside the broader initiatives and outcomes that contribute to sustainable value creation across all stakeholder groups.

Notes:
* Relevant SDGs indicate areas of broad alignment between our strategic objectives and the Sustainable Development Goals. They do not represent a quantified assessment of MCB Group's contribution to, or impact on, supporting SDG targets.
** The SRI measures talent pipeline strength, as defined by the percentage of critical leadership roles that have at least two identified internal successors assessed as ready to assume the role within the next 12 to 24 months.
*** Risk barometer is 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 *Shaping the culture and capabilities that enable our people to deliver our strategy*	CUSTOMERS *Understanding how customers live, work and bank helps us design relevant solutions and sustain lasting relationships*
Expectations	• Safe and technology-enabled working conditions with flexible work practices • Purpose-driven environment that embraces diversity, equity, inclusion and meritocracy • Strong, fair leadership and effective change management • Competitive reward structures and dynamic performance management • Continuous upskilling, career development and internal mobility opportunities • A distinctive employer brand and reputation as an employer of choice	• Seamless, innovative and customised financial solutions • Excellent service quality and competitive pricing • Safe and convenient access across all channels • Security and privacy of transactions and data • Effective complaints handling and swift resolution • Responsible banking solutions and financial education
Engagement channels	• Regular employee surveys underpinning our Great Place to Work® commitment • Ongoing dialogue with employee representatives through consultation forums • Employee Resource Groups fostering inclusion and representation • Internal communication through newsletters, employee engagement platforms, and feedback channels, amongst others • Performance, development and career discussions throughout the employee lifecycle	• Dedicated customer lab, enabling client interactions to better understand and anticipate evolving needs • Transparent, timely communication through adapted channels, including social media • Structured customer feedback, complaints platform and satisfaction surveys
Our response	• Strengthened our employee value proposition through the launch of Beyond, our employer brand • Advancing employee growth through dedicated training and leadership programmes as well as digital learning solutions • Leveraged our career architecture and succession planning framework to strengthen leadership continuity • Implemented initiatives supporting employee wellbeing, flexible work arrangements and work-life balance • Maintained a fair, competitive and transparent remuneration framework, complemented by employee share ownership and preferential banking facilities • Reinforced our Gold Standard Management Routines to promote desired corporate culture • Advanced diversity, equity and inclusion through the Gender Equality Charter, Social Leave Policy and the launch of MCB DEI Charter	• Prompt, reliable service across our multi-channel network (ATMs, digital platforms, contact centres and adapted branch networks) • Enrichment of our product offering in line with customer needs and evolving market trends • Committees in place to oversee fair pricing and product governance • Ongoing efforts to reduce waiting times and improve turnaround efficiency, alongside faster complaint resolution • Expanded sustainable finance and responsible banking solutions to support customers' transition and growth ambitions • Strengthened cybersecurity, fraud monitoring and data protection frameworks to safeguard customer information
Selected metrics	70% Trust Index score (+1 p.p compared to the previous survey) 35.1% Women at middle and senior management level ~ 9% Turnover rate ~ Rs 108 million Investment in training	Net Promoter Scores 45.3 Retail 33.9 Business Banking 45.5 Private Wealth Management 36.8 Corporate and Institutional Banking

	SHAREHOLDERS AND INVESTORS *Regular dialogue with our providers of capital builds understanding of our performance and secures funding for growth*	ECONOMIES, SOCIETIES AND COMMUNITIES *Engaging with communities and economies helps us in fostering sustainable progress and a positive social impact*
Expectations	• Solid financial performance and adequate dividends • Protection and growth of investment • Robust and adaptable business model • Sound ESG practices • Rigorous risk management • Strong, experienced and diverse management and board • Transparent and timely reporting and effective communication • Sound and effective corporate governance	• Initiatives promoting socio-economic progress, 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 socio-economic issues
Engagement channels	• Regular interactions with shareholders and investors through our investor relations channel to understand their perspectives and update them on performance, strategy and sustainability agenda • Annual General Meeting and periodic market disclosures, including quarterly Financial and Group Management Statements • Roadshows, investor calls and one-to-one meetings • Investor perception surveys	• Regular engagement with communities across presence countries, mainly via the MCB Forward Foundation • Conferences and thought leadership publications such as Africa Economic Compass and Indian Ocean Economic Outlook • Dissemination of economic insights and financial literacy content through MCB TH!NK, MCB Insights, events and social media platforms (e.g. LinkedIn) • Dialogue with public institutions, regulators, industry bodies and development partners on economic, regulatory and sustainability-related matters
Our response	• Maintained sustainable returns and a resilient balance sheet through the diligent execution of our strategic priorities under Vision 2030 • Continued investment in growth capabilities and enablers • Sustained FCY funding initiatives to support our international diversification strategy • Continued to improve financial and sustainability disclosures, including preparations for evolving requirements such as IFRS S1 and IFRS S2 • Maintained strong governance, risk management practices and oversight to protect shareholder value • Held open dialogue with rating agencies to report on performance, risk management and business resilience	• Supported economic growth and regional integration through our financing and trade facilitation activities across jurisdictions • Helped reinforce Mauritius' position as a credible and competitive International Financial Centre • Ensured full compliance with regulatory requirements and prompt submission of regulatory reviews and reports • Reinforced policies and procedures to detect and prevent financial crimes • Remained a key contributor to public finance in Mauritius through taxes, levies and broader value-added generation • Supported our customers' sustainability ambitions through sustainable and transition finance, while continuing to create positive social impact via our CSR initiatives and community investments • Maintained our long-standing policy of making no political donations
Selected metrics	18.0% Return on equity 11.7% Operating income growth 1.8% Return on assets Rs 3.5 bn Dividend declared during the year	BBB MCB Group MSCI ESG rating Rs 6.8 bn Total tax paid in Mauritius Rs 12.0 bn Outstanding loans to MSMEs 57% of total procurement expenditure sourced from local suppliers

Material matters

How we determine our material matters

The Bank's strategic direction and performance are shaped by developments occurring across its operating environment as well as considerations around sustainability-related factors. Through our materiality determination exercise, informed by internal analysis and engagement with a broad range of stakeholders, we 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 significance of their potential impact on the organisation.

In this report, we focus specifically on the operating context influences that are shaping our business environment and informing our strategic response. Our material sustainability topics, identified through a separate assessment process, are presented in the Sustainability Report.

Operating context influences

1.

Geopolitical shocks and macroeconomic conditions

Escalating geopolitical and trade tensions; heightened market volatility; renewed inflationary pressures and a cautious monetary stance; and elevated sovereign debt and refinancing risks

2.

Evolving regulatory and compliance landscape

Rising regulatory and supervisory expectations; financial crime threats; and a shifting domestic fiscal and taxation landscape

3.

Technology, AI and cybersecurity

Rising cyber threats; accelerated adoption of artificial intelligence and digital technologies; and data protection imperatives and digital infrastructure

4.

Climate, environmental and social considerations

Heightened climate and environmental risks; increasing emphasis on adaptation and resilience; evolving stakeholder expectations regarding social impact and transparency; and expanding sustainability-related disclosure requirements

5.

Workplace transformation and employee engagement

Changing workforce expectations and labour market dynamics; skills shortages and increasing demand for specialised expertise; heightened competition for talent; and rising labour costs

6.

Customer experience in a competitive landscape

Rising expectations for personalised, value-driven and increasingly sustainable banking experiences; growing competition from fintechs and non-traditional providers; and continuous pressure to innovate

Our response to operating context influences

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

Geopolitical shocks and macroeconomic conditions

- Global growth remains modest amidst heightened uncertainty stemming from the conflict in the Middle East and broader geopolitical tensions, though accelerating AI adoption and technology-led investment continue to provide support. Elevated commodity prices, alongside higher freight costs stemming from disruptions to key shipping routes, have added to inflationary pressures, reinforcing a cautious stance among major central banks, increasing the likelihood of delayed easing or renewed policy tightening
- Sub-Saharan Africa entered the year on a strong footing, but the war in the Middle East has, since, clouded the outlook with conditions remaining uneven across the region. Oil exporters such as Nigeria are benefiting from improved terms of trade, while import-dependent economies and those reliant on Gulf inflows, notably Egypt, have faced exchange rate pressures and capital outflows. Fiscal pressures and refinancing risks continue to warrant caution in some markets even as sovereign credit profiles have improved in Nigeria, South Africa, Kenya, Ghana and Morocco
- Enhanced value propositions across emerging financial centres are shaping the competitive landscape for investment flows, international business activity and financial institutions, contributing to a more dynamic operating environment for the Mauritius International Financial Centre
- Business operations continued to be affected by foreign exchange volatility across markets
- Real GDP growth in Mauritius moderated during the year under review as the conflict in the Middle East weighed on economic activity, notably through slower growth in tourist arrivals from key European markets such as the UK and France. This, coupled with a high import bill, constrained foreign exchange availability, although the impact was partly cushioned by the resilient performance of the financial services sector
- Looking ahead, while geopolitical uncertainty and ongoing fiscal consolidation measures may continue to weigh on growth, activity is expected to strengthen gradually, supported notably by progress on renewable energy projects
- Headline inflation has pursued an uptrend over the financial year before easing to 4.0% in August 2026. The Key Rate was raised by 25 basis points in May 2026 and was subsequently kept unchanged at the August meeting. Money market yields stayed under pressure amidst high liquidity, notwithstanding a relative decline in the latter since the start of 2026



Our response

- Reinforced market vigilance by closely monitoring developments across markets in the context of escalating Middle East tensions
- Strengthened diversification of revenue streams, 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
- Maintained active engagement with authorities and key stakeholders to discuss issues and advocate possible courses of action

Risks impacted

Credit risk | Country risk | Market risk | Model risk

Asset and liability management risk | Capital risk | Strategic and business risk

Capital impacted

Financial I Manufactured I Social and relationship

Evolving regulatory and compliance landscape

- Increased fiscal burden on corporates following the introduction of the Fair Share Contribution last year, raising the effective tax cost for companies with chargeable income exceeding Rs 24 million
- Greater compliance and governance obligations for financial institutions arising from the Anti-Money Laundering, Combatting the Financing of Terrorism and Countering Proliferation Financing (Miscellaneous Provisions) Act 2026
- Issue of a revised Bank of Mauritius guideline on 'Outsourcing by Financial Institutions', mandating financial institutions to submit an annual return on outsourced activities, detailing all material and non-material outsourced activities
- Amendments to the Companies Act to require the content of an annual report to include a sustainability report where applicable, as referred to in the Financial Reporting Act
- Key measures introduced under the Finance Act 2026 with potential implications for our activities, include the taxation of specific ICT services such as software and software licences; a new 35% personal income tax rate for high-income earners; and foreign currency VAT payment requirements for certain hotels and tourist residences
- Release of Guidance Notes by Financial Services Commission establishing a regulatory regime for stablecoin issuance that promotes responsible innovation while ensuring investor protection and safeguarding financial system integrity
- Requirements under the EU Capital Requirements Directive VI for non-EU banks providing core banking services to EU clients, impacting the way foreign banks do business with EU counterparts
- Evolving AML/CFT and jurisdictional risk considerations across the Bank's African countries of interest, with Nigeria and South Africa removed from the FATF grey list, while Kenya, Côte d'Ivoire, Angola and the Democratic Republic of the Congo remain subject to heightened FATF and EU scrutiny



Our response

- Engaged proactively with regulators and upheld transparent, timely disclosures across our markets
- Strengthened governance, risk management and compliance frameworks, supported by ongoing investments in systems and controls to enhance monitoring, reporting and oversight
- Reinforced financial crime risk management through enhanced screening, monitoring and due diligence processes, while exploring AI and advanced analytics to strengthen AML/CFT, sanctions and cross-border compliance controls
- Fostered a culture of accountability, ethical conduct and resilience through targeted training, awareness and engagement initiatives

Risks impacted

- Asset and liability management risk
- Capital risk
- Market risk
- Model risk
- Climate risk
- Cyber and information security risk
- Legal risk
- Compliance risk
- Strategic and business risk
- Environmental and social risk

Capital impacted

Intellectual | Manufactured | Social and relationship

Technology, AI and cybersecurity



- Rapid adoption of artificial intelligence transforming ways of working and operating models and reshaping customer interactions, while raising operational risk considerations
- Recent cybersecurity incidents in Mauritius and increasingly sophisticated AI-enabled cyber threats underscored the heightened threat landscape facing financial institutions and the need for continued investment in cyber resilience, information security and customer data protection
- Formalisation of the Data Protection Officer (DPO) role in Mauritius, with binding regulatory requirements, effective 1 January 2027, requiring organisations to maintain an in-house DPO function
- Announcement of an Open Banking Framework to support secure data sharing and digital financial services, and a sector-wide threat intelligence-sharing platform at Bank of Mauritius to enhance cyber resilience across the financial sector

Our response

- Sustained efforts to enhance customer convenience and security through AI-enabled onboarding and facial recognition authentication capabilities in MCB Juice
- Continued to strengthen our cybersecurity framework and foster a culture of cyber resilience across the organisation
- Expanded the use of AI across selected business processes to support operational efficiency and accuracy, while maintaining appropriate oversight and controls
- Appointed a Chief Information Officer to strengthen oversight of technology, digital transformation and information security across the organisation
- Equipped employees with more sophisticated and up-to-date tools, leveraging machine learning

Risks impacted

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

Capital impacted

Intellectual | Manufactured | Social and relationship | Human

Climate, environmental and social considerations



- New EU regulatory frameworks, including the Carbon Border Adjustment Mechanism and the Deforestation Regulation, set to raise compliance costs and affect the competitiveness of African exporters across key sectors
- Growing alignment of African stock exchange disclosure frameworks with ISSB and IFRS Sustainability Standards, driving higher ESG reporting and governance expectations while reducing greenwashing risks
- Increasing focus by governments, regulators and development finance institutions on social progress and inclusive development across Africa, alongside heightened scrutiny of sustainability claims and greenwashing risks
- Persistent climate-financing gap across our markets underscoring the need to mobilise both domestic and international capital to support adaptation, mitigation and the broader transition to a more climate-resilient economy
- Introduction of a Government Support Agreement to enhance the bankability of renewable energy projects, alongside a pipeline of initiatives likely to accelerate Mauritius' energy transition
- Introduction of a new State Age Pension allowing beneficiaries to elect to start drawing their pension at any point between ages 60 and 70, with the amount adjusted accordingly

Our response

- Secured a 10-year climate financing facility of USD 100 million with Proparco, DEG and FMO, with proceeds to be allocated to eligible climate mitigation and adaptation projects across Africa
- Launch of a USD 1 billion envelope aimed at supporting intra-African trade and the continent's economic development
- Launched an investment vehicle in partnership with Omnicane to finance renewable energy projects in Mauritius and Africa
- Increased our dedicated sustainable finance credit line from Rs 10 billion to Rs 25 billion to support clients' ESG transition and finance projects with positive environmental and social impacts in Mauritius
- Progressed towards compliance with the Bank of Mauritius Guideline on Climate-related and Environmental Financial Risk Management and preparing for the adoption of IFRS S1 and IFRS S2 through regular engagement of a dedicated cross-functional working group

Risks impacted

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

Capital impacted

Financial | Natural | Social and relationship | Intellectual

Workplace transformation and employee engagement



- Ageing population, coupled with growing demand for specialised talent in technology and other high-value industries, is intensifying skills shortages across the Mauritian labour market
- Cost-of-living pressures and intense competition for talent are heightening employee expectations regarding remuneration and rewards
- Efforts at national level to train or enable 50,000 Mauritians in practical AI skills, underscoring the increasing importance of AI literacy and workforce adaptability
- Recent wage reforms, including the increase in the national minimum wage and the introduction of minimum monthly basic wages for diploma and degree holders, are contributing to rising labour cost pressures
- Amendments to the Workers' Rights Act to extend maternity leave on full pay to 26 weeks (with the option of an additional 26 weeks at half pay), provide one day of paid menstrual leave per month, and 6 consecutive weeks of paid paternity leave, impacting our work policies
- Amendment of the Public Holidays Act, introducing a substitute day off when a public holiday falls on a Sunday
- Introduction of a National e-Diaspora Platform, potentially harnessing the expertise of Mauritian professionals residing abroad

Our response

- Regular engagements with employees, including surveys and feedback mechanisms, to better understand their needs and assess motivation and satisfaction levels
- Continued to strengthen our employee value proposition through flexible work arrangements, ongoing investment in professional development and upskilling, and a commitment to fostering a fair and inclusive employee experience across all stages of the employee lifecycle
- Ensured our policies and practices are at least at par with regulatory requirements
- Launched the MCB DEI Charter to strengthen diversity, equity and inclusion across the organisation and foster a workplace where all employees feel valued, respected and empowered

Risks impacted

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

Capital impacted

Manufactured | Human | Intellectual

Customer experience in a competitive landscape



- Increasingly sophisticated customer expectations calling for tailored solutions and enhanced engagement
- Rising stakeholder expectations for service excellence, with customer experience increasingly influencing reputation and brand perception
- New entrants like fintechs and peer-to-peer lenders pushing financial players to innovate and adapt their services
- The growing integration of ESG considerations into customer decision-making is increasing expectations for sustainable banking solutions and responsible business conduct

Our response

- Appointed a Chief Customer Experience Officer to further strengthen the organisation's customer-centric approach and drive continuous improvement in customer service and client experience across all channels and touchpoints
- Pursued our investments in innovative technologies to refine our product offering, alongside leveraging AI capabilities to enhance functionality across our platform for seamless digital experience
- Maintained our proximity with clients and adapting our offerings to their needs by acting upon feedback received
- Ongoing brand promotion initiatives showcasing our products and services

Risks impacted

Strategic and business risk

Reputation risk

Capital impacted

Manufactured | Human | Intellectual | Social and relationship | Natural





DELIVERING ON OUR STRATEGIC OBJECTIVES

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Message from the Chief Executive Officer

A world where shocks are the new norm

Looking back at FY 2025/26, the trade tensions and supply chain disruptions that shaped the previous year did not recede; they were compounded by the onset of the war in the Middle East and the growing weaponisation of trade routes and logistics corridors. Shocks no longer punctuate the operating environment. They define it. Technology is exerting pressure of a different kind. Artificial intelligence is reshaping how we work, how our clients transact and how value is created across the industry. Among the discussions I attended at the Africa Forward Summit in Kenya a few months ago, a recurring theme was how AI is driving greater standardisation across financial services. It was a timely reminder that, as technology narrows differences in processes and products, lasting differentiation will increasingly depend on trust and our proximity to clients.

At home, the impact of the Middle East war on Mauritius has so far been contained. The country's fiscal situation continued to retain attention, with Moody's Ratings maintaining a negative outlook and underscoring the importance of continued efforts to reduce the deficit, contain public debt and rebuild fiscal buffers. What has impressed me, on the other hand, is Africa's capacity to adapt in the face of conditions that would test any economy. I see a continent determined to move up the value chain, with intra-African trade and regional integration gaining real momentum. That is a structural shift, and one MCB intends to be part of.

Adaptability and resilience of our business model

In this volatile environment, the Bank remained guided by its purpose, supporting clients, pricing risk with discipline and keeping capital flowing to the economy. That continuity was not automatic. It rested on the agility and determination of our teams. The results that follow are, above all, a reflection of that commitment. Net profit after tax reached Rs 18,549 million, an increase of 7.8% year on year, supported by operating income growth of 11.7% and significant debt recoveries. This performance was achieved despite the impact of a higher effective tax rate resulting from fiscal measures introduced during the year and an increase in operating expenses. Net interest income rose by 11.9%, on the back of sustained growth in the loan book, higher volumes across our domestic and international franchises. Non-interest income advanced by 11.3%, reflecting higher fee and commission income from payments, wealth management and lending activities, alongside a stronger volume of foreign exchange transactions. We continued to invest in technology, talent and strategic capabilities to support our long-term growth ambitions, with our cost-to-income ratio rising to 36.1% as a result. The balance sheet remained solid. Asset quality strengthened with the gross non-performing loans ratio declining to 1.7% and coverage maintained at prudent levels, while capital adequacy and Tier 1 ratios stood comfortably above regulatory requirements at 19.5% and 17.3% respectively. Our liquidity position remained robust, with a consolidated liquidity coverage ratio of 401% and a net stable funding ratio of 151%, both well in excess of minimum requirements. We also reinforced our funding profile through a USD 450 million GCC- and India-focused Syndicated Term Loan and a USD 400 million Eurobond issuance under our Global Medium Term Note Programme, both of which attracted strong investor demand and further diversified our funding base.

This performance reflects the adaptability of our business model. It also translates into a wider contribution to our home country. Indeed, in Mauritius, we remain among the largest direct contributors to national wealth creation: the leading corporate taxpayer, accounting for 14.5% of total corporate tax paid, one of the largest employers, and a significant supporter of local enterprise, with over 50% of our procurement expenditure sourced domestically. We also play a central role in mobilising local currency savings and financing economic activity across the country.

Vision 2030 in motion – enabling growth for clients and economies

Vision 2030 gives us a clear direction for the path ahead. One year on from its launch, we are making progress in delivering on our ambitions. In Mauritius, we consolidated our position as a universal bank and a trusted partner across client segments, from individuals and small enterprises to large corporates. Our continued focus on customer experience translated into higher CSAT and Net Promoter Scores across segments. The launch of MCB Juice 5.0 in September 2025 delivered a redesigned and more secure banking

experience, while the rollout of more than 50 InstaBank kiosks extended self-service capability across our branch network. Our cash-lite ambition advanced with the launch of Apple Pay in May 2026, making MCB the first bank in Mauritius and Eastern Africa to offer the service to both Visa and Mastercard cardholders, with close to 40% of our iPhone customer base provisioning their cards within the first month. In response to sustained client demand, we also expanded our sustainable finance envelope from Rs 10 billion to Rs 25 billion, supporting a growing pipeline of renewable energy, energy efficiency and green building projects in Mauritius and aligning our financing capacity with the nationwide ambition of raising the share of renewable energy in the electricity mix to 60% by 2035.

In parallel, we progressed on our goal to become a top-tier African Corporate and Investment Banking and Private Banking institution. A visible expression of that intent was the launch of a dedicated USD 1 billion trade finance envelope, designed to expand access to trade finance along key African corridors and support the objectives of the AfCFTA. Energy remained central to our contribution. We continued to support clients in meeting the continent's energy needs, drawing on our established expertise in oil and gas and long-standing client relationships, while navigating the disruptions arising from the conflict in the Middle East. We supported a pipeline of power and infrastructure projects across strategic markets, reinforcing our role in addressing the continent's electrification needs and infrastructure gap. Meanwhile, we pursued our diversification by exploring opportunities in gas and in metals and minerals, with a particular focus on base metals, while supporting Africa's progressive transition towards lower-carbon energy sources. Sustainable finance underpins this positioning. We secured a USD 100 million, 10-year climate financing facility from Proparco, DEG and FMO, further strengthening our capacity to finance both mitigation and adaptation projects across Africa. Our engagements across the continent, from our ninth consecutive year as Diamond Sponsor of the Africa CEO Forum to the third edition of our Business Series in Johannesburg, confirm that MCB is today a recognised and sought-after partner, a position built progressively over recent years. In Private Banking, we deepened our presence across priority African corridors while leveraging Mauritius' standing as a trusted international wealth management centre.

Investing for tomorrow

None of this is achievable without our people. During the year, we launched our new employer brand, giving clearer expression to what it means to build a career with us. Our Trust Index improved to 70% and we renewed our Great Place to Work® Certification for a second consecutive year. We also continued to strengthen succession planning, leadership development and inclusive hiring practices across the Group. The appointments of a Chief Customer Experience Officer and a Chief Information Officer place customer experience and technology at the centre of how we are organised, underpinning the rollout of a new operating model and the ongoing development of an IT and Customer Experience strategy aligned with Vision 2030. The intent is straightforward: to design our services increasingly around the client. This is already evident in our results with insights from our Customer Lab feeding directly into how we refine products and journeys. On artificial intelligence, we moved from experimentation to foundations. We defined an organisation-wide AI strategy and roadmap, established an AI Centre of Excellence and launched an AI Leadership Forum to align senior leaders on where AI creates genuine value.

Looking ahead with purpose

An unpredictable world is not one without opportunity. We remain determined to continue supporting the Mauritian economy through its next phase of development. We see genuine potential in renewable energy, where the country's transition targets will require sustained investment; in the blue economy, where our maritime and marine resources can generate value added; and in artificial intelligence, which offers Mauritius a credible route to higher-value activity. The Mauritius International Financial Centre likewise bears real potential, though we should be clear-eyed - regional peers are gearing up, and our competitiveness will depend on keeping our house in order by sustaining the confidence of rating agencies and maintaining full alignment with FATF standards. These are shared national responsibilities, and the private sector has a part to play alongside the authorities. I also look forward to the US-Africa Business Summit being hosted in Mauritius, a significant recognition of the country's standing as a gateway for investment into the continent, and an opportunity to showcase what our jurisdiction offers to international investors. The recent renewal of the AGOA is a further step in the right direction, and a reminder of how much market access matters to economies of our size.

Beyond our shores, we believe strongly in Africa's potential, and we approach it as an African bank. Africa contributes less than 4% of global CO_2 emissions, yet nearly 600 million people across the continent still lack access to electricity. Expanding access to reliable and affordable energy while advancing the transition to a lower-carbon economy remains one of Africa's defining challenges. Our role as a financier is to support that transition at a pace that serves development rather than constrains it. The case for optimism rests on two structural realities.

The first is demographic: Africa has the youngest population in the world. The second is industrialisation. Africa cannot continue to export raw materials and import finished products. Between the commodity and the finished good, value multiplies many times over, yet much of it still accrues elsewhere. This is beginning to change, with growing momentum behind efforts to build processing and transformation capacity locally. Financing the energy, infrastructure and industrial capacity required to support Africa's transformation is where we intend to be most useful. Our presence on the continent has been built progressively over many years and continues to provide us with opportunities to support clients across a growing range of markets and sectors. As we reinforce our existing hubs and evaluate opportunities to expand our footprint selectively, West Africa remains a region of particular interest, where we see meaningful potential and intend to deepen our presence over time. In Dubai, the war in the Middle East has understandably been a subject of much discussion, but we continue to assess our positioning from a medium- to longer-term perspective and remain convinced of the strategic value of that corridor.

Choices will have to be made. Not every opportunity will be ours to pursue, and disciplined prioritisation, underpinned by strong governance and clear accountability, will matter as much as ambition. Vision 2030 gives us the framework to make those choices with consistency, and our focus for the year ahead remains on disciplined growth, continued innovation and long-term value creation. I extend my sincere thanks to our Boards for their guidance, to our clients for their continued trust, and to our teams, whose commitment made this year's progress possible.



Thierry HEBRAUD
Chief Executive Officer



Executing Vision 2030

In June 2025, the Group launched Vision 2030, a strategic roadmap for the years ahead, to which the Bank is fully aligned and firmly committed to. Over the course of FY 2025/26, we made meaningful progress in translating this ambition into action, while navigating an increasingly dynamic operating environment. Vision 2030 is anchored on three pillars:

- Leading across our home markets of Mauritius, Madagascar, Seychelles and Maldives, by enhancing customer experience, anticipating our customers' evolving financial aspirations and empowering them to achieve their ambitions, and contributing to socio-economic development of our home markets;
- Building a top-tier African Corporate and Investment Bank and Private Banking franchise that facilitates trade and investment flows, supports clients' growth ambitions and advances the continent's transition towards a more sustainable future; and
- Creating a winning workplace that empowers our people, nurtures innovation and fosters a culture of excellence.

In so doing, we seek to deliver lasting value for all our stakeholders.



Embedding sustainability

Sustainability plays a key role across our strategic pillars, reflecting our commitment to strengthen local and regional economies, protect our culture and environment and improve well-being across our communities.

Elevating customer experience

Customer experience is a key priority for the Bank, and we are committed to continuously enhancing the experience we deliver, underpinned by a culture of service excellence and by ongoing investments in digital capabilities.

Governance and strategic oversight

Our governance framework plays an important role in supporting strategic alignment, clear accountability and effective execution across the organisation. The Board of MCB Ltd provides strategic stewardship by guiding the Bank's overarching direction and approving strategic policies, while ensuring that these are well communicated and regularly reviewed to remain relevant in an evolving operating environment. While ensuring alignment with Vision 2030 and the strategic direction set at Group level, the Bank formulates its own strategic objectives, guided by a pragmatic and adaptable approach that reflects its operating environment and business priorities.



1. ANALYSIS

Assessment of operating context and scenario analysis

External / Internal

2. CHOICE

Discussions on medium to longer term organisation-wide strategic objectives and targets

Value / Growth / Risk appetite/ Investment considerations/Capital position/ Implementation capabilities

3. VALIDATION

Prioritisation at executive level followed by formal Board approval

4. CASCADING

Strategy communication and integration into operational plans of business units

5. IMPLEMENTATION

Implementation of earmarked priorities, capitalising on a value network approach and cross-functional synergies across the organisation

6. REVIEW

Monitoring and reporting through an adapted strategy review process

Focused execution - performance and projects
Readjust strategy (if applicable)

STRATEGY TO PERFORMANCE ALIGNMENT

MEDIUM-TERM PLAN ▶ **1-YEAR SCORECARD** ▶ **ALIGNMENT & CASCADING**

Strategy | Budget

Objectives | KPIs | Targets

Organisation ▶ SBU ▶ Individual

Continuous Monitoring / Performance Reporting / Board Oversight

Progress on our strategic pillars

During FY 2025/26, we delivered tangible progress across our key priorities and reinforced the foundations for sustainable long-term growth. Our efforts ranged from strengthening market presence and enhancing client experience to deepening stakeholder engagement, underpinned by continued investments in our people, technology and organisational capabilities. In particular, we improved our risk management and governance set-up, embedding robust monitoring and stress-testing practices, and reinforcing our ability to manage emerging risks. Alongside these developments, we strengthened our funding profile through the successful closure of our inaugural GCC and India-focused Syndicated Term Loan of USD 450 million and the issuance of a USD 400 million Eurobond under our Global Medium Term Note Programme. Both transactions attracted strong investor demand, further diversified our international funding base and affirmed confidence in the Bank's credit profile, strategy and growth prospects.

Key emphasis is being laid on customer experience and innovation, which will play a critical role in shaping our future. To accelerate progress in these areas, leadership oversight was strengthened at Group level with the appointment of a Group Chief Customer Experience Officer and a Group Chief Information Officer, who will lead the rollout of a new operating model and the development of a Group-wide IT and Customer Experience (CX) strategy aligned with our Vision 2030 ambitions. Within this strategy, a particular focus is on harnessing data, advanced analytics and artificial intelligence to deliver more personalised customer experiences, improve operational efficiency, strengthen risk and fraud management, and unlock new opportunities for growth and innovation.

The Bank progressed on its enterprise AI agenda by advancing the governance, data and technology foundations needed to enable the responsible and scalable adoption of artificial intelligence across the organisation, in line with its AI strategy. Key milestones included the establishment of the AI Centre of Excellence and the launch of the AI Leadership Forum, which brought together senior leaders to align on the organisation's AI ambition, priorities and approach to value creation. The Bank also undertook a structured AI opportunity assessment across business domains to identify, assess and prioritise high-value use cases aligned with its strategic objectives. These efforts enabled the identification, assessment and progression of AI opportunities across multiple functions, including Human Resources, Legal, Compliance, Customer Service, Corporate Banking, and Private Wealth Management, establishing a strong pipeline of initiatives aligned to the strategic priorities



The Bank also continued to drive AI adoption across its workforce through the rollout of Microsoft Copilot, which recorded high active usage rates for the standard and upgraded licences, helping employees adopt new ways of working and enhance productivity. These investments position the Bank to unlock future value through the responsible application of AI while enhancing employee and customer experiences.

Complementing our AI agenda, we launched the Data Acceleration Programme to establish the trusted, governed and scalable data foundations required to unlock long-term value through analytics and artificial intelligence. The programme is also a key enabler of our ambition to deliver best-in-class customer experience across the organisation, starting with the transformation of our Contact Centre and progressively extending across all client touchpoints. During the year, we defined a modern data architecture, while strengthening enterprise data governance and ownership practices. These efforts have already yielded tangible benefits, including machine-learning-driven optimisations to our Anti-Money Laundering monitoring framework, saving approximately 1,019 investigation hours on selected alert scenarios.

Lead in our home markets

Our home markets are at the core of our Vision 2030 ambitions. We aim to be the preferred financial partner in Mauritius by delivering excellent customer experience, developing innovative solutions and contributing meaningfully to socio-economic advancement.

During FY 2025/26, we further enriched our customer value proposition to help individual customers, entrepreneurs and corporates navigate the evolving operating environment while pursuing their growth ambitions. This was underpinned by: (i) proximity with our clients and partners, (ii) innovative, end-to-end client solutions, (iii) enriched customer experience and streamlined operations and (iv) cross-selling capabilities, bolstered by Group synergies. In respect of the latter, we supported greater consistency in risk management, people practices, sustainability priorities and client solutions across the Group's home markets through shared frameworks and closer cross-border coordination. As part of this Group-wide approach, the Bank is helping to build a scalable Financial Market franchise capable of supporting clients, facilitating regional business flows and creating long-term value across Seychelles and Madagascar. By leveraging our expertise and operational capabilities developed, we are broadening collaboration and promoting greater consistency in service delivery, risk management and product development across these markets.

MARKET SHARES

~50%
Share of local currency deposits

~40%
Share of domestic credit to the economy

~71%
Share of local custody assets

Strengthening our market positioning and client relationships

Our universal banking model remains a cornerstone of our strategy, providing a solid foundation to support our customers while contributing to the sustainable development of the Mauritian economy. During the year, we reinforced our leadership position across customer segments through the continuous refinement of our value proposition, tailoring our solutions to evolving client expectations and deepening the trusted relationships that underpin our long-term success.

Empowering individuals through our comprehensive banking solutions

We continued to enhance the banking experience of our customers through initiatives designed to make our products and services more accessible, convenient and aligned with their evolving financial needs:

- Enhanced our home ownership value proposition through the launch of a competitive housing loan campaign featuring attractive financing conditions and fee incentives. The initiative further strengthened our ability to support customers in achieving their home ownership ambitions while reinforcing the attractiveness of our mortgage offering.
- Continued to support customers through an enhanced unsecured lending proposition, leveraging streamlined credit assessment and same-day loan disbursement capabilities to provide faster access to financing solutions.
- Further strengthened our self-service banking network through the modernisation of our ATM infrastructure and the deployment of intelligent monitoring capabilities. The implementation of Aptra Vision enhanced real-time monitoring, operational efficiency and service reliability, contributing to an improved customer experience.
- Continued to invest in our branch network through the refurbishment of selected branches, reaffirming our commitment to service excellence, accessibility and customer convenience. At the same time, we progressed with our Retail Branch Rethink, a strategic initiative aimed at redefining the role of branches by balancing operational efficiency with customer proximity and delivering a modern, service-oriented banking experience.
- Continued to invest in strengthening customer relationships and service excellence across our retail franchise. The launch of the CARE Service Excellence Programme reinforced a customer-centric culture throughout the network, while ongoing investments in relationship-based banking capabilities enhanced our ability to deliver personalised advice and support.
- Deepened relationships with local affluent and high-net-worth clients through a differentiated wealth management proposition that combines bespoke advisory services, sophisticated investment solutions and personalised financial planning. Supported by enhanced digital capabilities and a seamless omnichannel experience, we continued to meet the evolving needs of affluent clients while strengthening engagement, convenience and long-term value creation. Read more on the initiatives undertaken for our wealth management segment on page 68.

Supporting entrepreneurs and small businesses

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

- Pursued our business development efforts to grow our customer base, through the promotion of a stronger sales culture in our teams and customer engagement initiatives.
- Continued to promote our Lokal is Beautiful (LIB) scheme through targeted campaigns, helping more local entrepreneurs access the programme and its benefits. While disbursements remained broadly stable year-on-year, the scheme supported a growing number of smaller businesses, reflecting its increasing reach among local entrepreneurs.
- Reinforced connections within the MSME community with a series of initiatives which provided valuable forums for learning, networking and business development. These efforts leveraged internal expertise and strategic partnerships to support entrepreneurship, foster local innovation and contribute to the transition towards a more sustainable and circular economy.
- Enhanced our operating model by establishing dedicated client service, service quality and account monitoring capabilities, strengthening operational effectiveness and delivering tangible commercial outcomes.
- Rolled out the Customer Service Hub to elevate the customer experience through faster query resolution, enhanced case tracking and more consistent service delivery, while strengthening operational efficiency, governance and oversight of customer interactions.

Our engagement with the MSME community

823
Number of participants in our PUNCH events

>20
Number of events hosted for the community

Main themes addressed

Financial literacy
Cash flow
Taxation
Trade finance
Legal
Sales
Banking products

Main strategic partners

La Plage Factory
Trampoline
Turbine
Association of Mauritian Manufacturers
Association Mauricienne des Femmes Chefs d'Entreprise



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

Catalysing sustainable growth for local corporates

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

- 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, including the repercussions of the war in the Middle East, 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.
- Continued to support domestic clients in their regional and international expansion, leveraging synergies with Group entities and our network of partner banks across the African continent.
- Disbursed around Rs 5 billion under MCB's sustainable credit line during FY 2025/26, reflecting our commitment to support the local economy's transition to a greener and more resilient future, thus enabling companies to pursue their own sustainability efforts.

Financing the extension of Cascavelle Mall

We supported Cascavelle Shopping Mall Ltd in the financing of the extension of Cascavelle Mall, a key component of Medine's Smart City development in the west of Mauritius. Through this project, the mall has evolved from a convenience retail destination into a vibrant retail, lifestyle and leisure destination for the West region, expanding its gross lettable area to around 31,500 m² and broadening its retail, dining, lifestyle and leisure offering, thus responding to the growing needs of the residents and visitors.

Our involvement builds on a longstanding relationship with Cascavelle Shopping Mall Ltd, which has been banking with MCB since 2011. Having previously supported the construction of the original mall, we were pleased to accompany the client in this new phase of development through our financing solutions. This transaction underscores our commitment to supporting clients in delivering projects that contribute to sustainable economic development and vibrant communities across Mauritius.

Supporting Attitude Hotels' regional expansion in East Africa

We provided financing for the development of Matemwe Attitude, Attitude Hotels' first property in Zanzibar. This transaction supports the Attitude Hotels' regional growth strategy and its presence in one of East Africa's growing tourism destinations. Our involvement demonstrates MCB's commitment to accompanying clients beyond Mauritius as they pursue expansion opportunities across Africa. We worked closely with the client to design a tailored financing solution, reinforcing our role as a long-term banking partner and supporting our Vision 2030 ambitions.

Elevating customer experience through innovation

Enhancing customer experience is a key priority under Vision 2030, which places customer centricity at the heart of how we create value and deepen relationships. Over the past year, we continued to translate this ambition into action through sustained investment in technology and data, the development of innovative solutions, and improvements to customer journeys and service delivery. Leveraging insights generated by our Customer Lab, we systematically capture and act on customer feedback to refine our products, services and interactions, helping to make the banking experience simpler, more responsive and more rewarding across every touchpoint. These efforts contributed to sustained improvements in customer experience and loyalty, reflected in higher CSAT and NPS scores year-on-year. Customer feedback and complaints remained valuable sources of insight for continuous improvement, while our focus on responsiveness enabled approximately 70% of complaints to be resolved within five days during FY 2025/26.

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

>30,000
Customer participation in surveys/ research projects

145
Number of surveys and research projects undertaken

>70
Recurrent surveys (monthly/quarterly)

35
Real Time Dashboards

Pioneering innovative solutions

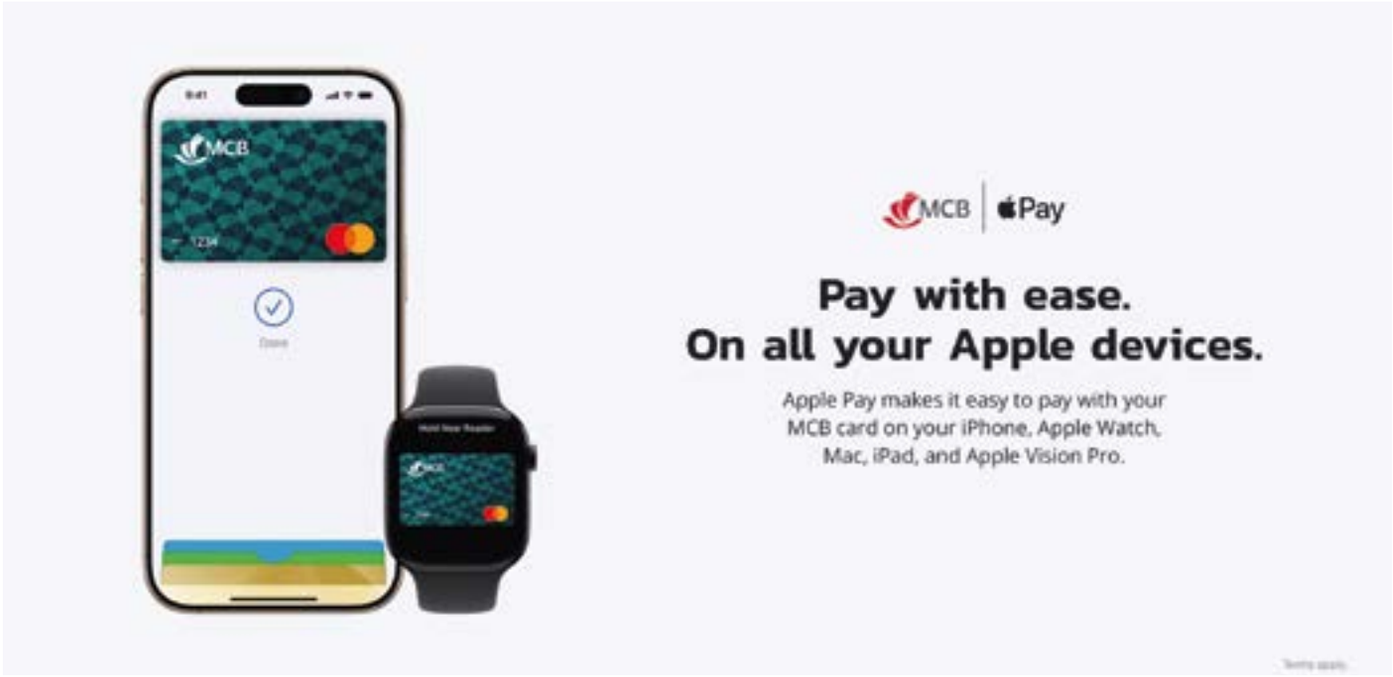
At MCB, we are committed to innovation, continuously enhancing our digital platforms and modernising our operating infrastructure to meet evolving customer expectations. Beyond enriching our value proposition, these initiatives enable us to enhance operational efficiency, allowing us to deliver faster, more seamless and responsive banking experiences across every touchpoint.

Our flagship mobile application MCB Juice

Over the past year, we further strengthened MCB Juice as Mauritius' leading digital banking application, driving growth in user adoption with more than 50,000 new subscribers while achieving a customer satisfaction score of 87 as at June 2026. Key initiatives and achievements during the year were as follows:

- Launched Juice 5.0 in September 2025, delivering a smarter, safer and seamless banking experience through a redesigned interface, enhanced security features, expanded transfer limits and an issuer wallet for digital cards. The upgrade introduced transaction signing and strengthened biometric authentication, reducing reliance on SMS OTPs and generating significant cost savings, while establishing a scalable technology foundation for future digital innovation. To support the transition, we provided proactive branch-based assistance to help accelerate onboarding, answer queries from our customers and drive adoption.
- Accelerated adoption of digital wealth solutions through MCB Juice, with trading volumes rising by 232% and transaction values by 346% on a year-on-year basis, as customers increasingly embraced the platform for their investment and wealth management needs. This growth was supported in part by enhanced trading functionality, including improved limit-order processing that validates client orders against investors' specified limit prices.
- Drove higher adoption of card tokenisation, driven in part by the launch of Mauritius' first tokenised Mastercard, marking an important step in the evolution of the Bank's card offering.

Another major milestone in our digital payments journey was the launch of Apple Pay in May 2026, making MCB the first bank in Mauritius and Eastern Africa to offer the service to both Visa and Mastercard cardholders. Fully integrated into our payments infrastructure and digital ecosystem, Apple Pay enables customers to make fast, secure and contactless payments across a range of iOS devices, both in-store and online. The launch expanded our digital payment capabilities, enhancing convenience, security and control for customers while responding to the growing demand for seamless, mobile-first banking experiences. Customer uptake was strong, with around 40% of our iPhone customer base provisioning their cards to Apple Wallet within the first month. Beyond introducing a new payment method, Apple Pay reinforces MCB's leadership in payments innovation and supports our strategy to accelerate digital payment adoption and contribute to a more cash-lite economy.



Improvements to our self-service solutions

We expanded our self-service banking capabilities through the deployment of more than 50 InstaBank kiosks across our branch footprint in Mauritius, marking significant progress in the planned rollout. Offering secure card-and-PIN access to a broad range of banking services, including account management, payments, transfers, bill payments and mobile top-ups, InstaBank is accelerating the migration of various transactions to digital channels while reducing reliance on manual branch processing.

Enhancing MCB JuicePro for SMEs

Over the past twelve months, we further reinforced MCB JuicePro's position as the preferred mobile-first banking platform for non-individual clients, delivering sustained growth in client adoption and engagement. During FY 2025/26, transaction volumes and values rose by 36% and 64%, respectively. The platform also benefited from a series of enhancements aimed at improving onboarding, payment processing, beneficiary management and payment tracking, further strengthening the customer experience and operational efficiency.

Advancing the transition to a cash-lite economy

MCB further accelerated the shift towards digital payments in Mauritius, as customers increasingly embraced convenient and secure payment solutions. The Bank's ongoing efforts to encourage the adoption of digital payment solutions continued to yield positive results, with the cash-to-digital payments ratio improving during the year, reflecting a sustained shift away from cash towards digital transactions. Mobile payments remained a key growth driver, with the value of MCB Juice and MauCAS QR transactions increasing by 48% during the year, highlighting the rapid adoption of mobile-first payment behaviours across the island.

The Bank also continued to expand its acceptance ecosystem. Its merchant network grew by 5%, with a substantial growth of Android-based payment terminals deployed across the island, enabling businesses to benefit from modern, seamless and innovative payment solutions. MCB further strengthened its digital offering for both consumers and businesses. The number of MCB Juice subscribers grew by 9%, while MCB JuicePro subscribers increased by 20%, reflecting the continued adoption of digital solutions by both individuals and enterprises and reinforcing MCB's role as a key enabler of Mauritius' transition towards a cash-lite economy.

Advancing digital transformation – Key metrics

Payment and channel

MCB Juice

Subscribers **>730,000** (+9% y.o.y) | 87 CSAT

MCB JuicePro

Subscribers **>42,000** (+20% y.o.y) | 86 CSAT

Lending

Mortgage

Average TAT **43 days** (100% digitally processed) | 88 CSAT

Unsecured personal loan

Average TAT **2 days** (100% digitally processed) | 96 CSAT

SME Lending (express overdraft)

Average TAT **5 days** (100% digitally processed)

Onboarding

SME account opening

Average TAT **3 days** (92% digitally processed) | 86 CSAT

Notes:

- *All figures relate to June 2026, except for digital processing, which relates to FY 2025/26*
- *CSAT scores indicate customer satisfaction*
- *TAT (turnaround time) includes the time taken for customers to respond and excludes outliers*
- *TAT is not strictly comparable to last year due to change in calculation methodology*

Enhancing customer experience across the value chain

We continued to improve customer experience through a combination of digital innovation, operational enhancements and customer-focused initiatives. A major milestone was the successful migration of MCB's Customer Relationship Management platform to Microsoft Cloud, providing a modern, resilient and scalable environment for customer servicing. We are also transforming the Contact Centre into a scalable bot-human engagement model that improves resolution, reduces branch dependency and converts customer interactions into service and sales opportunities. Together with enhanced customer data capabilities and streamlined operational processes, these initiatives are helping to improve responsiveness, reduce customer effort and deliver a more seamless and consistent customer experience. In parallel, we implemented targeted improvements across a number of customer journeys, further simplifying interactions, reducing turnaround times and enhancing service delivery, as illustrated thereafter.

Improving the individual lending experience

During the year, the Bank continued to simplify and improve the individual lending journey through a series of process and platform enhancements. Improvements included streamlined ratification and approval processes, automated generation of selected lending documentation, enhanced monitoring of outstanding conditions, and digital tracking of erasure-of-charge requests. The proportion of housing loan files completed within 30 days increased noticeably in FY 2025/26, translating in a faster, more transparent and more reliable lending experience.

Delivering a faster and simpler prepaid card experience

The introduction of Straight-Through Processing (STP) for prepaid card applications transformed a previously paper-based and manual process into a streamlined digital journey. Application turnaround time was reduced from 4 days to just 2 days for a quicker, seamless and consistent experience, enabling frontline staff to dedicate more time to nurture meaningful customer relationships. This reinforced customer confidence while improving access to prepaid card offerings, contributing to a 27% rise in application volumes.

Enhancing the trade finance customer experience through IB Pro

The latest enhancements to IB Pro strengthened the digital trade finance journey by expanding self-service capabilities, reducing reliance on manual processes and giving customers greater convenience and control over their transactions. Key developments included the implementation of the Import Loan Application functionality, supported by enhanced integration with the Bank's core banking system, and the introduction of Import Loan Rescheduling, enabling customers to manage a greater share of their trade finance needs digitally. Initially rolled out to selected clients as part of a beta programme, these enhancements demonstrated encouraging early adoption and support the Bank's ambition to progressively digitise the trade finance journey.

Fostering socio-economic progress

Reflecting our commitment to generating positive socio-economic impact across the countries where we operate, we continued to support industry development, enable key transitions and create opportunities for stakeholders, fostering more inclusive and sustainable growth. During FY 2025/26, we advanced this commitment through the following initiatives:

Supporting sustainable finance and development efforts

- Continued to scale sustainable finance through various initiatives, including the promotion of dedicated financing solutions to support clients' transition ambitions across markets. In Mauritius, we increased our sustainable finance credit line by Rs 15 billion in May 2026, bringing the total envelope to Rs 25 billion, in response to strong client demand. The significant expansion of our credit line underscores our commitment to supporting the transition towards a more inclusive and sustainable economy. The credit line will support a growing pipeline of sustainable finance opportunities across key sectors, including renewable energy, energy efficiency, and green buildings.
- Supported the financing of Stor'Sun III, an innovative hybrid renewable energy project developed by Qair, reinforcing our commitment to accelerating Mauritius' transition towards a low-carbon and resilient energy future. The project combines renewable energy generation and storage solutions to strengthen energy security and support the country's sustainability ambitions.
- Organised, in partnership with Business Mauritius, a strategic discussion led by Dr. François Gemenne on the theme 'Climate Ambition and Local Realities: A Geopolitical Perspective'. The event brought together nearly 150 representatives from the Mauritian business community to explore the interconnected challenges of climate change, geopolitics and economic resilience, while highlighting the growing strategic importance and climate vulnerability of small island economies in the Indian Ocean region.

Advancing financial inclusion and financial health

- Held eight educational sessions for our individual clients on financial literacy during the year, equipping participants with the knowledge and skills to make informed financial decisions. The programme focused on investment, budgeting, responsible credit management and fraud awareness and prevention.
- Sponsored the SEM Young Investor Award, an initiative of the Stock Exchange of Mauritius, aimed at fostering financial literacy and encouraging investment awareness among secondary school students.
- Engaged with entrepreneurs across Rodrigues through a series of outreach meetings and a knowledge-sharing session. The initiative supported business owners in their transition from personal to professional banking by raising awareness of tailored financial solutions and advisory services designed to strengthen business management practices and enable sustainable growth and development.

Recognising the vital role of MSMEs in economic development, we remained closely connected to entrepreneurs through targeted engagement activities that support business growth and resilience. Other endeavours to promote entrepreneurship are as follows:

- Supported the Business Without Borders programme of the Association Mauricienne des Femmes Chefs d'Entreprises (AMFCE) for a fourth consecutive year to advance women's entrepreneurship across the Indian Ocean region. Since its inception in 2020, the initiative has empowered a number of entrepreneurs through access to mentorship, capacity-building and networking opportunities, with many businesses remaining active, underscoring its lasting contribution to business resilience, economic inclusion and entrepreneurial growth across the region.
- Contributed to En Route vers l'International, a programme developed by the Association of Mauritian Manufacturers and the Ministry of Industry, SMEs and Cooperatives in partnership with EY-Parthenon and IBL Together. The initiative aims to help Mauritian businesses strengthen their capabilities, structure their international growth ambitions and accelerate their expansion into regional and international markets.
- Partnered with La Plage Factory to deliver Punch Events by MCB, building on a shared ambition to support the growth of smart entrepreneurship in Mauritius. This structured incubation programme brought together a diverse cohort of entrepreneurs spanning traditional SMEs to early-stage ventures across areas.

Contributing to vibrant and inclusive communities

- Continued our community engagement, facilitated mainly by the MCB Forward Foundation (MCBFF), which is responsible for our corporate social responsibility efforts. For FY 2025/26, an aggregate amount of around Rs 90 million was entrusted to MCBFF by MCB Ltd. Most funds were directed towards socio-economic development initiatives with the MCB Football Academy, supporting child development and household empowerment through sport and education, being the largest recipients.
- Held the 4th 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 brought together students from various secondary schools across Mauritius to foster dialogue, awareness and collective action among the next generation.



- Renewed our support for the Samudra Art Prize for its third edition, celebrating Mauritian creativity and encouraging environmental awareness through art. Our sponsorship of the “Best Young Artist” category helped towards the recognition and empowerment of emerging talent, providing a platform for the next generation of artists to share their perspectives on pressing environmental challenges.
- Participated as Gold Sponsor for the third edition of the AI4Good Festival, reaffirming our commitment to education, innovation and the responsible development of artificial intelligence. The initiative brought together more than 100 young people aged 12 to 25, providing a platform to inspire the next generation of innovators.



Build a top-tier African CIB and Private Banking Institution

To position ourselves as a top-tier African Corporate and Investment Bank (CIB) and Private Banking (PB) Institution, we are building a value-driven proposition centred on our clients' evolving aspirations, underpinned by a comprehensive and integrated suite of solutions spanning financing, global markets, transaction banking, investment banking and wealth management. To deliver on this ambition, we remain focused on the following priorities:

- Deepening our specialisation and positioning in selected markets with solutions tailored to our customers' evolving needs.
- Establishing ourselves as the preferred financial partner for clients along trade and investment corridors into, out of and within Africa by leveraging our presence in key business hubs that are critical for Africa's growth.
- Supporting Africa in its socio-economic development by helping the continent meet its energy needs and facilitating its gradual transition towards a more sustainable future. Our value offering to private equity and private credit funds investing in Africa which are heavily focused on ESG and impact also demonstrates our growing commitment to sustainable financing.
- Advancing our client-centric transformation through the reviewed operating model, tailored to the distinct needs of each client segment and supported by an optimised product coverage framework designed to maximise synergies across the Group.

During the year, we continued to enhance our client proposition and advisory capabilities, enabling customers to navigate an increasingly complex business and risk environment. We also reinforced our teams through targeted recruitment across key client segments and our regional hubs to support our international expansion. As part of our broader ambition to further develop our Corporate and Investment Banking offering, we continued to deepen our expertise in strategic advisory, structured finance and capital-raising solutions, leveraging the Bank's international network and sector knowledge to support clients and unlock opportunities across key markets. In Wealth Management, we continued to progress towards becoming a leading private banking institution in Africa through a range of transformative digital, operational and wealth management initiatives. Key initiatives undertaken during the year are outlined in the following sections.

Expanding our franchise across selected markets

Powering Africa's energy transition and socio-economic progress

During FY 2025/26, we further deepened our structured finance expertise and strengthened our presence in strategic markets, facilitating the financing of critical investments that contribute to socio-economic development across Africa. The following highlights illustrate our progress:

- Supported clients in meeting growing energy needs by leveraging our established expertise in the oil and gas sector and long-standing client relationships, while navigating evolving commodity trade finance dynamics and disruptions arising from the conflict in the Middle East.
- Sustained our diversification efforts towards becoming a cross-commodities franchise, pursuing opportunities in the gas sector and the metals and minerals space, with a particular focus on base metals, while supporting Africa's progressive transition towards lower-carbon energy sources.
- Supported a growing pipeline of power and infrastructure projects across strategic African markets, reinforcing MCB's role in helping address the continent's electrification needs and infrastructure gap.
- Successfully secured a USD 100 million, 10-year climate financing facility from Proparco, DEG and FMO, marking our second dedicated climate funding line in two years and further strengthening our capacity to finance climate mitigation and adaptation projects that support sustainable development across Africa.

Advancing Africa's electrification journey

MCB has successfully closed the first USD 400 million syndicated facility of Sea World Energy Holdings Limited ("Sea World"), an affiliate of Karpowership Group ("Karpowership"). MCB acted as the sole Mandated Lead Arranger (MLA) and Account Bank. The transaction was very well received by the market as gauged by the level of interest and commitments received from other lenders, closing at the targeted amount of USD 400 million.

Karpowership is a pioneer and a market leader in providing power generation plants on floating barges, referred to as Powerships. Karpowership has a fleet of 40 Powerships with an installed capacity of 8,000MW. It operates in 14 countries, from South America, Africa to Asia.

The closing of this landmark transaction with Karpowership Group marks a milestone that reflects our shared vision to create meaningful and lasting impacts on Africa's electrification journey and showcases the continued buildup of MCB's capabilities for Power & Infrastructure transactions.

Supporting strategic investment in Africa's mining sector

MCB participated in a USD 180 million bridge take-out facility for CoreX Holding ("CoreX"), committing USD 25 million to support the acquisition of a major nickel mining asset in Côte d'Ivoire. CoreX is a highly diversified global industrial group with operations across 55 countries in Europe, the Americas and Africa. The group has recently strengthened its African footprint through the acquisition of a majority stake in CMB, the largest direct shipping ore nickel project in Africa. This acquisition will enable CoreX to strengthen its global nickel portfolio and its position as a vertically integrated player operating sustainable mining assets worldwide.

Nickel is a critical raw material with strong long-term demand fundamentals, particularly driven by its use in stainless steel and emerging energy transition applications, including battery technologies. This transaction reinforces our commitment to facilitating investment in sectors that are critical to Africa's long-term economic development.

Establishing ourselves as a core bank to corporates and partners

We are strategically positioning ourselves as a trusted banking partner to large corporates by delivering tailored, sector focused solutions that support our clients' growth ambitions. Leveraging synergies between our coverage and product teams, including Financial Markets and Global Transaction Banking, we enhanced the value and breadth of our offering, enabling clients to address increasingly complex financing, financial markets and transactional banking needs. The following actions were undertaken during the year:

- Delivered a differentiated and client-centric value proposition to our diverse corporate customer base, leveraging enhanced collaboration across Group entities.
- Strengthened our positioning as a trusted banking partner for private equity and private credit funds, multinational corporations and large enterprises across Africa by deepening client engagement and leveraging the Mauritius IFC alongside key international financial centres.
- Bolstered relationships with financial institutions by deepening our role as both a trusted banking partner and a strategic collaborator, creating new avenues for business growth and unearthing commercial opportunities together. Going forward, we aim to position MCB as a trusted partner to financial institutions across Africa through our 'Bank of Banks' approach, working with institutions as clients, partners and capital providers to unlock business opportunities and facilitate growth across the region.

Supporting food security and agribusiness growth across Africa

MCB has granted a strategic financing package to Invictus Investment Company PLC ('Invictus'), a leading agro-food enterprise in the Middle East and Africa region. The financing package is structured as an acquisition finance and revolving credit facility and will support the client's expansion into new markets while also strengthening its working capital position as it continues to scale its operations.

The deal builds on MCB's existing partnership with Invictus and reflects a shared commitment to advancing food security and trade flows into, within and out of Africa. The debt facility will provide the funding flexibility needed to expand Invictus' footprint in processing, logistics and distribution. It will also support the growth and consolidation of a portfolio of value-added, resilient food and FMCG assets across the African continent that serve local and regional markets.

Structured a USD 51 million financing solution for Tolaram

MCB structured and delivered a USD 51 million medium-term loan facility for Tolaram, a Singapore-headquartered multinational group with significant operations across Africa and interests spanning consumer goods, infrastructure and industrial development. The facility partially refinanced acquisition-related debt linked to Tolaram's acquisition of Guinness Nigeria Plc, replacing short-term funding with a longer-term financing structure aligned with the company's growth ambitions. The transaction highlights MCB's ability to structure tailored cross-border financing solutions for leading international corporates and further reinforces its role in supporting trade and capital flows along the Asia-Africa corridor.

Financial markets

We continued to strengthen our financial market franchise through deeper engagement, broader product capabilities and tailored solutions designed to address evolving client needs. Key highlights during the year are provided below:

- Launched a series of structured investment solutions, providing clients with access to global growth themes, emerging markets and precious metals through innovative, risk-managed investment products. These offerings further strengthened our position as a credible provider of structured investment and wealth solutions while expanding the range of opportunities available to investors.
- Expanded our foreign exchange and commodity hedging capabilities, helping corporate clients better navigate market volatility and manage key business risks. Through bespoke risk management solutions and innovative structures, clients were able to protect themselves against adverse market movements while retaining the flexibility to benefit from favourable market conditions.
- Enhanced our treasury and balance sheet management capabilities through the introduction of advanced liquidity optimisation solutions, including reverse repo and collateral swap transactions. These initiatives reinforced funding resilience, diversified investment opportunities and strengthened the Bank's ability to deploy capital efficiently.
- Continued to strengthen our position as the leading market maker in Mauritius while enhancing our capabilities as a regional trading hub. Building on our established expertise in G10 foreign exchange trading and extensive network of global liquidity providers, we further expanded our trading coverage into emerging market currencies. The establishment of the Africa Trading Desk marked a key milestone and has led to a dedicated market-making capability across African currencies and markets, supporting regional trade, investment and liquidity flows while positioning MCB as a growing participant in African financial markets.
- Further enhanced our Securities Services value proposition by providing institutional and private investors with access to local and international markets through a comprehensive suite of custody, settlement, asset servicing and reporting solutions. Supporting investment activity across more than 90 markets globally, we continued to deepen long-standing client relationships, secure new mandates and reinforce our role as a trusted capital markets enabler within the Group's broader Financial Markets ecosystem.

Global Transaction Banking

We reinforced our Global Transaction Banking offering, leveraging our international network and product capabilities to support clients' evolving trade and cash management needs. The Bank expanded its network of African correspondent accounts, while transaction volumes across African corridors increased during the year. As a key milestone, we launched a dedicated USD 1 billion envelope aimed at supporting trade in Africa and strengthening our long-standing commitment to the continent's economic development. Additionally, we became a Confirming Bank under the African Development Bank Group's Trade Finance Transaction Guarantee Instrument, strengthening our ability to facilitate cross-border trade across Africa through enhanced risk-mitigation capabilities and deeper relationships with African issuing banks.

USD 1 Billion Trade Finance Envelope for Africa

Supporting trade, economic transformation and regional integration across the continent



USD 1 BILLION

DEDICATED TRADE FINANCE COMMITMENT OVER FOUR YEARS

Funded Facilities • Letters of Credit • Guarantees • Avalised Bills

Supporting African Trade

Expanding access to trade finance across key African corridors.

Enabling Economic Transformation

Supporting businesses and value chains across the continent.

Advancing Regional Integration

Contributing to AfCFTA objectives and intra-African trade growth.

Building on MCB's African Ambition

- Africa AgriTrade Coalition partnership
- Collaboration with Proparco and African partner banks
- Engagement at the Africa CEO Forum
- Continued commitment to sustainable economic development

Through this USD 1 billion commitment, MCB reinforces its role as a trusted partner to African businesses and financial institutions, supporting the development of stronger trade corridors, integrated value chains and sustainable economic growth across the continent.

Leading in regional wealth management

During FY 2025/26, we enhanced our service offering and strengthened investment capabilities in the wealth management segment, building on Mauritius' position as a trusted international wealth management centre and leveraging strategic partnerships across Europe, MENA and sub-Saharan Africa. These efforts were complemented by process automation and the development of data, analytics and artificial intelligence capabilities, all aimed at delivering a client experience aligned with international private banking standards. Key developments during the year include:

- Enhanced our structured deposit offering with investments linked to themes such as precious metals and artificial intelligence alongside exposure to emerging Asia to broaden regional diversification.
- Introduced sustainable portfolios in November 2025, building on the Private Wealth Management (PWM) Sustainability Framework finalised in the previous financial year and offering clients access to investment solutions grounded in responsible investing principles.

Strengthening our proximity to clients and partners

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

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

- Continued to assess opportunities to expand our geographical footprint through new hubs (e.g. West Africa). This is intended to bring the Bank closer to clients and partners, strengthen market coverage and reinforce its position as a trusted adviser for doing business in Africa.
- Further reinforced existing relationships while broadening our network of family offices, external asset managers and financial intermediaries. As part of our growth strategy in the wealth management segment, we explored selected strategic markets beyond Mauritius, deepening our presence in priority African corridors.

Upholding our branding and visibility

We organised strategic business events, leveraged sponsorships and participation in key conferences, and pursued thought leadership initiatives to further strengthen our brand positioning. During the year, we:

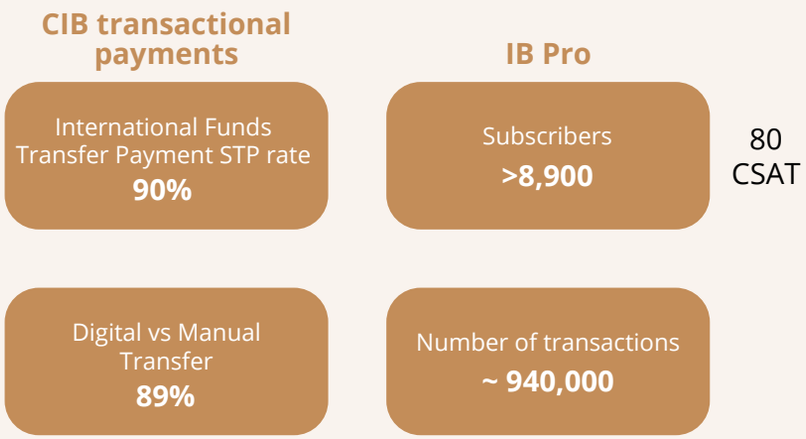
- Participated in the Africa CEO Forum in Kigali as a Diamond Sponsor for the ninth consecutive year, reaffirming our commitment to Africa and contributing to discussions shaping the continent's economic and business agenda.
- Sponsored the Africa Energy Forum 2026, held in Cape Town under the theme "Building Africa's Industrialised Future". The event brought together key public and private sector stakeholders to explore pragmatic energy solutions and accelerate the development of impactful projects across the continent.
- Launched two flagship publications, the Africa Economic Compass and Indian Ocean Economic Outlook, strengthening thought leadership through insights and projections on economic conditions, investment prospects and market developments across our focus markets.
- Hosted the third edition of MCB's Business Series in Johannesburg. This exclusive forum, organised in collaboration with Invest Africa, brought together senior business leaders from multinational and regional corporates, investment funds, investors and financial advisers doing business in Africa.
- Hosted a networking event in Johannesburg in early 2026, bringing together over 100 banking professionals and financial institution partners to strengthen strategic relationships and foster collaboration across trade finance, investment banking, cross-border payments, and treasury and markets. Discussions focused on unlocking intra-African trade opportunities, supporting regional corporates in their cross-border expansion ambitions and advancing a more connected and resilient African financial ecosystem.
- Showcased M by MCB Private Banking International at the Family Business Summit in Nigeria, engaging with entrepreneurs, investors and family business leaders while fostering valuable connections.
- Sponsored the internationally renowned Philharmonia Orchestra as Platinum Principal Partner of the Philharmonia Festival Mauritius 2026, providing private banking clients with access to world-class cultural experiences.

Harnessing digital and technology capabilities for a vision-driven expansion

We continued to strengthen the foundational capabilities underpinning our ambition to become a top-tier African CIB and Private Banking Institution, leveraging digitally-enabled solutions to enhance our client offering and improve execution efficiency. This progress is illustrated by the initiatives below:

- Enhanced IB Pro by broadening its capabilities and advancing the digitalisation of trade finance. During the year, new trade finance functionalities were rolled out and beta tested by a targeted group of high-volume clients representing approximately 50% of the Bank's trade finance portfolio. Read more on page 61. Additionally, IB Pro now supports 34 currencies, including 17 African currencies. The introduction of payment tracking and same-day value payments for many African currencies complemented the platform's existing self-service onboarding, beneficiary management and extended cut-off time capabilities, further enhancing the client experience.
- Accelerated the adoption of MCB Wave, the Bank's electronic foreign exchange trading platform, with more clients migrating routine transactions to self-service digital channels and benefiting from greater accessibility, transparency and execution efficiency.
- Strengthened our electronic trading ecosystem through enhanced connectivity with leading global platforms and the expansion of API-based integrations into client systems.
- Reduced international transfer settlement times from T+2 to same-day execution, enhancing the overall client experience for our wealth segment.

Key digital performance indicators for the Corporate and Institutional banking segment



Notes:

- *All figures relate to FY 2025/26, unless otherwise stated.*
- *CSAT scores, which indicate customer satisfaction, refer to June 2026.*

Win in the workplace

Our success is intrinsically linked to our people and the enabling environment within which they operate. Delivering on our ambitions calls for greater depth of expertise, strong leadership and a culture of excellence and innovation. We are committed to fostering the development and wellbeing of our workforce, while strengthening our ability to attract the talents and skills essential to our growth. In pursuing these ambitions, we are focused on the following:

- 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 an inclusive and engaging culture where our people thrive and succeed.

During FY 2025/26, we made further progress on reinforcing the capabilities, leadership and culture needed to drive growth, innovation and sustainable value creation in line with Vision 2030. As a key milestone, we launched Beyond, our new Employer Brand, articulating a clear and authentic employee value proposition centred on meaningful impact, growth, connection and care. Shaped by extensive employee insights, it reflects the culture and experience we seek to create across the organisation. To reduce administrative friction and enable our people to work more efficiently, our HR SBU deployed an AI-powered digital assistant that helps employees access trusted internal information, policies and support channels through a single interface.

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

Talent management is a cornerstone of our people strategy, underpinned by an integrated framework spanning learning and development, succession planning, performance management and strategic talent acquisition. Central to this framework is MCB's Career Architecture, which provides a consistent and structured approach to career development and progression across the organisation. During the year, the following initiatives were undertaken to support our ambitions:

- Continued to build our talent base to support business development, uphold customer service excellence, advance our digital capabilities, and reinforce key corporate functions, particularly risk and compliance management.
- Strengthened the talent pipeline through the identification of key strategic roles and the assessment of high-potential talents across the organisation, reinforcing succession depth and future leadership capacity.
- Advanced our talent development agenda through the Beyond Graduate Programme, equipping emerging professionals with future-ready skills while deepening our talent base.
- Organised industry workshops connecting prospective talent with MCB employees, who shared insights into their career journeys and day-to-day roles, helping participants gain a better understanding of career opportunities at MCB.
- Delivered a broad suite of training programmes to strengthen employees' core competencies and professional capabilities, complemented by specialised courses that strengthen our capabilities across the value chain in support of our objectives. We are also reviewing our learning and development approach to offer more accessible, employee-led learning and to deepen capabilities in AI, leadership, specialised expertise and customer excellence.

Building and retaining talent

Retention and turnover

~95%
Retention rate
(FY 2025: ~96%)

~9%
Turnover rate
(FY 2025: ~7%)

Percipio - Our online learning platform

79,863
Number of learning units
(FY 2025: 62,012)

50,271
Number of hours spent
(FY 2025: 29,673)

11.52
Hours spent per user
on learning
(FY 2025: 7.3)

Build a new generation of leaders who inspire and drive impact

Purpose-driven leadership is central to translating strategic ambition into tangible outcomes, empowering individuals to inspire their teams and embed our values across every level of the organisation. Through a robust leadership development framework, MCB equips its leaders with a comprehensive suite of programmes designed to strengthen managerial capabilities, sharpen strategic thinking and build the confidence to steer our collective vision forward. Key initiatives during the year under review:

- Launched IMPACT Catalyst, delivered in partnership with the African Leadership University. Designed to prepare our junior talent for greater responsibility, the programme strengthens collaborative leadership, critical thinking and customer-centric problem-solving, laying important foundations for a future-ready pipeline across the Group.
- Continued to roll out our established IMPACT Accelerate and Excellence programmes, further building the leadership capabilities of participants at different stages of their managerial journey. Around 80 employees completed all IMPACT programmes in FY 2025/26.
- Remained committed to gender diversity in leadership, with female representation in middle and senior management at 35.1% as at June 2026, albeit dropping from 36.6% as at June 2025, while strengthening succession planning, the talent pipeline and inclusive hiring practices.

Foster an inclusive and engaging workplace culture

Culture is the foundation on which our collective ambitions are built - one where collaboration, agility and accountability converge to unlock the full potential of our people. Anchored in our values and Shared Ways of Working, our culture empowers our people to thrive together, driving performance that extends beyond numbers and is underpinned by impact, shared accountability and lasting success. We pursued the following initiatives to strengthen our culture:

- Launched the DEI Charter, formalising our commitment to inclusion through a framework that sets out clear principles for a workplace where every employee feels respected, valued and able to contribute fully, spanning fair treatment across the employee journey, inclusive leadership, equal pay and wellbeing.
- Promoted wellbeing and inclusion through initiatives that encourage healthier lifestyles, build awareness and celebrate diversity, including International Women's Day, Global Accessibility Awareness Day, Mental Health Month and our Healthy YOU programme, fostering a greater sense of belonging across the organisation.
- Strengthened employee engagement through the Copa Cola Cup 2026, an organisation-wide event inspired by the spirit of the FIFA World Cup, uniting colleagues in a celebration of teamwork, inclusion and shared values.
- Rolled out the MCB Recognition Programme, an initiative to reinforce behaviours aligned with our Shared Ways of Working and values. In its first month, the programme generated more than 140 peer nominations, celebrating colleagues who demonstrated resilience, collaboration, continuous improvement and a commitment to pushing boundaries.
- Launched 'MaGazette', a recurring internal publication exploring wellbeing, balance, connection and care, giving our people a shared space to engage with topics that matter to them.

During the year, our workplace culture was recognised through two external awards. In 2025, MCB was named Best Workplace for Women in Tech Africa, highlighting our continued commitment to gender-inclusive career opportunities, particularly in technology. The renewal of our Great Place to Work® Certification for the second consecutive year further underscored the trust, pride and engagement built across the organisation. As part of this assessment process, we also conducted a culture audit to evaluate and showcase our people practices, workplace culture and employee experience across the full employee lifecycle. We also maintained the EQUAL SALARY Certification, reaffirming our long-standing commitment to fair and equitable pay practices across the organisation.

Driving inclusion from within

Our Employee Resource Groups (ERGs) serve as a valuable platform for advancing inclusion and belonging across the organisation. During the year, around 30 employees participated in ERG activities, driving grassroots initiatives and supporting organisation-wide programmes that give employees a voice, strengthen connections and help build a more inclusive workplace culture.

Key focus areas



ERG Disability friendly



ERG Gender equity



ERG Belonging



Thierry HEBRAUD
Chief Executive Officer





CHIEF FINANCE OFFICER REPORT

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Message from the Chief Finance Officer

I am pleased to present the CFO report for MCB Ltd. One year into the adoption of Vision 2030, we have made steady progress towards our strategic ambitions – strengthening our position in our Home Markets while continuing to build capabilities required to deliver sustainable growth across our African CIBPB pillar.

Our resilient and diversified business model enabled the Bank to deliver a strong performance during the financial year to 30 June 2026 (FY26), despite an operating environment marked by geopolitical tensions, economic uncertainty, volatile markets and new fiscal measures in Mauritius.

Operating income and profit after tax grew strongly, propelled by an expansion in loans and advances across all our business lines and supported by a strong deposit and funding base, capital and an improved risk profile, as evidenced by declining cost of risk and gross non-performing loans.

During the year, we maintained momentum in executing our strategic initiatives and continued to invest in our people, systems and organisational capabilities.

These investments, while contributing to higher operating expenses, are essential to strengthening the Bank's foundations and supporting its long-term growth ambitions.

Looking ahead, we will remain focused on delivering the priorities set out in Vision 2030. We are well positioned to capture growth opportunities in Mauritius and across the African continent, while remaining alert and responsive to an evolving operating environment. Underpinned by our strong fundamentals, a sound risk profile, diversified revenue streams and disciplined execution, we remain confident in our ability to create sustainable, long-term value for all our stakeholders.



Economic context

International

The global economy was characterised by heightened uncertainty during the year under review, as geopolitical tensions - particularly in the Middle East - weighed on confidence and investment. While advances in artificial intelligence (AI) and broader technology investment supported economic activity, higher commodity prices and supply chain disruptions intensified inflationary pressures, prompting major central banks to maintain a cautious monetary policy stance.

Sub-Saharan Africa continued to demonstrate resilience despite an increasingly challenging external environment. Oil-exporting economies benefited from stronger terms of trade, while import-dependent countries faced renewed external pressures. Fiscal and refinancing risks remained elevated across several markets. Nevertheless, ongoing reforms and improved macroeconomic management contributed to stronger sovereign credit profiles in countries such as Nigeria, South Africa, Kenya, Ghana and Morocco.

Home Markets

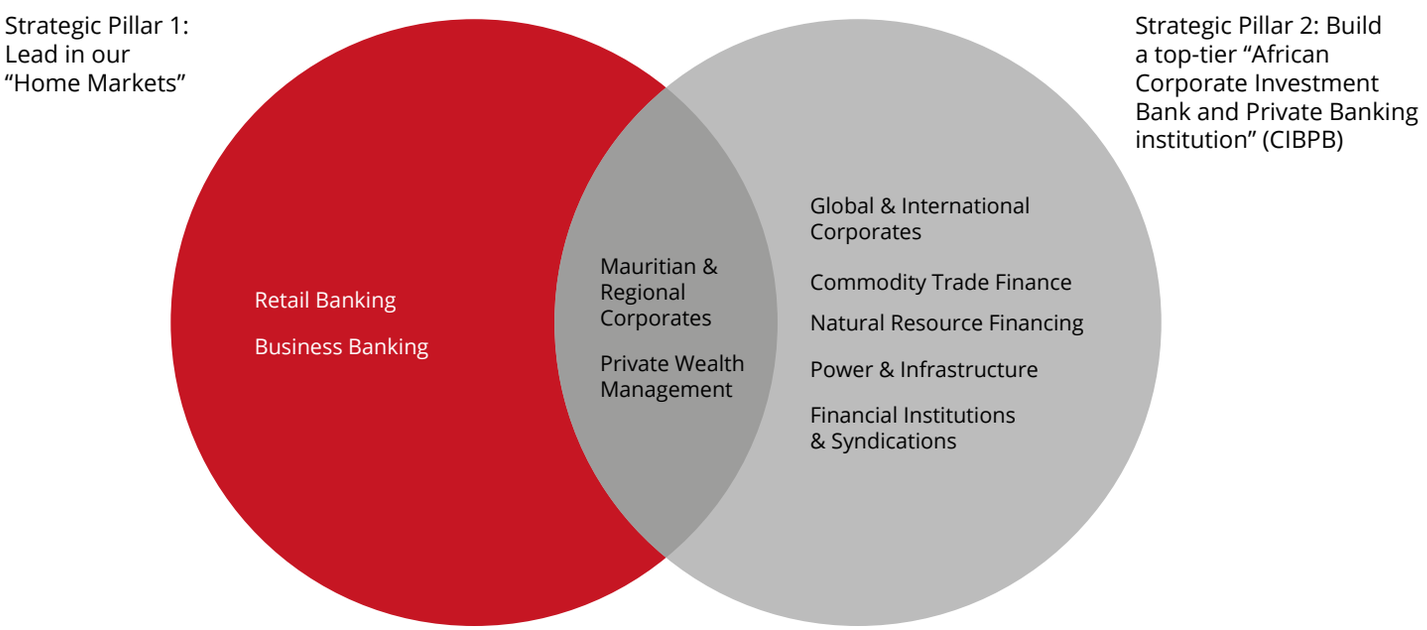
In Mauritius, economic growth remained resilient, although it moderated during the year as the repercussions of the conflict in the Middle East weighed on tourist arrivals from certain European markets and weakened external demand more broadly. In contrast to the previous year, inflation increased during the financial year, reflecting higher global oil prices as well as rising freight and logistics costs.

Against this backdrop, the Bank of Mauritius raised the Key Rate by 25 basis points to 4.75% in May 2026 to anchor medium-term inflation expectations and maintained it at that level in August 2026. The authorities also continued to pursue fiscal consolidation, with measures aimed at narrowing the budget deficit and stabilising the public debt trajectory. In its latest periodic update, Moody's Ratings acknowledged the initial progress on fiscal consolidation while highlighting continuing execution risks. Mauritius' sovereign rating consequently remained at Baa3 with a negative outlook.

Performance across our strategic pillars

The Bank delivered a strong performance during the year with solid growth in core earnings across both strategic pillars.

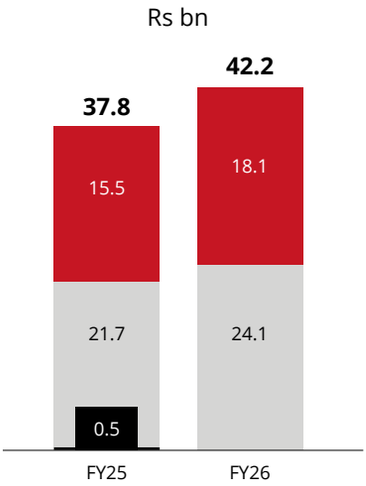
Our business model



Operating income in Mauritius, under the "Home Markets" strategic pillar, increased by 16.8% in FY26 to Rs 18,067 million with growth in both interest as well as non-interest income. The Bank maintained its momentum in the retail segment through ongoing enhancements to customer experience and strengthening its market positioning, resulting in market share gains, notably in the housing segment. In line with the Bank's commitment to supporting Mauritian corporates in their business development initiatives and sustainability ambitions, the related loan portfolios recorded significant growth over the period under review. Higher revenues from payments activities, together with stronger trading income, contributed to the growth in non-interest income.

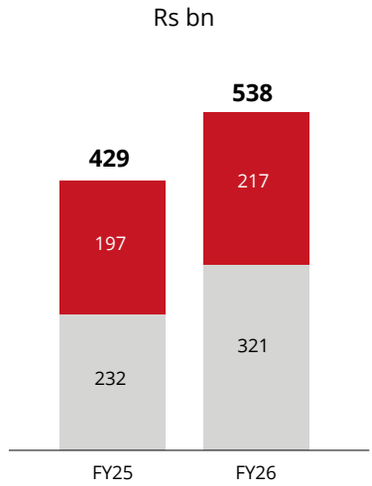
Operating income from the "African CIBPB" strategic pillar increased by 10.9% in FY26 to Rs 24,110 million. This performance reflects the continued development of the Bank's structured finance franchise and its growing presence across key African markets. By supporting clients in the energy, commodities, power and infrastructure sectors as well as private equity funds, the Bank successfully captured new business opportunities contributing to a significant growth in its loan book in these segments while concurrently diversifying its portfolio in line with its strategy. This translated to higher net interest income as well as non-interest income delivered through increased transaction volumes and higher wealth management fees, establishing the Bank as a preferred financial partner for strategic investments across Africa.

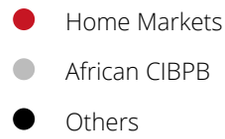
Operating income by strategic pillar



Figures may not add up due to rounding

Customer loans and advances[1] by strategic pillar





[1]Includes gross customer loans and corporate notes and bonds

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 the Bank does in domestic currency. 'Private Wealth Management', on the other hand, serves both domestic and foreign clients within the portfolio but with an increasing mix of foreign currency activity. For the purposes of illustrating the mix across strategic pillars, PWM has been classified under "African CIBPB".

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

Financial performance analysis

Performance highlights

Operating income increased by 11.7%, supported by continued growth in interest-earning assets, improved margins on liquid assets and higher non-interest income.

Cost-to-income ratio increased to 36.1% mainly reflecting continued invesment in human capital and technology to support the Bank's expansion

Impairment charges declined by 27.7% mainly due to the successful recoveries made during the financial year. The Gross NPL ratio and cost of risk dropped to 1.7% and 0.4% respectively.

Share of profit of associate increased by 26.2% to Rs 371 million.

The Bank's liquidity position remained healthy with a net customer loans and advances to customer deposits ratio of 62.5% and net customer loans and advances to funding base ratio of 49.0%.

Capital adequacy ratios declined while remaining above regulatory requirements.

Key figures

Profit for the year

Rs 18.5 bn +7.8% ▲

Operating income

Rs 42.2 bn +11.7% ▲

Non-Interest expense

Rs 15.2 bn +14.8% ▲

Impairment charges

Rs 2.2 bn -27.7% ▼

Gross customer loans

Rs 538.1 bn +25.4% ▲

Total assets

Rs 1,191.2 bn +29.0% ▲

Key ratios

Return on equity
18.0%
(FY25: 18.9%)
94 bps ▼

Cost-to-income ratio
36.1%
(FY25: 35.2%)
96 bps ▲

Cost of risk
0.40%
(FY25: 0.70%)
30 bps ▼

Loan-to-deposit ratio
62.5%
(FY25: 60.0%)
247 bps ▲

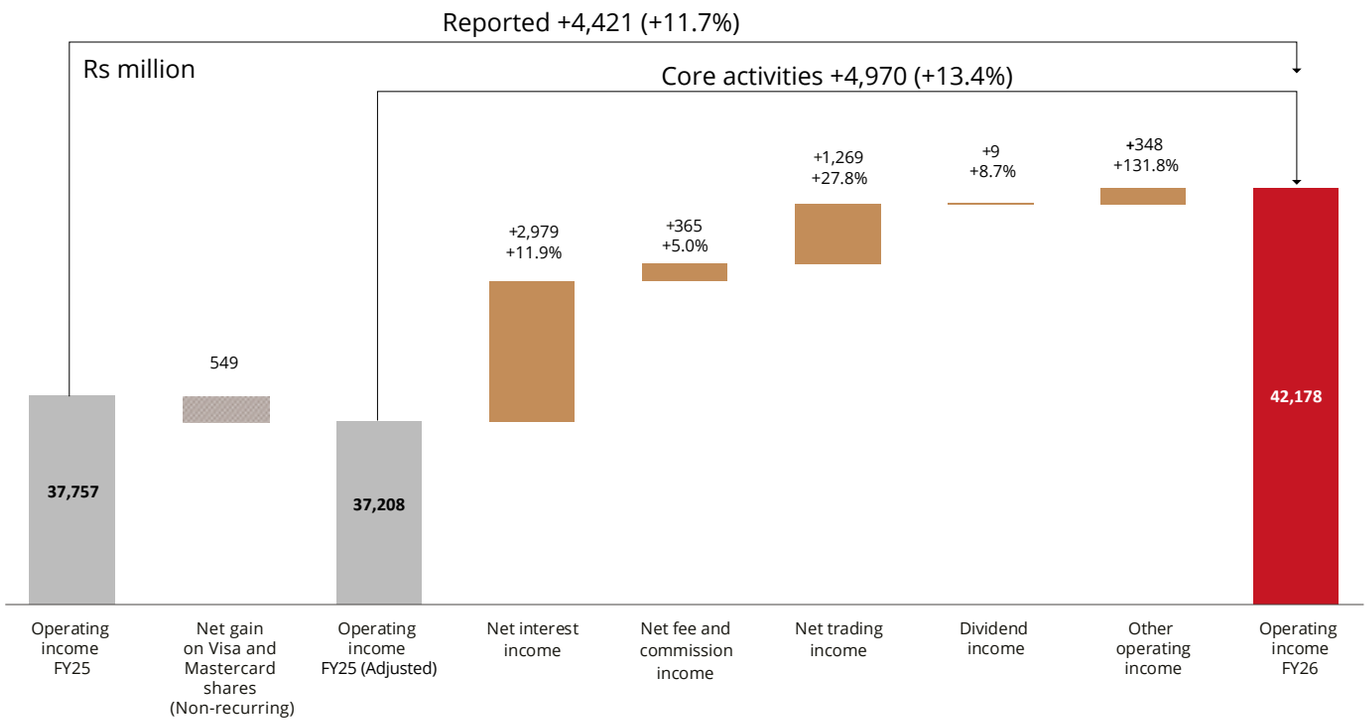
Gross NPL ratio
1.7%
(FY25: 2.7%)
102 bps ▼

Capital adequacy ratio
19.5%
(FY25: 21.1%)
158 bps ▼

Note: (i) Loan-to-deposit ratio is calculated as net customer loans and corporate notes and bonds divided by customer deposits, (ii) Gross NPL ratio is calculated as stage 3 customer loans, loans to banks and corporate notes (adjusted for suspended interest) divided by gross customer loans, loans to banks and corporate notes and bonds, (iii) Cost of risk is calculated as the impairment charge divided by gross customer loans, loans to banks and corporate notes and bonds.

Income statement analysis

The Bank reported an increase in operating income of Rs 4,421 million (+11.7%), supported by growth in both net interest income and non-interest income



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

Excluding the fair value gains on Visa and Mastercard shares of Rs 549 million in FY25, operating income from the Bank's core activities increased by 13.4%.

Interest-earning assets growth drove net interest income up despite a slight decrease in the overall net interest margin

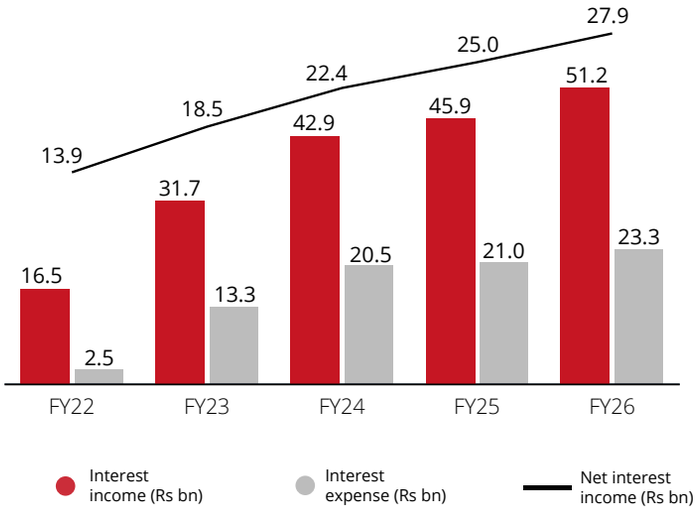
Net interest income increased by 11.9% to Rs 27,935 million as a result of the growth in interest-earning assets notwithstanding a fall in the overall net interest margin.

In Mauritius, the growth in the Bank's loan book and the reinvestment of liquid assets at higher rates contributed to an increase in rupee-denominated net interest income. Conversely, margins on rupee-denominated customer loans and advances declined slightly amidst heightened competition and reflecting preferential rates on sustainable finance facilities.

Foreign currency net interest income increased despite a decline in margins, with growth in customer loans and advances and liquid assets more than offsetting the impact of lower margins. The drop in net interest margins reflected the fall in the USD benchmark rate, heightened competition and a higher proportion of borrowings and foreign currency term deposits in the funding mix.

The Bank achieved a CAGR of 19.0% over the last five years, supported by its underlying business growth and a favourable interest rate environment.

Net interest income



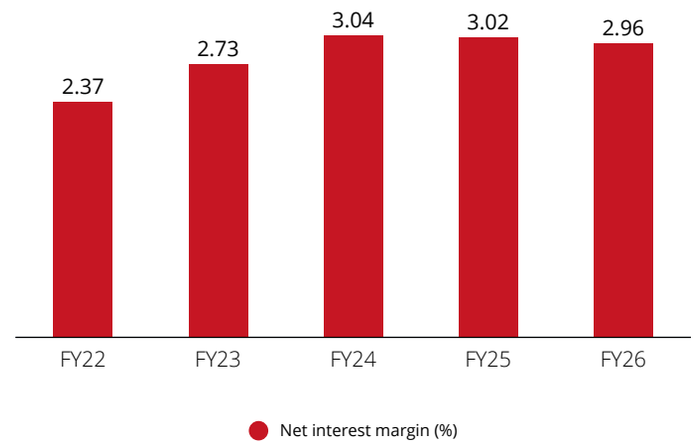
The growth of financial markets, wealth management and payments activities contributed to the growth in non-interest income

Non-interest income increased by 11.3% to Rs 14,243 million in FY26, representing a five-year CAGR of 19.8%, in line with the Bank's strategy to grow its non-funded income. The growth in non-interest income is explained by:

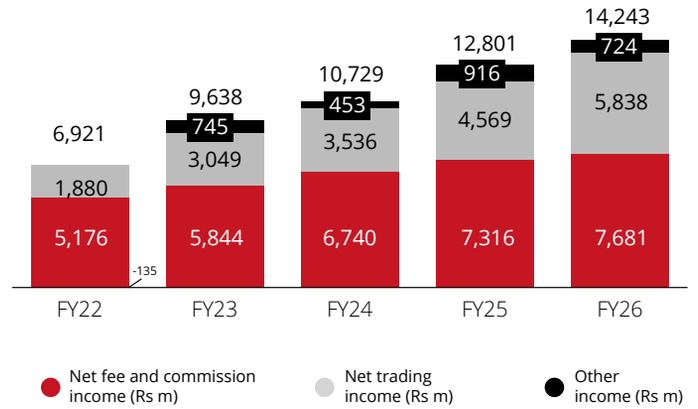
- a 5.0% rise in net fee and commission income supported by payments and wealth management activities;
- a 27.8% increase in trading income reflecting higher volumes of foreign exchange activity and fixed income transactions; and
- Other operating income increasing by Rs 348 million, benefitting from gains realised on the sale of financial instruments.

Of note, fair value changes in Visa and Mastercard shares are no longer recorded in the Bank's income statement following the disposal of these shares to MCB Group Ltd in November 2024 (fair value gains of Rs 549 million in FY25).

Net interest margin



Non-interest income



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

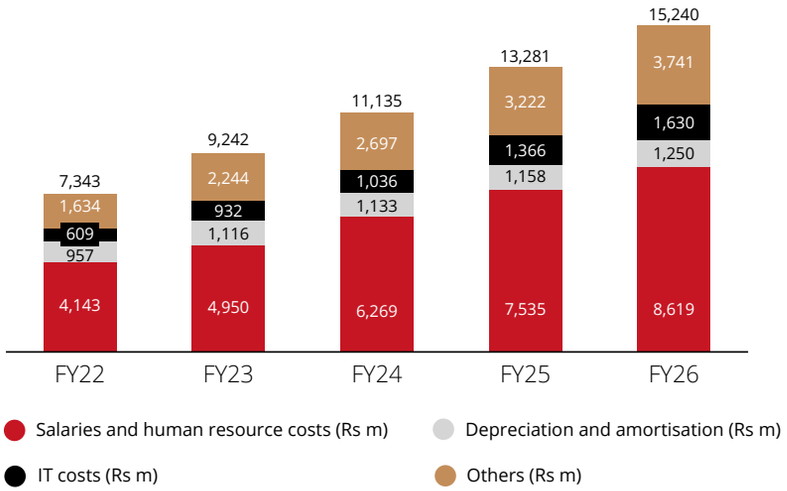
Ongoing investment in people, technology and organisational capabilities led to higher non-interest expenses

Non-interest expenses rose by 14.8% to Rs 15,240 million, in line with continued investment to support the Bank's growth ambitions. The year-on-year increase in non-interest expenses is explained by:

- an increase of 14.4% in staff costs, driven by increased headcount in support of business expansion, especially in specialised and high growth areas as well as the annual salary adjustments;
- a rise of 19.3% in IT costs in line with increased investment in technology as well as higher system costs associated with the Bank's cloudification strategy, cybersecurity initiatives, the deployment of AI and inflation-linked adjustments;
- higher premiums for the deposit insurance scheme of Rs 537 million compared to an initial contribution of Rs 256 million in FY25; and
- an increase of 29.0% in legal and professional fees to Rs 1,202 million, in line with business growth and reflecting higher consultancy fees linked to the implementation of initiatives to support the Bank's strategic ambitions.

As a result, the cost-to-income ratio increased by 96 basis points to 36.1%.

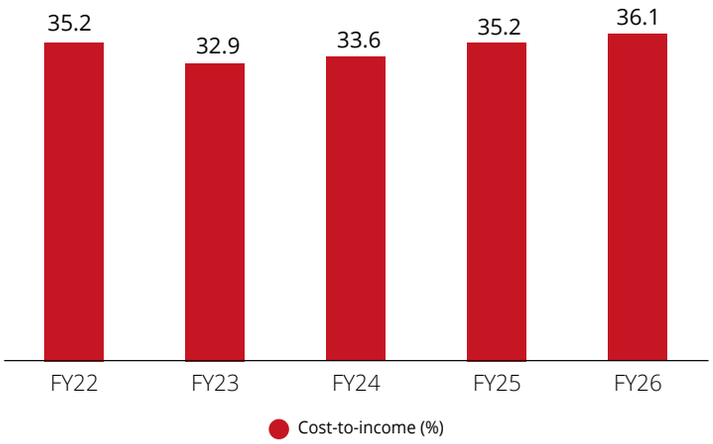
Breakdown of non-interest expenses



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

Impairment charges decreased by 27.7% to Rs 2,210 million, reflecting strong recoveries made during the first half of the financial year. Consequently, the cost of risk for FY26 improved to 0.40% compared to 0.70% in the previous year. The specific provision coverage ratio remained robust at 79.3% as at 30 June 2026 compared to 90.1% last year.

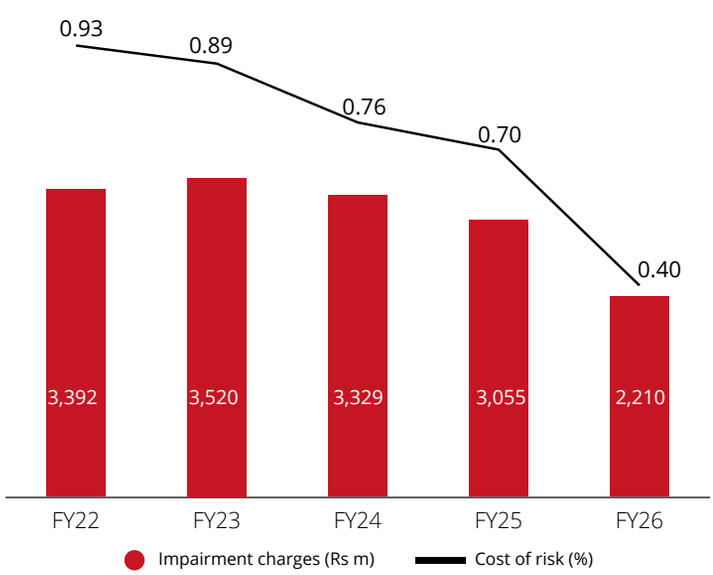
Cost-to-income ratio



Increase in the share of profit of associate

The share of profit of BFCOI increased to Rs 371 million compared to Rs 294 million in FY25, driven by the improved performance of the bank. It is worth noting that BFCOI's prior-year performance was adversely impacted by the disruption of business activities due to a severe tropical cyclone.

Impairment charges

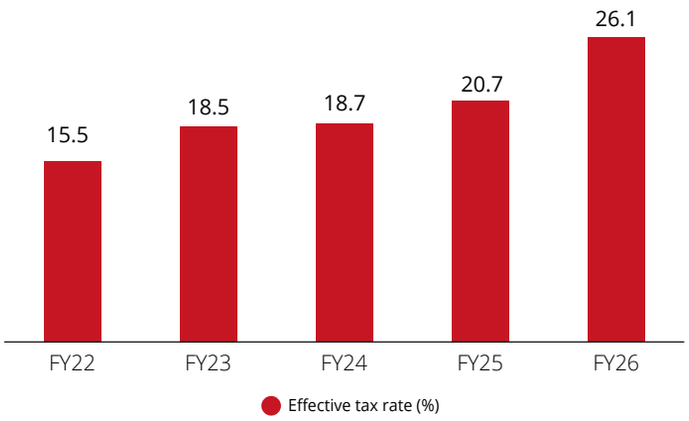


Note: Specific provision coverage ratio is calculated as stage 3 provisions on customer loans, loans to banks and corporate notes and bonds net of suspended interest divided by stage 3 customer loans, loans to banks and corporate notes and bonds.

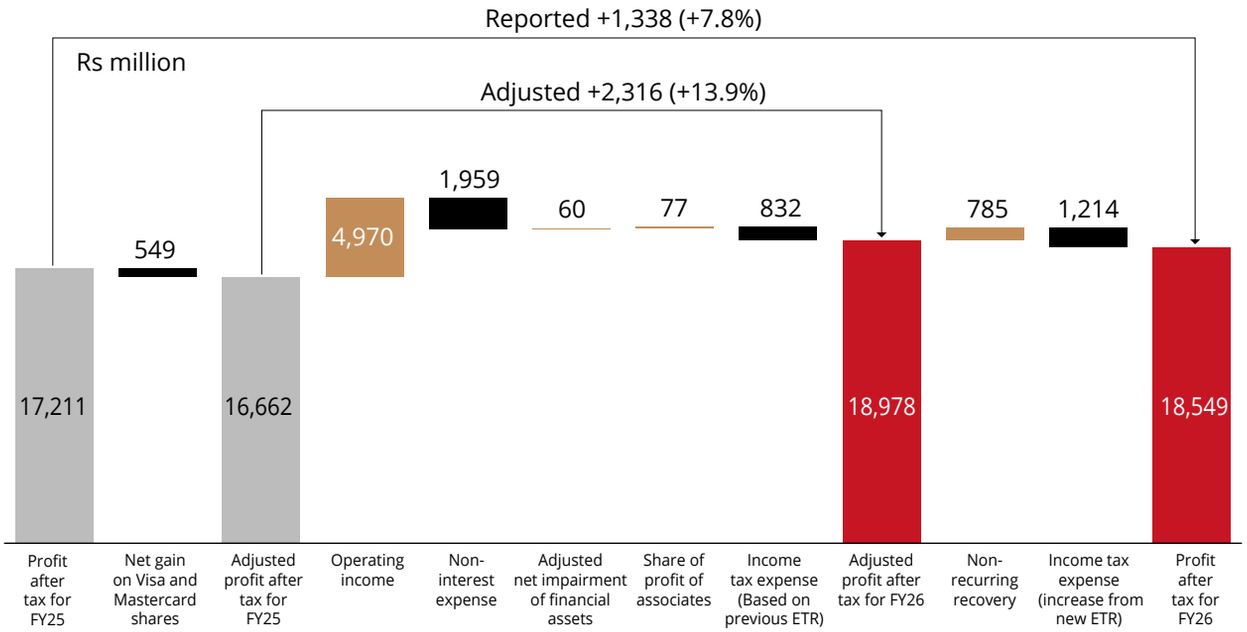
New fiscal measures led to an increase in taxes

The Bank's tax charge increased by 45.4% to Rs 6,550 million in line with the growth in profit before tax and the introduction of new fiscal measures in Mauritius at the start of the financial year. The effective tax rate increased from 20.7% in FY25 to 26.1% for FY26.

Effective tax rate



Reported profit after tax (PAT) increased by 7.8%. Adjusted for non-recurring items and changes in tax legislation, the Bank delivered a 13.9% increase in PAT



Reported profit after tax increased by 7.8% to Rs 18,549 million, corresponding to a return on equity of 18.0%. However, on a like-to-like basis, taking into account the non-recurring gains on Visa and Mastercard shares, the one-off recovery of a significant impaired loan and the increase in the Bank's effective tax rate linked to the new tax legislation in Mauritius, profit after tax was up by 13.9%.

Financial position statement analysis

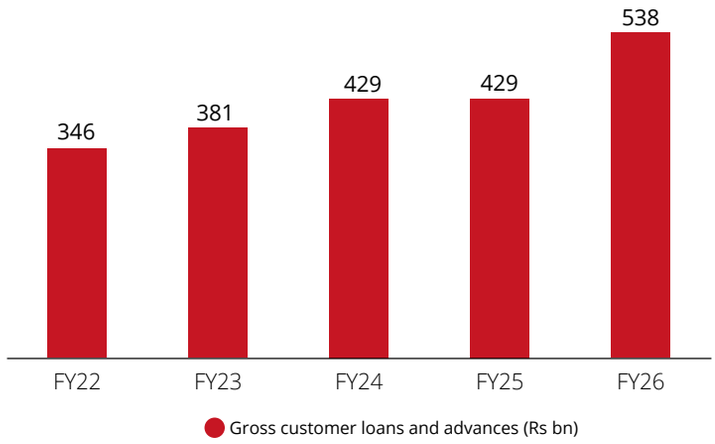
Growth in gross customer loans across the Bank's strategic pillars

Gross customer loans (including corporate notes) increased by 25.4% year-on-year to Rs 538.1 billion, driven by continued growth across both strategic pillars. The loan book in Mauritius grew by 12.0%, while lending to the international segment under the African CIBPB strategic pillar rose by 37.8%, reflecting sustained business momentum across key markets. In the domestic market, loan growth was supported by higher disbursements to the individual segment, particularly for housing loans, as well as increased lending to corporates. The foreign currency loan book growth was supported by broad-based increases across the corporate banking franchise whereby double-digit growth was recorded across the Natural Resources Finance, Global and International Corporates, and the Power and Infrastructure segments. In addition, funded exposures within the Commodity Trade Finance portfolio increased significantly, reflecting both the continued expansion of business activity and the impact of higher oil prices. As regards asset quality, the gross NPL ratio improved to 1.7% as at June 2026, compared to 2.7% in June 2025.

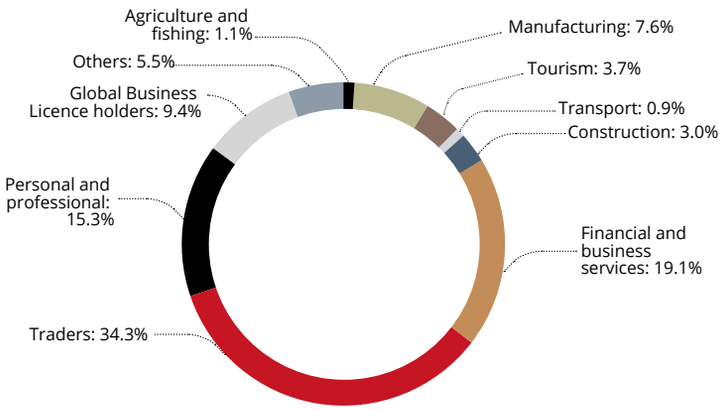
Increase in borrowings to diversify the Bank's funding base

Total deposits increased by 25.1% to Rs 874.9 billion as at June 2026, underpinned by growth in both rupee and foreign currency deposits. Continued efforts to mobilise foreign currency funding contributed to a 43.1% increase in foreign currency deposits, while rupee-denominated deposits grew by 7.8%. In a bid to continue to diversify its funding base and increase the amount of stable funding, the Bank has completed several funding initiatives during the year. As a result, other borrowed funds also rose by 70.9%, reflecting the higher use of repos and the successful closure of a USD 450 million syndicated loan facility, which also strengthened the Bank's capacity to support future growth of the loan portfolio. Debt securities increased to Rs 33.3 billion following the issuance of Senior Unsecured Notes on the London stock exchange for a nominal amount of USD 400 million as part of the Global Medium Term Note Programme. Supported by the successful funding initiatives, the Bank maintained a healthy liquidity position, with the net customer loans and advances-to-customer deposits ratio and the net customer loans and advances-to-funding base ratio standing at 62.5% and 49.0% respectively, as at June 2026.

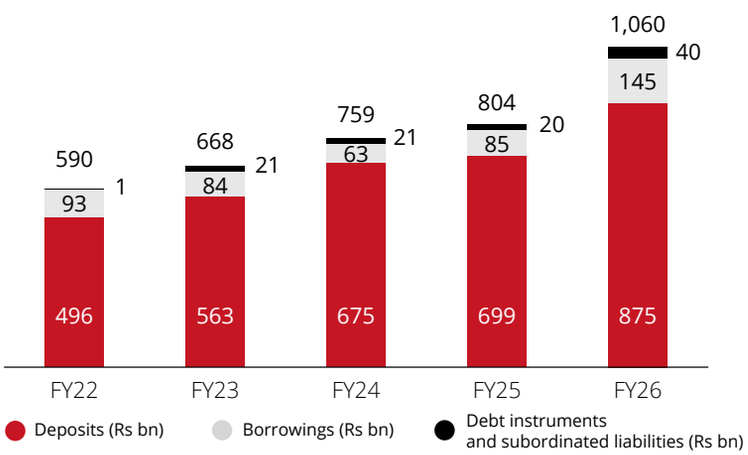
Gross customer loans and advances



Loans to customers - Sector distribution



Funding base

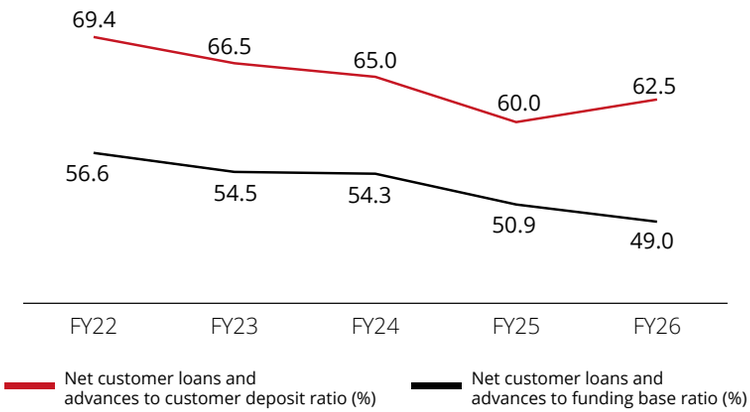


Excess liquidity deployed in short-term treasury bills and balances with banks

Total liquid assets increased by 45.3% to Rs 612.9 billion, reflecting the faster growth rate in the Bank's funding base compared to loans and advances. Investment securities, excluding corporate notes and bonds went up by 23.0% while cash and cash equivalents increased by 60.9%, driven by an increase in short-term foreign currency treasury bills while a decline was observed in money market placements. Overall, the liquid assets-to-total assets ratio stood at 51.5% as at June 2026. The Bank's liquidity coverage ratio remained well above regulatory limits at 401% as at June 2026.

Note: Liquid assets include cash and cash equivalents, placements with banks, mandatory balances with central bank and government securities.

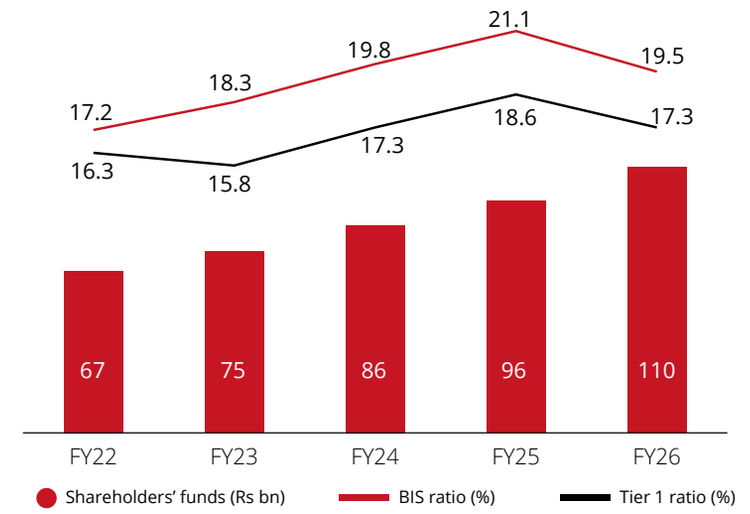
Funding ratios



Comfortable capital adequacy despite strong growth in loans and advances

Shareholders' funds increased by 15.6% to Rs 110.4 billion in line with an increase of Rs 14.9 billion in retained earnings, after accounting for lower dividends of Rs 3.5 billion during the financial year. Total eligible and Tier 1 capital increased by 16.7% to Rs 116.5 billion and 16.2% to Rs 102.6 billion. Combined with a rise of 25.6% in risk-weighted assets, linked to the significant expansion of the Bank's lending activities, the capital adequacy ratio and Tier 1 ratio declined to 19.5% and 17.3% respectively.

Shareholders funds and capital adequacy



Performance against objectives

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

Objectives for FY26	Performance for FY26	Objectives for FY27
Return on average Tier 1 capital Return on average Tier 1 capital was projected to decline despite healthy business growth, reflecting the increase in tax rates and the expected decline in global interest rates as well as our investment in capabilities to support Vision 2030.	The Bank's return on average Tier 1 capital declined to 19.5% but outperformed expectations as a result of higher operating income, successful recoveries and slower growth in operating expenses.	Return on average Tier 1 capital is projected to decline, reflecting lower average global interest rates, the rising cost base associated with sizeable Vision 2030 initiatives and a normalisation of impairment charges.
Return on average assets (ROA) ROA was projected to decline, driven by the same factors contributing to the decrease in our return on capital.	ROA stood at 1.8%, which is above expectations, explained by the same factors as above.	ROA is expected to drop, mirroring the trend in return on capital.
Operating income Net interest income was expected to continue to increase in line with our growth in asset base despite an expected decline in global interest rates which has an adverse impact on margin. Non-interest income was projected to rise at a mid-single digit rate supported by transaction banking, trade finance and financial markets activities.	Net interest income was slightly above expectations and saw double-digit growth compared to the prior year. This was driven by an increase in the average loan book and higher liquid asset volumes, partially offset by higher funding costs in the international business segments. Non-interest income surpassed expectations driven by strong contributions from financial market activities and one-off gains arising from early bond redemptions. Operating income increased by 11.7%.	Net interest income is expected to see healthy growth both in our domestic and foreign portfolios, driven by higher interest-bearing assets. Non-interest income is, projected to grow, although at a slower pace than in FY26, due to prior year non-recurring gains.
Operating expenses Operating expenses were expected to rise to support underlying business growth and to support initiatives geared towards delivering on our Vision 2030.	Operating expenses grew by less than expected partly due to delays in planned recruitment and successful resolution of certain tax assessments.	Operating expenses are expected to increase faster than operating income due to planned investments in strategic initiatives linked to Vision 2030 as well as an increase in expenses as part of the Bank's normal course of business.
Cost-to-income ratio The cost-to-income ratio was expected to increase as a result of higher projected operating expenses explained above and a downward pressure on margins.	The cost-to-income ratio stood at 36.1%, outperforming our target.	The cost-to-income ratio is expected to increase further with investments linked to Vision 2030 contributing to cost growth.
Loans and advances growth Growth in the customer loans and advances was expected to continue as we grow the business in line with our strategy.	Average customer loans and advances grew by 14%, surpassing objectives, with a higher-than-expected growth in the domestic segment.	Customer loans and advances are expected to maintain double digit growth as the Bank continues to deliver on its strategy.
Deposits growth Overall, the Bank aimed to continue its efforts to attract both customer and institutional foreign currency deposits to support its international business growth. The domestic market was expected to remain liquid and driven by the individual segments.	Average Deposits also recorded double-digit growth of 11%, supported by better-than-expected inflows from international customers.	The Bank aims to grow its deposit base, with a bigger mix from international businesses to support its asset growth.

Objectives for FY26	Performance for FY26	Objectives for FY27
Asset quality Cost of risk was expected to increase whilst NPL was forecasted to remain close to the FY25 level.	Asset quality improved with the gross NPL ratio decreasing to 1.7% in FY26; Cost of risk was also significantly lower than expected at 0.4% as the Bank realised some sizable recoveries during the year.	The Bank expects cost of risk to normalise at around 0.7%.
Capital management Capital adequacy ratios were expected to remain at a prudent level with strong capital buffers.	The capital adequacy ratio stood at 19.5%, slightly below expectations, but comfortably above the minimum regulatory requirements.	Capital adequacy ratio is expected to fall whilst maintaining adequate capital buffers above regulatory levels.

Performance against objectives by lines of business

Objectives for FY26	Performance for FY26	Objectives for FY27
Retail MCB planned to continue investing in its Retail business through enhancements to its digital offering, ongoing investment in human capital, focusing on initiatives aimed at elevating the customer experience and adapting its retail loan offering. These initiatives were expected to support continued growth in both the loan portfolio and operating income.	The loan book recorded strong double-digit growth compared to the prior year, exceeding the targets set for the year. Retail Banking further enhanced its position in the local mortgage market while maintaining prudent credit risk management and the overall quality of its loan book. Retail deposits continued to grow, reflecting the confidence and trust placed in the Bank by its customers. As a result, Retail Banking operating income showed a double-digit growth further supported by higher customer activity across the Bank's broad range of banking services.	MCB will continue to drive growth in its housing and personal lending portfolios, supported by ongoing investments in digital transformation and customer-centric solutions. Amidst challenging economic conditions, Retail Banking is expected to grow its operating income, albeit at a slower pace. Net operating income will continue to grow for the year ahead, with a positive jaws between expenses and income.
Business Banking The business was expected to continue investing in its people and technology-enabled processes to further enhance customer experience. Business Banking was expected to sustain growth in its asset base across all product categories. It also anticipated continued expansion in non-interest income, albeit at a slower pace than in FY25.	Business Banking exceeded its targeted growth in the asset base across all product categories. Its gross operating income grew ahead of plan, driven by non-interest income, despite a challenging international economic environment. Deposits expanded at a similar rate over the prior year. The double-digit growth in the Business Banking loan portfolio underscores the Bank's commitment to supporting local businesses and contributing to economic development.	Business Banking will continue to invest in enhancing customer experience and efficiency. Gross operating income is expected to maintain its growth trajectory, albeit at a more moderate pace, supported by continued expansion of the loan and deposit books.

Objectives for FY26	Performance for FY26	Objectives for FY27
Private Wealth Management PWM remained committed to enhancing its service offering and strengthening its position as a leading wealth hub. Its business development strategy, closely aligned with overseas commercial hubs, was expected to support the growth of both its asset and client base, thereby driving higher fee-based income.	PWM performed ahead of objectives, driven primarily by its international growth strategy and continued expansion of its presence across key international wealth corridors. The strengthening of teams in the overseas hubs reinforced its position as a leading wealth hub. Compared to last year, all segments of PWM have seen healthy growth.	PWM will continue to focus on strengthening its positioning across international wealth corridors while further enhancing its value proposition. Key priorities include building capabilities to support the Group's Africa Private Banking strategy, deepening client engagement, and leveraging technology to improve scalability, operational efficiency, and long-term growth. These initiatives are expected to bring year-on-year double digit-growth in AUM, strengthening the fee-based income.
Corporate and Institutional Banking Since July 2025, this segment has been reorganised into two clusters: 'Global Coverage' and 'Structured Finance'. The segment aimed for robust growth in operating income, underpinned by growing net interest income and fee-based income driven by transactional revenue. Loan balances were expected to expand across markets, alongside the growth of its multi-currency deposit base. One of the priorities was to grow revenue from a broader product spectrum for international clients, whilst capitalising on and expanding the network of international offices. Consolidating customer service levels and enhancing sustainable finance solutions were key enablers in leading in the home markets and internationally.	The segment delivered a strong performance in FY26, with operating income ahead of target across both net interest income and non-interest income. Growth in net interest income was driven by higher average loan balances, increased exposures across key markets and a growing deposit base, while non-interest income benefited from sustained transactional flows and higher fee-based revenue. As a result, the segment recorded growth across all its key metrics year on year, a notable achievement given a competitive operating environment and challenging market conditions, reflecting disciplined execution and sustained client engagement.	In FY27, the segment will aim to build on this momentum by growing the international client base and broadening the product spectrum delivered through its network, supporting continued growth in operating income through further expansion of lending and deposit mobilisation and a rising contribution from transactional and fee-based revenue. This will lay the foundation for the segment's longer-term ambitions of accelerating growth in home markets, advancing its international strategy with an emphasis on trade finance and financial markets, and diversifying its revenue streams. The execution of these growth priorities will be supported by continued investment in talent, capabilities and the segment's cross-border footprint under Vision 2030, with operating expenses expected to increase accordingly in FY27.

Value created

The Bank plays an important role in driving value creation across our home and African markets. In Mauritius, it is a significant contributor to economic development through the wide range of products and services it provides to individuals and businesses, facilitating transactions, supporting investment and enabling wealth creation. MCB is the largest corporate taxpayer, a major customer of local suppliers and one of the largest employers of skilled professionals. Through its holding company, MCB Group Ltd, it also has the widest shareholder base in Mauritius, extending the value it creates to a wide spectrum of stakeholders.

MCB remains anchored in Mauritius and continues to invest in the growth and enhancement of its domestic banking activities. 43% of operating income is generated locally by serving domestic customers. With a market share of 39% and 50% of local credit and deposits respectively as at June 2026, MCB remains the most trusted banking partner of a large proportion of Mauritians. Through our presence across the island, we serve, support and help wealth creation for our society and the business community.

Activities under the "African CIBPB" strategic pillar contributed around 57% of MCB 's revenue. This performance is driven by the delivery of bespoke and specialised products and services to international corporates, financial institutions and high net- worth clients residing in, or conducting business across, Africa. Through its growing international operations, MCB also reinforces the reputation and credibility 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 robust financial performance allows us to reinvest in new products, digital capabilities and service enhancements that directly benefit our growing customer base. This supports sustained business growth, strengthening our ability to create value for our stakeholders whilst retaining enough capital to fund future investments. We recognise the interdependency between the value the Bank generates and the value it creates for its stakeholders, as each reinforces the other in driving long-term sustainable success.

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. Payment to third-party providers of products and services, including capitalised expenditure, amounted to approximately Rs 5.0 billion during FY 26.

Authorities and society

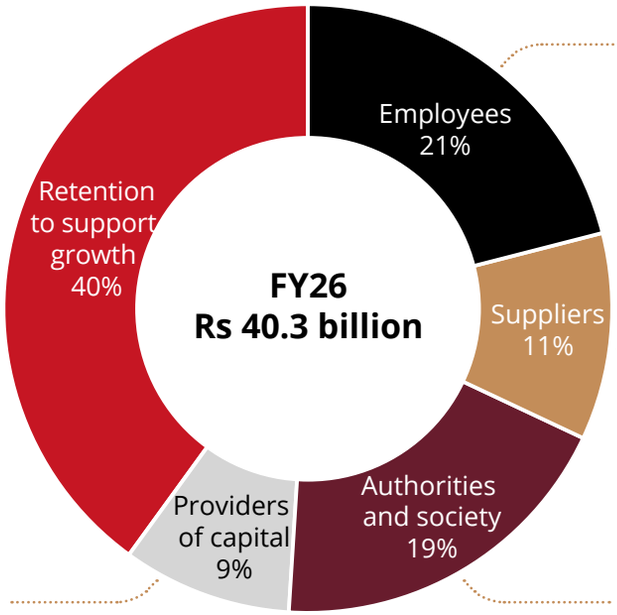
We strongly contribute to socio-economic development. MCB is the largest single contributor to corporate tax revenue and banking levy in Mauritius. For FY 26, the amount of tax and levies charged as well as premiums for the Deposit Insurance Scheme, worked out to approximately Rs 7.6 billion.

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

Shareholders and investors

We deliver consistent and sustainable financial returns with sound risk and capital management. Dividends amounted to Rs 3.5 billion, allowing the Group to maintain its dividend payout of around a third of its profits.

Wealth created by MCB Ltd



We are one of the largest single-company employers in Mauritius with a headcount of more than 4,300. Out of the remuneration paid to employees, our colleagues contributed about Rs 596 million as pay-as-you-earn income tax in Mauritius in FY 26

We work with about 1,000 suppliers of whom more than 70% are local.

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

Dividends paid to MCB Group Ltd contribute to cash distributions to more than 24,000 shareholders

Consolidated results

Overview of performance

On a consolidated basis, profit after tax increased by 7.3% to Rs 18,602 million driven by the improvement in the performance of MCB Ltd but was mitigated by a decline in the profits of MCB Madagascar.

MCB Madagascar strengthened its funding and liquidity profile during FY26, with customer deposits growing by 33%, following successful deposit mobilisation initiatives. At the same time, the gross loans and advances portfolio contracted by 7%, resulting in higher levels of liquidity, that was largely redeployed into investment securities, driving a 55% increase in that portfolio.

Net interest income was broadly stable over the year, with margins remaining under pressure amid heightened competition.

Strong growth in fee and commission income (+20%) and trading income (+80%), nevertheless contributed to an 18% increase in operating income. However, these gains were more than offset by a 41% rise in operating expenses, mainly reflecting higher staff costs and business support function costs, together with a 16% increase in impairment charges. Consequently, profit after tax declined by 44% to MGA 9.1 billion, resulting in MCB Madagascar's contribution to Group profit decreasing to Rs 88 million in FY26, compared with Rs 146 million in the previous financial year.

Key financial indicators

	Group			Bank		
	Jun-26	Jun-25	Jun-24	Jun-26	Jun-25	Jun-24
Statement of profit or loss (Rs m)						
Operating income	43,009	38,464	33,706	42,178	37,757	33,150
Operating profit before impairment	27,166	24,755	22,236	26,938	24,476	22,015
Operating profit	24,823	21,593	18,751	24,728	21,421	18,686
Profit before tax	25,194	21,887	19,057	25,099	21,715	18,992
Profit for the year	18,602	17,340	15,487	18,549	17,211	15,446
Statement of financial position (Rs m)						
Total assets	1,208,622	937,639	877,076	1,191,241	923,585	865,452
Net Customer Loans	484,348	375,178	382,533	476,153	366,970	375,404
Investment securities (net)	395,236	328,121	324,562	389,610	324,783	322,210
Total deposits	889,812	710,522	682,638	874,884	699,156	675,313
Subordinated liabilities	7,187	6,889	7,057	6,997	6,707	7,057
Debt Securities	33,341	13,649	14,314	33,341	13,649	14,314
Other borrowed funds	145,322	85,671	65,355	144,840	84,742	62,529
Shareholders' funds	111,226	96,244	86,720	110,443	95,562	86,115
Performance ratios (%)						
Return on average total assets	1.7	1.9	1.9	1.8	1.9	1.9
Return on average equity	17.9	18.9	19.0	18.0	18.9	19.1
Return on average Tier 1 capital	19.3	20.5	20.6	19.5	20.6	20.7
Non-interest income to operating income	33.7	33.7	32.1	33.8	33.9	32.4
Net customer loans to customer deposit ratio	62.6	60.6	65.4	62.5	60.0	65.0
Cost to income ratio	36.8	35.6	34.0	36.1	35.2	33.6
Capital adequacy ratios (%)						
BIS risk adjusted ratio	19.1	20.5	19.3	19.5	21.1	19.8
of which Tier 1	*16.9*	*18.1*	*16.9*	*17.3*	*18.6*	*17.3*
Asset quality						
Non-performing loans and advances (Rs m)	10,096	12,366	12,709	9,504	11,912	12,238
Gross NPL ratio (%)	1.8	2.9	3.0	1.7	2.7	2.8
Cost of risk (%)	0.4	0.8	0.9	0.4	0.7	0.8

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

Outlook

The global economic environment remains mixed, with inflationary pressures, financing costs and geopolitical tensions – including those in the Middle East – likely to weigh on confidence, trade flows and investment activity and create uncertainty. Nevertheless, economic growth across many core markets in Africa is expected to remain resilient and long-term prospects remain compelling. We believe the continent's growth trajectory is established and supported by favourable demographics, which will fuel investments, trade flows and demand for infrastructure and financial services. Against this backdrop, we remain focused on the disciplined execution of Vision 2030 – consolidating our leadership position in our Home Markets whilst purposefully expanding our CIBPB franchise. Growth will be pursued prudently with careful attention to risk, capital allocation, funding and liquidity.

Supported by the strength of our franchise and business model, we are confident in our ability to support our growing client base and create sustainable value for our shareholders.



Dipak CHUMMUN
Chief Finance Officer



CORPORATE GOVERNANCE REPORT

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

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

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

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

Notes:
1 'Our corporate profile' can be found on pages 21 to 31
2 The 'Risk and capital management report' can be found on pages 139 to 189
3 'Delivering on our strategic objectives' which contains information on our strategy execution, including our environmental and social performances can be found on pages 47 to 72
4 The CFO report provides an assessment of the Bank's results and can be found on pages 75 to 91
5 The 'Sustainability Report' provides an overview of our corporate sustainability initiatives and our engagement with various stakeholders and is available on our website

Approach and principles

The Board of MCB Ltd remains steadfast in its commitment to the highest standards of corporate governance as a foundation of the Bank's long-term sustainability, resilience and value creation. The Board provides purpose-driven and ethical leadership, setting the tone from the top in the way that it conducts itself and oversees the management of the Bank. The Board firmly believes that good governance underpins the Bank's values and culture by promoting accountability, transparency, effective risk oversight, sound decision taking, responsible stakeholder engagement, while fostering sustainable business practices across the organisation.

The Board of MCB Ltd has continued to actively monitor, review and adapt its governance frameworks and practices in light of the increasingly dynamic and complex operating environment over the last financial year. Particular attention has been given to risks and developments relevant to the financial services industry, including geopolitical shocks, evolving regulatory landscape, technological change, cybersecurity, artificial intelligence, ESG considerations, changing workplace dynamics and customer experience in a competitive landscape. The Board has also maintained a strong focus on ensuring that the Bank's strategic orientation and key initiatives remain aligned with its Vision 2030 aspirations, thereby supporting the delivery of sustainable long-term value. Directors also participated in ongoing training to stay abreast of emerging issues and strengthen their oversight capabilities, in line with the Bank's commitment to sound corporate governance. The Bank's Corporate Governance Framework is anchored on the four pillars highlighted hereunder.



Strong commitment to ethics and values

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



Strict compliance to rules and regulations

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



Robust risk governance and internal control

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



Continuous multi-stakeholder engagement

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

Governance structure

Governance framework

MCB Ltd is led by a committed and unitary Board, which holds the collective responsibility for strategic leadership, oversight and long-term value creation. The Bank operates within a well-defined governance framework that establishes clear lines of authority, accountability and responsibility, enabling effective delegation while ensuring that the Board retains overall control of the business. The Board is supported by five committees, each mandated to provide counsel, recommendations and specific expert guidance on matters affecting the Bank's activities. Some Directors of the Bank also serve on key Group committees, including the Corporate Sustainability Committee, a sub-committee of the Group's Corporate Governance and Sustainability Committee, and the Group Corporate Strategy Committee. This fosters alignment between the Bank and the Group with respect to sustainability objectives and strategic priorities. Acting on the direction set by the Board, Management is entrusted with the operational management of the business, with their performance and actions closely monitored against set objectives and policies. The diagram below illustrates the governance structure of the Bank and the key relationships between the Board, its committees and Management, together with their respective roles and responsibilities.

Role of the Board

The Board provides effective leadership in the formulation and delivery of the Bank's strategy within a framework of robust risk management and internal controls, alongside ensuring adherence by the Company 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 on specific areas. In fulfilling their role of providing oversight and guidance, the Chairperson of each Board committee escalates all significant matters affecting the Bank to the Board.

- Audit Committee
- Nomination & Remuneration Committee
- Risk Monitoring Committee
- Supervisory & Monitoring Committee
- Cyber & Technology Risk Committee

Role of Executive Management

The Management Committee and the Leadership Team 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 Bank.

Executive 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 are regularly reviewed by the Board. The role of the Chairperson is distinct and separate from that of the Chief Executive Officer. There is a clear segregation of responsibilities with the Chairperson leading the Board and the Chief Executive Officer managing the Bank's business on a day-to-day basis. The Board ascertains that the external obligations of the non-executive directors do not hinder them in the discharge of their duties and responsibilities. As part of this process, the Board reviewed time commitments and external obligations of the Chairperson and found no concerns about his ability to perform his duties effectively. The main roles and responsibilities of the Chairperson, Chief Executive Officer and directors are described in the following table.

Key roles and responsibilities

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

Company Secretary

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

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

Constitution of The Mauritius Commercial Bank Limited

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

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

More information on the Constitution is available on the website.

The Board





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

Absent : Craig McKenzie

Directors' profiles

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

Key

AC	Audit Committee
CTRC	Cyber and Technology Risk Committee
NRC	Nomination and Remuneration Committee
RMC	Risk Monitoring Committee
SMC	Supervisory and Monitoring Committee

C	Committee Chair
M	Committee Member



Simon WALKER

Chairperson, Independent Non-Executive Director

Age: 65

CTRC	NRC	RMC	SMC
M	C	M	C

Non-Executive Director since June 2020, Simon is the Chairperson of the Supervisory and Monitoring Committee as well as the Nomination and Remuneration Committee. He is also a member of the Risk Monitoring Committee, the Cyber and Technology Risk Committee and MCB Group's Corporate Strategy Committee and Corporate Sustainability Committee, a sub-committee of MCB Group's Corporate Governance and Sustainability Committee.

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

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

Nationality: British



Thierry HEBRAUD

Chief Executive Officer and Executive Director

Age: 64

CTRC M NRC M RMC M SMC M

Executive Director since June 2023, Thierry is a member of the Nomination and Remuneration Committee, the Risk Monitoring Committee and the Cyber and Technology Risk Committee as well as the Supervisory and Monitoring Committee on which he also acts as the Secretary.
He is also a member of MCB Group's Corporate Strategy Committee, and Corporate Sustainability Committee (a sub-committee of MCB Group Corporate Governance and Sustainability Committee).

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

Skills and experience:
Prior to being appointed Chief Executive Officer in January 2024, Thierry was the Head of Corporate and Institutional Banking, overseeing the coverage and product teams alongside other supporting units therein. He joined the Bank in 2019 after accumulating extensive experience in Corporate and Investment Banking over the last 35 years, holding leading positions within Crédit Agricole Group in Eastern and Central Europe, Asia, and North Africa.

Nationality: French



Dipak CHUMMUN

Chief Finance Officer and Executive Director

Age: 59

SMC M

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

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

Skills and experience:
Dipak joined MCB as Group Chief Finance Officer in September 2024. He is also the Chief Finance Officer and is an Executive Director of MCB Ltd. He serves as a non-executive director for a number of other companies within the Group and sits on some of their board committees. In his role, he oversees the finance, funding, strategy, research and development activities for MCB Ltd and the Group. He is a seasoned professional with over two decades spent in banking at senior levels with groups such as Standard Chartered, Barclays, Emirates NBD and Deutsche Bank in roles spanning Corporate Banking, Global Markets, Strategy, M&A, Risk and Finance 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.
He sat on several listed and non-listed company boards and sub-committees operating in industry and financial services, including those of Afrasia Bank Ltd, Eagle Insurance Ltd and DTOS. He has previously also served as Chairperson at The Stock of Exchange of Mauritius Ltd and as a member of the International Advisory Board and Council for ICAEW in London.

Nationality: Mauritian



Johanne HAGUE

Independent Non-Executive Director

Age: 45

AC M NRC M

Independent Non-Executive Director since January 2022, Johanne is a member of the Audit Committee and the Nomination and Remuneration Committee. She is also a member of MCB Group's Corporate Sustainability Committee (a sub-committee of the MCB Group Corporate Governance and Sustainability Committee)

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

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

Nationality: Mauritian



Craig McKENZIE

Independent Non-Executive Director

Age: 66

AC M RMC C

Independent Non-Executive Director since December 2023, Craig is the Chairperson of the Risk Monitoring Committee and a member of the Audit Committee. He is also a member of MCB Group's Corporate Strategy Committee.

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

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

Nationality: Mauritian



Su Lin ONG

Independent
Non-Executive Director

Age: 66

AC C CTRC C

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

Qualifications:
BA (Honours) in Economics (UK) and Fellow Chartered Accountant (ICAEW UK)

Skills and experience:
Su Lin has over 30 years of professional experience in Audit and Advisory. She trained as a Chartered Accountant in London with Deloitte, Haskins & Sells where she worked for 8 years before joining Coopers & Lybrand, Mauritius (now PwC) as a Partner in the Consulting Division. She has also been a Partner in De Chazal Du Mée Consulting (local partner of Accenture), specialising in digitalisation and systems integration, and a Director at KPMG Advisory Services, specialising in internal audit and risk management. Since November 2019, she sits as an independent non-Executive Director and Chairperson of the Audit Committees on several boards in Mauritius in various industries including insurance, fund management, hospitality and consumer goods. She is a past President of the Society of Chartered Accountants in Mauritius and in 2025, she was elected to the Council of the Institute of Chartered Accountants (ICAEW) in London, representing Africa.

Directorship in other listed companies:
Tropical Paradise Co. Ltd; Les Moulins de la Concorde Ltée; Mauritius Oil Refineries Ltd

Nationality: Malaysian



Jean Michel NG TSEUNG

Non-Executive Director

Age: 58

CTRC M NRC M RMC M

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

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

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

Nationality: Mauritian

Mandate of the Board

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

Key facts (FY 2025/26)

Number of directors	Independent directors	Average length of tenure (years)	Average meeting attendance
7	57%	5.0	99%

Responsibilities

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

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

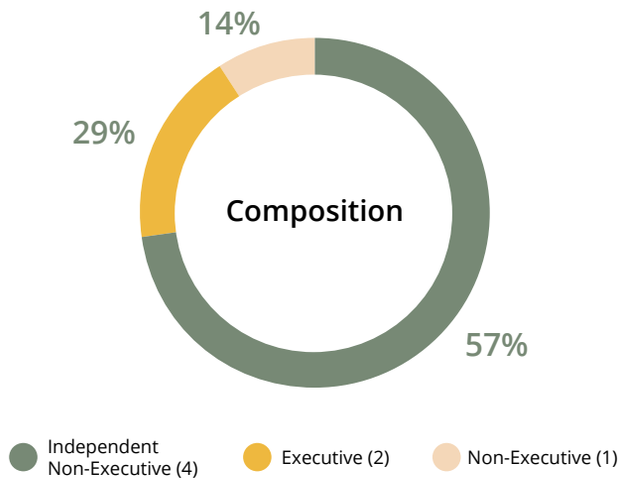
Approval of the Board is required for, amongst other important matters, modifying the Company's Constitution, issuing fresh capital or buying back its own shares, declaring dividends, acquiring or divesting sizeable stakes in subsidiaries or associates, appointing senior officers, and establishing the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

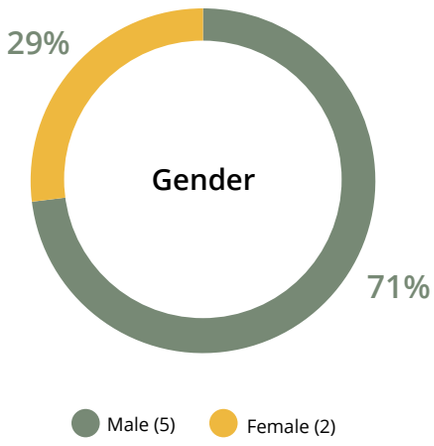
Composition and meetings

Composition

As per the Board Charter, the Board shall consist of a minimum of five and a maximum of twelve directors including the Chief Executive Officer. The Chairperson of the Board shall be an independent or a non-executive director. If the Chairperson is an independent director, the Board shall comprise at least 40% of independent directors in line with Bank of Mauritius (BoM) Guidelines. Otherwise, independent directors should make up for at least 50% of the Board. The Board, assisted by the Nomination and Remuneration Committee, regularly reviews the Board size and composition, including the independence status of the non-executive directors, in line with applicable laws and regulations. At the last Annual Meeting held in December 2025, Johanne Hague and Thierry Hebraud were re-elected as Directors in line with the Bank's constitution.

As at 30 June 2026, the Board comprised 7 members, bringing a diverse mix of skills, knowledge and experience. In addition, the Board seeks to promote gender diversity, with female representation on the Board currently standing at 29% in line with the minimum prescribed by the Mauritius Companies Act 2001. The average age of Board members stood at around 61 years. The Board composition at financial year end is shown hereunder.





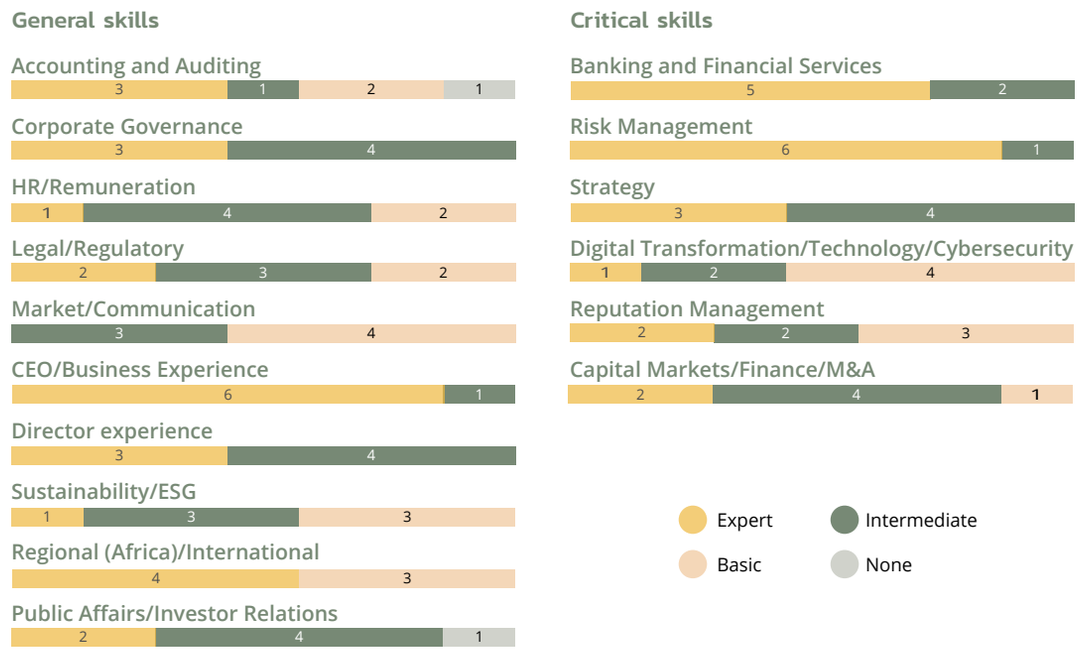
Length of tenure

1–3 years

4–7 years

7+ years

Mix of skills and experience



Meetings

The Board determines the frequency of its meetings to ensure that that key matters are considered in a timely and effective manner. The Board Charter requires meetings to be held at least quarterly. While meetings follow a pre-established annual schedule and provisional agenda, sufficient flexibility is maintained to accommodate emerging matters. Additional meetings are convened as necessary to respond to evolving business needs. Board meetings are structured to facilitate active participation by all directors and are generally held in person. Where physical attendance is not possible, directors may participate remotely through audio or audio-visual communication facilities. To support informed decision-making, comprehensive meeting papers are circulated sufficiently in advance, allowing directors adequate time to review and consider matters under discussion. All Board materials are made available through a secure digital portal accessible to directors. Members of the Leadership Team and/or external advisors are regularly invited to attend meetings, present and discuss topical issues identified by the Board. The Chairperson presides over the Board meetings, ensuring their effective conduct and fostering open dialogue and constructive debate to promote high-quality decision-making. Non-executive directors also have the opportunity to meet the Chairperson without the presence of executive directors. The Company Secretary attends all Board meetings and is responsible for the preparation of minutes that accurately record the deliberations and decisions of the Board. The agenda-setting process is illustrated in the diagram below.



Preparation

A draft agenda is prepared by the Company Secretary to determine the list of key business topics for Board meetings.

Review

The Chairperson reviews the draft agenda with the Company Secretary.

Discussion

The draft agenda is finalised in consultation with the Chief Executive Officer.

Communication

Once agreed upon, the agenda is sent to the directors prior to the meetings.

Finalisation

Matters may be added to the agenda in response to directors' requests or developments in the operating environment of the Bank.

Board attendance

The directors who served on the Board and their attendance at Board meetings during FY 2025/26 are provided in the following table.

Members	Board member since	Board status as at 30 June 2026	Meeting attendance
Simon WALKER	**June 2020**	**Independent Non-Executive Director**	**10/10**
Su Lin ONG	November 2019	Independent Non-Executive Director	10/10
Johanne HAGUE	January 2022	Independent Non-Executive Director	10/10
Craig McKENZIE	December 2023	Independent Non-Executive Director	9/10
Jean Michel NG TSEUNG	August 2015	Non-Executive Director	10/10
Thierry HEBRAUD	June 2023	Executive Director	10/10
Dipak CHUMMUN	December 2024	Executive Director	10/10

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

Board focus areas

A summary of the main discussions of the Board during FY 2025/26 is provided hereunder.



Strategy and performance

- Discussed the impact of developments in the operating environment on the strategy, financial performance, and operations of the Bank
- Assessed the impact of geopolitical conflicts and trade tensions on the Mauritian economy and on business activities of the Bank
- Monitored progress made on Vision 2030 and its strategic pillars
- Reviewed and approved the strategic orientations and budget plans for the Bank
- Reviewed the progress of the consultancy work on the CIB operating model



Financial



- Assessed and monitored the Bank's financial performance against budget
- Discussed and approved the dividend payout
- Discussed the Bank's capital and debt raising initiatives
- Approved the financial budget
- Reviewed and approved the Bank's Financial Statements on a quarterly basis

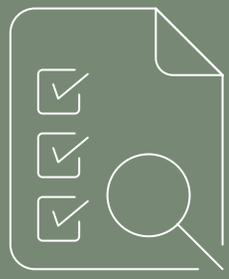
Governance and risk



- Reviewed and validated the structure, size and composition of the Board and Board Committees
- Reviewed the succession planning for the Leadership team and Directors of the Bank
- Reviewed the Board and Committee Charters and other constitutive documents
- Monitored the 2026 Board evaluation process
- Reviewed and approved the Bank's risk appetite
- Reviewed and approved the updated Risk Heat Map
- Discussed the impact of stress testing scenarios
- Reviewed relevant policies and changes thereto
- Approved and monitored the FY 2025/26 scorecard for the Leadership team
- Approved the appointment of the Chief Information Officer and Chief Customer Experience Officer
- Approved the appointment of external auditors for FY 2026/27



Recurrent agenda items



- Approved the minutes of proceedings
- Reviewed reports from the Chairperson of each Board Committee
- Reviewed and approved quarterly expected credit losses (ECL) and specific provisions
- Apprised of trends and developments in the operating environment

Remuneration philosophy

The Board recognises that people are at the heart of the business and represent the greatest asset in the execution of the Bank's strategy. In this respect, the Bank promotes a fair, results-oriented and well-governed approach to remuneration, designed to attract and retain top-tier business leaders and well-trained and talented employees. Whilst the remuneration practices within the Bank are structured to drive high performance in pursuit of the Bank's strategic ambitions, they have also been designed to reinforce values and behaviours that will help to deliver on the Bank's purpose.

Directors

Executive directors

The remuneration of executive directors is aligned with the overall policy for employees. Executive remuneration within the Bank rewards strong performance, promotes the execution of strategy and encourages a culture that supports the company's values whilst maintaining a robust risk profile. All elements of remuneration are also benchmarked to local and regional peers to ensure competitiveness and fairness. The remuneration package comprises a base salary and benefits that reflect specific responsibilities and level of experience. In addition, a variable component of compensation includes a cash bonus and long-term equity incentive plan in the form of ordinary shares of MCB Group Ltd that are vested upon the achievement of specified objectives and conditions. The Board, with the support of the Nomination and Remuneration Committee, determines remuneration of Executive Directors after considering their performance during the year and assessing the progress made towards the Bank's strategic objectives. Performance is assessed through a balanced scorecard framework which 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.

Group Employee Share Scheme

Employees and Senior Management of the Bank are entitled to Group Employee Share Scheme (GESS). The GESS was set up and approved by the Board of MCB Group Ltd in September 2025 and at the Annual Meeting of Shareholders in November 2025 to complement the existing Group Employee Share Option Scheme (GESOS) with a Long-Term Incentive Plan (LTIP) for senior members of the Bank's management. The GESS seeks to provide targeted incentives, to foster a culture of teamwork, loyalty and commitment and to increase individual productivity of employees and management through equity-based incentive arrangements.

The 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. 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 LTIP is a long-term, performance-based share plan targeted at selected senior members of Management as part of the Bank's executive remuneration framework. Awards in the form of ordinary shares in MCB Group Ltd are granted at the discretion of the Board and vest subject to continued employment and the achievement of predefined performance and other conditions. The LTIP is designed to reward not only the achievement of financial outcomes but also the leadership contributions required to sustain long-term performance. Accordingly, the level of awards granted to participants takes into account considerations including strategic impact, the successful execution of key transformation and growth initiatives, talent development and succession outcomes, retention of critical leadership capabilities, and the individual's contribution to fostering the Group's culture and values. This balanced assessment helps ensure that incentive outcomes are aligned with the long-term interests of shareholders and the sustainable development of the Group.

The Board believes that the combination of the GESOS and the LTIP provides an effective framework for promoting employee engagement, rewarding sustained performance and reinforcing a shared commitment to the long-term success of the Bank. The table hereafter provides the details of the options granted and exercised under the GESOS in FY 2025/26 as well as the percentage exercised for the previous offering.

	Leadership Team	Other employees	Total
Percentage exercised from October 2024 GESOS offering	**41%**	**33%**	**34%**
Number of options granted in October 2025	**107,064**	**688,867**	**795,931**
Initial option price (Rs)	469.25	422.50	-
Number of options exercised to date	-	110,583	110,583
Value (Rs)[1]	-	46,721,318	46,721,318
Percentage exercised	-	16%	14%
Number of employees	-	662	662
Available for the 4th window expiring in mid-October 2026	**107,064**	**578,284**	**685,348**

[1] *Based on initial option price.*
Figures in the above table are audited

Non-executive directors

The Bank aims to attract non-Executive Directors from diverse backgrounds who are qualified to effectively oversee the Bank. Each non-executive director receives a basic retainer fee reflecting the workload, size and complexity of the business as well as the level of responsibility. The basic retainer fee paid to the non-executive Chairperson commensurately reflects his relatively wider scope of responsibilities and heavier workload. Non-executive directors are also entitled to a board committee retainer fee and the Chairperson of each committee receives a higher retainer fee reflecting a broader scope of responsibilities. Non-executive directors also earn an attendance fee for their presence at the Board, Board Committee meetings and the Annual Meeting of Shareholders while a travelling indemnity is paid to non-resident directors. No share option or performance bonus is granted to non-executive directors.

The following table highlights the remuneration and benefits received by the directors during FY 2025/26.

Remuneration and benefits received	Rs '000
Simon WALKER	5,295
Johanne HAGUE	1,620
Craig McKENZIE	2,195
Su Lin ONG	2,111
Jean Michel NG TSEUNG[1]	-
Total Non-Executive	***11,220***
Thierry HEBRAUD	49,368
Dipak CHUMMUN[1]	-
Total Executive	***49,368***
Total (Non-Executive and Executive)	***60,588***

Figures may not add up due to rounding

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

Directors' interests and dealings in securities

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

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

The following tables itemise the interests of the directors in MCB Group's listed securities as at 30 June 2026 as well as the transactions effected by them during the year under review.

Interests in MCB Group Ltd Ordinary shares as at 30 June 2026	Number of Ordinary shares	
	Direct	**Indirect**
Jean Michel NG TSEUNG	124,991	-
Su Lin ONG	17,923	55,524
Simon WALKER	-	24,021

Transactions during FY 2025/26	**Number of Ordinary shares**					
	Purchased		**Sold**		**Others***	
	Direct	**Indirect**	**Direct**	**Indirect**	**Direct**	**Indirect**
Jean Michel NG TSEUNG	-	-	-	-	24,539	-
Su Lin ONG	-	-	-	6,360	1,021	2,797
Simon WALKER	-	-	-	-	-	1,339

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

Interests in Fincorp Investment Ltd as at 30 June 2026	Number of shares	
	Direct	**Indirect**
Simon WALKER	-	10,320

Interests in MCB Group Limited Unsecured Floating Rate notes as at 30 June 2026	Number of notes	
	Direct	**Indirect**
Simon WALKER	-	750

Directors' service contracts

Non-Executive Directors do not have service contracts and are appointed under letters of appointment specifying their duties, expected time commitments and term of office, subject to election and re-election by shareholders in accordance with the Constitution.

The Board, through the Nomination and Remuneration Committee, reviews the terms of directors' appointments periodically to ensure alignment with governance best practices and shareholder interests.

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 operates under a Board-approved charter, which is reviewed periodically as required and sets out, *inter alia*, its roles, responsibilities, composition and meeting requirements. In line with the BOM's guideline on Cyber and Technology Risk Management, which requires expertise in cyber and technology related matters on the Board, the Cyber and Technology Risk Committee operates as a joint committee to leverage the knowledge and experience of members from both MCB Ltd and MCB Group Ltd.

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

Risk Monitoring Committee (RMC)

Key facts (FY 2025/26)

Average length of tenure (years)	**5.5**
Number of meetings	**6**
Average meeting attendance	**96%**

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

Secretary: Frederic PAPOCCHIA (Chief Risk Officer)

Mandate

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

Composition and meetings

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

Focus areas in FY 2025/26

Key topics discussed
Review and recommend to the Board the updated risk appetite, including the cross border credit risk appetite, the domestic risk appetite, the country risk appetite as well as the market risk and asset and liability management risk appetite
Quarterly monitoring of risk appetite targets/ limits/parameters
Review and recommend to the Board the updated country risk limits
Quarterly monitoring of country risk appetite limits
Follow-up and monitoring of early warning indicators used as a basis to trigger stress testing
Review and recommend to the Board the annual ICAAP stress testing exercise and findings
Review and recommend to the Board quarterly asset classification, loan loss allowances (including expected credit losses), write-offs review and follow-up on large sensitive credit files
Review Capital Management with a view to ensuring target CAR and CAR Tier 1 ratios are met
Follow-up of trading book and FX Profit or Loss Report produced by the Market Risk and Product Control Unit
Review the Credit Risk Policy, the Market Risk Policy, the Environment and Social Risk (ESR) Policy as well as the new Climate Risk Policy
Review and monitor asset liability management risk with a focus on FCY loan to deposit ratio, interest rate gap to assess potential earnings impacts as well as liquidity survival horizons
Quarterly monitoring of the Environmental and Social Risk Management report
Follow-up on material legal risks
Review the recalibration of Expected Credit Losses (ECL) models
Review the Risk Heat Map recommended to the Board
Review and approve proposed enhancements to behavioural models used in Asset and Liability Management (ALM)
Review updated impacts of a potential Moody's country credit rating downgrade
Follow up on climate risk implementation, and take cognizance of initial risk heat map
Review the Middle Eastern conflict impact analysis and corresponding stress tests
Review MCB Madagascar risk report

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

Audit Committee (AC)

Key facts (FY 2025/26)

Average length of tenure (years)	**4.5**
Number of meetings	**10**
Average meeting attendance	**93%**

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

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

Mandate

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

Composition and meetings

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

Focus areas in FY 2025/26

Key topics discussed
Oversight of financial reporting, provisioning and key accounting principles
Review of internal and external audit plans, findings and implementation of recommendations
Monitoring of credit quality, expected credit losses and key exposures
Oversight of operational incidents, control weaknesses and remediation actions
Controls, reconciliation processes, process automation and resilience capabilities
Oversight of AML/CFT, financial crime, regulatory compliance and compliance programmes
Monitoring of fraud risks, investigations and prevention initiatives
Governance, ethics, conduct and whistleblowing matters
Review and approval of key policies and governance frameworks
Review training, awareness and capability-building initiatives

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

Nomination and Remuneration Committee (NRC)

Key facts (FY 2025/26)

Average length of tenure (years)	**3.1**
Number of meetings	**4**
Average meeting attendance	**100%**

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

Mandate

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

Composition and meetings

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

Focus areas in FY 2025/26

Key topics discussed
Board committees' composition
Succession plan for leadership roles, including strategic talent acquisition
Appointments to the Leadership Team
Review of Group Balanced Scorecard for Leadership Team
Long Term Incentive Plan awards
Directors' remuneration
Escalated conduct, resignation and termination cases
Board skills matrix
Directors' training
Approval of salary reviews and bonuses for the Leadership Team as well as for all other employees
Board Succession Plan

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

Cyber and Technology Risk Committee (CTRC)

Key facts (FY 2025/26)

Average length of tenure (years)	**1.7**
Number of meetings	**4**
Average meeting attendance	**100%**

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

Mandate

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

Composition and meetings

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

Focus areas in FY 2025/26

Key topics discussed
Review of the effectiveness of cyber and technology risk management and control system
Review the strategic cyber and technology risk initiatives
Monitoring of the cyber and technology risk exposures against set risk appetite and tolerance
Review the cyber and technology risk management framework
Review and update of cyber & technology risk policies
Review of cyber strategic risk areas
Update on key cybersecurity projects
Discussed cyber crisis simulation exercises
Review of the Cyber and Technology Risk Committee Charter and its composition

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

Supervisory and Monitoring Committee (SMC)

Key facts (FY 2025/26)

Average length of tenure (years)	**2.0**
Number of meetings	**45**
Average meeting attendance	**96%**

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

Mandate

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

Composition and meetings

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

Focus areas in FY 2025/26

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

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

Attendance at Board Committees' meeting

The table below provides an overview of the Directors' attendance at the Board Committees during FY 2025/26.

	RMC	AC	NRC	CTRC	SMC
● *Chairperson as at 30 June 2026*					
MCB Ltd Directors attendance					
Simon WALKER	6/6	-	● 4/4	4/4	● 45/45
Johanne HAGUE	-	10/10	4/4	-	-
Craig McKENZIE	● 5/6	8/10	-	-	-
Su Lin ONG	-	● 10/10	-	● 4/4	-
Dipak CHUMMUN	-	-	-	-	43/45
Thierry HEBRAUD	6/6	-	4/4	4/4	41/45
Jean Michel NG TSEUNG	6/6	-	4/4	4/4	-
MCB Group Ltd Directors attendance					
Cédric JEANNOT	-	-	-	● 4/4	-
Stephen DAVIDSON	-	-	-	4/4	-
San T SINGARAVELLOO	-	-	-	4/4	-

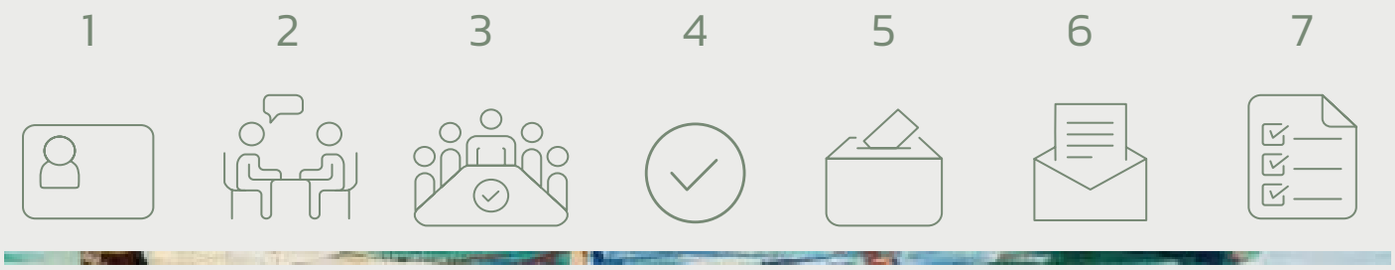
Board effectiveness

Nomination process

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

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

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



1	2	3	4	5	6	7
Identification of candidates	Interviews	Board approval	Regulatory approval	Election at Annual/Special Meeting	Letter of Appointment	Regulatory filing

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

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

Board induction and training

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

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

During the year under review, as part of the ongoing development programme, training sessions have been offered across a range of topics to deepen understanding of the evolving business landscape and facilitate advanced discussions. In line with the Bank's sustainability agenda, the Directors attended a seminar on the concept of Just Transition facilitated by UNEP FI. The session explored the interdependence of climate action, economic development and social inclusion in achieving a fair and sustainable transition to a low-carbon economy. Through practical case studies from the financial services industry and insights into Africa's climate and development priorities, members of the Board strengthened their understanding of inclusive financing approaches, stakeholder engagement, climate resilience and the pivotal role of financial institutions in supporting a low-carbon transition that is equitable and inclusive. Directors 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.



Induction pack

Includes information on a broad range of matters relating to the role of the directors, Company's Constitution, Board and Board Committee Charters, recent Board papers and disclosure requirements with respect to directors' interests



One-to-one briefings

Provide directors with the opportunity to interact with the Chairperson, Company Secretary and Senior Executives across the Bank with the nature and extent of these consultations depending on the specific needs of the directors



Presentation sessions

Provide directors with an overview of the Bank's organisational structure, financial performance, strategic direction and activities of the different business segments as well as specific areas of interest of the directors



Ongoing professional development and training

Enable directors to update their skills and knowledge by providing insight into specific areas of strategic focus and current topics of interest as well as other training with respect to specific requirements of directors

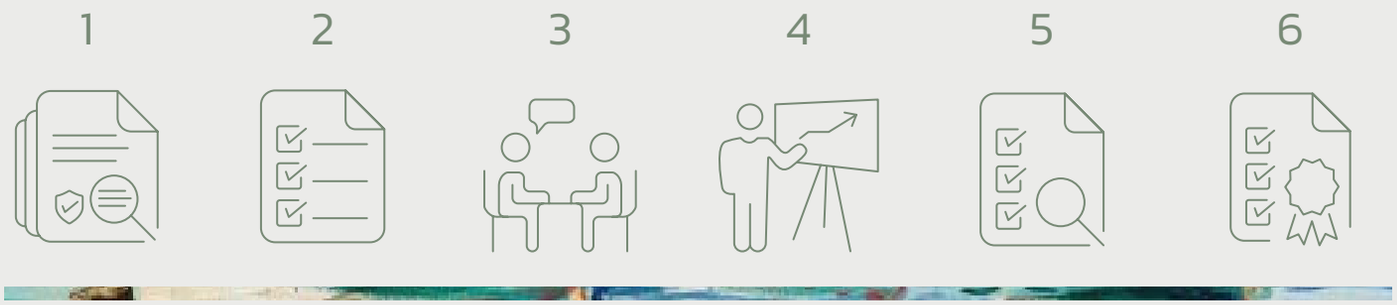
Note: Briefing and reading materials are made available on the Board Portal for consultation.

Board/Directors' performance

The Board recognises the importance of regularly reviewing its effectiveness, as well as that of its committees and individual members. In this respect, the Board generally undergoes a yearly assessment either with the support of an independent external facilitator or internally, under the oversight of the Nomination and Remuneration Committee (NRC).

In FY 2025/26, the CGSC appointed Ernst & Young (EY) to perform an external evaluation exercise of the Board effectiveness and the Bank's corporate governance practices against the principles outlined in the National Code of Corporate Governance for Mauritius (2016). The evaluation consisted of a review of key governance documents including the Board and Committee charters, the constitutive documents and the Code of Ethics, as well as a survey completed by all the directors. The survey questionnaire circulated to all directors and results were collated and analysed by EY with the assessment being complemented by individual interviews conducted with each director. These interviews provided an opportunity to validate responses, discuss key issues in greater depth and obtain qualitative insights into the Board's performance and governance practices. The findings and outcomes of the evaluation, which also included progress updates on the action plan agreed in the previous evaluation exercise, were then presented to the Board.

The evaluation exercise concluded that the Board and its committees are complying with the requirements of the National Code of Corporate Governance and that directors continue to fulfil their roles as required. The review noted a further increase in the overall assessment score from 86% in 2024, to 93% in 2026 marking the Board out as a "Leading Practice" in Mauritius. The report did identify a few areas for further improvement, with an action plan subsequently agreed upon. The Chairperson, with the support of the NRC, will oversee the implementation of the action plan to ensure that issues identified in the Board evaluation exercise, are given due consideration within a reasonable timeframe. An outline of the board evaluation methodology used in FY 2025/26 is provided in the diagram hereunder.



Risk governance

Risk management and internal control

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

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

Information governance

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

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

Internal audit

The Internal Audit SBU provides independent and objective assurance to the Board and Management on the adequacy and effectiveness of the Bank's governance, risk management, and internal control systems. Reporting directly to the Audit Committee, the function operates independently from all operational activities, in full alignment with the Bank of Mauritius guidelines and the professional standards of the Institute of Internal Auditors. In the exercise of their function, the internal auditors have sufficient access to information, records, and employees of the Bank.

The approved Internal Audit Plan for 2025/2026 was executed, with reviews conducted across all significant areas of the Bank's operations, including strategic, operational, compliance, financial, and technological domains. Audit recommendations were addressed by Management and monitored to ensure timely resolution, contributing to the continued enhancement of the Bank's control environment and the protection of stakeholder value.

More information is available in the 'Risk and Capital Management Report on pages 139 to 189 and on the website

External auditors

With a view to ensuring the overall adequacy of the Bank's internal control framework, the Audit Committee evaluates the independence, effectiveness and eligibility of the external auditor on an ongoing basis before making a recommendation to the Board on their appointment and retention. The Audit Committee facilitates two-way communication between Management and external auditors to ensure feedback is provided and all matters are addressed, thus ensuring the effective performance of external auditors. As regards the timeframe, the duration of the audit assignment is for a period of one year with the possibility of reappointing the selected firm annually, subject to regulatory provisions and approval at the Annual Meeting of Shareholders of MCB Ltd. In this respect, the extension of Deloitte as external auditor for the sixth year was approved at the annual meeting of shareholders of MCB Ltd, held in December 2025.

In line with the provisions of the Banking Act, a tender exercise was initiated in January 2026 for the replacement of Deloitte. Following the selection process, which was conducted in consultation with the Audit Committee, BDO was recommended to the Board for the financial year 2026/27. Several factors including BDO's credentials, availability of resources and ability to complete the audit in a timely manner were considered in the selection process. The proposal to appoint BDO for financial year 2026/27 has been approved at a special meeting of shareholders of MCB Ltd in July 2026.

Non-audit services

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

Auditors' fees and fees for other services

	FY 2025/26		FY 2024/25	
	Group	Bank	Group	Bank
	Rs '000	Rs '000	Rs '000	Rs '000
Audit, Quarterly Review and Internal Control Review fees paid to:				
Deloitte Mauritius				
The Mauritius Commercial Bank Limited	24,272	24,272	23,577	23,577
Deloitte Nigeria				
The Mauritius Commercial Bank Representative Office (Nigeria) Limited	881	-	1,187	-
Crowe				
The Mauritius Commercial Bank Limited (DIFC Branch)	595	-	473	-
PwC Madagascar				
The Mauritius Commercial Bank Limited (Madagascar) S.A	-	-	918	-
Forvis Mazars				
The Mauritius Commercial Bank Limited (Madagascar) S.A	204	-	393	-
CGA				
The Mauritius Commercial Bank Limited (Madagascar) S.A	307	-	106	-
Fees for other services paid to:				
Deloitte Mauritius				
The Mauritius Commercial Bank Limited	2,179	2,179	2,075	2,075
PwC Madagascar				
The Mauritius Commercial Bank Limited (Madagascar) S.A	-	-	19	-
CGA				
The Mauritius Commercial Bank Limited (Madagascar) S.A	-	-	61	-

Notes:

- *Group figures relate to MCB Ltd and its subsidiary companies on a consolidated basis.*
- *The fees for other services relate mainly to comforts on dividend declaration and AML/CFT review.*

Directors of MCB Ltd subsidiaries

The Board composition of the subsidiaries is given below, with the corresponding Chairperson as well as Managing Director or Chief Representative Officer sitting on the respective Boards being mentioned. Changes in the Board Composition during the FY 2025/26 and to date are also highlighted.

Subsidiary	Cluster	Directors
The Mauritius Commercial Bank Limited (Madagascar) S.A	Banking	**Jean Michel NG TSEUNG *(Chairperson as from March 2026)*** Jean-François DESVAUX DE MARIGNY *(Chairperson) (until March 2026)* Paul CORSON Hemandra Kumar HAZAREESING *(as from March 2026)* Vikash NATHOO Dominic PROVENÇAL Rony RADAYLALL *(Managing Director)* Patrick RAZAFINDRAFITO
The Mauritius Commercial Bank Representative Office (Nigeria) Limited *(a subsidiary of MCB Ltd)*	Banking	**Thierry HEBRAUD *(Chairperson)*** Abiodun Babatunde AZEEZ *(Chief Representative Officer)* Frederic PAPOCCHIA

Directors of subsidiaries remuneration

The remuneration and benefits paid to executive directors of subsidiaries, who did not sit on the Board of MCB Ltd during FY 2025/26 are shown below.

Remuneration and benefits received (Rs '000)	2026
Executive (Full-time)	18,707
Total	**18,707**

Management

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

Profiles of the Management Committee members

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

Ashvin DEENA – Age 41

Global Head of Coverage

QUALIFICATIONS: BSc in Economics (UK), Fellow Chartered Accountant (ICAEW UK), CFA Charter Holder (USA)

SKILLS AND EXPERIENCE: Ashvin currently oversees the coverage businesses and the international offices of the Bank as well as the Global Transaction Banking product team. Prior to his current role, Ashvin was heading the Global and International Corporate Banking business. Before joining MCB, he worked for another commercial bank in Mauritius. He was formerly part of the Financial Control team at Morgan Stanley in London for the Institutional Securities and Commodities business and worked at PricewaterhouseCoopers in the UK in the London Top Tier as well as Corporate Treasury Assurance divisions.

Mathieu DELTEIL – Age 41

Global Head of Structured Finance

QUALIFICATIONS: MSc in Banking and Finance (France)

SKILLS AND EXPERIENCE: Mathieu started his corporate banking career in 2009 at Natixis CIB as Relationship Manager for international clients operating in the retail/FMCG and industry sectors. After 8 years in the Coverage teams of Natixis, he joined Banque Populaire Caisse d'Epargne - BPCE, specialising in debt capital markets, and project finance transactions and contributing to the setup of a structured finance and syndication team within one of the regional banks of the BPCE Group. In 2018, he joined MCB as Senior Lead in Project Finance, handling acquisition financing, leveraged buy-outs, and project financings across corporate, Private Equity, oil & gas and renewable energy sectors. He became Team Leader in 2021 (Credit Structuring) and, in 2023, took charge of Credit Analysis & Structuring, overseeing Credit Analysis, Monitoring, and Structuring teams as well as the Sustainable Finance desk.

Philippe ENJALBAL – Age 61

Chief Information Officer

QUALIFICATIONS: Engineering Degree (France)

SKILLS AND EXPERIENCE: Philippe is a seasoned Chief Operating Officer with over 25 years of international leadership across Europe, Asia, the Middle East and Africa in banking information technology and operations. Throughout his career, he has held senior executive positions within the Crédit Agricole Group, including Crédit Agricole Corporate and Investment Bank, Credit Agricole Bank Polska, Credit Agricole Egypt, and Banque Saudi Fransi. In these roles, he successfully led multicultural teams of up to 1,000 people and managing multi-million-euro budgets. His expertise spans information technology, information technology security, operations, property, procurement, transformation, and enterprise governance. He joined MCB in January 2026 as the Group Chief Information Officer, overseeing Technology and Information Security across the Group and is responsible for managing all MCB's technologies including operational systems, banking platforms and digital technology solutions.

Allan FREED – Age 48

Head of Human Resources

QUALIFICATIONS: B.A (Honours) in Political Science (UK) and Chartered Fellow of the Chartered Institute of Personnel and Development (FCIPD)

SKILLS AND EXPERIENCE: Allan is a senior human resources executive with extensive international experience in organisational transformation, leadership development and business strategy execution. His expertise lies in building high-performing organisations, strengthening leadership capability and aligning people practices with business strategy. He is a Chartered Fellow of the Chartered Institute of Personnel and Development (FCIPD) and has advised organisations across Africa, the Middle East, Europe and North America on leadership, talent and organisational effectiveness. He joined MCB in September 2022 as Head of Culture and Leadership, where he led initiatives aimed at strengthening organisational culture and leadership effectiveness across the Group. In March 2024, he was appointed Group Head of Human Resources. In this role, he leads the Group's people strategy, focusing on organisational capability, leadership effectiveness, workforce productivity and culture to support the achievement of MCB's strategic objectives. Prior to joining MCB, he spent 15 years with The RBL Group, advising organisations across multiple industries and geographies on leadership, talent and organisational transformation, and designing executive development and strategic HR programmes for global organisations.

Hemandra Kumar (Sanjeev) HAZAREESING – Age 58

Chief Operating Officer

QUALIFICATIONS: Fellow Chartered Certified Accountant (FCCA)

SKILLS AND EXPERIENCE: Sanjeev has more than 30 years of experience in Global Transaction Banking, Corporate Finance and Strategic Operations. Appointed MCB's Chief Operating Officer in June 2025, he oversees Banking Operations, Trade & Commodity Finance Operations and Facilities Management. Since joining MCB in 2004, he has held several senior leadership positions, including Head of Global Business and Head of Global Transaction Banking. During his tenure, he contributed to the growth of the Bank's international business activities and the development of transaction banking capabilities across cash management, trade finance, receivables financing and correspondent banking. His extensive experience in payments and transaction banking led to his election as Chairperson of the SWIFT Mauritius Committee in 2026. Recognised as a leading practitioner in Trade Finance, Cash Management and Payments, he contributes regularly to industry discussions at major international forums, including SIBOS, Global Trade Review (GTR) and International Trade and Forfaiting Association (ITFA) events.

Frederic PAPOCCHIA – Age 52

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

Parikshat TULSIDAS – Age 47

Head of Financial Markets

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

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

Anju UMROWSING-RAMTOHUL – Age 52

Head of Domestic Banking

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

SKILLS AND EXPERIENCE: Anju is an experienced professional with a diverse background in finance and banking. Her journey began at MCB in 2004 when she joined as Special Asset Manager. Over the years, she has taken on various leadership roles within the organisation namely 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).

Adrian VERMOOTEN – Age 58

Chief Customer Experience Officer

QUALIFICATIONS: MBA in New Venture Creation (Australia). Alumni of Stanford University and MIT

SKILLS AND EXPERIENCE: Adrian has a proven track record of consistent delivery and is recognised as a global leader in innovation, digital financial services, mobile, and internet banking. He has a strong leadership and business acumen which enable him to gain detailed insights into the business strategy, operations, risk, sales, processes, and supporting technology. He brings over 25 years of experience spearheading digital innovation in banking and telecommunications. He has assumed various leadership roles across different market segments and product categories. He also acted as Head and founding architect of a mobile money platform. He has been instrumental in helping gain local and global innovation recognition and has already played a key role in driving the digital payments strategy in the African Region. As a leader across multiple countries and as a Group Executive member, he brings extensive leadership experience across the African continent.

Interest in shares

The following table gives the interests of Management Committee members in MCB Group's listed securities as at the end of FY 2025/26.

Interest as at 30 June 2026	MCB Group Limited shares		MCB Group Limited Preference shares		MCB Group Limited Senior Unsecured Floating Rate Notes	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Ashvin DEENA	3,995	-	-	-	-	-
Hemandra Kumar HAZAREESING	8	-	-	-	-	-
Frederic PAPOCCHIA	32,066	-	-	-	-	-
Anju UMROWSING-RAMTOHUL	21,373	8,386	-	-	-	-

Remuneration

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

Related party transactions

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

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

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

Related party transactions include:

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

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

1. Directors, their close family members and any entity where any of them holds more than a 10% interest;
   Shareholders owning more than 10% of the financial institution's capital;
   Directors of any controlling shareholder; and
   Entities (excluding subsidiaries) where the financial institution holds more than a 10% interest.
2. Senior Management, their close family members and any entity where any of them holds more than 10% interest;
   Senior Management of any controlling shareholder; and
   Subsidiaries of the financial institution.
3. Senior Management, provided their exposures are within the terms and conditions of their employment contract.

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

The Bank's policy on related party transactions sets out the rules governing the identification of related parties, the terms and conditions applicable to transactions entered with them and reporting procedures to the Conduct Review Management Committee and the Board as applicable. Note 33 to the Financial Statements sets out on- and off- balance sheet exposures to related parties as at 30 June 2026.

Aggregate exposure of related parties, including exposure of the Bank to subsidiary companies amounted to Rs 10,874 million (on-balance sheet) and Rs 4,313 million (off-balance sheet), which represented respectively 2.1% and 2.2% of Bank loans and Bank contingent liabilities as at 30 June 2026.

Exposure of the Bank's top six related parties as at 30 June 2026 were Rs 3,554 million, Rs 3,518 million, Rs 1,938 million, Rs 1,236 million, Rs 948 million and Rs 764 million. These balances represented 3.5%, 3.4%, 1.9%, 1.2%, 0.9% and 0.7% respectively of the Bank's Tier 1 capital.

None of the loans granted to related parties were non-performing as at 30 June 2026.

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

Stakeholders' relations and communication

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

Following the issuance of Senior Unsecured Notes for a notional amount of USD 300 million in 2023 and USD 400 million in 2026 as part of the Global Medium Term Note Programme, the Bank organises bi-annual earnings calls after the publication of financial results. During the calls, institutional bondholders have the opportunity to interact with the Bank's management on topics related to performance, strategy and the operating environment.

Shareholder's agreement

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

Dividend policy

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

Statement of Directors' responsibilities

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

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

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

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

The directors report that:

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

On behalf of the Board



Simon WALKER
Chairperson



Thierry HEBRAUD
Chief Executive Officer

Statement of Compliance

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

Name of Public Interest Entity ('the PIE'): The Mauritius Commercial Bank Limited

Reporting Period: 1 July 2025 to 30 June 2026

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



Simon WALKER
Chairperson



Thierry HEBRAUD
Chief Executive Officer

18 September 2026



COMPANY SECRETARY'S CERTIFICATE

Company Secretary's Certificate

Name of Public Interest Entity ('the PIE'): The Mauritius Commercial Bank Limited

Reporting Period: 1 July 2025 to 30 June 2026

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



Marivonne OXENHAM
Per MCB Group Corporate Services Ltd
Company Secretary

18 September 2026





RISK AND CAPITAL MANAGEMENT REPORT

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FY 2025/26 highlights

The year in review from a risk perspective

Overall, the Bank's risk profile remained within set appetite during FY 2025/26 despite heightened geopolitical, macroeconomic, technological and regulatory uncertainty. Asset quality improved, funding and liquidity remained robust, and capital levels continued to support the Bank's growth ambitions. During the year, we enhanced country, climate, cyber and artificial intelligence risk capabilities, and reinforced forward-looking stress testing. We updated our Enterprise Risk Heat Map to reflect the unfolding risk landscape and strengthened the monitoring framework for our risk mitigation action plans. We also deepened our risk culture across the organisation through awareness sessions, simulated phishing exercises and induction programmes. Strong risk management is a differentiating capability for the Bank, enabling us to pursue targeted growth opportunities both locally and Africa while maintaining asset quality, capital resilience and stakeholder confidence. By embedding consistent risk standards across our footprint, we support the disciplined and sustainable execution of Vision 2030.

The most prominent external influences impacting our risk landscape in FY 2025/26 related to geopolitical shocks and macroeconomic conditions; evolving regulatory and compliance landscape; technology, AI and cybersecurity threats; climate, environmental and social considerations; workplace transformation and employee engagement; and customer experience in a competitive landscape. A description of these factors and our responses are provided on pages 38 to 44. The key risks set out below represent the most significant risks affecting our business and are not intended to be exhaustive.

Our key risks

Principal financial risks

1. Credit risk
2. Country risk
3. Market risk
4. Asset and liability management risk
5. Capital risk

Principal non-financial risks

6. Model risk
7. Operational risk
8. Business continuity risk
9. Cyber and Information security risk
10. Legal risk
11. Compliance risk
12. Strategic and business risk
13. Reputation risk

Sustainability risks

14. Climate risk
15. Environmental and social risk

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 2025/26 risk profile and key risk developments is set out below.

Details of the frameworks, policies and controls through which these risks are managed are provided in the 'Management of key risks' section.

How we responded to our risk landscape

The following section outlines the impact of developments in our operating environment on key risks during FY 2025/26 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 2025/26 compared to FY 2024/25.

 Increasing

 Decreasing

 Stable

The capital types impacted by each of the key risks 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.



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

Principal financial risks

Credit risk 

Capital impacted



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).

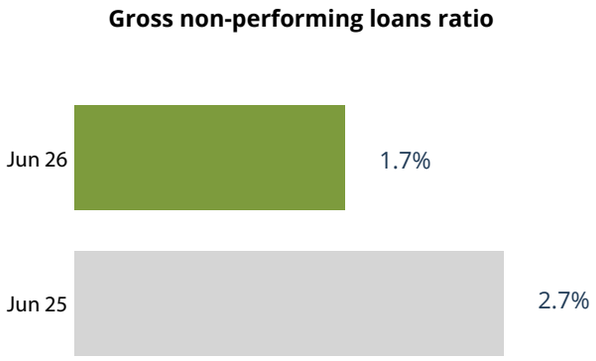
Operating context influences: Geopolitical shocks and macroeconomic conditions

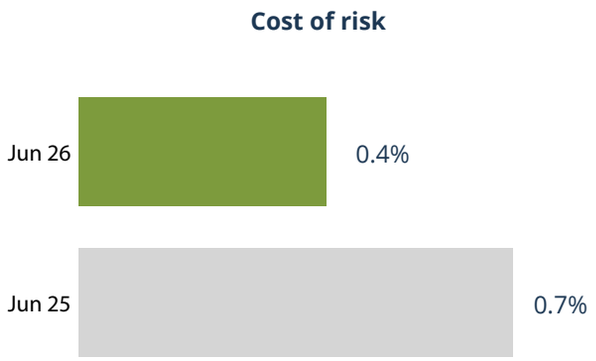
The fallout from the war in the Middle East weighed on economic activity and reignited inflationary and currency pressures across several economies, bringing the monetary policy easing cycle to a halt. Amidst tighter financial conditions and elevated interest rates, credit default risk and debt-servicing challenges persisted in some markets where we operate.

Our response

- Conducted a rapid risk review and portfolio-wide stress test to gauge the impact of the Middle East conflict and related geopolitical uncertainty on key sectors, business lines and our risk exposure
- Maintained a vigilant and proactive approach to credit risk management, backed by careful deal structuring and borrower creditworthiness assessments, and active monitoring of the performing portfolio to detect early warning signs
- Continuously assessed the impact of developments in the operating environment on borrowers' debt repayment capacity, with particular attention to foreign exchange constraints in some African markets, notwithstanding improvements observed in specific jurisdictions
- Monitored the potential impact of economic and sovereign challenges on credit provisions through ongoing review of the non-performing asset portfolio
- Strengthened the recovery process by reinforcing co-management between the business segments and the debt restructuring and recovery function, enabling potential challenges to be identified and addressed early

Despite the challenging backdrop, the quality of our credit portfolio improved during the year, reflected in a lower gross non-performing loans ratio and reduced cost of risk, underpinned by significant recoveries.





Country risk

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

Capital impacted

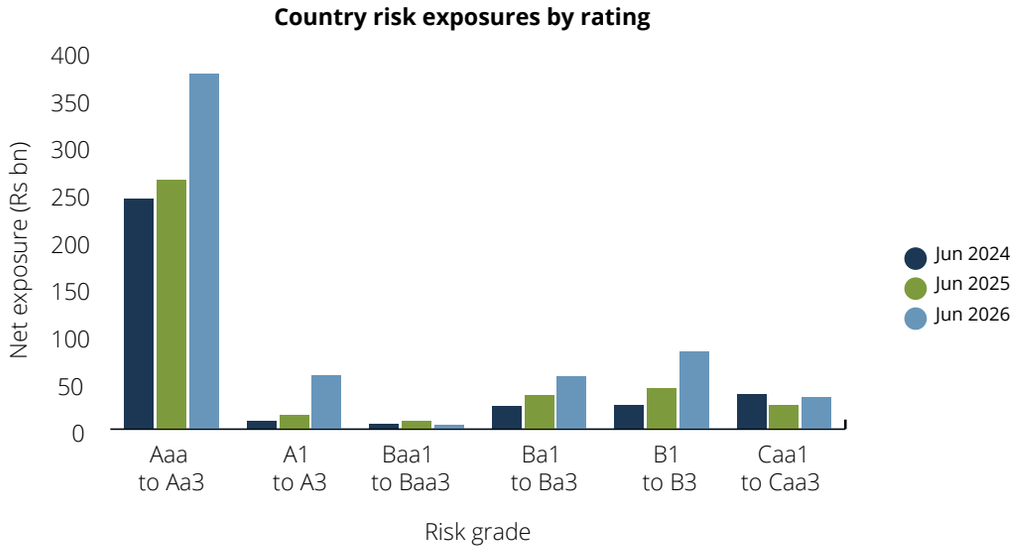
Operating context influences: Geopolitical shocks and macroeconomic conditions

Renewed fiscal pressures from the war, together with political and social tensions, continue to weigh on some African countries. That said, the reform-driven rating upgrades in key markets have helped contain overall country risk.

Our response

- Assessed and monitored developments in countries with existing exposures and conducted risk-informed evaluations of new jurisdictions, supported by in-country visits and engagement with regulators, international financial institutions and rating agencies, while reinforcing our analytical capabilities with the development of an in-house Macroeconomic Pressure Index, providing a forward-looking view of economic conditions across Africa
- Maintained a diversified portfolio across geographies and sectors, while remaining within risk appetite and judiciously pursuing appropriately mitigated opportunities
- Sustained active scenario analysis and regularly updated contingency plans to respond to evolving country risk dynamics

These actions reinforced the Bank's capacity to support regional expansion while maintaining a disciplined and risk-informed approach to country risk management.



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, S&P Global Ratings 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 shocks and macroeconomic conditions | Evolving regulatory and compliance landscape

Market risk has risen amidst heightened volatility driven by tensions in the Middle East. Higher energy and commodity prices fuelled inflationary concerns, prompting markets to price in higher policy rates and pushing long-term yields upwards. Against this backdrop, fluctuations across interest rate, foreign exchange and fixed income markets intensified.

Our response

- Monitored material market risks arising from trading portfolios against established desk-level risk limits, supported by our Value-at-Risk (VaR) and Stressed VaR models
- Established a dedicated risk appetite for the Africa Trading Desk with its market risk exposures monitored and overseen by ALCO within the limits set by the Board
- Enhanced commodity valuation models to better capture market volatility and improve the assessment and management of commodity-related risks

Asset and Liability Management (ALM) risk

ALM risk refers to the vulnerability of the organisation's balance sheet arising from changes in the structure, composition, and behavioural characteristics of its assets, liabilities, and capital. It encompasses the following key components: (i) liquidity risk, arising from the inability to meet financial commitments as and when they fall due; (ii) funding risk, linked to the availability, stability, and cost of funding sources; and (iii) interest rate risk, referring to the impact of changes in market interest rates on net interest income and the economic value of equity.

Capital impacted



Operating context influences: Geopolitical shocks and macroeconomic conditions | Evolving regulatory and compliance landscape

Asset and Liability Management risk rose during the year, principally reflecting the effect of persisting global uncertainties and market volatility on funding stability at a time of growing lending activity, alongside evolving dynamics impacting the competitiveness of the Mauritian jurisdiction.

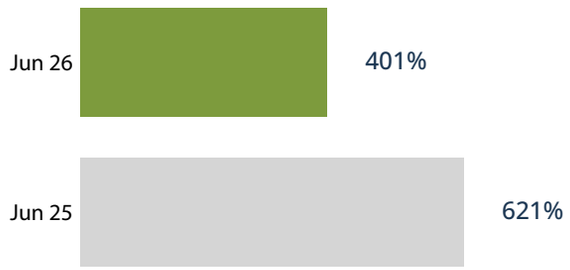
Our response

- Assessed the stickiness and stability of our foreign currency deposits and maintained the foreign currency loan to deposit ratio within set target
- Performed monthly and ad hoc liquidity stress tests to assess the organisation's survival horizon, strengthen contingency and proactively monitor emerging liquidity risk indicators
- Successfully closed a USD 450 million GCC and India focused Syndicated Term Loan and raised a further USD 400 million through a bond issuance, advancing the Bank's funding diversification strategy, broadening access to international investors and reinforcing long-term funding resilience
- Developed and implemented behavioural models for loan rollovers, deposit retention/stickiness, and off-balance sheet to on-balance sheet conversion assumptions, enhancing the accuracy of liquidity risk measurement, stress testing outcomes and funding projections
- Enhanced the Interest Rate Risk in the Banking Book (IRRBB) framework, strengthening the assessment and monitoring of earnings sensitivity to interest rate movements, in line with industry best practices

- Improved liquidity risk oversight by introducing one-week and two-week forward-looking LCR monitoring, improving our ability to anticipate liquidity trends and act promptly where required

We continued to maintain comfortable buffers and sustain stable funding and liquidity positions throughout FY 2025/26.

Liquidity coverage ratio



Net stable funding ratio



Capital risk

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.

Capital impacted

Operating context influences: Geopolitical shocks and macroeconomic conditions | Evolving regulatory and compliance landscape

Capital risk remained subject to evolving regulatory requirements while higher oil prices contributed to greater oil and gas-related exposures, placing upward pressure on risk-weighted assets and increasing capital consumption to support our growth strategy. This was partly offset by credit rating upgrades in key African markets and our strengthened capital position.

Our response

- 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
- Assessed the risks that could affect our solvency ratios and closely monitored key exposures against the risk appetite limits
- Maintained close oversight of the Bank's exposures to countries with non-investment-grade sovereign ratings.
- Optimised capital deployment and balance sheet structure to support sustainable growth, preserve capital adequacy, and enhance the Bank's ability to absorb potential stress events

Despite witnessing a drop amidst a significant rise on our exposures, capital levels remained comfortable throughout the year, underpinned by prudent capital management practices as illustrated below.

Capital adequacy ratio



Tier 1 capital ratio



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 shocks and macroeconomic conditions | Evolving regulatory and compliance landscape | Technology, AI and cybersecurity | Workplace transformation and employee engagement

The potential impact of evolving market conditions on model performance, coupled with the growing use of sophisticated machine learning techniques whose outputs are inherently more complex to validate, continued to warrant close attention.

Our response

- Updated the Corporate Rating Framework through the annual recalibration of quantitative rating models to strengthen rating precision and predictive performance
- Reviewed the qualitative rating module regularly to reflect changes in industry outlooks, business fundamentals and country risk considerations, supporting the ongoing relevance of client credit ratings
- Conducted back-testing of all existing Credit Scoring models to assess their performance, predictive power, and adequacy in accurately assessing credit risk

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: Technology, AI and cybersecurity | Workplace transformation and employee engagement

The Bank continued to face potential operational disruptions, notably from the rising incidence and sophistication of cyber attacks globally and its growing reliance on third-party providers and technology infrastructure. These were compounded by the increasing complexity of the Bank's activities and a more competitive labour market for critical skills.

Our response

- Reinforced governance and controls over operational risks through the Bank's Permanent Supervision and Operational Risk frameworks
- Embedded a robust and sound risk culture in our day-to-day business activities, namely through the ongoing delivery of awareness campaigns and training programmes for staff as part of our Risk Culture Programme
- Ensured the monitoring of mitigation actions for risks identified in the Bank's risk cartography

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: Technology, AI and cybersecurity | Climate, environmental and social considerations | Workplace transformation and employee engagement

The Bank's business continuity risk profile reflected potential disruptions arising from technology outages, energy supply constraints, and events affecting the availability of or access to physical sites, including those linked to climatic events.

Our response

- Reviewed and enhanced the Business Continuity Management Framework, with a primary focus on strengthening governance, as part of the Bank's ongoing commitment to operational resilience
- Conducted awareness campaigns on Business Continuity Management principles to further embed a culture of preparedness and resilience
- Tested business continuity and disaster recovery arrangements through regular simulation exercises to confirm the resilience and recoverability of critical applications and infrastructure

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: Evolving regulatory and compliance landscape | Technology, AI and cybersecurity | Workplace transformation and employee engagement

Rapid digital adoption and evolving customer needs have increased data volumes and heightened cybersecurity risks. Furthermore, artificial intelligence is creating both opportunities and risks for financial institutions. AI can enhance efficiency, customer experience, fraud detection and decision-making, but it also raises challenges relating to governance, data integrity, cyber resilience and workforce transformation. While the growing use of AI is accelerating the sophistication of cyber threats, it also enhances organisations' ability to detect, prevent and respond to them.

Our response

- Advanced the transformation of the Governance, Risk and Compliance platform into a broader Enterprise Risk Management capability, with a focus on enhancing enterprise-wide risk visibility, strengthening risk governance and supporting the continued maturation of third-party risk management practices
- Improved cybersecurity maturity through the review and enhancement of cyber and technology risk management policies, strengthened alignment with internationally recognised cybersecurity and resilience practices such as the NIST Cybersecurity Framework
- Advanced AI-specific risk governance, building on existing risk management frameworks to support responsible AI adoption, while assessing AI-enabled capabilities to enhance threat detection, security monitoring, identity protection and incident response
- Strengthened cyber resilience through independent penetration testing, vulnerability assessments, red team exercises, threat intelligence-led reviews, and enhanced cyber incident response preparedness
- Enhanced network access controls, log monitoring and vulnerability management through a more risk-based practices, while progressing towards a Zero Trust approach to address evolving threats
- Continued to promote a strong risk culture through cybersecurity awareness campaigns and simulated phishing exercises

Compliance risk

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

Capital impacted



Operating context influences: Evolving regulatory and compliance landscape | Climate, environmental and social considerations | Technology, AI and cybersecurity

Compliance risk was shaped by the growing breadth and complexity of regulatory requirements across our markets, which warranted continuous enhancements to our systems and procedures.

Our response

- Strengthened our compliance and financial crime risk management framework through ongoing enhancements to policies, procedures, controls and transaction/sanctions screening systems, including the upgrade of the Financial Crime Risk Management platform to support ISO 20022 (MX) message screening across the Bank
- Enhanced enterprise-wide risk oversight by reviewing the Risk Heat Map and Enterprise-Wide Risk Assessment (EWRA) from an AML/CFT/CPF perspective, identifying emerging risks and integrating ESG considerations into the risk management framework to meet evolving regulatory expectations
- Supported key regulatory and industry initiatives, including the implementation and maintenance of the Bank of Mauritius Central KYC System to streamline customer due diligence processes, improve efficiency and reduce compliance costs
- Reinforced the culture of compliance and capability building through targeted Board and employee training, awareness campaigns, induction programmes and professional development initiatives to promote regulatory compliance, ethical conduct and industry best practices

Legal risk

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

Capital impacted



Operating context influences: Evolving regulatory and compliance landscape | Climate, environmental and social considerations | Technology, AI and cybersecurity

Regulatory frameworks and legal requirements remained dynamic across several of our African markets, requiring ongoing monitoring of developments across jurisdictions.

Our response

- Conducted a full jurisdictional survey of the organisation's main African target markets under Vision 2030, delivering actionable market, legal, regulatory and compliance insights on cross-border structuring, enforceability, sanctions and dispute resolution
- Refined our external counsel model, moving towards a more direct Africa-to-Africa relationship with reputable local law firms for timelier, jurisdiction-specific advice
- Strengthened collaboration between the Legal and Compliance SBUs on anti-corruption, AML/CFT/CPF and sanctions to ensure a unified approach to legal and regulatory risk
- Continued to automate elements of contract drafting and review, with appropriate human oversight, leveraging technology and AI to improve efficiency, consistency, control and auditability

Strategic and business risk

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

Capital impacted



Operating context influences: Geopolitical shocks and macroeconomic conditions | Evolving regulatory and compliance landscape | Climate, environmental and social considerations | Technology, AI and cybersecurity | Workplace transformation and employee engagement | Customer experience in a competitive landscape

Strategic and business risks were shaped by a more volatile operating environment across our markets, marked by the fallout from the Middle East war, uneven market conditions, intensifying competition for talent and the evolving expectations of our stakeholders alongside operational complexities associated with executing our strategic ambitions.

Our response

- Continued to assess the implications of changes in the operating environment on the execution of our cross-border strategy through ongoing discussions at strategic forums and dedicated steering platforms
- Maintained active engagement with regulators, authorities and rating agencies to remain responsive to evolving market, regulatory and stakeholder expectations
- Strengthened internal capabilities through investment in new technologies supporting customer engagement, productivity and operational resilience and initiatives to strengthen talent acquisition, development, retention and succession planning

Reputation risk

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

Capital impacted



Operating context influences: Climate, environmental and social considerations | Technology, AI and cybersecurity | Workplace transformation and employee engagement

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

Our response

- Undertook daily screening of local and international media for potential reputation threats and performed daily automated customer database screening against World-Check lists for risk assessment
- Systematically performed Customer Due Diligence and ongoing monitoring of customers flagged in adverse media
- Responded to customer feedback in a timely manner and addressed complaints effectively, while actively moderating our social media platforms

Sustainability risks

Climate risk

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

Capital impacted



Operating context influences: Evolving regulatory and compliance landscape | Climate, environmental and social considerations

The rising frequency and severity of extreme weather events, including cyclones, prolonged droughts and flash floods, increase the potential for disruption to our operations and long-term resilience. At the same time, climate-related risks have assumed greater prominence within the supervisory and disclosure landscape.

Our response

- Approved and embedded a dedicated Climate-related Financial Risk Policy to strengthen climate risk governance
- Enhanced our risk assessment capabilities through the implementation of a physical risk assessment platform provided by an internationally recognised service provider and the development of an internal methodology to evaluate the potential impact of climate transition risks on the wholesale portfolio
- Integrated climate risk considerations progressively into existing risk management processes, such as the ICAAP

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: Evolving regulatory and compliance landscape | Climate, environmental and social considerations

As regulatory demands rise and the focus on sustainability deepens, environmental and social standards are shaping both financing decisions and strategic initiatives.

Our response

- Continued to enhance the Environmental and Social Risk Management (ESRM) process and the monitoring of environmental and social risks throughout the credit cycle, with risk categorisation based on International Finance Corporation (IFC) and Equator Principles criteria
- Strengthened our environmental and social (E&S) risk framework for high-risk sectors by (i) enhancing the internal E&S Risk Policy through a broader scope and formalised climate risk assessment requirements, and (ii) introducing dedicated oil and gas and metals and mining policies,supported by enhanced due diligence requirements
- Leveraged the expertise of E&S consultants, under Proparco's Technical Assistance programme, to (i) develop internal Climate, Biodiversity and Gender risk assessment tools; and (ii) deliver training on ESRM and these newly developed tools to key stakeholders across the credit value chain
- Continued capacity building for the ESRM team on high E&S risk sectors, such as oil and gas and metals and mining
- Sustained partnerships with Development Finance Institutions (DFIs) to support and guide improvements to the ESRM process and build capacity within the organisation

Main priorities looking ahead

Against a rapidly evolving banking landscape, we will continue to monitor emerging risks and opportunities that may reshape financial services over the medium to long term. Particular areas of focus include artificial intelligence and automation, increasingly sophisticated cyber threats, geopolitical fragmentation, changing payment ecosystems, digital assets and evolving sustainability expectations. While these developments present new challenges, they also offer opportunities to strengthen resilience, enhance customer experience and improve decision-making across the Bank. Their early identification and assessment will help ensure that the organisation remains well positioned to execute its strategic ambitions in an increasingly complex and fast-changing environment.

Our key areas of focus include:

- Strengthening risk culture through awareness programmes and simulated phishing exercises, and establishing a dedicated Emerging Risk function focused on sustainability, virtual assets and other evolving domains
- Assessing emerging geopolitical and macroeconomic developments, including shifts in global trade patterns, sanctions regimes and cross-border capital flows, to ensure that strategic decisions remain informed by an evolving international environment
- Focusing on the early identification of warning signals, prudent lending and effective debt recovery, while closely monitoring country risk and borrower resilience in an uncertain environment
- Ensuring that business development endeavours and strategic initiatives under Vision 2030 materialise in a disciplined manner, backed by effective risk oversight and investment in our capabilities, including our people
- Maintaining capital resilience to support our growth strategy amidst upward pressure on risk-weighted assets through disciplined capital preservation and forward-looking capital planning
- Preserving a robust funding and liquidity position through proactive monitoring and adherence to funding targets and limits across selected business lines
- Reinforcing our market risk oversight to ensure exposures remain within our pre-defined risk appetite amidst heightened volatility
- Reinforcing compliance and financial crime risk management through enhanced screening, monitoring and due diligence capabilities, while adapting proactively to evolving regulatory requirements across our markets
- Pursuing the cybersecurity roadmap by further strengthening governance, controls and oversight across the Bank, with particular emphasis upon bolstering our cyber resilience and advancing our capabilities to anticipate, detect and respond to increasingly sophisticated AI-enabled cyber threats
- Building upon existing governance, risk management and policy frameworks to further strengthen our AI governance and risk management capabilities, enabling the Bank to harness the transformative opportunities of Artificial Intelligence while ensuring its responsible, secure and effective adoption
- Supporting our sustainability ambitions by further strengthening the ESRM process, applying reinforced due diligence on high-risk sectors, while strengthening climate-related financial risk management through better methodologies, data, skills and governance

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

Our risk management strategy and framework

Our underlying philosophy

Our general approach

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

Our key targets and objectives

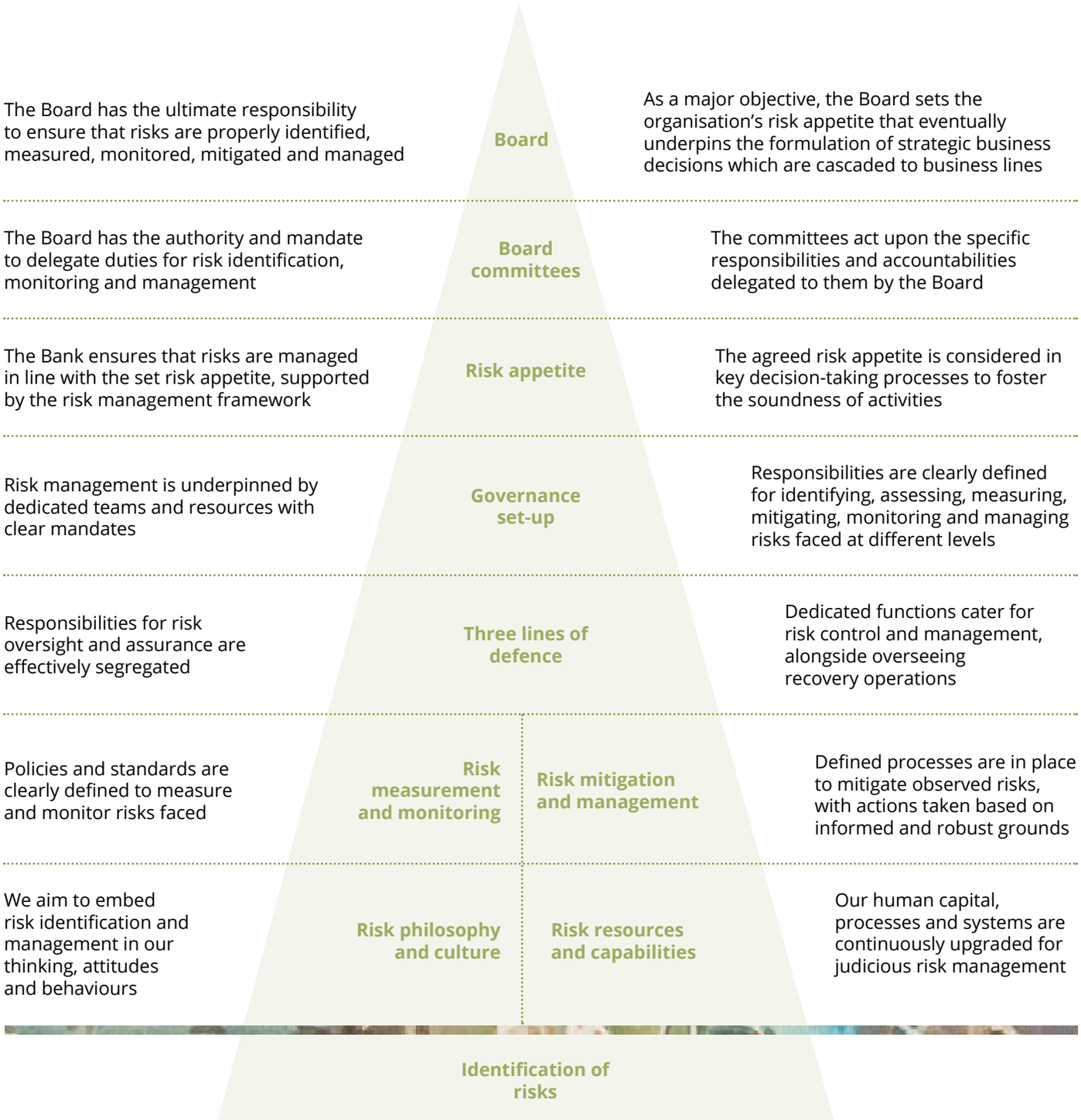
- We are committed to remaining a well-capitalised bank with adequate liquidity buffers to help achieve sustainable business growth. To this end, we adopt a conservative and disciplined stance towards risk and capital management, which is ever more relevant in a highly uncertain context.
- We follow a well-calibrated modus operandi to identify and assess risks faced and determine appropriate responses, alongside taking advantage of relevant opportunities to transform risk into a strategic value driver. To realise our objectives, we ensure that we embrace a solid control framework that guides employees in the way they behave and take decisions

Key foundations

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

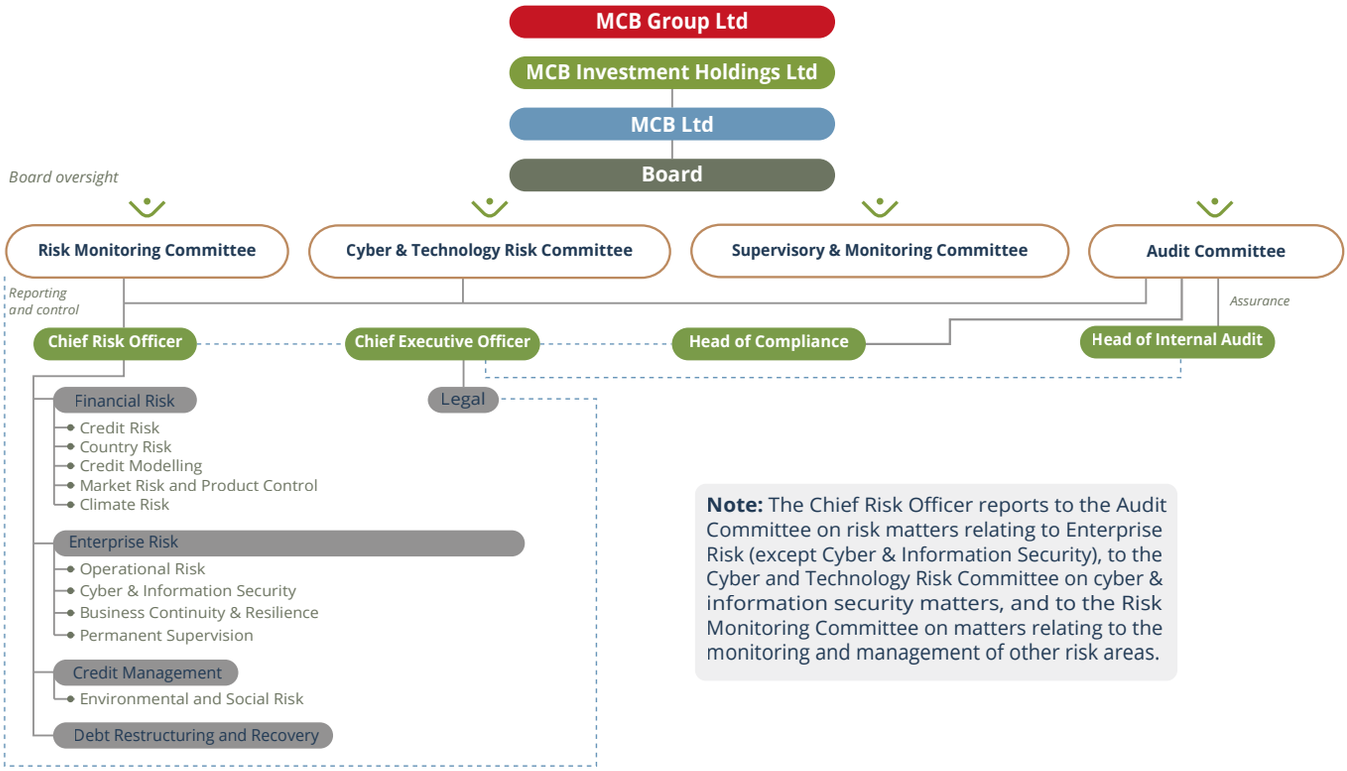
Key elements of our risk management set-up

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



Governance and oversight

Our risk management framework



Board of MCB Ltd

- As highlighted before, the Board of MCB Ltd has the ultimate responsibility for ensuring adequate risk management across the Bank, in line with good corporate governance principles. It provides clear guidance for the setting out and regular review of applicable strategic thrusts, processes and policies for risk management.
- As a key focus area, the Board is responsible for validating the Bank's risk appetite towards achieving its objectives. It delegates authority to Board Committees, which formulate the specific responsibilities and required policies for effective risk management.

Risk Monitoring Committee (RMC)

- It is the primary Board committee overseeing financial and legal risk matters. It assists the Board in setting up risk strategies as well as assessing and monitoring MCB's risk management process. It recommends the risk appetite in terms of credit risk and market risk/asset and liability management risk to the Board for approval and analyses risk portfolios against the risk appetite, while reviewing and exercising oversight over capital management.
- The RMC is also entrusted with the authority of determining the Bank's overall international capital allocation and exposure limits while monitoring country exposures against set limits at least quarterly and on an ad hoc basis when required. It approves country risk policies, proposes amendments and reviews the country risk framework and risk appetite parameters. As at end of June 2026, three of the four members of the RMC were non-executive directors, thus strengthening the Bank's independent oversight and control functions.

Other committees

- The 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 risks. Its responsibilities include reviewing control effectiveness, cyber resilience posture, emerging threat exposure and alignment of risk appetite.
- The Supervisory and Monitoring Committee sets the overall direction for the strategic development of the Bank. It monitors the Bank's performance against such strategy.
- The Audit Committee ensures that the internal control framework in place results in an acceptable level of risk exposure while guaranteeing compliance with internal established policies and relevant laws and regulations. The Internal Audit, Compliance and Risk (for non-financial risk matters) functions regularly report to the Audit Committee.

Adherence to the three lines of defence approach

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

1st line of defence

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

Risk ownership

- The first line owns risks emanating from deployed business activities
- Employees engaged in client-facing divisions and support functions as well as business line managers have the first-level responsibility for day-to-day risk management in the interest of the 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 Risk SBU is responsible to provide independent risk control. While managing key financial, cyber, information, technology and operational risks faced by the Bank, the Risk SBU also oversees the credit management and debt restructuring and recovery operations
- The Chief Risk Officer (CRO) has direct oversight on all risk areas across the Bank while relevant Heads and Managers of the SBU establish methodologies and activities for risk measurement and regularly monitor and report risk exposures and profiles
- The Head of Compliance SBU has a direct reporting line to the Audit Committee and administratively reports to the CEO. This reporting structure confers the required independence to the Head of Compliance to discharge responsibilities to ensure compliance with applicable laws, regulations, guidelines, codes of conduct and standards of good practice

3rd line of defence

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

Risk assurance

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

Key responsibilities of dedicated executive committees

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

Principal financial risks

Credit Risk

Executive Credit Committees (ECC)

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

Credit Committees (CC)

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

Country Risk Committee (CoRC)

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

Conduct Review Management Committee (CRMC)

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

Market risk and Asset and Liability Management risk

Asset and Liability Committee (ALCO)

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

Information and Operational Risk Committee (IORC)

- Chaired by the Chief Executive Officer, the IORC acts as the focal point and coordinating committee to ensure that the management of cyber, information, technology and operational risks is in line with the relevant policies, guidelines and procedures of the Bank. Material risks are reported to the IORC by the Head of Enterprise Risk and to the Audit Committee, as appropriate

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

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

Key tenets of our risk management strategy

Risk capacity

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

Risk appetite

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

Risk tolerance

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

Risk profile

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

Risk control

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

Risk culture

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

Our risk appetite framework

Framework

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

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

Key underpinnings

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

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

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

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

Limit structure

Regulatory

- Capital adequacy ratios
- Credit concentration limits
- Macroprudential limits
- Related party lending and limits
- Cash reserve ratio
- Liquidity coverage ratio
- Open FX position
- Net Stable Funding ratio

Internal limits and desired risk profile

- Country limit
- Bank limit
- Sectorial concentration targets
- Portfolio risk profile
- Counterparty credit risk limit
  Valuation limit
  Daily settlement limit
- Market risk limits
- ALM risk targets

Rating tools

Internally-developed models	**Country**	**Country rating model (used when ratings from external rating agencies are not available)** The rating monitors macroeconomic performance, political and institutional developments, evolution of fiscal metrics, social unrest, and currency movements, amongst others
	Banks	**Bank rating model** The creditworthiness is assessed by assigning a score based on the bank's financial strength, the probability of receiving affiliate and/or Government support in case of financial stress as well as the sovereign risk of the country in which the institution operates
	Corporate clients	**Customer rating software** It evaluates the counterparty's financial position and uses MCB's historical default experience to generate ratings and probability of defaults
External rating agencies	**Country and banks**	**International ratings** Moody's Ratings, Fitch Ratings, S&P Global Ratings and others as deemed appropriate
	Corporate clients	**International rating agencies including CARE Ratings (Africa) Private Limited (CRAF) and Global Credit Rating Co Ltd (GCR Ratings)** Financial securities subscribed by the Bank in favour of domestic corporate customers can be rated by CRAF and GCR Ratings, which are recognised by the Bank of Mauritius, with capital relief being applicable on investment-grade ratings

Management of key risks

Our risk management cycle

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

1. Identification

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

2. Measurement

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

3. Monitoring

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

4. Mitigation

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

5. Management and reporting

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

Our processes, methodologies and positioning by risk type

Credit risk

General approach and objectives

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

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

Measurement and monitoring

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

Key principles

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

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

Assessment by key business lines

Corporate portfolio

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

Other portfolios

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

Mitigation and management

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

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

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

Building on our established watch-list and monitoring processes, we further strengthened our approach to account monitoring during the year, placing greater emphasis on the early identification of warning signals preceding financial distress to enable timely intervention and remedial action. In line with our culture of responsible lending and debt recovery, the Credit Management and Debt Restructuring and Recovery functions increased their participation in monitoring forums such as Account Monitoring Committees, further reinforcing oversight and the timely detection of problem loans. Consistent with this proactive approach, recovery efforts were pursued through active and ongoing negotiations on large and sensitive exposures, resulting in significant recoveries and targeted write-offs during the year. The Debt Restructuring and Recovery function also worked closely with business segments, including Corporate and Institutional Banking, on client negotiations and the management of Stage 2 exposures.

Restructuring of facilities

The organisation adopts a proactive, client-centric approach to loan restructuring as part of its distressed debt management framework. Restructuring solutions are considered for borrowers who face difficulty meeting their original repayment terms but continue to demonstrate viable business prospects and sustainable underlying cash flows. Generally initiated following discussions with clients, restructuring aims to align debt-servicing obligations with expected cash flow generation, supporting clients through periods of financial stress while preserving the organisation's ability to maximise recovery and maintain asset quality. Such requests may also arise in response to significant commercial developments, market conditions or strategic events affecting a client's financial position.

Each proposal is assessed on a case-by-case basis through a comprehensive review of both quantitative and qualitative factors. These assessments are conducted under our established credit approval framework and subject to the same rigorous analysis, governance standards and approval processes applicable to new credit exposures, guided by a reasonable expectation that the borrower's financial condition remains sustainable or can be restored within a foreseeable timeframe. Depending on the client's circumstances, measures may include extending loan maturities, temporary repayment moratoria, modified repayment schedules or broader restructuring arrangements. In certain cases, these are complemented by balance-sheet strengthening initiatives undertaken by clients, such as equity injections, bond issuances, rights issues or other debt management programmes aimed at restoring financial stability. The Credit Risk BU performs an independent assessment of distressed restructurings for staging purposes and to determine economic gains or losses.

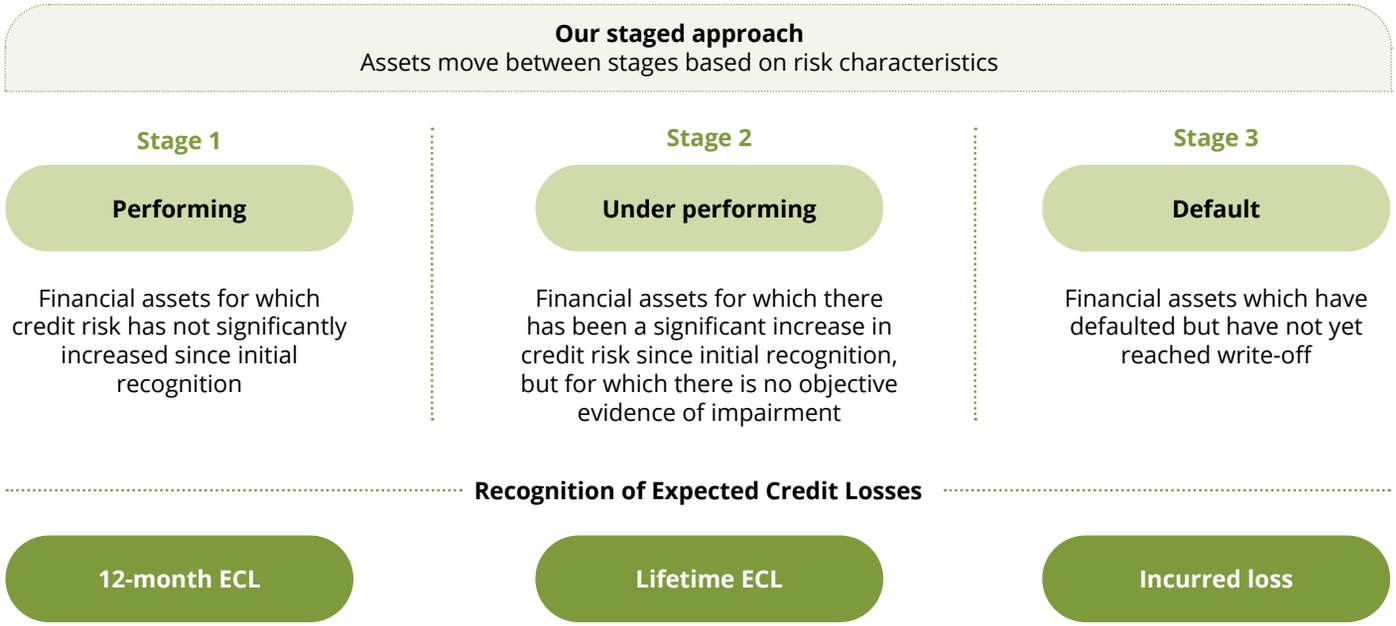
Determination and review of impairment and provisioning

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

Adherence to IFRS 9 requirements

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

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



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

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

- **Retail:** PD, LGD and EAD parameters are calculated on a portfolio basis, i.e. facilities having homogeneous characteristics are assumed to have similar risk behaviours and can reasonably be assigned same parameter values.

- **Wholesale:** MCB uses a combination of internal models and external benchmarking for the calculation of PDs, LGDs and EADs. Internal historical default rates and losses have been used to calibrate PDs and LGDs respectively. For portfolios where MCB has historically experienced low or no default, external benchmarking has been used for calibrating corresponding ECL parameters. Of note, PDs leverage ratings models for all wholesale portfolios, which are mapped to an Internal Master Rating Scale. As for EAD calculation, either amortisation schedules or historical data and regulatory credit conversion factors have been used as EAD ratios.

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

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

Forward-looking indicators: As recommended by the IFRS 9 guidelines, probability weighted scenarios have been incorporated to derive the forward-looking elements used in the calculation of ECLs. For both Retail and Corporate portfolios, the forward-looking component was reviewed using a refreshed set of macroeconomic indicators. A stress scenario has been incorporated using GDP contractions observed during the COVID-19 pandemic as a benchmark for severe economic downturn conditions. This scenario aims to capture the potential fallout of Middle East conflict, particularly on key sectors such as tourism, transport, logistics, manufacturing, agribusiness and textiles. These risks may materialise through heightened volatility in oil markets, reduced foreign direct investment, higher inflation pressures driven by mounting import costs and a decline in tourist arrivals due to rising airfares.

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

Formulation of the Bank's Expected Credit Losses for FY 2025/26

Reflecting the proactive and prudent approach being endorsed by the Bank to hold adequate provisioning levels in light of the still unsteady operating environment, we maintained comfortable levels of ECL during FY 2025/26, underpinned by informed analyses, conservative assumptions and modelling exercises.

Our retail portfolio

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

Our wholesale portfolio

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

As at 30 June 2026, ECL amounted to Rs 10,422 million of which Rs 9,417 million pertained to stage 1 and stage 2 loans and advances, with the corresponding ECL coverage ratio standing at 1.7 %. The breakdown of provisions by stages 1, 2 and 3 and portfolios is provided in Note 3(b) and by industry sectors in Note 6(b) of the Financial Statements.

Provisions as at 30 June 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	-	25.0	-	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	-	-	-	100.0

Provisions as at 30 June 2026

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	83,972	281,514	130,501	11,835	529,587	358,993
Expected Credit Losses	570	2,827	548	412	88	1,614
Coverage ratio (%)	0.7	1.0	0.4	3.5	0.0	0.4
Stage 2						
Exposures	758	6,084	0	115	0	19,986
Expected Credit Losses	185	1,541	0	29	0	2,608
Coverage ratio (%)	24.4	25.3	-	25.0	-	13.0
Stage 3						
Exposures	1,375	6,378	0	0	0	1,749
Specific provisions	616	5,086	0	0	0	1,749
Coverage ratio (%)	44.8	79.7	-	-	-	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) Stage 3 exposures do not include interest in suspense on loans and overdrafts
(iv) Figures exclude investments fair valued through other comprehensive income

Concentration risk management

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

In FY 2025/26, we maintained a diversified market footprint across segments and geographies, which helped us remain well positioned in terms of credit concentration and within regulatory limits. Our largest credit concentration pertains to oil and gas with a major part of these exposures being of a short-term and self-liquidating nature, hence carrying a lower risk profile.

Concentration of exposures

Bank of Mauritius Guideline on Credit Concentration Risk

Credit concentration limits (% of Bank's Tier 1 capital)	Regulatory requirements	MCB Ltd 30 June 2026
Aggregate credit exposure to any single customer	Not exceed 25%	20.9%
Aggregate credit exposure to any group of connected counterparties	Not exceed 40%	31.2%
Aggregate large credit exposures* to all customers and groups of connected counterparties	Not exceed 800%	288.2%

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

Gross exposure as at 30 June 2026	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	151.1	8.1	9.8
Total large credit exposures	295.7	14.6	17.7

Sectorwise distribution of our customer loan portfolio



Asset quality

We improved the general quality of our exposures on the back of careful market endeavours and strong risk management framework, while having also recorded significant recoveries of bad debts and targeted write-offs during the year. Our gross NPL ratio stood at 1.7% as at June 2026, down from 2.7% in June 2025. Our specific coverage ratio stood at 79.3%, with the remaining portion being adequately covered by collateral, suitably discounted to reflect current market conditions and expected recovery time.

Quality of exposures

June 2026	Non-performing loans (NPLs)		Specific provisions	
MCB Ltd	**Rs m**	***% of exposures***	**Rs m**	***% of NPLs***
Loans to customers				
Agriculture and fishing	168	*3.1*	87	*41.3*
Manufacturing	1,239	*3.3*	790	*60.4*
Tourism	14	*0.1*	14	*94.2*
Transport	10	*0.2*	6	*58.6*
Construction *(including property development)*	367	*2.5*	135	*33.4*
Financial and business services	770	*0.8*	557	*70.9*
Traders	2,264	*1.3*	2,520	*89.7*
Personal and professional	1,114	*1.5*	606	*44.7*
of which credit cards	*63*	*4.5*	*58*	*92.1*
of which housing	*620*	*1.1*	*226*	*31.1*
Global Business Licence holders	2,970	*6.6*	4,767	*100.0*
Others	208	*0.8*	158	*71.6*
Corporate notes/bonds	**380**	***0.9***	**413**	***99.8***
Total	**9,504**	***1.7***	**10,053**	***79.3***

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

Country risk

General approach and objectives

In line with the BoM's Guidelines on Country Risk Management and Cross Border Exposure, MCB applies a comprehensive framework, backed by control processes to formulate its country risk tolerance and set appropriate country limits.

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

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 the risk profile of our cross-border credit exposure portfolio is appropriately balanced.

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.

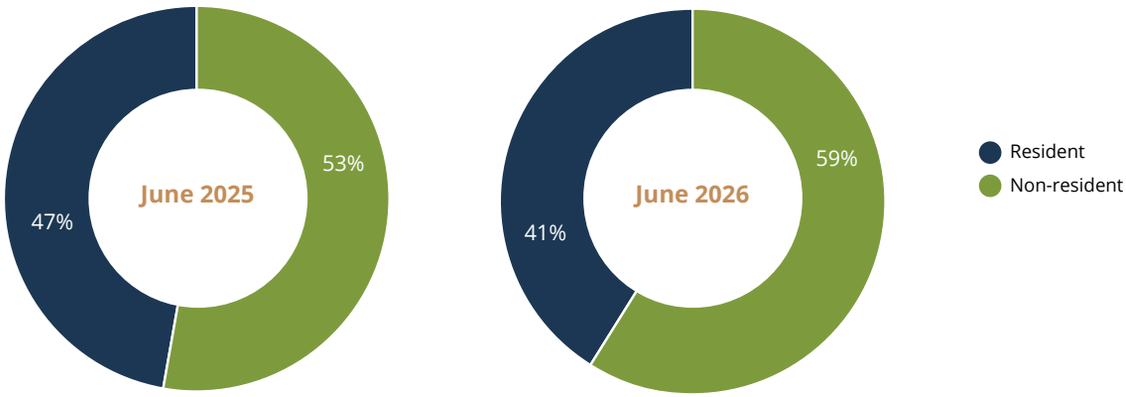
The Bank ensures the proactive monitoring of country risk exposures against country limits and sub-limits that have been set, while promptly reviewing such levels in case of unexpected events. MCB keeps track of the unfolding developments and business opportunities across markets of interest, using open-source 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

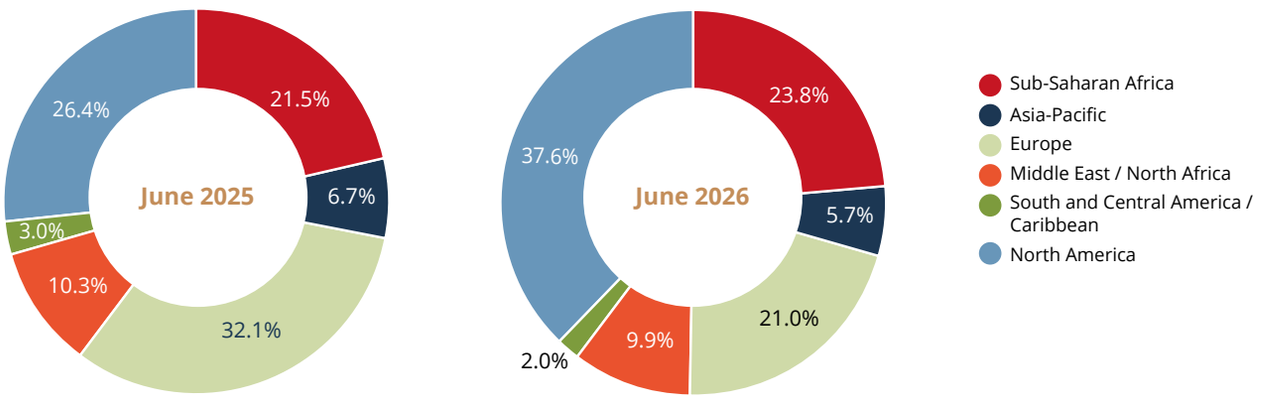
With a view to fostering sound country risk management, we emphasise on (i) regular determination and review of our risk appetite, after making allowance for the evolving operating environment and our strategic ambitions; (ii) diversified exposures across countries and sectors; (iii) undertaking activities 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 Bank seeks to minimise the risk of losses in trading positions arising from activities undertaken in or impacted by financial markets. We ensure that an appropriate framework is in place to systematically identify, assess, monitor, control and report the market risk exposures across the trading book. These include market-contingent risks such as counterparty credit risk as well as profit and loss risks arising from market risk activities. We also detect and manage the impact of currency fluctuations, alongside properly managing the net open positions.

Our market risk management approach and framework are 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, at both the individual trading activity and overall entity levels, together with risk targets for structural market risks. In line with relevant guidelines, the Market Risk Policy, which covers both the trading and banking books, ensures that market risk origination, settlement and control are appropriately segregated. The Market Risk and Product Control BU (MRPC BU) undertakes the monitoring and management of market risks and provides financial position and risk analysis information to the ALCO and RMC. The Board sets the risk appetite for market risk and the RMC reviews market risk and liquidity risk exposures and metrics, while also assessing regulatory and other developments.

Measurement and management

Interest rate risk

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

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

Foreign exchange risk

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

Counterparty credit risk

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

Asset, Liability and Capital Management Risk

The Bank adopts a structured approach to managing Asset, Liability and Capital Management risk, with the objective of safeguarding balance sheet integrity and supporting financial resilience. This involves the continuous oversight of the following key dimensions- interest rate risk, liquidity and funding risk as well as capital risk - through robust governance and sound policies. For Asset and Liability Management, the overarching objective is to ensure that mismatches in asset and liability profiles are effectively monitored and managed, supported by appropriate hedging strategies where relevant, in alignment with regulatory expectations and strategic priorities. Capital management aims to ensure that the organisation maintains adequate capital to support its growth objectives while remaining resilient to potential stress events.

Read more on the capital risk in the Capital Management section (page 182)

Interest rate risks in the banking book

Measurement, monitoring and management

In the banking book, the Bank's primary exposure to interest rate risk stems from mismatches in the reset dates of its on- and off-balance sheet assets and liabilities. These exposures are measured and monitored through regular interest rate gap analysis and earnings sensitivity assessments that evaluate the impact of changes in interest rates on net interest income (NII). The Bank also performs sensitivity analyses on the Economic Value of Equity (EVE) and NII under a range of prescribed and internally defined interest rate scenarios, including both parallel and non-parallel shifts of the yield curve, to assess the resilience of the balance sheet under varying market conditions.

The Bank mitigates interest rate risk through prudent balance sheet management, including the use of floating-rate instruments linked to market benchmark rates, diversification of asset and liability repricing profiles, and adherence to established risk appetite limits, with close oversight by ALCO. Behavioural assumptions are applied to deposits, loan rollovers and the conversion of off-balance sheet exposures to on-balance sheet exposures to ensure that exposures are assessed realistically. This approach ensures that risks remain within appetite while safeguarding the earnings of the balance sheet.

Liquidity and funding risk

General approach and objectives

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

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

Measurement and monitoring

Funding and liquidity risk is measured and monitored separately for each material currency, for foreign currencies on an aggregated basis and on a consolidated level. The Bank assesses funding and liquidity positions with respect to obligations under both Business As Usual (BAU) and stressed conditions. The Bank sets risk appetite limits on metrics such as the liquidity coverage ratio (LCR), Net Stable Funding Ratio (NSFR), Loan-to-Deposit Ratio, survival horizon and 1-year impact on earnings for significant currencies, whilst monitoring other ratios and Early Warning Indicators to assess its liquidity situation. The key actions undertaken to ensure that funding and liquidity risk is effectively measured and monitored at the Bank include the following:

- Robust Contingency Funding Plan in place which *inter alia* provides for active monitoring and reporting of Early Warning Indicators and courses of action under a liquidity stress; Scenario analysis conducted by simulating withdrawal of funds e.g. withdrawal of USD current accounts under severe stress scenarios; Uncommitted money and short-term forex swap and repo lines regularly tested for liquidity depth
- Maintenance of adequate high-quality liquid assets (HQLA) buffer as well as achievement of conservative maturity transformation and operational deposit optimisation to ensure compliance with the LCR with monitoring/reporting for assets and liabilities denominated in significant currencies. This entails close monitoring of the LCR and circulation of the ratio to Management on a daily basis. LCR, along with other liquidity indicators, such as gap analysis and BIS net stable funding ratio (NSFR), are presented to the ALCO on a monthly basis and to the RMC on a quarterly basis; Carrying out of frequent simulation on LCR, based on what-if investment in HQLA and renewal of wholesale market funding
- Diversification of balance sheet funding sources with a mix of internal treasury surplus, institutional lines of credit and trade refinancing lines
- Active monitoring and management of daily liquidity through a daily Operational Cash Flow model, which provides the Bank with daily cash flow projection over different time bands under various scenarios

Mitigation and management

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

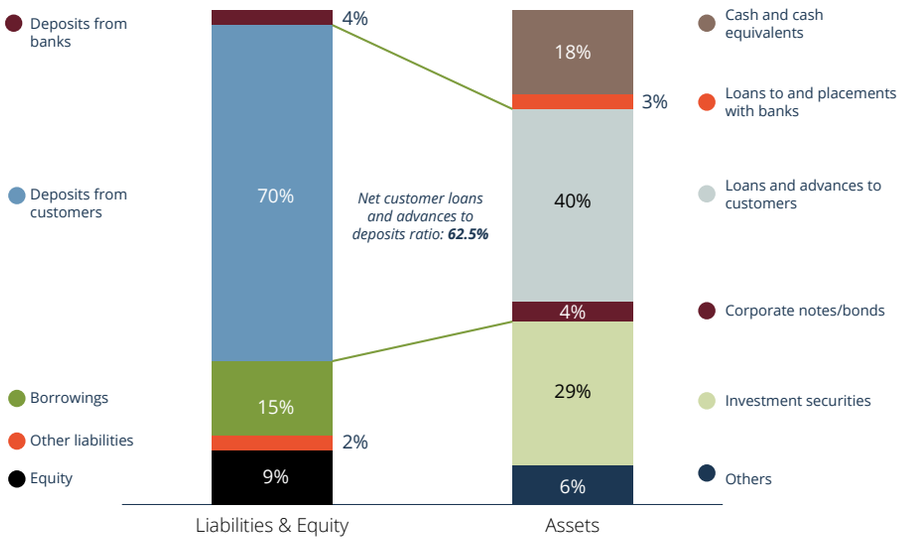
To achieve this, the Bank employs a methodical approach that involves creating a time ladder of continuous assets and liabilities cash flows. This approach minimises the risk of undue accumulation of cash flows in any single time segment, especially those falling due in the near future, thereby maintaining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

The stock of liquid assets is proactively managed to cover day-to-day cash management needs as well as to provide for an adequate coverage of the risk-weighted cash outflows associated with the standardised crisis scenario under the Basel III framework for liquidity coverage ratio. The components of the liquid assets buffer are also managed taking into account market risk volatility, the credit risk weighting and the low returns typically associated with holding such highly liquid assets.

This prudent management ensures that the Bank remains well-prepared to address potential liquidity challenges without compromising their financial stability.

During the year, we sustained efforts to maintain substantial buffers in light of the challenging economic environment, with the Bank continuing to display strong funding and liquidity positions in FY 2025/26. 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 2025/26, the Bank closed a new USD 450 million GCC and India focused Syndicated Term Loan and USD 400 million through a Eurobond issuance under our Global Medium Term Note Programme listed on the London Stock Exchange.

Asset funding structure as at June 2026



Liquidity and funding positions

Liquidity coverage ratio (LCR)

In alignment with Basel III rules, the objective of the LCR is to promote the short-term resilience of a bank to liquidity shocks. The LCR ensures that the Bank maintains an adequate reserve of unencumbered high-quality liquid assets (HQLA), which can quickly be converted to cash to cover cash outflows during a 30 calendar day period of significant liquidity stress. As per local regulations, the LCR is computed as the ratio of the stock of unencumbered HQLA to the net cash outflows over the next 30 days in the event of an acute liquidity stress scenario. 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 2026, MCB operated comfortably above the stipulated LCR requirements. It reported a consolidated LCR of 401%, 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 stood at 558% as at 30 June 2026. 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.

The Bank closely monitors its Net Stable Funding Ratio (NSFR) to ensure it remains above the minimum regulatory threshold of 100%. As at 30 June 2026, the Bank reported an NSFR of 151%, demonstrating a robust funding structure supported by a well-diversified and stable funding base. This strong position underscores the Bank's prudent funding strategy and commitment to maintaining long-term financial resilience while supporting sustainable business growth.

Consolidated liquidity coverage ratio

As at 30 June 2026	Total unweighted value (quarterly average of bimonthly observations)	Total weighted value (quarterly average of bimonthly observations)
	Rs m	Rs m
High-quality liquid assets		
Total high-quality liquid assets (HQLA)	289,109	289,109
Cash outflows		
Retail deposits and deposits from small business customers, of which:		
Less stable deposits	*368,059*	*32,810*
Unsecured wholesale funding, of which:		
Operational deposits (all counterparties)	*16,074*	*4,019*
Non-operational deposits (all counterparties)	*347,864*	*151,733*
Secured wholesale funding		
Additional requirements, of which:		
Outflows related to derivative exposures and other collateral requirements	*78,791*	*78,791*
Credit and liquidity facilities	*20,310*	*1,880*
Other contractual funding obligations	302	302
Other contingent funding obligations	328,481	16,424
Total cash outflows	**1,159,882**	**285,959**
Cash inflows		
Inflows from fully performing exposures	247,624	183,099
Other cash inflows	134,632	79,408
Total cash inflows	**382,256**	**262,506**

	Total adjusted value
	Rs m
Total HQLA	**289,109**
Total net cash outflows	**72,094**
Liquidity coverage ratio (%)	**401%**

Model risk

General approach and objectives

MCB makes use of models for a broad range of business and risk management activities, such as in the credit approval process, valuation of risk exposures, stress testing exercises and pricing strategies. Such applications invariably give rise to risks of model errors that could expose the organisation to financial loss or reputational damage. The Bank is determined to 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. Model risk oversight is assumed by the Model Review Committee, which is chaired by the Chief Risk Officer, and is responsible for validating all new, updated or recalibrated models and assessing if models are fit for purpose, efficient and make business sense.

Governing guideline	Guideline on Stress Testing
Internal policy	Credit Risk Policy

Mitigation and management

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

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

Measurement and monitoring

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

Mitigation and management

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

Operational risk mitigation relies on appropriate processes and systems, backed by the clear segregation of duties, dual control as well as the regular verification and reconciliation of transactions. The control environment is based on the appropriate risk culture, fostered through risk awareness sessions targeting relevant audiences. 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 the Bank. The latter's Operational Risk Management Framework relies on three primary lines of control, as shown below.

Board or Sub-Committee of the Board

Risk Management Execution	Risk Management Framework & Oversight	Independent assurance
Strategic Business Units	**Risk & Control function**	**Internal Audit**
• Risk owners - Responsible for identifying and controlling risks • Implement internal control procedures • Initiate actions and mitigation strategies • Report risk incidents	• Oversee the conduct of the policy • Oversee risk owners in managing operational risks • Monitor corrective actions • Promote Operational Risk Culture	• Provide assurance on design and effectiveness of 1st and 2nd line • Advisory role to process improvement • Verify effectiveness of the operational risk framework

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

Health and safety

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

Business continuity risk

General approach and objectives

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

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

Mitigation and management

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

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

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

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

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

Cyber and information security risk

General approach and objectives

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

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

Mitigation and management

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

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

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

Zoom on our Permanent Supervision framework

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

The Bank applies a series of controls with respect to internal processes and client solutions. Such controls are regularly reviewed and actively monitored in order to gauge the applicability and effectiveness of actions taken. Internal control forms part of the day-to-day responsibilities of Management and all employees. While Management is responsible to implement the internal control framework, the Permanent Supervision BU, through dedicated 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 Risk and Control Executives across SBUs regularly report any 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.

Compliance and Permanent Supervision perform continuous monitoring of regulatory compliance and the effectiveness of controls respectively, while Internal Audit provides independent, risk-based assurance. Coordination among these functions through structured information sharing and assurance planning helps ensure comprehensive risk coverage and coherent reporting of risk assurance outcomes across the Bank.

Compliance risk

General approach and objectives

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

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

During the year, the Bank enhanced its AML/CFT framework to incorporate Countering Proliferation Financing (CPF) requirements following the enactment of the Anti-Money Laundering, Combatting the Financing of Terrorism and Countering Proliferation Financing (Miscellaneous Provisions) Act 2026. Relevant policies, procedures and controls were reviewed and strengthened to ensure continued compliance with regulatory requirements and alignment with FATF Standards.

Governing laws and guidelines	All applicable laws, rules and regulations, including advocated norms and codes
Internal policies	Several policies including AML Policy, Customer Onboarding Policy, Customer Acceptance Policy, Outsourcing Policy, Anti Bribery and Corruption Policy, Handling of Confidential Information Policy, Environmental and Social Risk Policy and Policy on Economic and Financial Sanctions Imposed by International Organisations.

Mitigation and management

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

In terms of our AML/CFT/CPF obligations, we ensure that the Bank has adequate processes, systems and controls to render its services inaccessible to criminals, including money launderers and terrorists or their financiers, while tracking down suspicious activities. Particular focus was placed during the year on enhancing the Bank's controls relating to targeted financial sanctions and proliferation financing risks, ensuring alignment with the evolving national AML/CFT/CPF framework. In that regard, the Bank makes use of tools from renowned international service providers and ensures that its staff are given appropriate training to help them identify suspicious transactions in keeping with the legal and regulatory requirements.

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

The strategic objectives of the Compliance Function are translated in a Compliance Programme for FY 2025/26, which was devised on a risk-based approach and duly approved by the Compliance, AML and Legal Committee (CALC) and the Board of Directors through the Audit Committee. The Compliance Programme sets out its planned activities, such as the implementation and review of specific policies and procedures pertaining but not limited to governance and policy management, KYC, customer onboarding, Customer Due Diligence (CDD), Enhanced Due Diligence (EDD), managing correspondent banks' compliance queries, compliance auditing, monitoring and testing, Enterprise Wide Risk Assessment (EWRA), complaints management and educating staff on compliance matters, which are designed to fundamentally strengthen the compliance risk management culture across the Bank. In light of evolving regulatory requirements, including the Anti-Money Laundering, Combatting the Financing of Terrorism and Countering Proliferation Financing (Miscellaneous Provisions) Act 2026, the Compliance Programme also prioritised the enhancement of the Bank's AML/CFT/CPF framework, with particular focus on proliferation financing risk management, targeted financial sanctions compliance, beneficial ownership verification, risk assessments, staff awareness and the strengthening of related policies, procedures and controls in line with international standards. Progress status updates and reports are duly reported by the Head of Compliance in the CALC and Audit Committee at least on a quarterly basis.

The focus areas of the Compliance Programme FY 2025/26 included the following:

Regulatory Liaison

- Maintaining highest standards of regulatory compliance through continuous monitoring of the evolving legal and regulatory landscape, including regular reviews of applicable laws, regulations, guidelines and industry best practices
- Assessing the impact of regulatory developments and implementing timely and appropriate measures to ensure compliance and mitigate risks arising from non-adherence to regulatory changes
- Fostering trusted and constructive relationships with regulatory and supervisory authorities through open, transparent and value-adding dialogue enabling effective collaboration and proactive engagement on regulatory matters

Governance and Policy Management

- Maintaining a set of robust policies and procedures to disseminate and promote strong ethical behaviour amongst employees regarding the Bank's business operations. These are regularly reviewed and enhanced to address emerging risks and evolving regulatory requirements and industry best practices. Some policies have also been designed so as to effectively prevent, mitigate and manage any conflict of interest situation

- Reviewing the ecosystem of Committees across the Bank, including any Management level Committee, in line with corporate governance standards and evolving regulatory and business requirements. The terms of reference of such Committees have also been reviewed, wherever applicable
- Fostering a coherent compliance control mechanism within the Bank to pave the way for standardised processes and operations, while enhancing the effectiveness of controls and promoting consistent compliance practices across business units

Relationship with Financial Institutions

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

Training

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

Advisory

- Engaging with the different business lines for customer onboarding requests and assist them in the onboarding process
- Maintaining close working arrangements and communication with business lines through the dissemination of compliance-related information and provision of advisory services at time of customer onboarding

AML Monitoring and Analysis

- Leveraging advanced technology to monitor adherence to set norms, thereby providing assurance to Management and the Board, through the Audit Committee, as regards the state of compliance
- Performing assessment and monitoring of transactions as per defined frequencies and triggering events, ensuring timely identification and escalation of compliance risks as well as accurate and timely quarterly regulatory reporting, as per applicable regulatory requirements

AML Investigation

- In relation to the AML/CFT/CPF obligations, the Bank ensures that adequate processes, systems and controls are in place to render banking services and systems inaccessible to criminals, including money launderers, terrorists and their financiers, and to facilitate the detection of suspicious activities. In so doing, the Bank strives to be a more socially responsible financial institution by complying with applicable regulatory obligations of such entities whilst curbing the social costs that money launderers and terrorists or their financiers pose to the society
- While fostering continuous employee awareness, training and capacity-building programmes, the Bank, *inter alia*, ensures that employees are equipped with the necessary knowledge, skills and tools to identify, assess and escalate potential suspicious transactions. A Financial Crime Risk Management (FCRM) system, which makes use of Data Analytics, is in place to highlight atypical transactions, in line with anti-money laundering, counter-financing of terrorism and counter-proliferation financing guidelines and requirements
- Proactively identifying compliance and Money Laundering/Terrorist Financing & Proliferation Financing (ML/TF/PF) related risks and assessing their residual likelihood and impact based on the controls in place – corrective measures are taken and monitored to minimise the likelihood of the risks materialising and detect non-compliance with internal policies and procedures
- Attending diligently to requests from the Bank of Mauritius, the Mauritius Revenue Authority, the Financial Intelligence Unit and law enforcement bodies, including supporting and facilitating investigations in relation to suspicious transaction reports as well as representing the Bank in Court in relation to ML/TF/PF matters
- As part of its commitment to responsible banking and good governance, the Bank continues to strengthen its AML/CFT/CPF framework through the implementation of strategic enhancement projects aimed at improving the effectiveness of financial crime detection, monitoring and investigation processes and ensuring alignment with evolving regulatory expectations

Compliance auditing

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

Ethics and Business Conduct

- The function oversees investigations into alleged cases of breach of confidentiality, misconduct/unethical behaviour and whistleblowing concerns. It also reviews Unrelated Party Disclosure and Outside Business Activity requests from staff. Through these activities, it promotes ethical conduct, supports the effective management of conflicts of interest and reinforces adherence to the Bank's Code of Ethics and Business Conduct and Group Whistleblowing Policy

Enterprise Wide Risk Assessment (EWRA)

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

Complaints Management

- A Complaints Handling Process is in place to ensure the proper receipt, acknowledgement, independent assessment and effective resolution of complaints. Complaints are addressed within a reasonable turnaround time, without compromising the quality and fairness of the review process

- The Bank is committed to resolving customer complaints effectively while identifying opportunities for systemic and process improvements to enhance customer service across the organisation. To improve accessibility and customer convenience, the Bank has expanded the channels available for customers to lodge complaints, ensuring that concerns can be raised easily through multiple touchpoints and addressed promptly. This initiative supports greater transparency, strengthens stakeholder engagement and helps mitigate potential reputational risks while reinforcing the Bank's commitment to responsible and sustainable banking practices

Project and analytics

- This function coordinates and delivers strategic compliance projects, regulatory initiatives, change requests and data-driven transformation programmes across the Bank

- Provides project governance, stakeholder coordination, benefits tracking and oversight of key compliance systems and process improvement initiatives

- Strengthens compliance data, management information, analytics and regulatory reporting capabilities to support informed decision-making and effective risk management

- Drives automation, innovation and AI-enabled solutions to improve operational efficiency, compliance-related data quality and the autonomy of the Compliance function as a whole

- Supports the Bank's compliance and governance framework through continuous improvement across initiatives

Legal risk

General approach and objectives

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

Mitigation and management

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

Climate risk

General approach and objectives

Climate risk may directly or indirectly affect banks through exposures to customers, resulting in both financial and non-financial impacts. The Bank assesses 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 operates within a well-established governance framework, which has been adapted to cater for climate-related risk management considerations. This is set out in the context of the broader sustainability governance structure.

In May 2026, the Board approved a Climate-related Financial Risk Policy, which sets out the governance arrangements - including the roles and responsibilities of the Board, senior management and relevant internal functions - for managing climate-related financial risks in alignment with the Three Lines of Defence model. Under the Policy, physical and transition risk indicators are monitored regularly and reported to the RMC on a half-yearly basis. The RMC oversees the progressive development and integration of these considerations into the Bank's broader risk management framework.

Read more about our sustainability governance structure in the Sustainability Report on our website

Governing guidelines include	Guideline on Climate-related and Environmental Financial Risk Management
Internal policies	Climate-related Financial Risk Policy Environmental and Social Risk Policy

Measurement, monitoring and management

The Bank has established methodologies to identify, assess and monitor both climate-related physical and transition risks across its portfolio. Physical risk assessments are performed using a platform provided by an internationally recognised service provider that evaluates current natural hazard exposures and projected climate-related risks under selected Intergovernmental Panel on Climate Change (IPCC) scenarios across short-, medium- and long-term time horizons.

To assess transition risk, the Bank has developed an internal methodology that evaluates the potential impact of climate transition pathways on its wholesale portfolio. The approach incorporates selected Network for Greening the Financial System (NGFS) scenarios and considers the potential impact of carbon pricing across different time horizons. Alongside exploring the integration of the financed emissions calculation being undertaken under the Partnership for Carbon Accounting Financials (PCAF) framework, the transition risk methodology is being further enhanced to capture additional transmission channels.

Read more about our PCAF approach in the Sustainability Report on our website

The Bank runs regular climate-related physical and transition risk assessments on its in-scope portfolio, covering a range of sectors and geographies. Climate-related financial risks are being progressively embedded into existing risk management processes, including through the incorporation of a climate-related scenario in the ICAAP stress testing exercise to assess potential impacts on the Bank's risk profile and capital adequacy over the planning horizon. The Bank has also embedded climate risk considerations into its sector-specific policies for Oil and Gas and Metals and Mining and is implementing a climate risk screening questionnaire as part of its Environmental and Social Risk Management process.

Read more on the ICAAP stress testing exercise in the Capital Management section (page 182)

Environmental and Social risk

General approach and objectives

The Bank 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 the objectives of the E&S Risk Policy 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

The Bank has developed a systematic Environmental and Social Risk Management (ESRM) methodology to identify, assess, manage, and monitor E&S risks in our lending activities in line with our E&S Risk Policy, which defines transactions eligible for E&S Risk Assessment, covering all sectors within our risk appetite. Our scope of application is aligned to the Equator Principles, with a lower financial materiality threshold for Project Finance, which applies to corporate and MME/SME clients, sustainable financing products, corporate and government loans and unfunded facilities. We are dedicated to also addressing emerging E&S risks such as biodiversity loss, gender issues, and working conditions across various sectors through the use of newly developed tools to enhance assessment of those risks.

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 transactions. 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, the Bank demonstrates its commitment to responsible banking practices and sustainable development in the regions it serves.

Read more on our ESRM Policy on our website

Risk assurance: Internal audit

Internal Audit approach

The Internal Audit Charter, as approved by the Audit Committee, formally establishes the authority, independence and responsibilities of the Internal Audit function. Internal auditors are required to maintain objectivity in the performance of their duties and are prohibited from assuming operational responsibilities for activities subject to audit review. Appropriate safeguards are in place to manage potential conflicts of interest and preserve the independence of audit conclusions and recommendations.

Operating as the independent third line of defence, the Internal Audit function provides objective assurance designed to add value and improve the Bank's operations. Its mandate encompasses the evaluation of the adequacy and effectiveness of the governance, risk management, and internal control frameworks. A core responsibility is to assess whether Management is taking appropriate and timely action to address identified control deficiencies. To safeguard its independence and objectivity, the Head of Internal Audit reports functionally to the Audit Committee and administratively to the Chief Executive Officer.

The Internal Audit function employs a dynamic, risk-based methodology to ensure its plan remains aligned with the Bank's evolving risk profile and strategic objectives. Our three-year rolling plan is reviewed and updated annually through a structured risk and control assessment framework. This process involves a comprehensive reassessment of the Bank's risk universe, with a specific focus on evaluating emerging risks inherent in new business activities, digital transformation and the changing external environment.

Audit priorities and resource allocation are determined by the level of risk, taking into consideration the control effectiveness for each identified risk and the Bank's risk appetite. Input from the Board, regulators, and senior management is integral to this process. While the plan maintains its core focus on higher-risk areas and regulatory requirements, it is designed with inherent agility to navigate a dynamic risk landscape, a capability demonstrated by our responsive approach to recent global challenges.

Through the execution of its risk-based audit plan, the Internal Audit function periodically identifies areas where the design or operating effectiveness of controls may require strengthening. Any significant control deficiencies, weaknesses or opportunities for improvement identified during audit engagements are formally communicated to Management and monitored through agreed corrective action plans until remediation is completed.

While the Bank maintains a comprehensive internal control framework, no system of internal control can provide absolute assurance against all risks. Certain emerging risks, particularly those associated with rapid technological advancements, evolving cybersecurity threats, third-party dependencies, geopolitical developments and changes in the regulatory landscape may continue to evolve at a pace that challenges the design and implementation of existing controls. These areas are continuously reassessed through the Bank's risk management and audit planning processes.

The Internal Audit function has unrestricted access to all records, systems, premises, information, personnel and members of Management necessary to discharge its responsibilities effectively. During the reporting period, no limitations or restrictions were placed on the scope of Internal Audit activities or on its right of access to relevant records, Management, employees, or information required to perform its duties.

Internal Audit strategy, methodology and assurance

The Internal Audit function of the Bank delivers its mandate through a strategic and disciplined approach, founded on core pillars designed to continuously evaluate and enhance the effectiveness of the Bank's risk management, control, and governance processes. This methodology is built upon the perpetual reassessment of the risk environment, ensuring our audit work programmes remain dynamically aligned with the evolving risk landscape. A critical component of this is the deepened and strategic usage of data analytics, which significantly expands our risk coverage and analytical precision. Furthermore, we are dedicated to streamlining the entire audit process, from planning and execution to the preparation of reports, the communication of results, and the rigorous follow-up of recommendations. This end-to-end efficiency is designed to directly improve operations and the customer experience.

In line with our commitment to leading practices, our certified compliance with the Institute of Internal Auditors' (IIA) standards is upheld through a formal Quality Assurance and Improvement Programme (QAIP). This programme mandates regular internal Quality Assurance Reviews conducted by our team of experienced auditors, complemented by independent external assessments carried out at least every five years. The latest external quality assessment was performed in 2023 by an internationally recognised auditing firm, which concluded that the Internal Audit Strategic Business Unit was in conformance with the International Standards for the Professional Practice of Internal Audit (IPPF Standards) that were in force at the time. In addition, the Internal Audit Strategic Business Unit is currently undergoing an independent assessment by the Institut Français de l'Audit et du Contrôle Internes (IFACI), an organisation affiliated with the IIA, as part of its continuous improvement journey, with a view to obtain the IFACI Quality Certification, which provides independent recognition of the function's conformance with the Global Internal Audit Standards (GIAS). These reviews are instrumental in identifying opportunities to enhance the effectiveness of our internal audit management and processes, thereby reinforcing the function's credibility and image.

To augment our capabilities, we strategically leverage technology and enhance our expertise through selective co-sourcing arrangements with external specialists. This is particularly impactful in highly specialised domains such as cybersecurity, where we gain access to cutting-edge skills and knowledge, ensuring our audits remain robust against modern threats. Our audit process is further enhanced by a milestone-based review system, where each phase of an engagement is critically assessed to increase its overall effectiveness and business impact.

Audit reports, which detail key observations and associated corrective action plans, are formally communicated to the responsible operational management and to senior leadership. To maintain its independence, the Internal Audit function provides at least quarterly updates to the Audit Committee on the adequacy of its resources, structure, staffing, and audit coverage. The progress of all management action plans is meticulously monitored, with past-due items actively followed up and queried.

Based on the comprehensive assessments performed through this enhanced, technology-driven, and risk-based approach, the Internal Audit function provides assurance that it is not presently aware of any significant deficiency within the Bank's internal control framework that could substantially jeopardise its operations. Nevertheless, Internal Audit continues to evaluate emerging and evolving risks to determine whether enhancements to governance, risk management and control processes are required to maintain adequate coverage.

Key objectives and priorities

In the short to medium term, the Internal Audit function will continue to strengthen its role as an independent assurance provider by further enhancing its risk-based audit approach and increasing its focus on areas of strategic importance to the Bank. Key priorities include:

- Further integrating advanced data analytics, automation and emerging technologies into the audit process, while continuing to invest in the development, certification and specialised expertise of audit staff through targeted training, professional qualifications and strategic co-sourcing arrangements to ensure the function remains equipped to audit increasingly complex and technology-driven environments
- Continuing to enhance audit methodologies to align with the Global Internal Audit Standards (GIAS) and leading international practices
- Completing the IFACI Quality Certification assessment process and implementing any improvement identified
- Increasing focus on emerging risks, including cybersecurity, digital transformation initiatives, artificial intelligence, operational resilience, third-party risk management and evolving regulatory expectations
- Further strengthening coordination with Risk Management, Compliance and other assurance providers, in line with the Three Lines Model, to optimise assurance coverage, support the consolidation of risk, compliance and regulatory assurance, and enhance organisational risk oversight through the progressive implementation of the Combined Assurance Framework

Through these initiatives, the Internal Audit function aims to further enhance the quality, relevance, and impact of its assurance activities while supporting the Bank's strategic objectives and maintaining the confidence of the Board, regulators and other stakeholders.

Capital management

Our objective

Our underlying capital management objective, which is aligned with general directions determined at MCB Group level, is to ensure that MCB has adequate capital resources at any times. This objective serves a threefold purpose: enabling effective operation, fostering sustained business growth and either maintaining or enhancing our credit ratings. We aim to maintain a resilient capital position, which is consistent with the expectations and requirements of our diverse stakeholders, notably the regulators and authorities, rating agencies, customers and correspondent banks.

Capital management at MCB is underpinned by a forward-looking and risk-based approach, coupled with a comprehensive governance framework. We determine the level and composition of our capital after making allowance for a wide range of factors. They include the Bank's risk appetite, the strategic priorities, the legal and regulatory landscape, business growth prospects and conditions prevailing across the economy and financial markets. Through this holistic assessment, we fine-tune our capital strategy to align with our broader goals, ensuring that we remain resilient and seize strategic objectives as they arise.

Our Internal Capital Adequacy Assessment Process

Framework

MCB is guided by its Internal Capital Adequacy Assessment Process (ICAAP) when determining its capital planning and formulating its risk appetite process. The ICAAP framework has been developed and applied at the Bank pursuant to the issue of the Bank of Mauritius (BoM) Guideline on Supervisory Review Process in April 2010. Our ICAAP document, which is reviewed periodically, delineates the process through which the Bank assesses the required minimum capital to support its activities. It seeks to ensure that MCB remains well capitalised after considering material risks.

Objectives

To provide an informative description of the methodology and procedures that the Bank uses to assess and mitigate its risks; and to make sure that adequate capital resources are kept to support risks faced beyond core minimum requirements.

Assessment and planning

Through the ICAAP, the Bank assesses its forecast capital supply and demand relative to its regulatory and internal capital targets under various scenarios. The Bank's capital plan is defined every year during the budgeting and strategic planning exercise, while the Board sets the risk appetite limits for the financial year. The Bank monitors its exposures on a quarterly basis against those limits, and pertinent insights are reported to the RMC.

The capital plan includes a crisis management plan. The latter makes allowance for various measures to facilitate the rapid mobilisation of additional capital if the need arises, with discussions thereon being held at Board level.

Stress testing

Stress testing is a key risk management tool used by the Bank and is an integral part of our ICAAP. The aim of the Bank's stress testing framework is to 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 BoM Guideline on Stress Testing issued in June 2022.

Forecasts are made over a 3-year horizon, taking into account the Basel Pillar I and II stress scenarios. The ICAAP provides for an assessment of the Pillar I risk types (i.e. credit, operational and market risks) and Pillar II risk types (i.e. concentration, liquidity, interest rate, strategic risks, etc.). In line with this approach, climate risk considerations are also 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 2025/26. These assessments are undertaken to understand the sensitivity of the key assumptions of the capital plan with regard to the realisation of plausible stress scenarios. This helps MCB evaluate how it can maintain adequate capital under such scenarios.

Framework

Risk identification

- To detect and address existing or potential vulnerabilities such as unidentified and Bank-wide risk concentrations or interactions among various types of risk, many of which may be overlooked when relying purely on statistical risk management tools based on historical data

Risk assessment

- To promote a deep understanding of organisational vulnerabilities on the back of forward-looking risk assessments; this helps to make risk more transparent via an estimation of scenario-based losses and to prevent the development of any false sense of security about the Bank's resilience
- To evaluate the significance of risk faced during different phases, notably during periods of: (i) favourable economic and financial conditions given the subsequent lack of visibility over potentially negative future developments; and (ii) business expansion when innovation leads to new products and services for which no historical data is available for forecasting future trends

Risk mitigation

- To facilitate the development of risk mitigation or contingency plans across stressed conditions
- To stimulate debates and raise awareness of the various risk aspects of our client portfolios among Management, helped by (i) a well organised surveying of the operating context; (ii) an identification of the most important risk factors; and (iii) a scanning of the horizon for potential stressful events

Results

In FY 2025/26, 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 took place in the middle of FY 2025/26, i.e. at the beginning of January 2026, 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 and Survival Horizon. 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 thereafter.

Economic recovery
(Mild scenario)

After weeks of tension, Israel and Iran reach a favourable resolution. However, the trade war set off by the US administration continues and even results in the termination of the AGOA agreement. US companies continue to boost their local production which causes China's exports to shrink considerably, therefore resulting in industrial firms across China cutting their production levels and consequentially causing a sharp decrease in oil prices to around USD 45/barrel. Separately, in FY26, the Bank falls victim to a cyberattack and is forced to pay USD 90m in ransom to prevent the release of encrypted customer data.

In FY27 oil prices continue to decrease and China's exports continue to deteriorate further. At the same time, African oil producers feel the effects of the prolonged low oil prices and start to face increased pressures to meet their FCY debt obligations. In turn, MCB experiences a shrinkage of its oil-linked financing activities while existing structured oil transactions begin to default. In addition, while the Bank continues its push to move to cloud-hosted platforms, the Treasury ecosystem software provider suffers a severe cyberattack resulting in a complete shutdown of the Treasury system for 2 weeks, a reversion to manual operations and a near total stop of trading activities as well as FX commercial transactions, resulting in an overall loss of revenue of MUR 2bn.

In FY28 climate regulations become even more restrictive, resulting in oil prices to decrease further as a consequence of this shift to greener energy sources, which in turn continues to impact the good standing of several oil traders banking with MCB.

Climate Risk and Austerity Measures
(Moderate scenario)

In FY26, Mauritius faces a turbulent year marked by two back-to-back powerful tropical cyclones with widespread flooding that leave a trail of destruction across the island, damaging infrastructure and disrupting banking operations. As the country begins to recover, a wave of fiscal tightening is introduced including deep public spending cuts, new banking taxes and a capital gains tax on property sales. These measures, coupled with the discontinuation of investor-friendly schemes like the Smart City initiative, erode investor confidence and drive capital outflows from the Mauritius IFC as they seek more stable jurisdictions. Tourism and agriculture sectors, both heavily impacted by the physical damage and unpredictable weather, see sharp declines in revenue further straining debt performance.

In FY27, the focus shifts to transition risk as the EU enforces stricter environmental regulations and expands its carbon border tax to key Mauritian exports, putting pressure on exporters to meet new sustainability requirements. At the same time, persistent coastal degradation and erratic weather continue to erode asset values and new taxes and fees come into effect squeezing household budgets and deterring tourists. Meanwhile, MCB's recently implemented new quantitative trading model misfires, executing automated FX trades based on misleading news about African central banks. The model's failure to account for market volatility leads to a loss of USD 45m, triggering reputational damage and regulatory scrutiny.

In FY28, the regulatory burden deepens as EU's extensive sustainability reporting rules extend to non-EU firms and in parallel, Mauritian exporters have no choice but to invest heavily in sustainable upgrades to stay competitive. The tourism sector faces a structural decline as EU travellers opt for greener and more affordable destinations. Air Mauritius struggles to keep pace with regional competitors. With rising compliance costs, weakening demand and an outdated tourism model, the financial sector is left navigating in a complex and shifting landscape.

Trade and Conventional war
(Severe scenario)

Between FY26 & FY28, global economic and geopolitical turbulence intensifies, driven by persistent US trade wars against large trading partners such as China, Canada, EU and Mexico. Military conflict between Israel and Iran amplifies. FY26 sees steep rise in oil prices to USD 150/barrel following the closure of the Strait of Hormuz, a critical chokepoint for oil transportation. Both wars cause widespread decline in economic growth and high inflation. Mauritius faces economic strain from reduced exports, tourism and financial downgrades. In addition, the Bank experiences a critical operational failure due to inadvertent duplicate payment leading to an operational loss of USD 50m.

In FY27, the trade crisis deepens with negotiations toughening with the US. As a result, more countries join BRICS, reinforcing its influence on the economic cooperation while in the Middle East, Lebanon, Yemen and Iraq join the war. Iran launches cyber attacks on Israeli and US infrastructure as well as financial systems. Another important shipping route, the Gulf of Aden, is closed further disrupting the energy supply, leading oil prices to soar to USD 175/barrel. Global recession sets in. The manufacturing and hospitality sectors witness significant lay-offs as more and more local companies are no longer breaking-even. Bank of Mauritius raises interest rates to curb the effect of imported inflation.

In FY28, while tensions resurge as hostilities in the Middle East de-escalate to unconventional war, Russia proclaims victory over Ukraine without the support of US. Russia attempts to reconquer ex-USSR Baltic regions, creating huge uncertainties in Europe and impacting the tourism industry in Mauritius. Imposition of foreign taxes by the US in its new regulations, the high oil prices and low global demand exacerbate the already weakened local economy.

Our capital position

Adherence to Basel rules

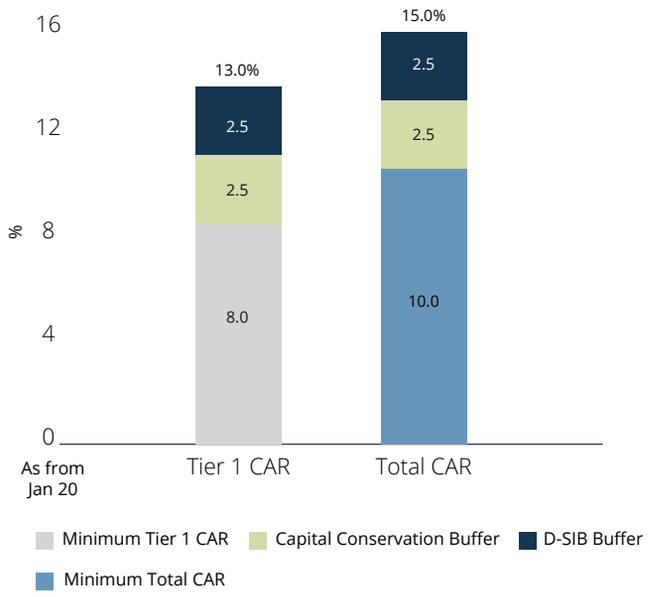
The Bank uses the Basel II Standardised Approach to manage its credit and market risk exposures, with the Alternative Standardised Approach used for operational risk. The determination of its capital resources is conducted in line with the BoM Guideline on Scope of Application of Basel III and Eligible Capital. It also complies with the Guideline for dealing with Domestic-Systemically Important Banks (D-SIB). Under the latter guideline, banks are required to hold a capital surcharge, also known as D-SIB buffer, ranging from 1.0% to 2.5% of their risk-weighted assets depending on their systemic importance. The assessment for determining D-SIB is carried out on a yearly basis by the Central Bank using end-June figures.

According to the assessment carried out by the Central Bank, MCB Ltd features among the four banks that have been identified as systemically important in our jurisdiction. This assessment is based on five factors, namely size, exposure to large groups, interconnectedness, complexity and substitutability. The minimum regulatory Tier 1 and capital adequacy ratios currently applicable to the Bank stand at 13.0% and 15.0% respectively as summarised below.

Regulatory ratios applicable to MCB

Tier 1 CAR and Total CAR

(plus Capital Conservation Buffer plus D-SIB Buffer)



Our performance for FY 2025/26

Our capital position remained strong during the year under review. Our Tier 1 and total capital adequacy ratios dropped on the back of the growing exposure but remained robust at 17.3% and 19.5% respectively as at 30 June 2026, thus comfortably exceeding minimum regulatory levels.

Determination and evolution of our capital adequacy ratios

MCB Ltd	Jun 25	Jun 26
Capital base	**Rs m**	**Rs m**
Ordinary shares (paid-up) capital	8,880	8,880
Retained earnings	76,003	90,945
Accumulated other comprehensive income and other disclosed reserves	10,692	10,619
Common Equity Tier 1 capital before regulatory adjustments	**95,575**	**110,444**
Regulatory adjustments		
Other intangible assets	(2,913)	(3,165)
Deferred tax assets	(4,383)	(4,723)
Cash flow hedge reserve	(11)	52
Common Equity Tier 1 capital (CET1)	**88,267**	**102,608**
Additional Tier 1 capital (AT1)	-	-
Tier 1 capital (T1 = CET1 + AT1)	**88,267**	**102,608**
Capital instruments	6,757	6,997
Provisions or loan-loss reserves	5,439	6,876
Tier 2 capital before regulatory adjustments	**12,196**	**13,873**
Regulatory adjustments	(645)	(626)
Tier 2 capital (T2)	**11,551**	**13,248**
Total capital (T1 + T2)	**99,818**	**115,855**

Risk-weighted assets	Rs m	Rs m
Weighted amount of on-balance sheet assets	382,894	487,874
Weighted amount of off-balance sheet exposures	52,208	62,222
Weighted risk assets for operational risk	37,292	41,895
Aggregate net open foreign exchange position	1,345	2,576
Total risk-weighted assets	**473,740**	**594,567**

Capital adequacy ratios	%	%
Total capital adequacy ratio	**21.1**	**19.5**
of which Tier 1	***18.6***	***17.3***

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

Determination of risk-weighted assets

Credit risk

- The Bank measures the credit risk capital requirements by applying appropriate risk weights to both on-balance sheet and off-balance sheet exposures in line with the Guideline on Scope of Application of Basel III and Eligible Capital and the Guideline on Standardised Approach to Credit Risk issued by BoM. The risk-weighted exposures under the Standardised Approach to credit risk are based on the category of borrower, its risk weight and the credit conversion factor of the underlying facility. The Bank uses external ratings from S&P Global Ratings, Moody's, CARE Ratings and Fitch Ratings for credit exposures in its sovereign and bank portfolios.

- The Standardised Approach recognises the use of various techniques to mitigate the credit risks to which banks are exposed. For example, exposures may be collateralised by first priority claims, in whole or in part with cash or securities. Banks may agree to net loans owed to them against deposits from the same counterparty. On a conservative basis, for the purpose of calculating its capital requirements, MCB considers only cash pledged and guarantees as eligible credit risk mitigations.

Market risk

- With regard to its trading book, MCB adheres to the Standardised Approach as outlined by the BoM in its Guideline on Measurement and Management of Market Risk. As per this methodology, which is closely aligned with the Basel II Standardised Measurement Method, banks are required to hold additional capital whenever their overall trading book position activities exceeds 5% of total assets. As at 30 June 2026, MCB's trading book significance was below 5% thus requiring no additional capital charge.

- The Guideline on Measurement and Management of Market Risk also encourages all banks to hold a capital buffer that adequately covers the interest rate risk exposures arising from non-trading activities in the banking book. MCB monitors the impact of interest rate shifts on its structural interest rate risk using repricing gap analysis techniques. Interest rate risk gap reports are submitted to the BoM on a quarterly basis for the Bank's significant currencies (MUR, USD and EUR) and on a consolidated basis. As at 30 June 2026, the Bank held a capital buffer commensurate with the aggregate banking book interest rate risk both from an earnings and economic value perspective as per the aforementioned Guideline. Of note, the one-year earnings impact arising from a 200 basis points parallel shift in interest rates, using the earnings perspective framework prescribed by the BoM, is shown in Notes 3(c) (iii) to the Accounts.

Operational risk

- MCB applies the Alternative Standardised Approach to determine its operational risk capital. Under this approach, the Bank's activities fall under eight business lines, namely (i) retail banking; (ii) commercial banking; (iii) corporate finance; (iv) trading and sales; (v) payment and settlement; (vi) agency services; (vii) asset management; and (viii) retail brokerage. The capital charge for retail banking and commercial banking is arrived at by applying a factor (denoted as beta) and a fixed factor of 3.5% to the average outstanding balance of loans and advances as at end of the previous three years. As for the other business lines, the capital charge is arrived at by applying a beta factor to the average positive annual gross income over the previous three years. Of note, beta, as recommended by Basel, serves as a proxy for the industry-wide relationship between the operational risk loss experience for a given business line and the aggregate level of gross income for the latter.

Risk-weighted assets for credit risk

Risk-weighted on-balance sheet assets	Jun 25			Jun 26	
	Weighted Assets (Rs m)	Amount (Rs m)	Weight (%)	Weighted Assets (Rs m)
Cash items	92	4,717	0 - 20	56
Claims on sovereigns	175	442,554	0 - 100	159
Claims on central banks	0	88,846	0	0
Claims on banks	35,889	117,755	20 - 150	43,369
Claims on non-central government public sector entities	345	905	0 - 100	453
Claims on corporates	291,789	429,809	20 - 150	377,659
Claims on retail segment	11,120	18,636	75	12,950
Claims secured by residential property	20,346	59,142	35 - 125	24,418
Fixed assets/other assets	20,666	18,281	100 - 250	26,277
Past due claims	2,472	1,969	50 - 150	2,533
Total	**382,894**			**487,874**

Non-market related off-balance sheet risk-weighted assets	Jun 25	Jun 26				
	Weighted Amount (Rs m)	Nominal Amount (Rs m)	Credit Conversion Factor (%)	Credit Equivalent Amount (Rs m)	Weight (%)	Weighted Amount (Rs m)
Direct credit substitutes	2,431	2,779	100	2,779	0 - 100	2,658
Transaction-related contingent items	18,664	62,188	50	27,108	0 - 100	24,591
Trade related contingencies	17,953	193,932	20 - 100	29,398	0 - 100	23,166
Outstanding loans commitment	6,427	11,968	20 - 50	5,764	100	5,587
Total	**45,474**					**56,003**

Market-related off-balance sheet risk-weighted assets	Jun 25	Jun 26					
	Weighted Assets (Rs m)	Nominal Amount (Rs m)	Credit Conversion Factor (%)	Potential Future Exposure (Rs m)	Current Exposure (Rs m)	Credit Equivalent Amount (Rs m)	Weighted Assets (Rs m)
Interest rate contracts	739	18,012	0 - 1.5	102	83	185	106
Foreign exchange contracts	1,041	75,133	1 - 7.5	793	816	1,609	871
Other commodity contracts (other than precious metals)	4,954	42,621	10 - 15	4,398	2,810	7,208	5,242
Total	**6,734**						**6,219**

	Jun 25	Jun 26
	(Rs m)	(Rs m)
Total credit risk-weighted assets	**435,103**	**550,097**

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

Risk-weighted assets for operational risk

Alternative standardised approach	Jun 25	Jun 26
	(Rs m)	**(Rs m)**
Weighted gross income (for 6 business lines*)	1,904	2,124
Average outstanding balance of loans and advances (retail and commercial banking)	357,315	406,176
Capital charge for operational risk	**3,729**	**4,189**
Risk-weighted assets for operational risk	**37,292**	**41,895**

**Corporate finance, trading and sales, payment and settlement, agency services, asset management and retail brokerage*

Risk-weighted assets for market risk

Market risk	Jun 25	Jun 26
	(Rs m)	**(Rs m)**
Aggregate net open foreign exchange position	1,345	2,576
Capital charge for trading book position exceeding 5% or more of its total assets	-	-

Exposures covered by cash and bank guarantees which qualify as a zero risk-weight

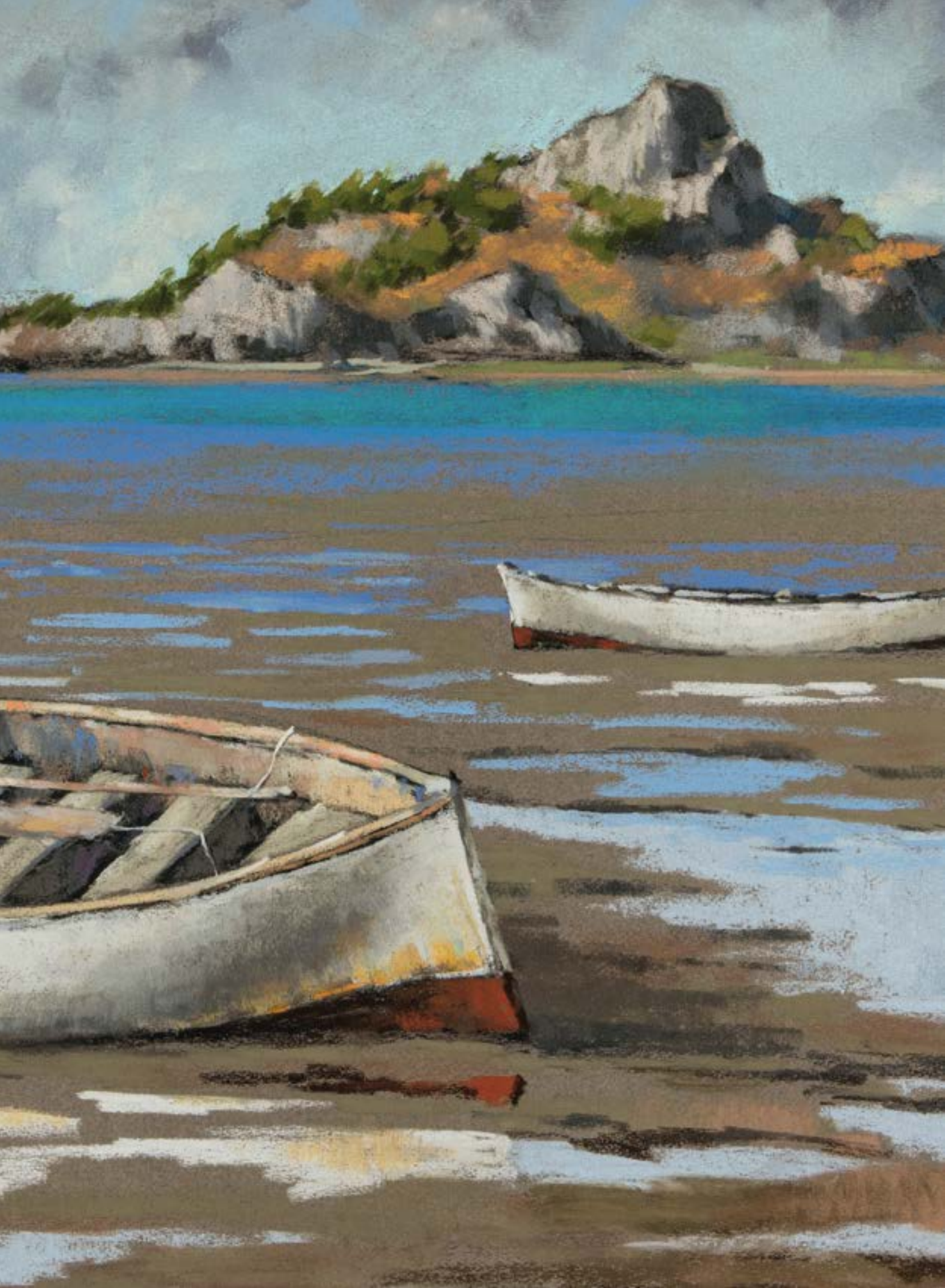
Exposures covered by credit risk mitigation	Jun 25	Jun 26
Eligible collateral	**(Rs m)**	**(Rs m)**
On-balance sheet		
Corporate	8,439	11,707
Retail	1,565	1,596
	10,004	**13,303**
Eligible collateral	**(Rs m)**	**(Rs m)**
Off-balance sheet		
Direct credit substitutes	1	1
Transaction-related contingent items	3,613	4,611
Trade-related contingencies	8,761	53,209
	12,375	**57,821**
Total	**22,379**	**71,125**



Craig McKENZIE
Director
Chairperson Risk Monitoring Committee



Thierry HEBRAUD
Chief Executive Officer



FINANCIAL STATEMENTS

Statement of Management's Responsibility for Financial Reporting

The consolidated and separate financial statements of the Group's and the Bank's operations, presented in this annual report have been prepared by Management, which is responsible for their integrity, consistency, objectivity and reliability. IFRS Accounting Standards as issued by IASB as well as the requirements of the Banking Act 2004 and the guidelines issued thereunder have been applied for the year ended 30 June 2026 and Management has exercised its judgement and made best estimates where deemed necessary.

The Bank has designed and maintained its accounting systems, related internal controls and supporting procedures to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorised use or disposal. These supporting procedures include careful selection and training of qualified staff, the implementation of organisation and governance structures providing a well-defined division of responsibilities, authorisation levels and accountability for performance, and the communication of the Bank's policies, procedures manuals and guidelines of the Bank of Mauritius throughout the Bank.

The Bank's Board of Directors, acting in part through the Audit Committee and Risk Monitoring Committee, which comprise, principally, independent directors, oversees Management's responsibility for financial reporting, internal controls, assessment and control of major risk areas, and assessment of significant and related party transactions.

The Bank's Internal Auditor, who has full and free access to the Audit Committee, conducts a well-designed programme of internal audits. In addition, the Bank's compliance function maintains policies, procedures and programmes directed at ensuring compliance with regulatory requirements.

Pursuant to the provisions of the Banking Act 2004, the Bank of Mauritius makes such examination and inquiry into the operations and affairs of the Bank as it deems necessary.

The Bank's external auditor, Deloitte, has full and free access to the Board of Directors and its committees to discuss the audit and matters arising therefrom, such as their observations on the fairness of financial reporting and the adequacy of internal controls.



Thierry HEBRAUD

Director

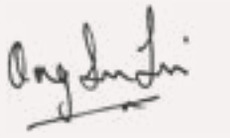
Chief Executive Officer



Simon WALKER

Director

Chairperson



Su Lin ONG

Director

Chairperson - Audit Committee



Independent auditor's report

to the Shareholder of The Mauritius Commercial Bank Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **The Mauritius Commercial Bank Limited** (the "Bank" and the "Public Interest Entity") and its subsidiaries (the "Group") as set out on pages 198 to 311, which comprise the consolidated and separate statements of financial position as at 30 June 2026, and the consolidated and separate statements of profit or loss, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Bank as at 30 June 2026, and of their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), and comply with the requirements of the Mauritius Companies Act 2001, the Banking Act 2004 and the Financial Reporting Act 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Key audit matter	How our audit addressed the key audit matter
Provision for expected credit losses - Financial assets which are not credit impaired	

IFRS 9 *Financial Instruments* ("IFRS 9") requires the Group and the Bank to recognise expected credit losses ("ECL") on financial instruments, which involves significant judgements and estimates. The key areas where we identified greater levels of management judgements and estimates and therefore increased levels of audit focus in the application of IFRS 9 are:

- **Model estimations** – The Group and the Bank have used the Run-off triangle model to estimate ECLs for the retail portfolio, which involves determining Probabilities of Default ('PD'), Loss Given Default ('LGD'), and Exposures at Default ('EAD'). For the wholesale portfolio, statistical models were employed for estimating the PD and LGD. The PD and LGD models used are the key drivers of the ECL results and are therefore the most significant areas of judgements and estimates used in the ECL modelling approach.
- **Significant Increase in Credit Risk ('SICR')** – Determining the criteria for SICR and identifying SICR– This can impact the ECL materially where facilities have maturity of greater than 12 months.

Our audit procedures included amongst others:

- Inspecting the minutes of the Risk Monitoring Committee, Audit Committee and the Board of Directors to ensure that there are governance controls in place in relation to assessment of the ECL;
- Involving a team of specialist to validate the model, including:
  - Evaluating the appropriateness of the impairment methodologies applied by the Bank against the requirements of IFRS 9;
  - Assessing the appropriateness of macro-economic forecasts used; and
  - Independently assessing assumptions underlying the PD, LGD and EAD.
- Reviewing the input to the internal rating system on a sample basis;

Independent auditor's report

to the Shareholder of The Mauritius Commercial Bank Limited (continued)

Key audit matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Provision for expected credit losses - Financial assets which are not credit impaired (Continued)	
• **Macro-economic forecasts** – IFRS 9 requires the measurement of ECLs 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. Due to the significance of the judgements and estimated involved in the overall determination of the allowances for ECL, this item is considered as a key audit matter. The details of the policies and processes for the determination of the allowances for ECL are disclosed in Notes 1(j) and 3(b) to the consolidated and separate financial statements.	• 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; • Performing a review of loans and advances to ensure that they have been included in the appropriate stage bucket; and • Assessing whether the disclosures are in accordance with the requirements of IFRS 9.
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. 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. 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 impairment events identification of impaired assets and impairment assessment; • Inspecting the minutes of the Risk Monitoring Committee, Audit Committee and Board of Directors to ensure that there are governance controls in place in relation to assessment of allowance for credit impairment; • Challenging the methodologies applied by using our industry knowledge and experience; • Obtaining audit evidence of management judgements and assumptions; • Independently recalculating the ECL, on a sample basis, based on our assessment of the expected cash flow and recoverability of collateral at an individual counterparty level. Where collaterals were used, we assessed, on a sample basis, the reasonableness of the time taken into account to realise those collaterals and the objectivity and qualifications of the respective independent appraisers; • Performing a risk-based test of loans and advances to customers to ensure timely identification of impairment and for impaired loans to ensure appropriate allowance for credit impairment; and • Assessing whether the disclosures are in accordance with the requirements of IFRS 9.

Independent auditor's report

to the Shareholder of The Mauritius Commercial Bank Limited (continued)

Other information

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

- Our purpose;
- Financial highlights;
- Sustainability highlights;
- Reflections from the Chairperson;
- Board of Directors; Committees of the Board and Leadership Team;
- About this report;
- Our corporate profile;
- Value creation for our stakeholders;
- Delivering on our strategic objectives;
- Chief Finance Officer report;
- Corporate governance report, including the statement of directors' responsibilities and statement of compliance;
- Administrative information;
- Company Secretary's certificate;
- Risk and capital management report.

The other information does not include the consolidated and separate financial statements and our auditor's report thereon. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by IASB, and in compliance with the requirements of the Mauritius Companies Act 2001, the Banking Act 2004, and the Financial Reporting Act 2004 and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Bank or to cease operations, or have no realistic alternative but to do so.

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

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.

Independent auditor's report

to the Shareholder of The Mauritius Commercial Bank Limited (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Bank and its subsidiaries other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Bank as far as appears from our examination of those records.

Financial Reporting Act 2004

Corporate Governance Report

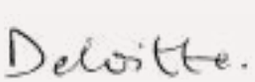
Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("the Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Public Interest Entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Banking Act 2004

- In our opinion, the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the provisions of the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius; and
- the explanations or information called for or given to us by the officers or agents of the Bank were satisfactory.

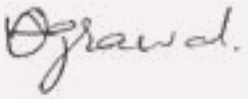
Use of this report

This report is made solely to the Bank's shareholder, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Bank's shareholder those matters we are required to state to the shareholder in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.



Deloitte

Chartered Accountants



Vishal Agrawal, FCA

Licensed by FRC

18 September 2026

Consolidated and Separate Statements of financial position

as at 30 June 2026

	Notes	GROUP 2026 RS'M	GROUP 2025 RS'M	GROUP 2024 RS'M	BANK 2026 RS'M	BANK 2025 RS'M	BANK 2024 RS'M
ASSETS							
Cash and cash equivalents	4	**212,246**	132,323	91,907	**211,765**	131,612	90,669
Mandatory balances with Central Banks		**45,840**	42,010	37,556	**43,945**	40,969	36,696
Derivative financial instruments	5	**4,160**	3,745	2,071	**4,160**	3,745	2,071
Loans to and placements with banks	6(a)	**35,715**	30,577	12,623	**35,715**	30,791	13,582
Loans and advances to customers	6(b)	**484,348**	375,178	382,533	**476,153**	366,970	375,404
Investment securities	7	**395,236**	328,121	324,562	**389,610**	324,783	322,210
Investments in subsidiaries	8(a)	**-**	-	-	**121**	121	121
Investments in associates	8(b)	**5,802**	5,740	5,495	**5,802**	5,740	5,495
Intangible assets	9	**3,186**	2,939	2,593	**3,165**	2,914	2,551
Property, plant and equipment	10	**5,870**	5,734	5,461	**5,340**	5,243	5,028
Deferred tax assets	11	**4,765**	4,408	3,740	**4,723**	4,383	3,719
Post employment benefit asset	17	**-**	-	754	**-**	-	754
Other assets	12	**11,454**	6,864	7,781	**10,742**	6,314	7,152
Total assets		**1,208,622**	937,639	877,076	**1,191,241**	923,585	865,452
LIABILITIES AND SHAREHOLDER'S EQUITY							
Liabilities							
Deposits from banks	13(a)	**46,631**	20,158	41,001	**44,433**	17,629	41,021
Deposits from customers	13(b)	**843,181**	690,364	641,637	**830,451**	681,527	634,292
Derivative financial instruments	5	**4,330**	4,068	1,990	**4,330**	4,068	1,990
Other borrowed funds	14	**145,322**	85,671	65,355	**144,840**	84,742	62,529
Debt securities	15	**33,341**	13,649	14,314	**33,341**	13,649	14,314
Subordinated liabilities	16	**7,187**	6,889	7,057	**6,997**	6,707	7,057
Current tax liabilities		**3,054**	2,601	2,706	**3,022**	2,574	2,697
Post employment benefit liability	17	**757**	456	-	**757**	456	-
Other liabilities	18	**13,369**	17,341	16,117	**12,627**	16,671	15,437
Total liabilities		**1,097,172**	841,197	790,177	**1,080,798**	828,023	779,337
Shareholder's equity							
Stated capital	19	**8,880**	8,880	8,880	**8,880**	8,880	8,880
Retained earnings		**91,942**	76,966	67,843	**90,944**	76,001	66,975
Other components of equity		**10,404**	10,398	9,997	**10,619**	10,681	10,260
Equity attributable to the equity holders of the parent		**111,226**	96,244	86,720	**110,443**	95,562	86,115
Non-controlling interest		**224**	198	179	**-**	-	-
Total equity		**111,450**	96,442	86,899	**110,443**	95,562	86,115
Total equity and liabilities		**1,208,622**	937,639	877,076	**1,191,241**	923,585	865,452
CONTINGENT LIABILITIES (NET)	20	**304,410**	197,864	189,087	**303,166**	195,913	187,311

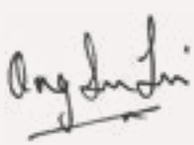
These financial statements were approved by the Board of Directors and authorised for issue on the 18 September 2026.



Thierry HEBRAUD
Director
Chief Executive Officer



Simon WALKER
Director
Chairperson - Board of Directors



Su Lin ONG
Director
Chairperson - Audit Committee

The notes on pages 208 to 311 form part of these financial statements.

Auditor's report on pages 194 to 197.

Consolidated and Separate Statements of profit or loss

for the year ended 30 June 2026

	Notes	GROUP 2026 RS'M	GROUP 2025 RS'M	GROUP 2024 RS'M	BANK 2026 RS'M	BANK 2025 RS'M	BANK 2024 RS'M
Interest income using the effective interest method	21	**52,564**	46,979	43,791	**51,234**	45,913	42,936
Interest expense	22	**(24,070)**	(21,492)	(20,908)	**(23,299)**	(20,957)	(20,515)
Net interest income		**28,494**	25,487	22,883	**27,935**	24,956	22,421
Fee and commission income	23	**11,281**	10,672	10,071	**10,873**	10,356	9,882
Fee and commission expense	24	**(3,410)**	(3,208)	(3,274)	**(3,192)**	(3,040)	(3,142)
Net fee and commission income		**7,871**	7,464	6,797	**7,681**	7,316	6,740
Net trading income	25	**6,041**	4,677	3,619	**5,838**	4,569	3,536
Net gain from equity financial instruments carried at fair value through profit or loss		**-**	549	476	**-**	549	476
Dividend income	26	**67**	71	65	**112**	103	106
Other operating income		**536**	216	107	**612**	264	112
Loss on disposal of associate		**-**	-	(241)	**-**	-	(241)
		6,644	5,513	4,026	**6,562**	5,485	3,989
Operating income		**43,009**	38,464	33,706	**42,178**	37,757	33,150
Non-interest expense							
Salaries and human resource costs	27(a)	**(8,836)**	(7,670)	(6,369)	**(8,619)**	(7,535)	(6,269)
Depreciation of property, plant and equipment	10	**(633)**	(577)	(541)	**(552)**	(516)	(492)
Amortisation of intangible assets	9	**(724)**	(663)	(663)	**(698)**	(642)	(641)
Other	27(b)	**(5,650)**	(4,799)	(3,897)	**(5,371)**	(4,588)	(3,733)
		(15,843)	(13,709)	(11,470)	**(15,240)**	(13,281)	(11,135)
Operating profit before impairment		**27,166**	24,755	22,236	**26,938**	24,476	22,015
Net impairment of financial assets	28	**(2,343)**	(3,162)	(3,485)	**(2,210)**	(3,055)	(3,329)
Operating profit		**24,823**	21,593	18,751	**24,728**	21,421	18,686
Share of profit of associates	8(b)	**371**	294	306	**371**	294	306
Profit before tax		**25,194**	21,887	19,057	**25,099**	21,715	18,992
Income tax expense	29	**(6,592)**	(4,547)	(3,570)	**(6,550)**	(4,504)	(3,546)
Profit for the year		**18,602**	17,340	15,487	**18,549**	17,211	15,446
Profit for the year attributable to:							
Ordinary equity holders of the parent		**18,582**	17,308	15,471	**18,549**	17,211	15,446
Non-controlling interest		**20**	32	16	**-**	-	-
		18,602	17,340	15,487	**18,549**	17,211	15,446
Earnings per share (Rs)	31	**20.93**	19.49	17.42	**20.89**	19.38	17.39
Diluted earnings per share (Rs)	31	**20.93**	19.49	17.42	**20.89**	19.38	17.39

The notes on pages 208 to 311 form part of these financial statements.

Auditor's report on pages 194 to 197.

Consolidated and Separate Statements of comprehensive income

for the year ended 30 June 2026

	Notes	GROUP 2026 RS'M	GROUP 2025 RS'M	GROUP 2024 RS'M	BANK 2026 RS'M	BANK 2025 RS'M	BANK 2024 RS'M
Profit for the year		**18,602**	17,340	15,487	**18,549**	17,211	15,446
Other comprehensive income:							
Items that will not be reclassified to profit or loss:							
Net fair value (loss)/gain on equity instruments		**(42)**	85	31	**(42)**	85	31
Share of other comprehensive income of associates		**-**	(38)	12	**-**	(38)	12
Remeasurement of defined benefit pension plan, net of deferred tax	29(b)	**(166)**	(1,085)	117	**(166)**	(1,085)	117
		(208)	(1,038)	160	**(208)**	(1,038)	160
Items that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations		**191**	190	198	**106**	215	152
Reclassification adjustments on disposal of investments		**(61)**	-	192	**(61)**	-	192
Change in fair value of hedge instrument	5(b)	**(75)**	(66)	-	**(75)**	(66)	-
Reclassification of effective portion of hedge	5(b)	**34**	55	-	**34**	55	-
Net fair value gain/(loss) on debt instruments		**41**	132	(29)	**41**	132	(29)
		130	311	361	**45**	336	315
Other comprehensive income for the year		**(78)**	(727)	521	**(163)**	(702)	475
Total comprehensive income for the year		**18,524**	16,613	16,008	**18,386**	16,509	15,921
Total comprehensive income attributable to:							
Ordinary equity holders of the parent		**18,487**	16,586	15,983	**18,386**	16,509	15,921
Non-controlling interest		**37**	27	25	**-**	-	-
		18,524	16,613	16,008	**18,386**	16,509	15,921

The notes on pages 208 to 311 form part of these financial statements.

Auditor's report on pages 194 to 197.

Consolidated Statement of changes in equity

for the year ended 30 June 2026

		GROUP								
		Attributable to equity holders of the parent							Non-controlling interest	Total Equity
	Note	Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	Cash Flow Hedge Reserve	Total		
		RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
At 1 July 2023		**8,880**	**57,468**	**42**	**667**	**8,880**	**-**	**75,937**	**164**	**76,101**
Profit for the year		-	15,471	-	-	-	-	15,471	16	15,487
Other comprehensive income for the year		-	129	2	381	-	-	512	9	521
Total comprehensive income for the year		-	15,600	2	381	-	-	15,983	25	16,008
Dividends	30	-	(5,200)	-	-	-	-	(5,200)	(10)	(5,210)
Transactions with owner		-	(5,200)	-	-	-	-	(5,200)	(10)	(5,210)
Transfer		-	(25)	-	25	-	-	-	-	-
At 30 June 2024		**8,880**	**67,843**	**44**	**1,073**	**8,880**	**-**	**86,720**	**179**	**86,899**
Profit for the year		-	17,308	-	-	-	-	17,308	32	17,340
Other comprehensive income for the year		-	(1,123)	217	195	-	(11)	(722)	(5)	(727)
Total comprehensive income for the year		-	16,185	217	195	-	(11)	16,586	27	16,613
Dividends	30	-	(7,062)	-	-	-	-	(7,062)	(8)	(7,070)
Transactions with owner		-	(7,062)	-	-	-	-	(7,062)	(8)	(7,070)
At 30 June 2025		**8,880**	**76,966**	**261**	**1,268**	**8,880**	**(11)**	**96,244**	**198**	**96,442**
Profit for the year		**-**	**18,582**	**-**	**-**	**-**	**-**	**18,582**	**20**	**18,602**
Other comprehensive income for the year		**-**	**(101)**	**(127)**	**174**	**-**	**(41)**	**(95)**	**17**	**(78)**
Total comprehensive income for the year		**-**	**18,481**	**(127)**	**174**	**-**	**(41)**	**18,487**	**37**	**18,524**
Dividends	30	**-**	**(3,505)**	**-**	**-**	**-**	**-**	**(3,505)**	**(11)**	**(3,516)**
Transactions with owner		**-**	**(3,505)**	**-**	**-**	**-**	**-**	**(3,505)**	**(11)**	**(3,516)**
At 30 June 2026		**8,880**	**91,942**	**134**	**1,442**	**8,880**	**(52)**	**111,226**	**224**	**111,450**

The notes on pages 208 to 311 form part of these financial statements.

Auditor's report on pages 194 to 197.

Separate Statement of changes in equity

for the year ended 30 June 2026

	Note	BANK						
		Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	Cash Flow Hedge Reserve	Total Equity
		RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
At 1 July 2023		**8,880**	**56,625**	**42**	**967**	**8,880**	**-**	**75,394**
Profit for the year		-	15,446	-	-	-	-	15,446
Other comprehensive income for the year		-	129	2	344	-	-	475
Total comprehensive income for the year		-	15,575	2	344	-	-	15,921
Dividends	30	-	(5,200)	-	-	-	-	(5,200)
Transactions with owner		-	(5,200)	-	-	-	-	(5,200)
Transfer		-	(25)	-	25	-	-	-
At 30 June 2024		**8,880**	**66,975**	**44**	**1,336**	**8,880**	**-**	**86,115**
Profit for the year		-	17,211	-	-	-	-	17,211
Other comprehensive income for the year		-	(1,123)	217	215	-	(11)	(702)
Total comprehensive income for the year		-	16,088	217	215	-	(11)	16,509
Dividends	30	-	(7,062)	-	-	-	-	(7,062)
Transactions with owner		-	(7,062)	-	-	-	-	(7,062)
At 30 June 2025		**8,880**	**76,001**	**261**	**1,551**	**8,880**	**(11)**	**95,562**
Profit for the year		**-**	**18,549**	**-**	**-**	**-**	**-**	**18,549**
Other comprehensive income for the year		**-**	**(101)**	**(127)**	**106**	**-**	**(41)**	**(163)**
Total comprehensive income for the year		**-**	**18,448**	**(127)**	**106**	**-**	**(41)**	**18,386**
Dividends	30	**-**	**(3,505)**	**-**	**-**	**-**	**-**	**(3,505)**
Transactions with owner		**-**	**(3,505)**	**-**	**-**	**-**	**-**	**(3,505)**
At 30 June 2026		**8,880**	**90,944**	**134**	**1,657**	**8,880**	**(52)**	**110,443**

The notes on pages 208 to 311 form part of these financial statements.

Auditor's report on pages 194 to 197.

Consolidated and Separate Statements of cash flows

for the year ended 30 June 2026

	Notes	GROUP 2026 RS'M	GROUP 2025 RS'M	GROUP 2024 RS'M	BANK 2026 RS'M	BANK 2025 RS'M	BANK 2024 RS'M
Cash flows from operating activities							
Operating profit		**24,823**	21,593	18,751	**24,728**	21,421	18,686
Adjustments for:							
Depreciation of property, plant and equipment		**633**	577	541	**552**	516	492
Amortisation of intangible assets		**724**	663	663	**698**	642	641
Profit on disposal of property, plant and equipment		**(11)**	(8)	(3)	**(2)**	(5)	(3)
Loss on scrapped assets		**3**	2	11	**3**	2	11
Loss on disposal of associate		**-**	-	241	**-**	-	241
Exchange profit/loss		**583**	(893)	974	**567**	(939)	1,024
Additional/(release) provision for employee benefits		**60**	(93)	(113)	**60**	(93)	(113)
Additional/(release) provision for residual retirement gratuities		**41**	(4)	(45)	**41**	(4)	(45)
Charge/(release) for credit impairment:							
Loans and advances		**3,119**	3,803	4,206	**3,008**	3,717	4,057
Investment securities		**(216)**	191	464	**(245)**	179	461
Cash and cash equivalents		**(8)**	43	(5)	**(7)**	41	(1)
Off balance sheet		**(70)**	610	(159)	**(64)**	615	(167)
Investments fair valued through other comprehensive income		**1**	1	-	**1**	1	-
		29,682	26,485	25,526	**29,340**	26,093	25,284
Changes in:							
Mandatory balances with Central Banks		**(3,830)**	(4,454)	(6,278)	**(2,976)**	(4,273)	(6,057)
Other assets		**(4,454)**	855	1,613	**(4,428)**	838	1,663
Other liabilities		**(799)**	403	1,822	**(812)**	387	1,810
Derivative financial instruments		**(194)**	393	(83)	**(194)**	393	(83)
Investment securities at fair value through profit or loss		**2,748**	(2,533)	(2,417)	**2,748**	(2,533)	(2,417)
Deposits		**178,303**	28,063	112,198	**175,728**	23,843	111,975
Loans and advances		**(116,720)**	(14,593)	(48,573)	**(117,115)**	(12,492)	(49,301)
		55,054	8,134	58,282	**52,951**	6,163	57,590
Purchase of investments at fair value through other comprehensive income		**(29,458)**	(19,874)	(759)	**(29,458)**	(19,874)	(759)
Proceeds from sale of investments at fair value through other comprehensive income		**28,789**	19,053	561	**28,789**	19,053	561
Dividends received from associates	8(b)	**428**	249	420	**428**	249	420
Dividends paid	30	**(6,405)**	(6,662)	(5,000)	**(6,405)**	(6,662)	(5,000)
Dividends paid to non-controlling interest in subsidiary		**(11)**	(8)	(10)	**-**	-	-
Income tax paid		**(6,463)**	(5,099)	(4,795)	**(6,408)**	(5,069)	(4,731)
		(13,120)	(12,341)	(9,583)	**(13,054)**	(12,303)	(9,509)
Net cash flows from operating activities		**71,616**	22,278	74,225	**69,237**	19,953	73,365
Investing activities							
Purchase of property, plant and equipment		**(567)**	(664)	(477)	**(482)**	(565)	(450)
Purchase of intangible assets		**(970)**	(1,011)	(1,002)	**(949)**	(1,005)	(992)
Proceeds from sale of property, plant and equipment		**5**	7	14	**3**	6	6
Investment in subsidiary		**-**	-	-	**-**	-	(3)
Net (increase)/decrease in investment securities at amortised cost		**(68,144)**	(573)	(73,352)	**(66,114)**	497	(72,619)
Net cash flows from investing activities		**(69,676)**	(2,241)	(74,817)	**(67,542)**	(1,067)	(74,058)
Financing activities							
Repayment of lease liabilities		**(131)**	(115)	(84)	**(131)**	(115)	(84)
Net increase/(decrease) in other borrowed funds	14	**59,679**	20,161	(21,168)	**60,225**	22,092	(21,899)
Issue of debt securities	15	**18,484**	-	-	**18,484**	-	-
Issue/(Refund) of subordinated liabilities	16	**-**	177	(271)	**-**	-	(271)
Net cash flows from financing activities		**78,032**	20,223	(21,523)	**78,578**	21,977	(22,254)
Increase/(Decrease) in cash and cash equivalents		**79,972**	40,260	(22,115)	**80,273**	40,863	(22,947)
Net cash and cash equivalents at 1 July		**132,273**	91,935	114,104	**131,559**	90,696	113,643
Effect of foreign exchange rate changes		**70**	78	(54)	**-**	-	-
Net cash and cash equivalents at 30 June	4	**212,315**	132,273	91,935	**211,832**	131,559	90,696

The notes on pages 208 to 311 form part of these financial statements.

Auditor's report on pages 194 to 197.

General information

The Mauritius Commercial Bank Limited ("The Bank") is a public company incorporated by Royal Charter in 1838 and registered as a limited liability company on 18 August 1955. Its registered office is situated at 9-15, Sir William Newton Street, Port Louis, Mauritius. The Bank's debt instrument is listed on the International Securities Market of the London Stock Exchange since October 2022.

The main activities of the Bank and those of its subsidiaries (collectively referred to as "The Group") consist of providing a whole range of banking and financial services. The Bank is wholly owned by MCB Investment Holding Limited.

The ultimate holding company is MCB Group Limited which is listed on the Official Market of The Stock Exchange of Mauritius Ltd.

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Notes to the Consolidated and Separate Financial Statements

for the year ended 30 June 2026

1. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB") and in compliance with the requirements of the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and the Banking Act 2004.

The Group at the time of approving the financial statements is not aware of any uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis. Management further has a reasonable expectation that the Group has adequate resources to continue in operational existence in the foreseeable future.

Where necessary, comparative figures have been amended to conform with changes in presentation, or in accounting policies in the current year.

The financial statements include the consolidated financial statements of the parent company The Mauritius Commercial Bank Limited ("The Company" or "The Bank") and its subsidiary companies ("The Group") and the separate financial statements of the parent company.

The financial statements have been prepared under the historical cost convention except for investment securities at fair value through other comprehensive income, financial assets and liabilities held at fair value through profit or loss, derivative contracts and defined benefit plan which are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36 Impairment of Assets.

New and amended standards adopted by the Group

The following relevant revised IFRS Accounting Standards have been applied in these financial statements. Their application have not had any significant impact on the amounts reported for the current and prior periods but may affect the accounting treatment for future transactions or arrangements.

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.

New and revised standards in issue but not yet effective

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.

Settlement of financial liabilities by electronic payments – IFRS 9 & IFRS 7

The amendments clarify when a financial asset or financial liability is recognised and derecognised and provide an exception for certain financial liabilities settled using an electronic payment system. The exception allows entities to derecognise their financial liabilities before the settlement date when it uses an electronic payment system that meets specific criteria. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

Equity instruments designated at fair value through other comprehensive income – IFRS 7

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI). The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

Notes to the Consolidated and Separate Financial Statements

for the year ended 30 June 2026

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(a) Basis of preparation (continued)

New and revised standards in issue but not yet effective (continued)

Contracts Referencing Nature-dependent Electricity – IFRS 9 and IFRS 7

To allow companies to better reflect the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs), amendments have been made to IFRS 9 and IFRS 7. These amendments provide guidance on the 'own-use' exemption for purchasers of electricity under PPAs, hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs and new disclosure requirements to enable investors to better understand the effects of PPAs. 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. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and applies retrospectively with early adoption permitted. The impact of this standard on the Group is currently being assessed.

Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency

These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:

- its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or
- it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

The amendments aim to improve the usefulness of the resulting information in a cost-effective manner and reduce diversity in practice. These amendments are effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.

These amendments will be applied in the financial statements for the annual periods beginning on the respective dates.

The Group has not yet considered the potential impact of the application of these amendments on the Group's financial statements.

(b) Basis of consolidation and equity accounting

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated 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.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(i) Separate financial statements of the Company

In the separate financial statements of the Company, investments in subsidiary companies are carried at cost. In subsequent years, the carrying amount is reduced to recognise any impairment in the value of individual investments.

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(b) Basis of consolidation and equity accounting (continued)

(1) Subsidiaries (continued)

(ii) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests without loss of control are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(2) Associates

An associate is an entity over which the Group has significant influence but no control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

Any excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

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

If there is objective evidence that the Group's net investment in an associate is impaired, the requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

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

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

In the separate financial statements of the Company, the investments in associates are equity accounted. In subsequent years, the carrying amount is reduced to recognise any impairment in the value of the company.

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(c) Foreign currency translation

The foreign subsidiaries' statements of financial position are translated to Mauritian Rupees at the closing rate at the end of the reporting period. Their statements of profit or loss, comprehensive income and cash flows are translated at the average rate for the period unless the average is not a reasonable approximation of the cumulative effects of the rates prevailing at the transaction dates, in which case income and expenses are translated at the rates prevailing on the dates of the transactions. Any resulting exchange differences are recognised in other comprehensive income. On disposal of a foreign entity, such exchange differences are recognised in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("functional currency"). The consolidated and separate financial statements are presented in Mauritian Rupees ("Rs"), which is the Company's functional currency. All amounts are in million except as otherwise stated.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation when the items are remeasured.

Trading transactions denominated in foreign currencies are accounted for at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities expressed in foreign currencies are reported at the rate of exchange ruling at the end of the reporting date. Differences arising from reporting monetary items are dealt with through profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction and are not subsequently retranslated.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(d) Derivative financial instruments

Derivatives are financial instruments that derive their value from the price of underlying items such as equities, interest rates, commodities or other indices. Derivatives are recognised initially at fair value and measured at fair value through profit or loss. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative.

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(f) Interest income

Interest income is calculated by applying the effective interest rate to gross carrying amount of financial assets, except for:

(i) Purchased or originated credit-impaired ('POCI') financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.

(ii) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

The Effective Interest Rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability.

(g) Fees and commissions

Fees and Commission income and expense include fees that are not an integral part of the Effective Interest Rate.

The Group recognises fee and commission income charged for services provided by the Group as and when performance obligations are satisfied, for example, on completion of the underlying transaction. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight-line basis.

A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Commissions and fees arising from negotiation of transactions with third parties, or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(h) Sale and repurchase agreements

Securities sold subject to linked repurchase agreements ("repos") are retained in the statements of financial position as Government securities and Treasury bills and the counterparty liability is included in amount due to other banks or deposits, as appropriate.

Securities purchased under agreements to resell ("reverse repos") are recorded as amount due from other banks or loans and advances, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the repos agreements using the effective interest method.

(i) Investments, other financial assets and financial liabilities

Recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss (FVPL), transaction costs that are incremental and directly attributable to the acquisition of the financial asset or financial liability. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. An expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and in debt instruments measured at fair value through other comprehensive income (FVOCI), which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Group recognises the differences as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Classification and subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Business model: the business model reflects how the Group manages the assets in order to generate cash flows, that is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the "other" business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the "SPPI test"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, 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).

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Investments, other financial assets and financial liabilities (continued)

Amortised cost and effective interest rate

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

For purchased or originated credit-impaired ('POCI') financial assets - assets that are credit-impaired at initial recognition, the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in net trading income. Impairment losses are presented as separate line item in the statement of profit or loss.

Loans originated by the Group by providing money directly to the borrower (at draw-down) are categorised as loans by the Group and are carried at amortised cost, which is defined as the fair value of cash consideration given to originate these loans as is determinable by reference to market prices at origination date. Third party expenses, such as legal fees, incurred in securing a loan are treated as part of the cost of the transaction.

FVOCI

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the fair value are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in net trading income. Interest income from these financial assets is included in interest income using the effective interest rate method. Foreign exchange gains and losses are presented in net trading income in the statement of profit or loss and impairment expenses are presented as a separate line item in profit or loss.

FVPL

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. The Group may also irrevocably designate financial assets that would otherwise meet the requirements to be measured at amortised cost or at fair value through other comprehensive income, as at fair value through profit or loss, if doing so would eliminate or significantly reduce an accounting mismatch that would otherwise arise. These will be subsequently measured at fair value through profit or loss with gains and losses recognised 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 FVPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Group's policy is to designate equity instruments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as dividend income when the Group's right to receive payments is established.

Gains or losses on equity investments at FVPL are included in the 'Net gain from equity financial instruments carried at fair value through profit or loss' line in the profit or loss.

Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new terms are substantially different from the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Investments, other financial assets and financial liabilities (continued)

Modification of loans (continued)

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the assets. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss in net impairment of financial assets.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Where modification did not result in derecognition, the estimate of probability of default 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-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership nor the Group has retained control.

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;

(ii) Is prohibited from selling or pledging the assets; and

(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Group retains a subordinated residual interest.

Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivative financial instruments, financial liabilities held-for-trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit and loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability) and partially in statement of profit or loss (the remaining amount of change in the fair value of the liability). This is applicable unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains or losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Investments, other financial assets and financial liabilities (continued)

Financial Liabilities (continued)

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expired).

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 instruments.

For loan commitments and financial guarantee contracts, the ECL is computed as follows:

- For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down.
- For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

Hedge Accounting

Hedge accounting is a technique that modifies the normal basis for recognising gains and losses (or revenues and expenses) on associated hedging instruments and hedged items, so that both are recognized in P&L (or OCI) in the same accounting period. This is a matching concept that eliminates or reduces the volatility in the statement of comprehensive income that otherwise would arise if the hedged item and the hedging instrument were accounted separately under IFRS.

The Bank has opted for a cash flow hedge strategy. The primary objective of this macro cash flow hedge is to mitigate the risk of fluctuating interest income due to anticipated declines in interest rates. The Bank aims to protect its budgeted Net Interest Margin (NIM) by stabilising interest cash flows from its floating rate assets, which are funded by non-interest bearing deposits.

The risk being hedged in a cash flow hedge is the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, an unrecognised firm commitment (currency risk only) or a highly probable forecast transaction, and could affect P&L. Future cash flows might relate to existing assets and liabilities, such as future interest payments or receipts on floating-rate debt. Future cash flows can also relate to highly probable forecast sales or purchases in a foreign currency. Volatility in future cash flows might result from changes in interest rates, exchange rates, equity prices or commodity prices.

Provided the hedge is effective, changes in the fair value of the hedging instrument are initially recognised in OCI and taken to a separate component of equity. Any ineffective portion of the change in the fair value of the hedging instrument is recognised directly in P&L.

The amount recognised in the separate component of equity should be the lower of:

- the cumulative gain or loss on the hedging instrument from the inception of the hedge; and
- the cumulative change in the fair value (present value) of the expected cash flows on the hedged item from the inception of the hedge.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Investments, other financial assets and financial liabilities (continued)

Hedge Accounting (continued)

If the cumulative change in the hedging instrument exceeds the change in the hedged item (sometimes referred to as an 'over-hedge'), ineffectiveness will be recognised in P&L for the excess. If the cumulative change in the hedging instrument is less than the change in the hedged item (sometimes referred to as an 'under-hedge'), no ineffectiveness will be recognised. This is different from a fair value hedge, in which ineffectiveness is recognised on both over and under-hedges.

For cash flow hedges of a forecast transaction which subsequently results in the recognition of a non-financial item (such as property, plant and equipment inventory or an IFRS 15 contract liability), or where a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the carrying value of that item must be adjusted for the accumulated gains or losses recognised directly in equity. This is often referred to as a 'basis adjustment in a cash flow hedge'. This is not a reclassification adjustment, as defined in IAS 1, and hence it does not affect other comprehensive income.

For other cash flow hedges, the accumulated gains and losses recorded in equity should be reclassified to P&L as a reclassification adjustment, as defined in IAS 1, in the same period or periods during which the hedged expected future cash flows affect P&L. This might be where interest income or expense is recognised or a forecast sale occurs.

Where there is a cumulative loss on the hedging instrument and it is no longer expected that the loss will be recovered, it must be immediately recognised in P&L.

(j) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

Three-Stage approach to ECL

IFRS 9 requires entities to recognise ECL based on a Stage allocation methodology, with such categorisation informing the level of provisioning required. The financial assets recorded in each stage have the following characteristics:

- Stage 1: These financial assets are unimpaired and without significant increase in credit risk on which a 12-month allowance for ECL is recognised.
- Stage 2: A significant increase in credit risk has been experienced on these financial assets since initial recognition for which a lifetime ECL is recognised.
- Stage 3: There is objective evidence of impairment and the financial assets are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Definition of Default

The definition of default is critical to the determination of the ECL. It is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Group; or
- The borrower is unlikely to pay its credit obligations in full to the Group.

The definition of default is appropriately tailored to reflect different characteristics of different 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 Guideline on Credit Impairment Measurement and Income Recognition.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(j) Impairment of financial assets (continued)

Credit impaired

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. It is credit impaired and is in Stage 3 when contractual payments or accounts in excess are past due by more than 90 days and/or other quantitative and qualitative factors indicate that the obligator is unlikely to honour its credit obligations.

Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default.

Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group 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.

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.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(j) Impairment of financial assets (continued)

Measurement of ECL (continued)

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities. The Group's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortisation profiles, early repayment or overpayment, changes in utilisation of undrawn commitments and credit mitigation actions taken before default. The Group uses EAD models that reflect the characteristics of the portfolios.

Write off Policy

Financial assets are written off either partially or in its entirety when the Group has no reasonable expectations of recovering them. This occurs when the Group determines that the customer does not have the capacity to repay the amount due or the collateral given by the customer is not sufficient to cover the exposure. The write off does not mean that the Group has forfeited its legal right to claim the sums due. The Group retains the right to proceed with enforcement actions under the Group's recovery procedure and any recovery will be recognised in the statement of profit or loss under 'Net impairment of financial assets' as recoveries of advances written off.

(k) Property, plant and equipment

Property, plant and equipment are carried at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated to write down the cost of such assets to their residual values on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years
Computer and other equipment	5-10 years
Furniture, fittings and vehicles	5-15 years

Land and work in progress are not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with effect of any changes in estimate accounted for on a prospective basis.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposal of property, plant and equipment are determined by reference to their disposal proceeds and their carrying amounts and are recognised as income or expense in profit or loss. Repairs and renewals are charged to profit or loss when the expenditure is incurred.

(l) Intangible assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly attributable with the design of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- the directors intend to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available;
- the expenditure attributable to the software product during its development can be reliably measured.

Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Expenditure that enhances or extends the benefits of computer software programmes beyond their original specifications and lives is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives, but not exceeding a period of ten years.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(m) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise unrestricted cash and balances with Central Bank, treasury bills and amounts due to and from other banks which are short term, highly liquid with original maturities of 90 days or less, and borrowings of original maturities of 90 days or less that can fluctuate in value changing from an asset to a liability and vice versa across periods.

(n) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(o) Deposits from banks and customers

Deposits from banks and customers are classified as financial liabilities at amortised cost. They are initially measured at fair value and subsequently carried at amortised cost.

(p) Employee benefits

The Group operates a number of defined benefit and defined contribution plans and provides for the requirements under the Workers' Rights Act (WRA) 2019. The defined benefit plan is fully funded. The assets of the funded plan are held independently and administered by The Mauritius Commercial Bank Limited Superannuation Fund.

(i) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the notes.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

As from 1 July 2015, the Group has introduced a Defined Contribution Cash Balanced scheme (DCCB) for its employees.

With the introduction of DCCB, new employees automatically join the DCCB scheme, whilst existing employees had a one-time opportunity to choose from one of the options listed below:

Option A: To stay in the Defined Benefit (DB) scheme for all service.

Option B: To keep the accrued past pension benefits until 30 June 2015 in the DB scheme and join the DCCB scheme as from 1 July 2015.

Option C: To join the DCCB scheme as from 1 July 2015 and transfer the total accrued benefits as at 30 June 2015 from the DB scheme into the DCCB scheme.

(ii) Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The main assumptions made in the actuarial valuation of the pension fund are listed in note 17 to the financial statements.

The Group determines the net interest expense/income on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/asset, taking into account any changes in the net defined benefit liability/asset during the period as a result of contributions and benefit payments. Net interest expense/income is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(p) Employee benefits (continued)

(iii) Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Workers' Rights Act (WRA) 2019 is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

(iv) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(v) Vacation leave

The vacation pay as per Section 47 of the Workers' Rights Act benefit qualifies as "other long-term benefit" as per IAS 19 and has to be accounted for by the companies in respect of all employees who will be eligible for this upon completion of the 5-year period. An estimate of the value of the benefit is made and accounted for at the reporting date irrespective of whether the Company settles the vacation pay in cash or grants leave to its employees.

(q) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period and includes the Corporate Social Responsibility charge, Corporate Climate Responsibility levy, fair share contribution and additional fair share contribution. 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. The current income tax charge also includes special levy on banks, which is computed on the sum of net interest income and other income before deduction of expenses.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(r) Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(s) Dividend declared and unpaid

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

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(t) Acceptances

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers. Acceptances are disclosed as liabilities with corresponding contra-assets.

(u) Stated capital

Ordinary shares are classified as equity.

Share issue costs are incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale.

Other borrowing costs are expensed.

(w) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee except for short term leases (leases with a lease term of 12 months or less) and low value leases (leases of less than MUR 250,000). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses the Key rate.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'Property, plant and equipment' in the Statement of Financial Position and further elaborated in Note 10. The lease liability is recorded under 'Other liabilities' in the Statement of Financial Position.

The interest on lease liabilities is recorded under Interest expense while the expense related to short term and low value leases are included in 'Other Non-Interest expense' line in the Statement of Profit or loss. The depreciation charge for leases is included in depreciation of property plant and equipment under Non-interest expense.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(x) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(y) Earnings per share

Earnings per share are determined by dividing the profit or loss attributable to owners of the Group by the weighted average number of shares outstanding during the reporting year.

(z) Operating segments

The Group's segmental reporting is in accordance with IFRS 8 Operating segments. Operating segments are reported in a manner consistent with internal reporting provided to Chief Executive Officer and management who are responsible for allocating resources and assessing performance of the operating segment. The Chief Operating Decision Maker (CODM) is the CEO and ultimately the Board. Information provided for resource allocation and assessment of performance can be split into three segments namely the Domestic, Foreign and Global Business segments.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

As part of the process of preparing the financial statements of the Group, management is called upon to make judgement, estimates and assumptions. This affects the reported amount of revenues, expenses, assets, liabilities and the disclosures. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates, assumptions and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(b) Significant increase in credit risk

As explained in note 3, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(c) Pension benefits

The cost of the defined benefit pension plan and other post-employment benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(d) Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values should be first calculated with reference to observable inputs where these are available. Only where these are unavailable does the Group employs less observable inputs. Unobservable inputs are used where observable or less observable inputs 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.

Management therefore makes estimates based on historical experience and uses 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.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS(continued)

(f) Deferred Tax

Deferred Tax assets are recognised to the extent that it is probable that future taxable income will be available against which unused tax losses can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Recognition of deferred tax assets depends on management's intention of the Group to generate future taxable profits which will be used against temporary differences and to obtain tax benefit thereon. The outcome of their actual utilization may be different.

(g) Provision and Contingencies

Provision is recognised in the financial statements when the Group has a present obligation as a result of a past event and it is probable that a transfer of economic benefits will be required to settle the obligation. A reliable estimate is required to be made. Management makes various assumptions in order to determine whether to recognise a provision and its amount thereafter. For potential litigation and claims, management relies on the advice of the Group's legal Strategic Business Unit (SBU) and counsel.

(h) Measurement of expected credit loss

The measurement of expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanations of the inputs, assumptions and estimation techniques used in measuring ECL are further detailed in the Risk and Capital Management report, which also sets out the key sensitivities of the ECL to changes in those elements. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk
- Choosing appropriate models and assumptions for the measurement of ECL
- Establishing the number and relative weightings of forward looking scenarios for each type of market and associated ECL
- Establishing groups of similar financial assets for the purposes of measuring ECL

Detailed information about the judgements and estimates made by the Bank in the above areas is set out in the Risk and Capital Management report.

(i) Significant influence in Banque Française Commerciale Ocean Indien

The Group holds 49.99% of Banque Française Commerciale Ocean Indien (BFCOI) and it is considered as an associate. Management considers that the Group only has significant influence over BFCOI since it does not have the practical ability to control the relevant activities of BFCOI.

(j) Leases

The adoption of IFRS 16 requires significant judgement and estimate. Critical judgement like the determination of whether an extension or termination option will be exercised. Other key assumption and estimate are:

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

3. FINANCIAL RISK MANAGEMENT

(a) Financial risk management

The Group is actively engaged in delivery of financial services, which includes retail and commercial banking, treasury services, custody and credit card. Managing financial risk is a fundamental part of its business activity. The main sources of financial risk that the Group faces arise from financial instruments, which are fundamental to the Group's business and constitute the core of its operations.

The Group has exposure to the following risks from financial instruments:

(i) Credit Risk
(ii) Liquidity Risk
(iii) Market risk

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

The Group devotes considerable resources to measure, manage, mitigate and control each of these risks and ensures that its risk management systems and procedures are fitted to meet the needs of the business. The Group's risk management policies and processes are designed to identify and analyse these risks; set appropriate risk appetites; limits and controls; and to constantly monitor the risks and adherence to limits.

Risk Management Strategy

The Bank applies hedge accounting to represent, to the maximum possible extent permitted under accounting standards, the economic effects of its interest and currency risk management strategies. When derivatives, held for risk management purposes, meet the required criteria for documentation and hedge effectiveness, the Bank shall apply cash flow hedge accounting. The assessment of the effectiveness of hedge relationships is 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's exposure to interest rate risk.

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

The effective portion of gains and losses on hedging instruments is recognised in other comprehensive income and the ineffective portion of the change in fair value of derivative hedging instruments that are part of a cash flow hedge relationship is recognised immediately in the income statement within 'Net trading income'. The accumulated gains and losses recognised in other comprehensive income are reclassified to the income statement in the same periods in which the hedged item affects profit or loss. When a hedge relationship is discontinued, or partially discontinued, any cumulative gain or loss recognised in other comprehensive income remains in equity until the forecast transaction is recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is immediately reclassified to the income statement.

The profile and timing of hedging instrument designated in cash flow hedge relationships based on notional amounts are as follows:

Interest rate risk - Interest rate swaps (RS'M)	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years
30 June 2026	**(7,079)**	**-**	**-**	**-**	**7,079**	**-**
30 June 2025	(6,756)	-	-	-	6,756	-

(b) Credit risk

Credit risk arises when customers or counterparties are not able to fulfill their contractual obligations. Credit Risk Management at the Bank is under the responsibility of the Credit Risk Business Unit (CRBU). The CRBU has the task of reviewing the Bank's credit policies and guidelines to ensure that best lending practices are upheld at all times. Risk assessments are carried out to assist in portfolio management decisions including exposure levels and the constitution of required provisions.

Credit related commitments

The main purpose of credit related commitments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group to pay a third party, on behalf of its customers up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

The Group monitors the term to maturity of credit commitments because longer term commitments generally have a greater degree of credit risk than shorter term commitments.

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality

The following tables set out the credit quality of exposures measured at amortised cost by different segments for the year ended 30 June 2026.

At 30 June 2026	Stage 1			Stage 2			Stage 3			
	Gross exposure	12 months ECL	Net exposure	Gross exposure	Lifetime ECL	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	**83,972**	**570**	**83,402**	**758**	**185**	**573**	**1,375**	**615**	**178**	**760**
Wholesale	**1,312,430**	**5,489**	**1,306,941**	**26,185**	**4,178**	**22,007**	**8,127**	**6,835**	**2,424**	**1,292**
Total	**1,396,402**	**6,059**	**1,390,343**	**26,943**	**4,363**	**22,580**	**9,502**	**7,450**	**2,602**	**2,052**
Off-Balance Sheet	**272,034**	**838**	**271,196**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
On-Balance Sheet	**1,124,368**	**5,221**	**1,119,147**	**26,943**	**4,363**	**22,580**	**9,502**	**7,450**	**2,602**	**2,052**
Total	**1,396,402**	**6,059**	**1,390,343**	**26,943**	**4,363**	**22,580**	**9,502**	**7,450**	**2,602**	**2,052**
Retail										
Housing loans	**57,457**	**117**	**57,340**	**444**	**23**	**421**	**627**	**193**	**34**	**434**
SME	**10,064**	**95**	**9,969**	**74**	**21**	**53**	**275**	**145**	**50**	**130**
Unsecured and revolving	**11,291**	**314**	**10,977**	**182**	**129**	**53**	**275**	**215**	**28**	**60**
Other secured loans	**5,160**	**44**	**5,116**	**58**	**12**	**46**	**198**	**62**	**66**	**136**
Total Retail	**83,972**	**570**	**83,402**	**758**	**185**	**573**	**1,375**	**615**	**178**	**760**
Off-Balance Sheet	**2,822**	**12**	**2,810**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
On-Balance Sheet	**81,150**	**558**	**80,592**	**758**	**185**	**573**	**1,375**	**615**	**178**	**760**
Total retail	**83,972**	**570**	**83,402**	**758**	**185**	**573**	**1,375**	**615**	**178**	**760**
Wholesale										
Sovereign	**529,588**	**88**	**529,500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial institutions	**130,501**	**548**	**129,953**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Project finance	**11,835**	**412**	**11,423**	**115**	**29**	**86**	**-**	**-**	**-**	**-**
Energy & commodities	**358,992**	**1,614**	**357,378**	**19,986**	**2,608**	**17,378**	**1,749**	**1,749**	**462**	**-**
Corporate	**281,514**	**2,827**	**278,687**	**6,084**	**1,541**	**4,543**	**6,378**	**5,086**	**1,962**	**1,292**
Total Wholesale	**1,312,430**	**5,489**	**1,306,941**	**26,185**	**4,178**	**22,007**	**8,127**	**6,835**	**2,424**	**1,292**
Off-Balance Sheet	**269,212**	**826**	**268,386**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
On-Balance Sheet	**1,043,218**	**4,663**	**1,038,555**	**26,185**	**4,178**	**22,007**	**8,127**	**6,835**	**2,424**	**1,292**
	1,312,430	**5,489**	**1,306,941**	**26,185**	**4,178**	**22,007**	**8,127**	**6,835**	**2,424**	**1,292**

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

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

An analysis of credit exposures using the Bank's grading system is as follows:

At 30 June 2026	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Total Wholesale									
2	200,454	-	-	3	-	-	200,451	-	-
3	7,849	-	-	1	-	-	7,848	-	-
4	17,356	-	-	13	-	-	17,344	-	-
5	41,586	-	-	13	-	-	41,573	-	-
6	8,262	-	-	5	-	-	8,257	-	-
7	6,070	-	-	2	-	-	6,068	-	-
8	900	-	-	1	-	-	900	-	-
9	31,061	-	-	41	-	-	31,019	-	-
10	372,458	-	-	128	-	-	372,330	-	-
11	141,670	-	-	298	-	-	141,372	-	-
12	161,727	15	-	573	-	-	161,154	15	-
13	132,138	5	-	989	2	-	131,149	3	-
14	105,543	1,100	-	1,383	106	-	104,160	993	-
15	46,038	2,075	-	610	598	-	45,428	1,478	-
16	26,101	21,392	-	1,145	3,004	-	24,955	18,388	-
17	13,150	1,598	-	275	468	-	12,875	1,130	-
18	67	-	-	9	-	-	58	-	-
20	-	-	8,127	-	-	6,835	-	-	1,292
Total	1,312,430	26,185	8,127	5,489	4,178	6,835	1,306,941	22,007	1,292
Off-Balance Sheet	269,212	-	-	826	-	-	268,386	-	-
On-Balance Sheet	1,043,218	26,185	8,127	4,663	4,178	6,835	1,038,555	22,007	1,292
Total	1,312,430	26,185	8,127	5,489	4,178	6,835	1,306,941	22,007	1,292
Sovereign									
2	200,454	-	-	3	-	-	200,451	-	-
4	3,227	-	-	-	-	-	3,227	-	-
5	10,929	-	-	1	-	-	10,928	-	-
10	314,638	-	-	82	-	-	314,556	-	-
12	159	-	-	-	-	-	159	-	-
17	181	-	-	2	-	-	179	-	-
Total	529,588	-	-	88	-	-	529,500	-	-
Off-Balance Sheet	-	-	-	-	-	-	-	-	-
On-Balance Sheet	529,588	-	-	88	-	-	529,500	-	-
Total	529,588	-	-	88	-	-	529,500	-	-

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

An analysis of credit exposures using the Bank's grading system is as follows:

At 30 June 2026	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Institutions									
3	7,849	-	-	1	-	-	7,848	-	-
4	1,626	-	-	-	-	-	1,626	-	-
5	30,657	-	-	12	-	-	30,646	-	-
6	8,262	-	-	5	-	-	8,257	-	-
7	6,070	-	-	2	-	-	6,067	-	-
8	900	-	-	1	-	-	900	-	-
9	268	-	-	-	-	-	267	-	-
10	12,489	-	-	2	-	-	12,487	-	-
11	11,026	-	-	6	-	-	11,021	-	-
12	14,819	-	-	12	-	-	14,806	-	-
13	2,860	-	-	10	-	-	2,850	-	-
14	6,646	-	-	17	-	-	6,629	-	-
15	1,155	-	-	-	-	-	1,154	-	-
16	12,838	-	-	197	-	-	12,641	-	-
17	12,969	-	-	274	-	-	12,696	-	-
18	67	-	-	9	-	-	58	-	-
Total	130,501	-	-	548	-	-	129,953	-	-
Off-Balance Sheet	27,358	-	-	25	-	-	27,333	-	-
On-Balance Sheet	103,143	-	-	523	-	-	102,620	-	-
Total	130,501	-	-	548	-	-	129,953	-	-

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

At 30 June 2026	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Project Finance									
11	670	-	-	1	-	-	669	-	-
13	2,663	-	-	5	-	-	2,658	-	-
14	4,556	-	-	80	-	-	4,476	-	-
15	562	-	-	17	-	-	545	-	-
16	3,384	-	-	309	-	-	3,075	-	-
17	-	115	-	-	29	-	-	86	-
Total	11,835	115	-	412	29	-	11,423	86	-
Off-Balance Sheet	3,743	-	-	2	-	-	3,741	-	-
On-Balance Sheet	8,092	115	-	410	29	-	7,682	86	-
Total	11,835	115	-	412	29	-	11,423	86	-
Energy & Commodities									
4	12,504	-	-	13	-	-	12,491	-	-
9	26,966	-	-	40	-	-	26,926	-	-
10	40,366	-	-	37	-	-	40,329	-	-
11	96,340	-	-	192	-	-	96,148	-	-
12	63,974	-	-	159	-	-	63,815	-	-
13	37,464	-	-	140	-	-	37,324	-	-
14	40,826	-	-	578	-	-	40,248	-	-
15	36,006	-	-	391	-	-	35,615	-	-
16	4,546	19,986	-	64	2,608	-	4,482	17,378	-
20	-	-	1,749	-	-	1,749	-	-	-
Total	358,992	19,986	1,749	1,614	2,608	1,749	357,378	17,378	-
Off-Balance Sheet	204,914	-	-	215	-	-	204,699	-	-
On-Balance Sheet	154,078	19,986	1,749	1,399	2,608	1,749	152,679	17,378	-
Total	358,992	19,986	1,749	1,614	2,608	1,749	357,378	17,378	-
Corporate									
9	3,827	-	-	1	-	-	3,826	-	-
10	4,965	-	-	7	-	-	4,958	-	-
11	33,632	-	-	99	-	-	33,533	-	-
12	82,775	15	-	402	-	-	82,374	15	-
13	89,152	5	-	834	2	-	88,317	3	-
14	53,515	1,100	-	708	106	-	52,807	993	-
15	8,314	2,075	-	201	598	-	8,114	1,478	-
16	5,333	1,406	-	575	396	-	4,757	1,010	-
17	1	1,483	-	-	439	-	1	1,044	-
20	-	-	6,378	-	-	5,086	-	-	1,292
Total	281,514	6,084	6,378	2,827	1,541	5,086	278,687	4,543	1,292
Off-Balance Sheet	33,197	-	-	583	-	-	32,614	-	-
On-Balance Sheet	248,317	6,084	6,378	2,244	1,541	5,086	246,073	4,543	1,292
Total	281,514	6,084	6,378	2,827	1,541	5,086	278,687	4,543	1,292

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

The following tables set out the credit quality of exposures measured at amortised cost by different segments for the year ended 30 June 2025.

At 30 June 2025	Stage 1			Stage 2			Stage 3			
	Gross exposure	12 months ECL	Net exposure	Gross exposure	Lifetime ECL	Net exposure	Gross exposure	Lifetime ECL (Credit Impaired)	Interest in suspense	Net exposure
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Portfolio										
Retail	70,739	489	70,250	841	158	683	1,235	509	146	726
Wholesale	979,014	5,012	974,002	9,982	2,570	7,412	10,674	9,938	2,465	736
Total	**1,049,753**	**5,501**	**1,044,252**	**10,823**	**2,728**	**8,095**	**11,909**	**10,447**	**2,611**	**1,462**
Retail										
Housing loans	48,064	156	47,908	511	40	471	512	159	27	353
SME	8,886	89	8,797	73	21	52	338	190	41	148
Unsecured and revolving	8,865	196	8,669	139	73	66	167	123	18	44
Other secured loans	4,924	48	4,876	118	24	94	218	37	60	181
Total Retail	**70,739**	**489**	**70,250**	**841**	**158**	**683**	**1,235**	**509**	**146**	**726**
Wholesale										
Sovereign	369,897	140	369,757	-	-	-	-	-	-	-
Financial institutions	116,355	178	116,177	-	-	-	-	-	-	-
Project finance	10,947	439	10,508	329	82	247	-	-	-	-
Energy & commodities	245,849	1,580	244,269	1,397	564	833	1,670	1,670	208	-
Corporate	235,966	2,675	233,291	8,256	1,924	6,332	9,004	8,268	2,257	736
Total Wholesale	**979,014**	**5,012**	**974,002**	**9,982**	**2,570**	**7,412**	**10,674**	**9,938**	**2,465**	**736**

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

An analysis of credit exposures using the Bank's grading system is as follows:

At 30 June 2025	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Total Wholesale									
2	72,894	-	-	2	-	-	72,892	-	-
3	8,788	-	-	1	-	-	8,787	-	-
4	30,237	-	-	20	-	-	30,217	-	-
5	31,503	-	-	9	-	-	31,494	-	-
6	4,473	-	-	2	-	-	4,471	-	-
7	17,994	-	-	3	-	-	17,991	-	-
8	6,575	-	-	2	-	-	6,573	-	-
9	226	-	-	-	-	-	226	-	-
10	322,180	-	-	175	-	-	322,005	-	-
11	67,449	175	-	197	104	-	67,252	71	-
12	107,164	-	-	418	-	-	106,746	-	-
13	109,121	598	-	582	148	-	108,539	450	-
14	122,517	2,795	-	923	596	-	121,594	2,199	-
15	39,365	1,076	-	1,297	174	-	38,068	902	-
16	26,495	3,364	-	551	1,054	-	25,944	2,310	-
17	11,611	1,974	-	809	494	-	10,802	1,480	-
18	422	-	-	21	-	-	401	-	-
20	-	-	10,674	-	-	9,938	-	-	736
Total	**979,014**	**9,982**	**10,674**	**5,012**	**2,570**	**9,938**	**974,002**	**7,412**	**736**
Sovereign									
2	72,894	-	-	2	-	-	72,892	-	-
4	9,724	-	-	-	-	-	9,724	-	-
10	286,701	-	-	118	-	-	286,583	-	-
13	175	-	-	1	-	-	174	-	-
18	403	-	-	19	-	-	384	-	-
Total	**369,897**	**-**	**-**	**140**	**-**	**-**	**369,757**	**-**	**-**
Financial Institutions									
3	8,788	-	-	1	-	-	8,787	-	-
4	1,576	-	-	-	-	-	1,576	-	-
5	31,503	-	-	9	-	-	31,494	-	-
6	4,473	-	-	2	-	-	4,471	-	-
7	17,542	-	-	3	-	-	17,539	-	-
8	6,575	-	-	2	-	-	6,573	-	-
9	69	-	-	-	-	-	69	-	-
10	11,725	-	-	1	-	-	11,724	-	-
11	6,355	-	-	2	-	-	6,353	-	-
13	15,302	-	-	45	-	-	15,257	-	-
14	2,931	-	-	5	-	-	2,926	-	-
15	517	-	-	1	-	-	516	-	-
16	4,263	-	-	78	-	-	4,185	-	-
17	4,717	-	-	27	-	-	4,690	-	-
18	19	-	-	2	-	-	17	-	-
Total	**116,355**	**-**	**-**	**178**	**-**	**-**	**116,177**	**-**	**-**

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

At 30 June 2025	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Project Finance									
12	601	-	-	-	-	-	601	-	-
13	2,280	-	-	4	-	-	2,276	-	-
14	4,736	-	-	48	-	-	4,688	-	-
17	3,330	329	-	387	82	-	2,943	247	-
Total	**10,947**	**329**	**-**	**439**	**82**	**-**	**10,508**	**247**	**-**
Energy & Commodities									
4	18,936	-	-	19	-	-	18,917	-	-
10	20,982	-	-	56	-	-	20,926	-	-
11	24,319	-	-	49	-	-	24,270	-	-
12	44,638	-	-	103	-	-	44,535	-	-
13	19,916	-	-	77	-	-	19,839	-	-
14	74,141	499	-	397	250	-	73,744	249	-
15	22,186	-	-	455	-	-	21,731	-	-
16	20,731	898	-	424	314	-	20,307	584	-
20	-	-	1,670	-	-	1,670	-	-	-
Total	**245,849**	**1,397**	**1,670**	**1,580**	**564**	**1,670**	**244,269**	**833**	**-**
Corporate									
7	452	-	-	-	-	-	452	-	-
9	157	-	-	-	-	-	157	-	-
10	2,772	-	-	-	-	-	2,772	-	-
11	36,775	175	-	146	104	-	36,629	71	-
12	61,925	-	-	315	-	-	61,610	-	-
13	71,448	598	-	456	148	-	70,992	450	-
14	40,710	2,296	-	473	346	-	40,237	1,950	-
15	16,662	1,076	-	841	174	-	15,821	902	-
16	1,501	2,466	-	49	741	-	1,452	1,725	-
17	3,564	1,645	-	395	411	-	3,169	1,234	-
20	-	-	9,004	-	-	8,268	-	-	736
Total	**235,966**	**8,256**	**9,004**	**2,675**	**1,924**	**8,268**	**233,291**	**6,332**	**736**

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

The following tables set out the credit quality of exposures measured at amortised cost by different segments for the year ended 30 June 2024.

At 30 June 2024	Stage 1			Stage 2			Stage 3			
	Gross exposure	12 months ECL	Net exposure	Gross exposure	Lifetime ECL	Net exposure	Gross exposure	Lifetime ECL (Credit Impaired)	Interest in suspense	Net exposure
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Portfolio										
Retail	62,506	837	61,669	170	23	147	1,137	431	124	706
Wholesale	916,582	3,572	913,010	9,363	2,172	7,191	11,100	8,554	1,885	2,546
Total	**979,088**	**4,409**	**974,679**	**9,533**	**2,195**	**7,338**	**12,237**	**8,985**	**2,009**	**3,252**
Retail										
Housing loans	40,740	498	40,242	84	7	77	441	158	23	283
SME	10,127	136	9,991	31	3	28	284	134	24	150
Unsecured and revolving	7,189	144	7,045	42	12	30	149	102	14	47
Other secured loans	4,450	59	4,391	13	1	12	263	37	63	226
Total Retail	**62,506**	**837**	**61,669**	**170**	**23**	**147**	**1,137**	**431**	**124**	**706**
Wholesale										
Sovereign	336,382	139	336,243	-	-	-	296	30	60	266
Financial institutions	94,559	356	94,203	-	-	-	-	-	-	-
Project finance	3,420	57	3,363	-	-	-	24	12	-	12
Energy & commodities	256,090	796	255,294	3,078	549	2,529	1,755	1,755	-	-
Corporate	226,131	2,224	223,907	6,285	1,623	4,662	9,025	6,757	1,825	2,268
Total Wholesale	**916,582**	**3,572**	**913,010**	**9,363**	**2,172**	**7,191**	**11,100**	**8,554**	**1,885**	**2,546**

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

An analysis of credit exposures using the Bank's grading system is as follows:

At 30 June 2024	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Total Wholesale									
2	74,034	-	-	3	-	-	74,031	-	-
3	1,101	-	-	-	-	-	1,101	-	-
4	9,902	-	-	1	-	-	9,901	-	-
5	20,022	-	-	5	-	-	20,017	-	-
6	6,392	-	-	1	-	-	6,391	-	-
7	19,894	-	-	5	-	-	19,889	-	-
8	13,799	-	-	2	-	-	13,797	-	-
9	478	-	-	-	-	-	478	-	-
10	272,808	16	-	84	3	-	272,724	13	-
11	37,111	-	-	120	-	-	36,991	-	-
12	90,515	105	-	287	22	-	90,228	83	-
13	105,580	375	-	476	87	-	105,104	288	-
14	157,040	2,504	-	825	513	-	156,215	1,991	-
15	38,449	2,267	-	396	557	-	38,053	1,710	-
16	51,910	1,841	-	395	183	-	51,515	1,658	-
17	15,455	1,203	-	725	440	-	14,730	763	-
18	283	449	-	14	247	-	269	202	-
19	1,809	603	-	233	120	-	1,576	483	-
20	-	-	11,100	-	-	8,554	-	-	2,546
Total	**916,582**	**9,363**	**11,100**	**3,572**	**2,172**	**8,554**	**913,010**	**7,191**	**2,546**
Sovereign									
2	74,034	-	-	3	-	-	74,031	-	-
4	8,003	-	-	1	-	-	8,002	-	-
10	253,474	-	-	84	-	-	253,390	-	-
13	204	-	-	-	-	-	204	-	-
19	667	-	-	51	-	-	616	-	-
20	-	-	296	-	-	30	-	-	266
Total	**336,382**	**-**	**296**	**139**	**-**	**30**	**336,243**	**-**	**266**

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

At 30 June 2024	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Institutions									
3	1,101	-	-	-	-	-	1,101	-	-
4	1,899	-	-	-	-	-	1,899	-	-
5	20,022	-	-	5	-	-	20,017	-	-
6	6,392	-	-	1	-	-	6,391	-	-
7	19,423	-	-	5	-	-	19,418	-	-
8	13,799	-	-	2	-	-	13,797	-	-
9	478	-	-	-	-	-	478	-	-
10	15,956	-	-	-	-	-	15,956	-	-
11	2,214	-	-	1	-	-	2,213	-	-
12	262	-	-	1	-	-	261	-	-
13	953	-	-	2	-	-	951	-	-
14	3,430	-	-	11	-	-	3,419	-	-
15	356	-	-	3	-	-	353	-	-
16	1,805	-	-	60	-	-	1,745	-	-
17	6,461	-	-	264	-	-	6,197	-	-
19	8	-	-	1	-	-	7	-	-
Total	**94,559**	**-**	**-**	**356**	**-**	**-**	**94,203**	**-**	**-**

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

At 30 June 2024	Gross exposure			Expected credit loss			Net exposure		
Internal Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Project Finance									
13	2,264	-	-	8	-	-	2,256	-	-
14	55	-	-	1	-	-	54	-	-
15	498	-	-	8	-	-	490	-	-
16	115	-	-	3	-	-	112	-	-
17	306	-	-	26	-	-	280	-	-
18	182	-	-	11	-	-	171	-	-
20	-	-	24	-	-	12	-	-	12
Total	**3,420**	**-**	**24**	**57**	**-**	**12**	**3,363**	**-**	**12**
Energy & Commodities									
11	1,257	-	-	2	-	-	1,255	-	-
12	30,837	-	-	66	-	-	30,771	-	-
13	43,059	-	-	81	-	-	42,978	-	-
14	105,577	-	-	290	-	-	105,287	-	-
15	24,750	1,340	-	73	287	-	24,677	1,053	-
16	47,312	1,289	-	251	15	-	47,061	1,274	-
17	3,197	-	-	30	-	-	3,167	-	-
18	101	449	-	3	247	-	98	202	-
20	-	-	1,755	-	-	1,755	-	-	-
Total	**256,090**	**3,078**	**1,755**	**796**	**549**	**1,755**	**255,294**	**2,529**	**-**
Corporate									
7	471	-	-	-	-	-	471	-	-
10	3,378	16	-	-	3	-	3,378	13	-
11	33,640	-	-	117	-	-	33,523	-	-
12	59,416	105	-	220	22	-	59,196	83	-
13	59,100	375	-	385	87	-	58,715	288	-
14	47,978	2,504	-	523	513	-	47,455	1,991	-
15	12,845	927	-	312	270	-	12,533	657	-
16	2,678	552	-	81	168	-	2,597	384	-
17	5,491	1,203	-	405	440	-	5,086	763	-
19	1,134	603	-	181	120	-	953	483	-
20	-	-	9,025	-	-	6,757	-	-	2,268
Total	**226,131**	**6,285**	**9,025**	**2,224**	**1,623**	**6,757**	**223,907**	**4,662**	**2,268**

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

Restructured financial assets

The Group defines "rescheduling" as any amendments to restructuring or rescheduling of any exposure and includes concession, relaxation, forgiveness or postponement of any material term or condition of the original sanction. The underlying allowance for credit loss is realised wherever there is a material economic loss.

The following table provides information on financial assets which were restructured while they had a loss allowance measured at an amount equal to lifetime ECL.

	2026 RS 'M	2025 RS 'M	2024 RS 'M
Amortised cost before restructure	**13**	25	95
Net modification gain or loss	**1**	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 Group during the year by taking possession of collateral held as security against loans and advances held at 30 June are shown below:

	2026 RS 'M	2025 RS 'M	2024 RS 'M
Property	**138**	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).

	2026 RS 'M	2025 RS 'M	2024 RS 'M
Derivative financial instruments	**4,160**	3,745	2,071
Investment securities	**6,699**	9,447	3,485

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 Bank considers that it is sufficiently collateralised against its impaired book.

Fixed and floating charges on properties and other assets constitute the bulk of our collateral while cash and marketable securities are immaterial.

Long-term finance and lending to corporate entities are generally secured whilst revolving individual credit facilities are generally unsecured. When the borrower's credit worthiness is not sufficient to justify an extension of credit, corporate guarantees are required.

In extending credit facilities to small and medium sized enterprises, the Group often resorts to personal guarantees from principal directors to ensure their commitment to repayment. Debt securities, treasury and other eligible bills are generally unsecured with the exception of asset-backed securities.

For derivatives, repurchase agreements with financial market counterparties, collateral arrangements are covered under market-standard documentation such as International Swaps and Derivatives Association Agreements (ISDA) and Master Repurchase Agreements.

The Group did not hold any financial instrument for which no loss allowance is recognised because of collateral. There was no change in the Group's collateral policy during the year.

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

As part of IFRS 9, the Group needs to convert the through the circle (TTC) PDs to point in time (PIT) PDs.

This conversion of TTC PDs to PIT PDs entailed the inclusion of forward-looking scenarios for both wholesale and retail portfolios.

Macroeconomic variables used for the Forward-Looking PDs (Probability of Default)

Wholesale Portfolio

The variables used for the inclusion of forward-looking aspects to our PDs i.e. for the conversion of TTC PDs to PIT PDs are as follows:

- Credit index (-2)*
- Credit index (-1)*
- GDP growth
- ln (lending rate)

Retail Portfolio

The retail portfolio is broken into SME, housing, secured and unsecured.

The following macroeconomic variables have been used for the respective portfolio:

(a) SME

- Ln (GDP at basic prices)
- Average Lending rate

(b) Housing

- Ln (GDP at basic prices)
- Unemployment rate for the year

(c) Secured

- Ln (GDP at market prices)
- Average lending rate

(d) Unsecured

- Ln (GDP at basic prices)
- Average CPI
- Average lending rate

Credit concentration of risk by industry sectors

Corporate notes and credit facilities extended by the Group to any closely-related customers for amounts aggregating more than 10% of its Tier 1 capital, classified by industry sectors.

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
Agriculture and fishing	**265**	269	298	**265**	269	298
Manufacturing	**7,039**	4,923	545	**7,039**	4,923	545
Tourism	**9,012**	3,068	3,741	**9,012**	3,068	3,737
Transport	**155**	187	1,838	**152**	185	1,835
Construction	**9,550**	7,829	8,065	**9,550**	7,829	8,065
Financial and business services	**27,976**	29,710	16,774	**27,976**	29,710	16,774
Traders	**237,970**	263,215	259,493	**237,970**	263,215	259,493
Global Business Licence holders	**1,432**	1,376	435	**1,432**	1,376	435
Others	**2,291**	1,987	9,861	**2,288**	1,984	9,861
	295,690	312,564	301,050	**295,684**	312,559	301,043

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

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk

Market risk refers to the potential of market price fluctuations, such as those in interest rates, equity prices, foreign exchange rates, and market credit spreads, impacting a bank's income or the valuation of its financial instrument holdings. The primary objective of market risk management is to proficiently handle and regulate these exposures within acceptable benchmarks, all while optimizing returns from risk-associated endeavors.

The formulation of market risk management policies within the Bank lies under the jurisdiction of the Board Risk Monitoring Committee. The execution of these policies and the oversight of this risk category are entrusted to both the Risk Strategic Business Unit (SBU) and the Asset and Liability Committee (ALCO). Central to the supervision and control of market risk activities are the Market Risk Business Unit (MRBU) and the Assets, Liabilities and Capital Management (ALCM) Unit. These units play a pivotal role in the ongoing monitoring and regulation of market risk activities.

The MRBU is devoted to ensuring the effective adherence to market risk policies and guidelines, as well as maintaining a vigilant watch over predetermined limits. Similarly, the ALCM Unit monitors the interest rate risk in the banking book. Their collective efforts contribute to a comprehensive approach to risk management within the Bank.

(i) Investment Price risk

Investment price risk pertains to the vulnerability of an investment's value to shifts in market prices. This risk emanates from a multitude of factors, including the interplay of supply and demand, prevailing economic conditions, geopolitical occurrences, and prevailing market sentiment. The Bank designates a portion of its investments under the categories of Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVPL).

The table below summarises the impact of increases/decreases in fair value of the investments on the Bank's equity. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	GROUP & BANK		
	2026 RS 'M	2025 RS 'M	2024 RS 'M
Financial assets at fair value through other comprehensive income	**205**	144	108
Financial assets at fair value through profit or loss	**335**	472	346
	540	616	454

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk

Currency risk is defined as the risk that movements in foreign exchange rates adversely affect the value of the Bank's foreign currency positions. Exposure resulting from trading activities is monitored through the use of limits. Limits are given to the individual trader and monitored by the Head of Financial Markets. Such limits include daily stop-loss and position limits. Overall exposure to foreign exchange including those resulting from non-trading activities is monitored against both the regulatory guideline and an internal target validated by the ALCO.

Value-at-Risk

The Bank utilizes the statistical technique "Value-at-Risk" (VaR) for estimating potential losses on risk positions as a result of adverse movements in market rates and prices over a specified time horizon and to a given level of confidence.

Our VaR model is based on historical simulation and encompasses the following features and principles:

- Historical market rates and prices such as FX rates, Interest rates, Commodity prices, Bond prices and associated volatilities (risk factors) that are representative of the bank's position.
- The definition of 250 scenarios, corresponding to one-day variations in these market parameters over a sliding one year period. These scenarios are updated daily with the inclusion of a new scenario and the removal of the oldest scenario.
- The application of these 250 scenarios to the daily market parameters. This approach assumes that historical changes in market values are representative of the distribution of potential outcomes in the immediate future.
- The full revaluation of daily positions, on the basis of the adjusted daily market conditions, and the incorporation of non-linear option features on the underlying exposures.
- Calculations to a 99% confidence interval for a one-day holding period on the basis of exposures outstanding at the close of business. The 99% VaR is the largest loss that would be incurred after eliminating the top 1% of most unfavorable occurrences. Over one year, or 250 scenarios, it corresponds to the average of the second and third largest losses involved.

The VaR methodology implicitly takes into account the correlation between all markets and the distribution of variations in market parameters. The nature of the model means an increase in observed market volatility will lead to an increase in VaR without any changes in underlying positions.

To capture material market risks arising from trading portfolios, comprehensive VaR calculations are performed daily for Financial Markets business lines whose activities give rise to market risk. The VaR results across those trading portfolios are aggregated at bank level and are reported as appropriate to various groups including the bank's Senior Management and the Board Risk Committee.

As VaR is based on historical data, it is an imperfect measure of market risk exposure and potential future losses. In addition, based on their reliance on available historical data, limited time horizons, and other factors, VaR measures are inherently limited in their ability to measure certain risks and to predict losses, particularly those associated with market illiquidity and sudden or severe shifts in market conditions.

For certain products, specific risk parameters are not captured in VaR due to the lack of liquidity and availability of appropriate historical data. The bank uses proxies to estimate the VaR for these and other products when daily time series are not available.

Backtesting

The performance and adequacy of the VaR model is validated by backtesting the VaR metric against the hypothetical P&L (HPL) daily in order to verify whether the number of days for which the negative results exceeds the VaR complies with the 99% confidence interval. The hypothetical P&L reflects the P&L that would be realized if positions were held constant from the end of one trading day to the next, and excludes items such as fees, commissions and revenue of intra-day transactions. The VaR backtesting is carried out at set levels of the Bank entity hierarchy.

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

The Bank also calculates a Stressed Value-at-Risk (SVaR), with its methodology and coverage consistent with the VaR: historical simulation on the Bank's entire trading book positions, computed with a 99% one-tailed confidence interval and a 1-day holding period. The SVaR model inputs are however calibrated to historical data from a continuous twelve-month period of significant financial stress relevant to the bank's trading portfolio: the Great Financial Crash of 2008-09.

SVaR complements VaR by providing a realistic measure of market risk tailored for stressed environments. Its purpose is to capture the impact of exceptional but plausible large loss events that are not reflected in the historical VaR scenarios.

The Trading 1-Day 99% VaR and SVaR as at June 2026 and June 2025 are shown in the table below:

	FY26			
RS'M	**Year end**	**Average**	**Maximum**	**Minimum**
Foreign Exchange	**50**	**33**	**70**	**13**
Interest Rate	**18**	**42**	**90**	**17**
Diversification Effect	**(20)**	**(22)**	**n/a**	**n/a**
1-Day VaR	**48**	**52**	**74**	**37**
1-Day Stressed-VaR	**103**	**149**	**263**	**97**

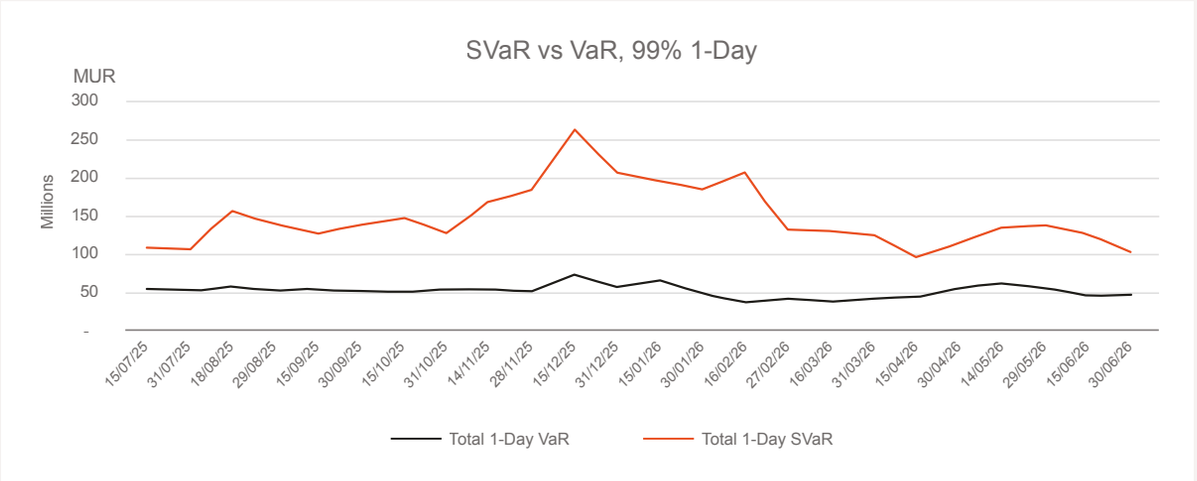
	FY25			
RS'M	**Year end**	**Average**	**Maximum**	**Minimum**
Foreign Exchange	57	58	125	33
Interest Rate	49	56	94	10
Diversification Effect	(41)	(37)	n/a	n/a
1-Day VaR	**65**	**77**	**135**	**41**
1-Day Stressed-VaR	**130**	**177**	**272**	**91**

(a) Diversification benefit represents the difference between the portfolio VaR and the sum of its individual components. This reflects the non-additive nature of VaR due to imperfect correlation across LOBs and risk types. Same concept applies for SVaR.

(b) A negative number represents the benefit of portfolio diversification.

(c) For maximum and minimum VaR/SVaR, diversification benefit is not meaningful as the maximum and minimum VaR/SVaR for each portfolio may have occurred on different trading days than the components.

Evolution over the financial year 30 June 2026



The VaR metric remained broadly stable during the financial year, averaging MUR 52m. The overall level of VaR continued to be influenced by market volatility arising from geopolitical and macroeconomic developments, changes in trading positions driven by FX volumes and risk appetite, and the composition of exposures, including positions in African currencies managed through the Africa Desk.

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

At 30 June 2026	GROUP					
	EURO	USD	GBP	MUR	OTHER	TOTAL
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets						
Cash and cash equivalents	4,542	177,866	4,957	17,623	7,327	212,315
Derivative financial instruments	80	3,179	-	901	-	4,160
Loans to and placements with banks	6,312	27,228	644	818	1,169	36,171
Loans and advances to customers	64,190	253,918	565	176,682	8,015	503,370
Investment securities	14,225	108,095	3,227	263,247	7,349	396,143
Other financial assets	3,311	12,616	581	37,017	2,638	56,163
	92,660	582,902	9,974	496,288	26,498	1,208,322
Less allowances for credit impairment						(20,454)
Total						1,187,868
Financial liabilities						
Deposits from banks	2,888	40,149	423	1,048	2,123	46,631
Deposits from customers	75,146	357,410	8,577	383,094	18,954	843,181
Derivative financial instruments	80	3,208	-	1,042	-	4,330
Other borrowed funds	13,009	132,253	162	(310)	208	145,322
Debt securities	-	33,341	-	-	-	33,341
Subordinated liabilities	-	7,255	-	(68)	-	7,187
Other financial liabilities	179	492	19	4,896	830	6,416
Total	91,302	574,108	9,181	389,702	22,115	1,086,408
Net on-balance sheet position	1,358	8,794	793	106,586	4,383	121,914
Less allowances for credit impairment						(20,454)
						101,460
Off balance sheet net notional position	44,325	70,325	8,729	-	14,904	138,283
Credit commitments	10,525	296,627	130	23,503	3,667	334,452

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

At 30 June 2026	BANK					
	EURO	USD	GBP	MUR	OTHER	TOTAL
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets						
Cash and cash equivalents	4,544	177,538	4,957	17,623	7,170	211,832
Derivative financial instruments	80	3,179	-	901	-	4,160
Loans to and placements with banks	6,312	27,228	644	818	1,169	36,171
Loans and advances to customers	63,577	252,752	565	176,682	841	494,417
Investment securities	14,225	108,093	3,227	263,247	1,662	390,454
Other financial assets	3,311	12,616	581	37,036	16	53,560
	92,049	581,406	9,974	496,307	10,858	1,190,594
Less allowances for credit impairment						(19,631)
Total						1,170,963
Financial liabilities						
Deposits from banks	2,700	40,179	425	1,048	81	44,433
Deposits from customers	74,445	357,002	8,577	383,094	7,333	830,451
Derivative financial instruments	80	3,208	-	1,042	-	4,330
Other borrowed funds	12,698	132,240	162	(310)	50	144,840
Debt securities	-	33,341	-	-	-	33,341
Subordinated liability	-	7,065	-	(68)	-	6,997
Other financial liabilities	179	492	19	4,915	133	5,738
Total	90,102	573,527	9,183	389,721	7,597	1,070,130
Net on-balance sheet position	1,947	7,879	791	106,586	3,261	120,464
Less allowances for credit impairment						(19,631)
						100,833
Off balance sheet net notional position	44,110	69,505	8,729	-	14,695	137,039
Credit commitments	10,525	296,627	130	23,503	3,667	334,452

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

At 30 June 2025	GROUP					
	EURO	USD	GBP	MUR	OTHER	TOTAL
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets						
Cash and cash equivalents	8,617	56,916	5,337	55,391	6,139	132,400
Derivative financial instruments	52	2,978	-	715	-	3,745
Loans to and placements with banks	7,233	19,661	3,205	582	-	30,681
Loans and advances to customers	43,230	195,270	213	149,381	6,851	394,945
Investment securities	12,641	83,457	88	229,673	3,366	329,225
Other financial assets	2,981	8,467	502	32,431	1,385	45,766
	74,754	366,749	9,345	468,173	17,741	936,762
Less allowances for credit impairment						(21,052)
Total						**915,710**
Financial liabilities						
Deposits from banks	1,834	14,606	436	775	2,507	20,158
Deposits from customers	66,450	247,875	7,528	355,534	12,977	690,364
Derivative financial instruments	52	2,980	-	1,036	-	4,068
Other borrowed funds	2,657	81,815	1,013	20	166	85,671
Debt securities	-	13,707	-	-	(58)	13,649
Subordinated liabilities	-	6,939	-	-	(50)	6,889
Other financial liabilities	107	457	21	2,340	174	3,099
Total	71,100	368,379	8,998	359,705	15,716	**823,898**
Net on-balance sheet position	3,654	(1,630)	347	108,468	2,025	112,864
Less allowances for credit impairment						(21,052)
						91,812
Off balance sheet net notional position	20,381	57,961	648	-	6,575	85,565
Credit commitments	7,760	200,289	141	21,420	2,889	232,499

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

At 30 June 2025	BANK					
	EURO	USD	GBP	MUR	OTHER	TOTAL
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets						
Cash and cash equivalents	8,595	56,940	5,338	55,391	5,422	131,686
Derivative financial instruments	52	2,978	-	715	-	3,745
Loans to and placements with banks	7,269	19,839	3,205	582	-	30,895
Loans and advances to customers	42,415	193,901	213	149,381	183	386,093
Investment securities	12,641	83,457	88	229,673	-	325,859
Other financial assets	2,981	8,467	502	32,464	1	44,415
	73,953	365,582	9,346	468,206	5,606	922,693
Less allowances for credit impairment						(20,377)
Total						**902,316**
Financial liabilities						
Deposits from banks	1,727	14,631	438	777	56	17,629
Deposits from customers	65,957	247,578	7,528	355,534	4,930	681,527
Derivative financial instruments	52	2,980	-	1,036	-	4,068
Other borrowed funds	2,334	81,374	1,013	19	2	84,742
Debt securities	-	13,707	-	-	(58)	13,649
Subordinated liability	-	6,757	-	-	(50)	6,707
Other financial liabilities	107	457	21	2,373	6	2,964
Total	70,177	367,484	9,000	359,739	4,886	**811,286**
Net on-balance sheet position	3,776	(1,902)	346	108,467	720	111,407
Less allowances for credit impairment						(20,377)
						91,030
Off balance sheet net notional position	20,040	56,632	648	-	6,292	83,612
Credit commitments	7,760	200,289	141	21,420	2,889	232,499

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

At 30 June 2024	GROUP					
	EURO	USD	GBP	MUR	OTHER	TOTAL
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets						
Cash and cash equivalents	8,655	46,587	7,879	20,210	8,610	91,941
Derivative financial instruments	258	1,484	-	329	-	2,071
Loans to and placements with banks	2,797	10,130	-	(12)	39	12,954
Loans and advances to customers	39,963	223,637	388	129,264	5,859	399,111
Investment securities	9,678	81,292	9	232,120	2,368	325,467
Other financial assets	2,957	4,688	492	30,353	1,165	39,655
	64,308	367,818	8,768	412,264	18,041	871,199
Less allowances for credit impairment						(17,848)
Total						**853,351**
Financial liabilities						
Deposits from banks	1,104	38,441	451	948	57	41,001
Deposits from customers	58,439	244,613	6,894	316,950	14,741	641,637
Derivative financial instruments	(85)	1,829	-	246	-	1,990
Other borrowed funds	3,309	59,173	808	(296)	2,361	65,355
Debt securities	-	14,393	-	(79)	-	14,314
Subordinated liability	-	7,057	-	-	-	7,057
Other financial liabilities	187	645	39	2,082	212	3,165
Total	62,954	366,151	8,192	319,851	17,371	**774,519**
Net on-balance sheet position	1,354	1,667	576	92,413	670	96,680
Less allowances for credit impairment						(17,848)
						78,832
Off balance sheet net notional position	16,681	54,992	973	-	5,214	77,860
Credit commitments	4,838	197,103	165	20,545	2,248	224,899

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

At 30 June 2024	BANK					
	EURO	USD	GBP	MUR	OTHER	TOTAL
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets						
Cash and cash equivalents	8,544	46,541	7,877	20,209	7,531	90,702
Derivative financial instruments	258	1,484	-	329	-	2,071
Loans to and placements with banks	2,797	11,089	-	(12)	39	13,913
Loans and advances to customers	39,214	222,230	388	129,264	360	391,456
Investment securities	9,678	81,292	9	232,120	-	323,099
Other financial assets	2,957	4,688	492	30,384	218	38,739
	63,448	367,324	8,766	412,294	8,148	859,980
Less allowances for credit impairment						(17,305)
Total						**842,675**
Financial liabilities						
Deposits from banks	1,104	38,441	451	948	77	41,021
Deposits from customers	57,905	244,342	6,894	316,950	8,201	634,292
Derivative financial instruments	(85)	1,829	-	246	-	1,990
Other borrowed funds	2,955	59,017	808	(296)	45	62,529
Debt securities	-	14,393	-	(79)	-	14,314
Subordinated liability	-	7,057	-	-	-	7,057
Other financial liabilities	187	645	39	2,113	29	3,013
Total	62,066	365,724	8,192	319,882	8,352	**764,216**
Net on-balance sheet position	1,382	1,600	574	92,412	(204)	95,764
Less allowances for credit impairment						(17,305)
						78,459
Off balance sheet net notional position	16,490	53,708	973	-	4,913	76,084
Credit commitments	4,838	197,103	165	20,545	2,248	224,899

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(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 Bank employs a variety of strategies, including the use of interest rate derivatives.

Net interest income (NII) sensitivity stands as a key metric, evaluating the anticipated changes in net interest income across diverse interest rate scenarios, while holding all other economic factors constant. ALCO oversees the fluctuations in net interest income sensitivity.

The calculations of NII sensitivity assume uniform interest rate movements across all maturities within the 'up-shock' scenario. In contrast, the 'down-shock' scenario assumes a floor at zero for rates, except when market rates are already negative, as seen in the Euro case.

The following tables delineate the carrying amount of the Group's and Bank's financial instruments, categorized by the earlier of contractual repricing or maturity dates.

Interest Rate Risk Earnings Impact Analysis

The Group is exposed to Interest Rate Risk (IRR), primarily manifested as repricing risk. To effectively measure and oversee this particular risk, the Group employs an interest rate risk gap analysis, illustrated below. One of the methodologies utilized involves the Bank of Mauritius (BOM) framework, which incorporates a 200 basis point parallel shift in interest rates. This framework provides insights into estimating the potential one-year earnings impact based on a static balance sheet scenario.

	BANK		
	2026 RS 'M	2025 RS 'M	2024 RS 'M
Impact on Earnings	**912**	1,657	741

Interest sensitivity of assets and liabilities- repricing analysis

	GROUP							
At 30 June 2026	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	**208,874**	**3,441**	**-**	**-**	**-**	**-**	**-**	**212,315**
Derivative financial instruments	**26**	**3**	**-**	**-**	**-**	**-**	**4,131**	**4,160**
Loans to and placements with banks	**9,768**	**8,705**	**11,931**	**4,044**	**799**	**-**	**924**	**36,171**
Loans and advances to customers	**322,400**	**68,075**	**47,445**	**21,976**	**21,636**	**22,055**	**(217)**	**503,370**
Investment securities	**26,403**	**46,851**	**38,070**	**55,531**	**72,755**	**149,361**	**7,172**	**396,143**
Other financial assets	**5,052**	**-**	**-**	**-**	**-**	**-**	**51,111**	**56,163**
	572,523	**127,075**	**97,446**	**81,551**	**95,190**	**171,416**	**63,121**	**1,208,322**
Less allowances for credit impairment								**(20,454)**
Total								**1,187,868**
Financial liabilities								
Deposits from banks	**28,828**	**8,511**	**917**	**3,037**	**755**	**-**	**4,583**	**46,631**
Deposits from customers	**478,701**	**45,353**	**26,122**	**32,637**	**8,047**	**424**	**251,897**	**843,181**
Derivative financial instruments	**18**	**27**	**-**	**-**	**-**	**-**	**4,285**	**4,330**
Other borrowed funds	**78,555**	**50,401**	**12,469**	**3,318**	**-**	**-**	**579**	**145,322**
Debt securities	**18,877**	**-**	**-**	**-**	**14,159**	**-**	**305**	**33,341**
Subordinated liabilities	**6,937**	**-**	**-**	**-**	**-**	**190**	**60**	**7,187**
Other financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**6,416**	**6,416**
Total	**611,916**	**104,292**	**39,508**	**38,992**	**22,961**	**614**	**268,125**	**1,086,408**
On balance sheet interest sensitivity gap	**(39,393)**	**22,783**	**57,938**	**42,559**	**72,229**	**170,802**	**(205,004)**	**121,914**
Less allowances for credit impairment								**(20,454)**
								101,460

* Includes interest receivable

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iii) Interest rate risk (continued)

Interest sensitivity of assets and liabilities- repricing analysis (continued)

At 30 June 2026	BANK							
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-interest bearing*	Total
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets								
Cash and cash equivalents	**208,391**	**3,441**	**-**	**-**	**-**	**-**	**-**	**211,832**
Derivative financial instruments	**26**	**3**	**-**	**-**	**-**	**-**	**4,131**	**4,160**
Loans to and placements with banks	**9,768**	**8,705**	**11,931**	**4,044**	**799**	**-**	**924**	**36,171**
Loans and advances to customers	**313,585**	**68,073**	**47,444**	**21,975**	**21,635**	**22,055**	**(350)**	**494,417**
Investment securities	**26,402**	**46,320**	**37,402**	**55,267**	**72,755**	**145,996**	**6,312**	**390,454**
Other financial assets	**5,052**	**-**	**-**	**-**	**-**	**-**	**48,508**	**53,560**
	563,224	**126,542**	**96,777**	**81,286**	**95,189**	**168,051**	**59,525**	**1,190,594**
Less allowances for credit impairment								**(19,631)**
Total								**1,170,963**
Financial liabilities								
Deposits from banks	**29,207**	**5,933**	**917**	**3,038**	**755**	**-**	**4,583**	**44,433**
Deposits from customers	**469,920**	**44,476**	**24,894**	**30,972**	**7,868**	**424**	**251,897**	**830,451**
Derivative financial instruments	**18**	**27**	**-**	**-**	**-**	**-**	**4,285**	**4,330**
Other borrowed funds	**78,555**	**50,876**	**12,469**	**2,360**	**-**	**-**	**580**	**144,840**
Debt securities	**18,878**	**-**	**-**	**-**	**14,158**	**-**	**305**	**33,341**
Subordinated liability	**6,937**	**-**	**-**	**-**	**-**	**-**	**60**	**6,997**
Other financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**5,738**	**5,738**
Total	**603,515**	**101,312**	**38,280**	**36,370**	**22,781**	**424**	**267,448**	**1,070,130**
On balance sheet interest sensitivity gap	**(40,291)**	**25,230**	**58,497**	**44,916**	**72,408**	**167,627**	**(207,923)**	**120,464**
Less allowances for credit impairment								**(19,631)**
								100,833

* Includes interest receivable

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iii) Interest rate risk (continued)

Interest sensitivity of assets and liabilities- repricing analysis (continued)

	GROUP							
At 30 June 2025	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-3 years**	**Over 3 years**	**Non-interest bearing***	**Total**
	RS 'M	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**
Financial Assets								
Cash and cash equivalents	129,942	-	-	-	-	-	2,458	132,400
Derivative financial instruments	136	-	-	-	-	-	3,609	3,745
Loans to and placements with banks	538	936	5,631	23,141	91	27	317	30,681
Loans and advances to customers	251,302	47,659	48,648	22,863	4,068	10,990	9,415	394,945
Investment securities	14,251	41,812	37,783	59,056	76,273	93,782	6,268	329,225
Other financial assets	-	-	-	-	-	-	45,766	45,766
	396,169	90,407	92,062	105,060	80,432	104,799	67,833	936,762
Less allowances for credit impairment								(21,052)
Total								**915,710**
Financial liabilities								
Deposits from banks	11,821	3,963	1,695	2,062	495	-	122	20,158
Deposits from customers	360,029	35,901	19,856	18,989	8,273	2,256	245,060	690,364
Derivative financial instruments	-	633	-	-	-	-	3,435	4,068
Other borrowed funds	3,212	61,379	10,789	10,240	60	96	(105)	85,671
Debt securities	-	-	-	-	13,513	-	136	13,649
Subordinated liabilities	6,621	-	-	-	-	182	86	6,889
Other financial liabilities	-	-	-	-	-	-	3,099	3,099
Total	381,683	101,876	32,340	31,291	22,341	2,534	251,833	**823,898**
On balance sheet interest sensitivity gap	14,486	(11,469)	59,722	73,769	58,091	102,265	(184,000)	112,864
Less allowances for credit impairment								(21,052)
								91,812

* Includes interest receivable

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iii) Interest rate risk (continued)

Interest sensitivity of assets and liabilities- repricing analysis (continued)

	BANK							
At 30 June 2025	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-3 years**	**Over 3 years**	**Non-interest bearing***	**Total**
	RS 'M	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**
Financial Assets								
Cash and cash equivalents	129,385	-	-	-	-	-	2,301	131,686
Derivative financial instruments	136	-	-	-	-	-	3,609	3,745
Loans to and placements with banks	538	1,150	5,631	23,141	91	27	317	30,895
Loans and advances to customers	242,539	47,659	48,648	22,863	4,068	10,990	9,326	386,093
Investment securities	14,250	41,686	37,680	58,810	73,824	93,782	5,827	325,859
Other financial assets	-	-	-	-	-	-	44,415	44,415
	386,848	90,495	91,959	104,814	77,983	104,799	65,795	922,693
Less allowances for credit impairment								(20,377)
Total								**902,316**
Financial liabilities								
Deposits from banks	11,913	1,341	1,695	2,063	495	-	122	17,629
Deposits from customers	353,929	35,397	19,051	17,917	8,056	2,256	244,921	681,527
Derivative financial instruments	-	633	-	-	-	-	3,435	4,068
Other borrowed funds	3,212	61,414	10,789	9,276	60	96	(105)	84,742
Debt securities	-	-	-	-	13,513	-	136	13,649
Subordinated liability	6,621	-	-	-	-	-	86	6,707
Other financial liabilities	-	-	-	-	-	-	2,964	2,964
Total	375,675	98,785	31,535	29,256	22,124	2,352	251,559	**811,286**
On balance sheet interest sensitivity gap	11,173	(8,290)	60,424	75,558	55,859	102,447	(185,764)	111,407
Less allowances for credit impairment								(20,377)
								91,030

* Includes interest receivable

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iii) Interest rate risk (continued)

Interest sensitivity of assets and liabilities- repricing analysis (continued)

	GROUP							
At 30 June 2024	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-3 years**	**Over 3 years**	**Non-interest bearing***	**Total**
	RS 'M	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**
Financial Assets								
Cash and cash equivalents	88,972	38	-	-	-	-	2,931	91,941
Derivative financial instruments	89	-	-	-	-	-	1,982	2,071
Loans to and placements with banks	2,074	7,776	865	1,372	828	-	39	12,954
Loans and advances to customers	220,942	82,646	47,617	19,695	8,093	9,426	10,692	399,111
Investment securities	21,975	34,619	26,809	51,242	112,747	68,792	9,283	325,467
Other financial assets	-	-	-	-	-	-	39,655	39,655
	334,052	125,079	75,291	72,309	121,668	78,218	64,582	871,199
Less allowances for credit impairment								(17,848)
Total								**853,351**
Financial liabilities								
Deposits from banks	31,194	4,138	3,641	1,753	-	-	275	41,001
Deposits from customers	354,998	24,580	11,689	20,914	9,516	1,033	218,907	641,637
Derivative financial instruments	-	-	-	153	(151)	-	1,988	1,990
Other borrowed funds	111	45,073	5,724	4,952	9,378	-	117	65,355
Debt securities	-	1,128	2,256	-	-	10,805	125	14,314
Subordinated liability	6,953	-	-	-	-	-	104	7,057
Other financial liabilities	-	-	-	-	-	-	3,165	3,165
Total	393,256	74,919	23,310	27,772	18,743	11,838	224,681	**774,519**
On balance sheet interest sensitivity gap	(59,204)	50,160	51,981	44,537	102,925	66,380	(160,099)	96,680
Less allowances for credit impairment								(17,848)
								78,832

* Includes interest receivable

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iii) Interest rate risk (continued)

Interest sensitivity of assets and liabilities- repricing analysis (continued)

	BANK							
At 30 June 2024	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-3 years**	**Over 3 years**	**Non-interest bearing***	**Total**
	RS 'M	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**
Financial Assets								
Cash and cash equivalents	88,753	38	-	-	-	-	1,911	90,702
Derivative financial instruments	89	-	-	-	-	-	1,982	2,071
Loans to and placements with banks	3,033	7,776	865	1,372	828	-	39	13,913
Loans and advances to customers	213,796	82,646	47,617	19,695	8,093	9,426	10,183	391,456
Investment securities	21,774	34,513	26,703	50,827	111,460	68,792	9,030	323,099
Other financial assets	-	-	-	-	-	-	38,739	38,739
	327,445	124,973	75,185	71,894	120,381	78,218	61,884	859,980
Less allowances for credit impairment								(17,305)
Total								**842,675**
Financial liabilities								
Deposits from banks	31,214	4,138	3,641	1,753	-	-	275	41,021
Deposits from customers	348,057	24,297	11,669	20,903	9,516	1,033	218,817	634,292
Derivative financial instruments	-	-	-	153	(151)	-	1,988	1,990
Other borrowed funds	882	42,605	5,724	3,826	9,378	-	114	62,529
Debt securities	-	1,128	2,256	-	-	10,805	125	14,314
Subordinated liability	6,953	-	-	-	-	-	104	7,057
Other financial liabilities	-	-	-	-	-	-	3,013	3,013
Total	387,106	72,168	23,290	26,635	18,743	11,838	224,436	**764,216**
On balance sheet interest sensitivity gap	(59,661)	52,805	51,895	45,259	101,638	66,380	(162,552)	95,764
Less allowances for credit impairment								(17,305)
								78,459

* Includes interest receivable

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iv) Liquidity risk

Liquidity risk entails the risk of being unable to procure readily available funds to satisfy immediate or near-term obligations in a cost-efficient manner. The Group recognizes the indispensable nature of skillfully managing liquidity, not only to foster market confidence but also to ensure the enduring viability of its operations.

In order to effectively navigate liquidity and funding risk, the Group has established a robust internal framework that synergizes Risk, Finance, and Treasury Management functions, all of which operate under the vigilant oversight of the Asset and Liability Committee (ALCO). The Group has implemented a series of key strategies to proficiently manage liquidity risk:

- Proactively forecast future cash flows and devise plans to address both routine operational necessities as well as diverse potential scenarios and contingencies.
- Oversee day-to-day liquidity by closely monitoring intra-day liquidity dynamics and projecting future cash flows, thereby guaranteeing the capability to meet all outgoing fund requirements.
- Uphold a reserve of liquid assets that can be promptly mobilized in situations of unanticipated cash outflows.
- Foster a diversified and stable funding foundation to fortify the Group's financial resilience.
- Rigorously monitor a set of early warning indicators that signal potential liquidity stress.
- Maintain a comprehensive Contingency Funding Plan to address liquidity emergencies.

The below table provides a breakdown of financial assets and liabilities according to their remaining contractual maturities as of the end of the reporting period. The Group also holds financial assets and financial liabilities for which the expected cash flows are significantly different from the contractual cash flows. The most common examples of such instruments are the current deposits from customers which are largely repayable on demand are not expected to be withdrawn immediately but to remain stable or increase. Similarly, retail mortgage loans might have a longer average contractual maturity but the average expected maturity could be lower since customers may take advantage of early repayment options.

The amounts disclosed in the following tables are undiscounted.

Maturities of assets and liabilities

	GROUP							
At 30 June 2026	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-3 years**	**Over 3 years**	**Non-maturity items**	**Total**
	RS 'M	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**
Financial Assets								
Cash and cash equivalents	**212,172**	**-**	**-**	**-**	**-**	**-**	**175**	**212,347**
Derivative financial instruments	**30**	**-**	**-**	**-**	**-**	**-**	**4,130**	**4,160**
Loans to and placements with banks	**3,693**	**16,931**	**7,768**	**3,021**	**1,858**	**-**	**4,228**	**37,499**
Loans and advances to customers	**117,302**	**45,050**	**110,316**	**61,236**	**134,986**	**114,708**	**20,828**	**604,426**
Investment securities	**21,907**	**46,223**	**84,676**	**63,942**	**113,509**	**127,719**	**6,393**	**464,369**
Other financial assets	**5,052**	**-**	**-**	**-**	**-**	**-**	**51,111**	**56,163**
	360,156	**108,204**	**202,760**	**128,199**	**250,353**	**242,427**	**86,865**	**1,378,964**
Less allowances for credit impairment								**(20,454)**
Total								**1,358,510**
Financial liabilities								
Deposits from banks	**33,533**	**9,121**	**3,562**	**800**	**-**	**-**	**-**	**47,016**
Deposits from customers	**707,830**	**47,410**	**66,011**	**13,589**	**12,594**	**-**	**1,781**	**849,215**
Derivative financial instruments	**44**	**-**	**-**	**-**	**-**	**-**	**4,286**	**4,330**
Other borrowed funds	**5,534**	**2,447**	**58,177**	**19,115**	**61,865**	**7,265**	**642**	**155,045**
Debt securities	**-**	**-**	**2,283**	**16,448**	**22,358**	**-**	**445**	**41,534**
Subordinated liabilities	**-**	**-**	**-**	**-**	**6,938**	**190**	**(56)**	**7,072**
Other financial liabilities	**-**	**-**	**-**	**84**	**270**	**8**	**6,054**	**6,416**
Lease liabilities	***-***	***-***	***-***	***84***	***270***	***8***	**-**	***362***
Total	**746,941**	**58,978**	**130,033**	**50,036**	**104,025**	**7,463**	**13,152**	**1,110,628**
Net liquidity gap	**(386,785)**	**49,226**	**72,727**	**78,163**	**146,328**	**234,964**	**73,713**	**268,336**
Less allowances for credit impairment								**(20,454)**
								247,882
Off balance sheet net notional position	**54,327**	**58,367**	**12,029**	**53,611**	**139,327**	**6,943**	**-**	**324,604**
Credit commitments	**576**	**96**	**2,677**	**794**	**651**	**592,099**	**-**	**596,893**

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iv) Liquidity risk (continued)

The amounts disclosed in the following tables are undiscounted.

Maturities of assets and liabilities (continued)

	BANK							
At 30 June 2026	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-3 years**	**Over 3 years**	**Non-maturity items**	**Total**
	RS 'M	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**
Financial Assets								
Cash and cash equivalents	**211,855**	**-**	**-**	**-**	**-**	**-**	**9**	**211,864**
Derivative financial instruments	**30**	**-**	**-**	**-**	**-**	**-**	**4,130**	**4,160**
Loans to and placements with banks	**3,693**	**16,931**	**7,768**	**3,021**	**1,858**	**-**	**4,228**	**37,499**
Loans and advances to customers	**110,976**	**44,822**	**110,079**	**61,124**	**134,171**	**113,613**	**20,689**	**595,474**
Investment securities	**21,907**	**45,569**	**83,758**	**63,611**	**113,509**	**123,933**	**6,393**	**458,680**
Other financial assets	**5,052**	**-**	**-**	**-**	**-**	**-**	**48,508**	**53,560**
	353,513	**107,322**	**201,605**	**127,756**	**249,538**	**237,546**	**83,957**	**1,361,237**
Less allowances for credit impairment								**(19,631)**
Total								**1,341,606**
Financial liabilities								
Deposits from banks	**33,912**	**6,543**	**3,563**	**800**	**-**	**-**	**-**	**44,818**
Deposits from customers	**699,048**	**46,534**	**64,782**	**11,925**	**12,415**	**-**	**1,781**	**836,485**
Derivative financial instruments	**44**	**-**	**-**	**-**	**-**	**-**	**4,286**	**4,330**
Other borrowed funds	**5,534**	**2,922**	**58,177**	**18,157**	**61,866**	**7,265**	**642**	**154,563**
Debt securities	**-**	**-**	**2,283**	**16,448**	**22,358**	**-**	**445**	**41,534**
Subordinated liability	**-**	**-**	**-**	**-**	**6,938**	**-**	**(56)**	**6,882**
Other financial liabilities	**-**	**-**	**-**	**84**	**217**	**7**	**5,430**	**5,738**
Lease liabilities	**-**	**-**	**-**	***84***	***217***	***7***	**-**	***308***
Total	**738,538**	**55,999**	**128,805**	**47,414**	**103,794**	**7,272**	**12,528**	**1,094,350**
Net liquidity gap	**(385,025)**	**51,323**	**72,800**	**80,342**	**145,744**	**230,274**	**71,429**	**266,887**
Less allowances for credit impairment								**(19,631)**
								247,256
Off balance sheet net notional position	**53,133**	**58,236**	**11,955**	**53,338**	**139,299**	**6,523**	**-**	**322,484**
Credit commitments	**576**	**96**	**2,677**	**794**	**651**	**592,099**	**-**	**596,893**

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iv) Liquidity risk (continued)

Maturities of assets and liabilities (continued)

	GROUP							
At 30 June 2025	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-3 years**	**Over 3 years**	**Non-maturity items**	**Total**
	RS 'M	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**
Financial Assets								
Cash and cash equivalents	120,199	4,659	-	-	-	-	615	125,473
Derivative financial instruments	-	-	-	-	103	33	1,199	1,335
Loans to and placements with banks	14,660	1,349	6,490	8,181	28	40	-	30,748
Loans and advances to customers	69,498	35,315	31,001	71,985	93,004	144,282	11,360	456,445
Investment securities	16,039	39,514	29,378	56,120	91,866	137,049	5,288	375,254
Other financial assets	-	-	-	-	-	-	45,766	45,766
	220,396	80,837	66,869	136,286	185,001	281,404	64,228	1,035,021
Less allowances for credit impairment								(21,052)
Total								**1,013,969**
Financial liabilities								
Deposits from banks	11,982	4,036	1,751	2,146	493	-	-	20,408
Deposits from customers	591,858	37,017	20,677	22,996	15,015	6,170	-	693,733
Derivative financial instruments	-	-	-	-	-	1,037	149	1,186
Other borrowed funds	2,605	1,396	19,407	24,678	10,237	16,335	(146)	74,512
Debt securities	-	-	534	537	15,852	-	(58)	16,865
Subordinated liabilities	-	-	-	-	6,621	74	160	6,855
Other financial liabilities	-	-	-	70	206	19	2,804	3,099
Lease liabilities	-	-	-	*70*	*206*	*19*	-	*295*
Total	606,445	42,449	42,369	50,427	48,424	23,635	2,909	**816,658**
Net liquidity gap	(386,049)	38,388	24,500	85,859	136,577	257,769	61,319	218,363
Less allowances for credit impairment								(21,052)
								197,311
Off balance sheet net notional position	36,576	43,621	7,808	50,991	73,111	8,082	-	220,189
Credit commitments	1,529	288	4,430	1,367	988	461,963	-	470,565

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iv) Liquidity risk (continued)

Maturities of assets and liabilities (continued)

	BANK							
At 30 June 2025	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-3 years**	**Over 3 years**	**Non-maturity items**	**Total**
	RS 'M	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**
Financial Assets								
Cash and cash equivalents	119,644	4,659	-	-	-	-	458	124,761
Derivative financial instruments	-	-	-	-	103	33	1,199	1,335
Loans to and placements with banks	14,660	1,563	6,490	8,181	28	40	-	30,962
Loans and advances to customers	63,086	34,988	30,844	71,877	91,749	143,690	11,360	447,594
Investment securities	16,039	39,357	29,248	55,808	89,100	137,049	5,288	371,889
Other financial assets	-	-	-	-	-	-	44,415	44,415
	213,429	80,567	66,582	135,866	180,980	280,812	62,720	1,020,956
Less allowances for credit impairment								(20,377)
Total								**1,000,579**
Financial liabilities								
Deposits from banks	12,073	1,413	1,751	2,146	493	-	-	17,876
Deposits from customers	585,619	36,514	19,873	21,925	14,798	6,170	-	684,899
Derivative financial instruments	-	-	-	-	-	1,037	149	1,186
Other borrowed funds	2,605	1,431	19,407	23,714	10,237	16,335	(146)	73,583
Debt securities	-	-	534	537	15,852	-	(58)	16,865
Subordinated liability	-	-	-	-	6,621	(108)	193	6,706
Other financial liabilities	-	-	-	70	163	18	2,713	2,964
Lease liabilities	-	-	-	*70*	*163*	*18*	-	*251*
Total	600,297	39,358	41,565	48,392	48,164	23,452	2,851	**804,079**
Net liquidity gap	(386,868)	41,209	25,017	87,474	132,816	257,360	59,869	216,877
Less allowances for credit impairment								(20,377)
								196,500
Off balance sheet net notional position	35,477	43,500	7,740	50,739	73,086	7,695	-	218,237
Credit commitments	1,529	288	4,430	1,367	988	461,963	-	470,565

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iv) Liquidity risk (continued)

Maturities of assets and liabilities (continued)

	GROUP							
At 30 June 2024	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-3 years**	**Over 3 years**	**Non-maturity items**	**Total**
	RS 'M	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**	**RS 'M**
Financial Assets								
Cash and cash equivalents	89,576	-	-	-	-	-	151	89,727
Derivative financial instruments	-	-	-	-	-	-	921	921
Loans to and placements with banks	7,215	177	64	5,199	479	-	-	13,134
Loans and advances to customers	93,706	56,447	26,278	28,438	101,916	143,224	16,542	466,551
Investment securities	9,018	36,208	27,666	49,765	123,618	102,207	8,081	356,563
Other financial assets	-	-	-	-	-	-	39,655	39,655
	199,515	92,832	54,008	83,402	226,013	245,431	65,350	966,551
Less allowances for credit impairment								(17,848)
Total								**948,703**
Financial liabilities								
Deposits from banks	31,339	4,165	3,835	1,837	-	-	-	41,176
Deposits from customers	553,563	28,050	14,334	25,577	18,531	7,522	-	647,577
Derivative financial instruments	-	1	1	2	4	-	397	405
Other borrowed funds	151	3,199	870	2,793	44,908	5,603	(287)	57,237
Debt securities	-	137	753	564	2,250	15,317	125	19,146
Subordinated liability	-	-	-	6,953	-	-	104	7,057
Other financial liabilities	-	-	-	14	92	135	2,924	3,165
Lease liabilities	-	-	-	*14*	*92*	*135*	-	*241*
Total	585,053	35,552	19,793	37,740	65,785	28,577	3,263	**775,763**
Net liquidity gap	(385,538)	57,280	34,215	45,662	160,228	216,854	62,087	190,788
Less allowances for credit impairment								(17,848)
								172,940
Off balance sheet net notional position	17,922	23,195	5,576	45,794	84,795	9,605	-	186,887
Credit commitments	11,168	19,803	4,436	2,335	5,432	432,593	-	475,767

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iv) Liquidity risk (continued)

Maturities of assets and liabilities (continued)

At 30 June 2024	BANK							
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-maturity items	Total
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets								
Cash and cash equivalents	88,490	-	-	-	-	-	-	88,490
Derivative financial instruments	-	-	-	-	-	-	921	921
Loans to and placements with banks	8,175	177	64	5,199	479	-	-	14,094
Loans and advances to customers	89,630	56,019	26,099	28,360	100,905	141,946	15,936	458,895
Investment securities	8,791	36,092	27,534	49,289	122,201	102,207	8,081	354,195
Other financial assets	-	-	-	-	-	-	38,739	38,739
	195,086	92,288	53,697	82,848	223,585	244,153	63,677	955,334
Less allowances for credit impairment								(17,305)
Total								**938,029**
Financial liabilities								
Deposits from banks	31,359	4,165	3,835	1,837	-	-	-	41,196
Deposits from customers	548,674	27,342	13,496	24,727	18,470	7,522	-	640,231
Derivative financial instruments	-	1	1	2	4	-	397	405
Other borrowed funds	922	728	870	1,667	44,908	5,603	(287)	54,411
Debt securities	-	137	753	564	2,250	15,317	125	19,146
Subordinated liability	-	-	-	6,953	-	-	104	7,057
Other financial liabilities	-	-	-	14	52	135	2,812	3,013
Lease liabilities	-	-	-	*14*	*52*	*135*	-	*201*
Total	580,955	32,373	18,955	35,764	65,684	28,577	3,151	**765,459**
Net liquidity gap	(385,869)	59,915	34,742	47,084	157,901	215,576	60,526	189,875
Less allowances for credit impairment								(17,305)
								172,570
Off balance sheet net notional position	16,926	22,984	5,523	45,703	84,753	9,222	-	185,111
Credit commitments	11,168	19,803	4,436	2,335	5,432	432,593	-	475,767

3. FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments and instruments for which a market, which is considered to be the most representative price, is readily available. These financial assets have been classified as fair value through profit or loss and fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant input required to fair value an instrument is observable, the instrument is included in level 2.

If one or more significant inputs are not based on observable market data, the instrument is included in level 3.

Specific techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest swaps is calculated as the present value of the estimated future cashflows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using foreign exchange rates at the end of the reporting period, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

(e) Capital risk management

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

(f) Financial instruments by category

	GROUP					
	Amortised cost	Fair value through profit or loss		Fair value through other comprehensive income		Total
		Designated	Mandatory	Debt instrument	Equity instrument	
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
At 30 June 2026						
Financial assets						
Cash and cash equivalents	**212,246**	**-**	**-**	**-**	**-**	**212,246**
Derivative financial instruments	**-**	**-**	**4,160**	**-**	**-**	**4,160**
Loans to and placements with banks	**35,715**	**-**	**-**	**-**	**-**	**35,715**
Loans and advances to customers	**484,348**	**-**	**-**	**-**	**-**	**484,348**
Investment securities	**384,439**	**6,699**	**-**	**2,775**	**1,323**	**395,236**
Other financial assets	**56,163**	**-**	**-**	**-**	**-**	**56,163**
Total	**1,172,911**	**6,699**	**4,160**	**2,775**	**1,323**	**1,187,868**
Financial liabilities						
Deposits from banks	**46,631**	**-**	**-**	**-**	**-**	**46,631**
Deposits from customers	**843,181**	**-**	**-**	**-**	**-**	**843,181**
Derivative financial instruments	**-**	**-**	**4,330**	**-**	**-**	**4,330**
Other borrowed funds	**145,322**	**-**	**-**	**-**	**-**	**145,322**
Debt securities	**33,341**	**-**	**-**	**-**	**-**	**33,341**
Subordinated liabilities	**7,187**	**-**	**-**	**-**	**-**	**7,187**
Other financial liabilities	**6,416**	**-**	**-**	**-**	**-**	**6,416**
Total	**1,082,078**	**-**	**4,330**	**-**	**-**	**1,086,408**
Net on-balance sheet position	**90,833**	**6,699**	**(170)**	**2,775**	**1,323**	**101,460**

3. FINANCIAL RISK MANAGEMENT (continued)

(f) Financial instruments by category (continued)

	BANK					
	Amortised cost	Fair value through profit or loss		Fair value through other comprehensive income		Total
		Designated	Mandatory	Debt instrument	Equity instrument	
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
At 30 June 2026						
Financial assets						
Cash and cash equivalents	**211,765**	**-**	**-**	**-**	**-**	**211,765**
Derivative financial instruments	**-**	**-**	**4,160**	**-**	**-**	**4,160**
Loans to and placements with banks	**35,715**	**-**	**-**	**-**	**-**	**35,715**
Loans and advances to customers	**476,153**	**-**	**-**	**-**	**-**	**476,153**
Investment securities	**378,813**	**6,699**	**-**	**2,775**	**1,323**	**389,610**
Other financial assets	**53,560**	**-**	**-**	**-**	**-**	**53,560**
Total	**1,156,006**	**6,699**	**4,160**	**2,775**	**1,323**	**1,170,963**
Financial liabilities						
Deposits from banks	**44,433**	**-**	**-**	**-**	**-**	**44,433**
Deposits from customers	**830,451**	**-**	**-**	**-**	**-**	**830,451**
Derivative financial instruments	**-**	**-**	**4,330**	**-**	**-**	**4,330**
Other borrowed funds	**144,840**	**-**	**-**	**-**	**-**	**144,840**
Debt securities	**33,341**	**-**	**-**	**-**	**-**	**33,341**
Subordinated liability	**6,997**	**-**	**-**	**-**	**-**	**6,997**
Other financial liabilities	**5,738**	**-**	**-**	**-**	**-**	**5,738**
Total	**1,065,800**	**-**	**4,330**	**-**	**-**	**1,070,130**
Net on-balance sheet position	**90,206**	**6,699**	**(170)**	**2,775**	**1,323**	**100,833**

3. FINANCIAL RISK MANAGEMENT (continued)

(f) Financial instruments by category (continued)

	GROUP					
	Amortised cost	Fair value through profit or loss		Fair value through other comprehensive income		Total
		Designated	Mandatory	Debt instrument	Equity instrument	
At 30 June 2025	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial assets						
Cash and cash equivalents	132,323	-	-	-	-	132,323
Derivative financial instruments	-	-	3,745	-	-	3,745
Loans to and placements with banks	30,577	-	-	-	-	30,577
Loans and advances to customers	375,178	-	-	-	-	375,178
Investment securities	315,792	9,447	-	1,514	1,368	328,121
Other financial assets	45,766	-	-	-	-	45,766
Total	**899,636**	**9,447**	**3,745**	**1,514**	**1,368**	**915,710**
Financial liabilities						
Deposits from banks	20,158	-	-	-	-	20,158
Deposits from customers	690,364	-	-	-	-	690,364
Derivative financial instruments	-	-	4,068	-	-	4,068
Other borrowed funds	85,671	-	-	-	-	85,671
Debt securities	13,649	-	-	-	-	13,649
Subordinated liability	6,889	-	-	-	-	6,889
Other financial liabilities	3,099	-	-	-	-	3,099
Total	**819,830**	**-**	**4,068**	**-**	**-**	**823,898**
Net on-balance sheet position	**79,806**	**9,447**	**(323)**	**1,514**	**1,368**	**91,812**

	BANK					
	Amortised cost	Fair value through profit or loss		Fair value through other comprehensive income		Total
		Designated	Mandatory	Debt instrument	Equity instrument	
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
At 30 June 2025						
Financial assets						
Cash and cash equivalents	131,612	-	-	-	-	131,612
Derivative financial instruments	-	-	3,745	-	-	3,745
Loans to and placements with banks	30,791	-	-	-	-	30,791
Loans and advances to customers	366,970	-	-	-	-	366,970
Investment securities	312,454	9,447	-	1,514	1,368	324,783
Other financial assets	44,415	-	-	-	-	44,415
Total	**886,242**	**9,447**	**3,745**	**1,514**	**1,368**	**902,316**
Financial liabilities						
Deposits from banks	17,629	-	-	-	-	17,629
Deposits from customers	681,527	-	-	-	-	681,527
Derivative financial instruments	-	-	4,068	-	-	4,068
Other borrowed funds	84,742	-	-	-	-	84,742
Debt securities	13,649	-	-	-	-	13,649
Subordinated liability	6,707	-	-	-	-	6,707
Other financial liabilities	2,964	-	-	-	-	2,964
Total	**807,218**	**-**	**4,068**	**-**	**-**	**811,286**
Net on-balance sheet position	**79,024**	**9,447**	**(323)**	**1,514**	**1,368**	**91,030**

3. FINANCIAL RISK MANAGEMENT (continued)

(f) Financial instruments by category (continued)

	GROUP					
	Amortised cost	Fair value through profit or loss		Fair value through other comprehensive income		Total
		Designated	Mandatory	Debt instrument	Equity instrument	
At 30 June 2024	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial assets						
Cash and cash equivalents	91,907	-	-	-	-	91,907
Derivative financial instruments	-	-	2,071	-	-	2,071
Loans to and placements with banks	12,623	-	-	-	-	12,623
Loans and advances to customers	382,533	-	-	-	-	382,533
Investment securities	315,482	6,914	-	893	1,273	324,562
Other financial assets	39,655	-	-	-	-	39,655
Total	**842,200**	**6,914**	**2,071**	**893**	**1,273**	**853,351**
Financial liabilities						
Deposits from banks	41,001	-	-	-	-	41,001
Deposits from customers	641,637	-	-	-	-	641,637
Derivative financial instruments	-	-	1,990	-	-	1,990
Other borrowed funds	65,355	-	-	-	-	65,355
Debt securities	14,314	-	-	-	-	14,314
Subordinated liability	7,057	-	-	-	-	7,057
Other financial liabilities	3,165	-	-	-	-	3,165
Total	**772,529**	**-**	**1,990**	**-**	**-**	**774,519**
Net on-balance sheet position	**69,671**	**6,914**	**81**	**893**	**1,273**	**78,832**

	BANK					
	Amortised cost	Fair value through profit or loss		Fair value through other comprehensive income		Total
		Designated	Mandatory	Debt instrument	Equity instrument	
At 30 June 2024	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial assets						
Cash and cash equivalents	90,669	-	-	-	-	90,669
Derivative financial instruments	-	-	2,071	-	-	2,071
Loans to and placements with banks	13,582	-	-	-	-	13,582
Loans and advances to customers	375,404	-	-	-	-	375,404
Investment securities	313,130	6,914	-	893	1,273	322,210
Other financial assets	38,739	-	-	-	-	38,739
Total	**831,524**	**6,914**	**2,071**	**893**	**1,273**	**842,675**
Financial liabilities						
Deposits from banks	41,021	-	-	-	-	41,021
Deposits from customers	634,292	-	-	-	-	634,292
Derivative financial instruments	-	-	1,990	-	-	1,990
Other borrowed funds	62,529	-	-	-	-	62,529
Debt securities	14,314	-	-	-	-	14,314
Subordinated liability	7,057	-	-	-	-	7,057
Other financial liabilities	3,013	-	-	-	-	3,013
Total	**762,226**	**-**	**1,990**	**-**	**-**	**764,216**
Net on-balance sheet position	**69,298**	**6,914**	**81**	**893**	**1,273**	**78,459**

3. FINANCIAL RISK MANAGEMENT (continued)

(g) Financial instruments not measured at fair value

The following table summarises the carrying amounts and fair values of those financial assets and financial liabilities not presented on the Bank's statement of financial position at their fair values.

	Carrying value	Fair value	Level 1	Level 2
	RS 'M	RS 'M	RS 'M	RS 'M
At 30 June 2026				
Financial assets				
Loans to and placements with banks	**35,715**	**35,711**	**-**	**35,711**
Loans and advances to customers	**476,153**	**475,410**	**-**	**475,410**
Investment securities	**378,813**	**376,674**	**376,674**	**-**
Financial liabilities				
Deposits from banks	**44,433**	**44,429**	**-**	**44,429**
Deposits from customers	**830,451**	**830,358**	**-**	**830,358**
Other borrowed funds	**144,840**	**144,817**	**-**	**144,817**
Debt securities	**33,341**	**33,340**	**33,340**	**-**
Subordinated liability	**6,997**	**6,977**	**-**	**6,977**
At 30 June 2025				
Financial assets				
Loans to and placements with banks	30,791	30,804	-	30,804
Loans and advances to customers	366,970	366,802	-	366,802
Investment securities	312,454	307,277	307,277	-
Financial liabilities				
Deposits from banks	17,629	17,628	-	17,628
Deposits from customers	681,527	681,531	-	681,531
Other borrowed funds	84,742	84,637	-	84,637
Debt securities	13,649	14,411	14,411	-
Subordinated liability	6,707	6,705	-	6,705
At 30 June 2024				
Financial assets				
Loans to and placements with banks	13,582	13,569	-	13,569
Loans and advances to customers	375,404	375,038	-	375,038
Investment securities	313,130	308,342	308,342	-
Financial liabilities				
Deposits from banks	41,021	41,010	-	41,010
Deposits from customers	634,292	634,189	-	634,189
Other borrowed funds	62,529	62,137	-	62,137
Debt securities	14,314	14,669	14,669	-
Subordinated liability	7,057	7,055	-	7,055

(i) Loans and advances to banks and to customers

Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(ii) Deposits at amortised cost

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.

The estimated fair value of fixed interest-bearing deposits and debt securities issued and not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

(iii) Debt securities in issue

Fair values of other debt securities in issue are based on quoted prices where available, or where the instruments are short dated, carrying amount approximates fair value.

(iv) Subordinated liabilities

The estimated fair value of the loan capital and not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

4. CASH AND CASH EQUIVALENTS

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
Cash in hand	**4,427**	3,764	3,556	**4,265**	3,631	3,419
Foreign currency notes and coins	**186**	265	222	**170**	239	206
Unrestricted balances with Central Banks**	**4,050**	1,813	2,268	**3,861**	1,813	1,399
Balances due in clearing	**310**	467	396	**282**	458	391
Treasury bills and bonds	**106,915**	363	95	**106,915**	363	95
Money market placements with banks	**47,863**	78,152	50,929	**47,863**	77,638	50,848
Balances with banks abroad	**40,979**	40,315	32,273	**40,895**	40,286	32,142
Balances with local bank and interbank loans*	**7,585**	7,261	2,202	**7,581**	7,258	2,202
	212,315	132,400	91,941	**211,832**	131,686	90,702
Allowances for credit impairment (12 months expected credit loss)	**(69)**	(77)	(34)	**(67)**	(74)	(33)
	212,246	132,323	91,907	**211,765**	131,612	90,669
*Of which reverse repo	**7,111**	901	2,202	**7,111**	901	2,202

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

Money market placements, balances with banks abroad, 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.

Allowances for credit impairment

	GROUP	BANK
	Stage 1 RS'M	Stage 1 RS'M
At 1 July 2025	**77**	**74**
Provision for credit impairment for the year	**33**	**32**
Provision released during the year	**(30)**	**(28)**
Financial assets that have been derecognised	**(14)**	**(14)**
Changes in models/risk parameters	**3**	**3**
At 30 June 2026	**69**	**67**
At 1 July 2024	34	33
Provision for credit impairment for the year	27	25
Provision released during the year	(2)	(2)
Financial assets that have been derecognised	(3)	(3)
Changes in models/risk parameters	21	21
At 30 June 2025	77	74
At 1 July 2023	39	34
Provision for credit impairment for the year	15	15
Provision released during the year	(12)	(8)
Financial assets that have been derecognised	(8)	(8)
At 30 June 2024	34	33

Cash and cash equivalents as shown in the statement of cash flows

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
Cash and cash equivalents	**212,315**	132,400	91,941	**211,832**	131,686	90,702
Other borrowed funds (see note 14(a))	**-**	(127)	(6)	**-**	(127)	(6)
Net cash and cash equivalents	**212,315**	132,273	91,935	**211,832**	131,559	90,696
Change in year	**80,042**	40,338	(22,169)	**80,273**	40,863	(22,947)
Effect of foreign exchange rate changes	**(70)**	(78)	54	**-**	-	-
Increase/(Decrease) in cash and cash equivalents	**79,972**	40,260	(22,115)	**80,273**	40,863	(22,947)

5. DERIVATIVE FINANCIAL INSTRUMENTS

The Group utilises the following derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk:

-Currency forwards represent commitments to purchase foreign and domestic currency, including undelivered spot transactions.

-Currency swaps and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies, or interest rates, or a combination of all these.

Except for certain currency swaps, no exchange of principal takes place. The Group's credit risk represents the potential cost to replace the swap contracts if counterparties fail to perform their obligation. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

Commodity options provide the buyer, for a premium, the right, but not the obligation, either to purchase or sell a fixed quantity of a certain commodity at a specified price on or before a future date. All commodity contracts are fully back-to-back transactions such that the Group is not exposed to market risks.

(a) Fair values of derivative financial instruments

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

	GROUP & BANK		
	Contractual/ Nominal Amount	Fair value assets	Fair value liabilities
	RS'M	RS'M	RS'M
Fair value through profit or loss - Level 2*			
Derivative Instruments			
At 30 June 2026			
Currency forwards	**113,821**	**745**	**814**
Interest rate swaps**	**9,582**	**14**	**102**
Currency swaps	**28,924**	**136**	**201**
Commodities	**81,418**	**2,922**	**2,900**
Others	**9,880**	**343**	**313**
	243,625	**4,160**	**4,330**
At 30 June 2025			
Currency forwards	33,563	447	488
Interest rate swaps**	40,358	622	792
Currency swaps	32,532	130	414
Commodities	106,266	2,247	2,238
Others	12,750	299	136
	225,469	3,745	4,068
At 30 June 2024			
Currency forwards	28,624	125	106
Interest rate swaps	36,309	531	680
Currency swaps	25,244	176	123
Commodities	60,875	993	993
Others	16,160	246	88
	167,212	2,071	1,990

*Refer to definition of Level 2 in note 7.

**Includes cash flow hedge instrument as disclosed in note 5(b).

The derivative financial instruments are classified as non-current assets or non-current liabilities.

5. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(b) Hedge Accounting

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

Hedge Type	Risk category	Year	Nominal amount	Carrying amount	
				Assets	Liabilities
			RS 'M	RS 'M	RS 'M
Cash flow	Interest rate Risk				
		At 30 June 2026	**7,079**	**8**	**60**
		At 30 June 2025	6,756	18	29

The hedge has been assessed as being effective using Dollar Offset Model.

The effect on income statement and other comprehensive income of recycling amounts in respect of cash flow hedge is set out below:

Description of hedged relationship and hedged risk	Year	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
Cash flow hedge of interest rate risk			
Recycled to net trading income	**At 30 June 2026**	**34**	**-**
	At 30 June 2025	55	-

A detailed reconciliation of the movements of the cash flow hedge reserve

	Cash flow hedge reserve	
	30-Jun-26	30-Jun-25
	RS' M	RS' M
Opening balance	**(11)**	-
Hedging loss	**(75)**	(66)
Amount reclassified in relation to cash flow affecting the statement of profit or loss	**34**	55
Closing balance	**(52)**	(11)

Notes to the Consolidated and Separate Financial Statements

for the year ended 30 June 2026

6. LOANS

(a) Loans to and placements with banks*

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
(i) Loans to and placements with banks						
in Mauritius	**52,940**	64,320	22,612	**52,940**	64,320	22,612
outside Mauritius	**79,658**	91,188	73,544	**79,570**	90,856	74,291
	132,598	155,508	96,156	**132,510**	155,176	96,903
Less:						
Loans to and placements with banks with original maturity less than 3 months and included in cash and cash equivalents	**(96,427)**	(124,827)	(83,202)	**(96,339)**	(124,281)	(82,990)
	36,171	30,681	12,954	**36,171**	30,895	13,913
Less:						
Allowances for credit impairment	**(456)**	(104)	(331)	**(456)**	(104)	(331)
	35,715	30,577	12,623	**35,715**	30,791	13,582
*Of which reverse repo	**9,776**	6,756	-	**9,776**	6,756	-
(ii) Remaining term to maturity						
Up to 3 months	**19,071**	11,894	5,714	**19,071**	12,108	6,674
Over 3 months and up to 6 months	**8,401**	6,287	1,189	**8,401**	6,287	1,189
Over 6 months and up to 1 year	**4,104**	12,435	5,269	**4,104**	12,435	5,269
Over 1 year and up to 5 years	**4,595**	64	774	**4,595**	64	774
Over 5 years	**-**	1	8	**-**	1	7
	36,171	30,681	12,954	**36,171**	30,895	13,913
Loans to and placements with banks can be classified as :						
Current	**31,576**	30,616	12,172	**31,576**	30,830	13,132
Non-current	**4,595**	65	782	**4,595**	65	781
	36,171	30,681	12,954	**36,171**	30,895	13,913

(iii) Reconciliation of gross carrying amount

	GROUP			BANK		
	Stage 1 RS'M	Stage 3 RS'M	Total RS'M	Stage 1 RS'M	Stage 3 RS'M	Total RS'M
At 1 July 2025	**30,681**	**-**	**30,681**	**30,895**	**-**	**30,895**
New loans and placements with banks, originated or purchased	**36,120**	**-**	**36,120**	**36,120**	**-**	**36,120**
Loans and placements with banks derecognised or repaid (excluding write off)	**(30,630)**	**-**	**(30,630)**	**(30,844)**	**-**	**(30,844)**
At 30 June 2026	**36,171**	**-**	**36,171**	**36,171**	**-**	**36,171**
At 1 July 2024	12,954	-	12,954	13,913	-	13,913
New loans and placements with banks, originated or purchased	30,052	3	30,055	30,266	3	30,269
Loans and placements with banks derecognised or repaid (excluding write off)	(12,325)	-	(12,325)	(13,284)	-	(13,284)
Write offs	-	(3)	(3)	-	(3)	(3)
At 30 June 2025	30,681	-	30,681	30,895	-	30,895
At 1 July 2023	14,697	-	14,697	14,880	-	14,880
New loans and placements with banks, originated or purchased	11,788	13	11,801	12,747	13	12,760
Loans and placements with banks derecognised or repaid (excluding write off)	(13,531)	-	(13,531)	(13,714)	-	(13,714)
Write offs	-	(13)	(13)	-	(13)	(13)
At 30 June 2024	12,954	-	12,954	13,913	-	13,913

Notes to the Consolidated and Separate Financial Statements

for the year ended 30 June 2026

6. LOANS (continued)

(a) Loans to and placements with banks (continued)

(iv) Allowances for credit impairment

	GROUP & BANK
	Stage 1
	RS'M
At 1 July 2025	**104**
Provision for credit impairment for the year	**474**
Provision released during the year	**-**
Financial assets that have been derecognised	**(103)**
Changes in models/risk parameters	**(19)**
Provision and interest in suspense at 30 June 2026	**456**
At 1 July 2024	331
Provision for credit impairment for the year	68
Provision released during the year	(24)
Financial assets that have been derecognised	(297)
Changes in models/risk parameters	26
Provision and interest in suspense at 30 June 2025	104
At 1 July 2023	788
Provision for credit impairment for the year	325
Provision released during the year	(105)
Financial assets that have been derecognised	(678)
Changes in models/risk parameters	1
Provision and interest in suspense at 30 June 2024	331

(b) Loans and advances to customers

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
(i) Loans and advances to customers						
Retail customers:						
Credit cards	**1,414**	1,098	1,375	**1,414**	1,098	1,375
Mortgages	**58,243**	48,715	40,879	**58,187**	48,680	40,843
Other retail loans	**16,148**	13,948	11,464	**15,919**	13,684	11,223
Corporate customers	**160,095**	143,549	123,058	**151,428**	134,996	115,680
Entities outside Mauritius	**267,470**	187,635	222,335	**267,469**	187,635	222,335
	503,370	394,945	399,111	**494,417**	386,093	391,456
Less:						
Allowances for credit impairment	**(19,022)**	(19,767)	(16,578)	**(18,264)**	(19,123)	(16,052)
	484,348	375,178	382,533	**476,153**	366,970	375,404
(ii) Remaining term to maturity						
Up to 3 months	**189,275**	137,942	156,009	**182,581**	131,203	151,371
Over 3 months and up to 6 months	**27,578**	16,245	13,062	**27,341**	16,088	12,962
Over 6 months and up to 1 year	**10,702**	25,357	13,045	**10,590**	25,249	12,883
Over 1 year and up to 5 years	**140,654**	106,997	110,510	**138,975**	105,149	108,210
Over 5 years	**135,161**	108,404	106,485	**134,930**	108,404	106,030
	503,370	394,945	399,111	**494,417**	386,093	391,456
Loans and advances to customers can be classified as :						
Current	**227,555**	179,544	182,116	**220,512**	172,540	177,216
Non-current	**275,815**	215,401	216,995	**273,905**	213,553	214,240
	503,370	394,945	399,111	**494,417**	386,093	391,456

6. LOANS (continued)

(b) Loans and advances to customers (continued)

(iii) Reconciliation of gross carrying amount

	GROUP			
	Stage 1	Stage 2	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2025	**369,064**	**11,120**	**14,761**	**394,945**
Exchange adjustment	**(122)**	**6**	**(91)**	**(207)**
Transfer to Stage 1	**966**	**(826)**	**(140)**	**-**
Transfer to Stage 2	**(2,183)**	**2,282**	**(99)**	**-**
Transfer to Stage 3	**(1,413)**	**(1,673)**	**3,086**	**-**
New loans and advances to customers, originated or purchased	**302,660**	**19,718**	**2,676**	**325,054**
Loans and advances to customers derecognised or repaid (excluding write off)	**(205,356)**	**(3,221)**	**(2,830)**	**(211,407)**
Write offs	**-**	**-**	**(5,015)**	**(5,015)**
At 30 June 2026	**463,616**	**27,406**	**12,348**	**503,370**
At 1 July 2024	375,121	9,515	14,475	399,111
Exchange adjustment	(583)	332	9	(242)
Transfer to Stage 1	786	(691)	(95)	-
Transfer to Stage 2	(5,927)	6,057	(130)	-
Transfer to Stage 3	(1,090)	(1,362)	2,452	-
New loans and advances to customers, originated or purchased	211,082	2,837	3,111	217,030
Loans and advances to customers derecognised or repaid (excluding write off)	(210,325)	(5,568)	(3,418)	(219,311)
Write offs	-	-	(1,643)	(1,643)
At 30 June 2025	369,064	11,120	14,761	394,945
At 1 July 2023	319,618	19,236	14,263	353,117
Exchange adjustment	631	(320)	241	552
Transfer to Stage 1	3,166	(2,959)	(207)	-
Transfer to Stage 2	(829)	841	(12)	-
Transfer to Stage 3	(843)	(1,895)	2,738	-
New loans and advances to customers, originated or purchased	234,242	3,014	5,135	242,391
Loans and advances to customers derecognised or repaid (excluding write off)	(180,864)	(8,402)	(1,267)	(190,533)
Write offs	-	-	(6,416)	(6,416)
At 30 June 2024	375,121	9,515	14,475	399,111

6. LOANS (continued)

(b) Loans and advances to customers (continued)

(iii) Reconciliation of gross carrying amount

	BANK			
	Stage 1	Stage 2	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2025	**361,144**	**10,819**	**14,130**	**386,093**
Transfer to Stage 1	**851**	**(720)**	**(131)**	**-**
Transfer to Stage 2	**(1,693)**	**1,792**	**(99)**	**-**
Transfer to Stage 3	**(1,413)**	**(1,505)**	**2,918**	**-**
New loans and advances to customers, originated or purchased	**301,110**	**19,737**	**2,522**	**323,369**
Loans and advances to customers derecognised or repaid (excluding write off)	**(204,082)**	**(3,184)**	**(2,821)**	**(210,087)**
Write offs	**-**	**-**	**(4,958)**	**(4,958)**
At 30 June 2026	**455,917**	**26,939**	**11,561**	**494,417**
At 1 July 2024	368,056	9,530	13,870	391,456
Exchange adjustment	-	-	82	82
Transfer to Stage 1	484	(389)	(95)	-
Transfer to Stage 2	(5,650)	5,739	(89)	-
Transfer to Stage 3	(1,090)	(1,362)	2,452	-
New loans and advances to customers, originated or purchased	208,369	2,820	2,956	214,145
Loans and advances to customers derecognised or repaid (excluding write off)	(209,025)	(5,519)	(3,403)	(217,947)
Write offs	-	-	(1,643)	(1,643)
At 30 June 2025	361,144	10,819	14,130	386,093
At 1 July 2023	313,244	18,785	13,909	345,938
Exchange adjustment	-	-	168	168
Transfer to Stage 1	2,860	(2,671)	(189)	-
Transfer to Stage 2	(710)	722	(12)	-
Transfer to Stage 3	(801)	(1,893)	2,694	-
New loans and advances to customers, originated or purchased	232,870	2,957	4,980	240,807
Loans and advances to customers derecognised or repaid (excluding write off)	(179,407)	(8,370)	(1,264)	(189,041)
Write offs	-	-	(6,416)	(6,416)
At 30 June 2024	368,056	9,530	13,870	391,456

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for the year ended 30 June 2026

6. LOANS (continued)

(b) Loans and advances to customers (continued)

(iv) Allowances for credit impairment

	GROUP			
	Stage 1	Stage 2	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2025	**3,788**	**2,731**	**10,483**	**17,002**
Exchange adjustment	**2**	**2**	**341**	**345**
Transfer to Stage 1	**180**	**(96)**	**(84)**	**-**
Transfer to Stage 2	**(27)**	**76**	**(49)**	**-**
Transfer to Stage 3	**(27)**	**(353)**	**380**	**-**
Provision for credit impairment for the year	**2,940**	**2,868**	**2,725**	**8,533**
Provision released during the year	**(909)**	**(95)**	**(2,037)**	**(3,041)**
Financial assets that have been derecognised	**(1,283)**	**(410)**	**(332)**	**(2,025)**
Write offs	**-**	**-**	**(3,857)**	**(3,857)**
Changes in models/risk parameters	**(359)**	**(341)**	**-**	**(700)**
At 30 June 2026	**4,305**	**4,382**	**7,570**	**16,257**
Interest in suspense	**-**	**-**	**2,765**	**2,765**
Provision and interest in suspense at 30 June 2026	**4,305**	**4,382**	**10,335**	**19,022**
At 1 July 2024	3,285	2,212	8,951	14,448
Exchange adjustment	(1)	(1)	(375)	(377)
Transfer to Stage 1	204	(165)	(39)	-
Transfer to Stage 2	(50)	79	(29)	-
Transfer to Stage 3	(17)	(308)	325	-
Provision for credit impairment for the year	2,045	2,074	5,296	9,415
Provision released during the year	(1,472)	(383)	(719)	(2,574)
Financial assets that have been derecognised	(1,092)	(958)	(1,828)	(3,878)
Write offs	-	-	(1,099)	(1,099)
Changes in models/risk parameters	886	181	-	1,067
At 30 June 2025	3,788	2,731	10,483	17,002
Interest in suspense	-	-	2,765	2,765
Provision and interest in suspense at 30 June 2025	3,788	2,731	13,248	19,767
At 1 July 2023	2,566	3,849	7,985	14,400
Exchange adjustment	3	-	181	184
Transfer to Stage 1	301	(245)	(56)	-
Transfer to Stage 2	(5)	9	(4)	-
Transfer to Stage 3	(11)	(416)	427	-
Provision for credit impairment for the year	2,373	1,394	6,235	10,002
Provision released during the year	(908)	(988)	(431)	(2,327)
Financial assets that have been derecognised	(856)	(1,376)	(587)	(2,819)
Write offs	-	-	(4,799)	(4,799)
Changes in models/risk parameters	(178)	(15)	-	(193)
At 30 June 2024	3,285	2,212	8,951	14,448
Interest in suspense	-	-	2,130	2,130
Provision and interest in suspense at 30 June 2024	3,285	2,212	11,081	16,578

6. LOANS (continued)

(b) Loans and advances to customers (continued)

(iv) Allowances for credit impairment

	BANK			
	Stage 1	Stage 2	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2025	**3,730**	**2,727**	**10,078**	**16,535**
Exchange adjustment	**-**	**-**	**304**	**304**
Transfer to Stage 1	**173**	**(94)**	**(79)**	**-**
Transfer to Stage 2	**(25)**	**76**	**(51)**	**-**
Transfer to Stage 3	**(27)**	**(349)**	**376**	**-**
Provision for credit impairment for the year	**2,939**	**2,850**	**2,522**	**8,311**
Provision released during the year	**(893)**	**(96)**	**(2,018)**	**(3,007)**
Financial assets that have been derecognised	**(1,276)**	**(410)**	**(261)**	**(1,947)**
Write offs	**-**	**-**	**(3,799)**	**(3,799)**
Changes in models/risk parameters	**(359)**	**(342)**	**-**	**(701)**
At 30 June 2026	**4,262**	**4,362**	**7,072**	**15,696**
Interest in suspense	**-**	**-**	**2,568**	**2,568**
Provision and interest in suspense at 30 June 2026	**4,262**	**4,362**	**9,640**	**18,264**
At 1 July 2024	3,238	2,195	8,623	14,056
Exchange adjustment	-	-	(366)	(366)
Transfer to Stage 1	185	(146)	(39)	-
Transfer to Stage 2	(47)	76	(29)	-
Transfer to Stage 3	(17)	(308)	325	-
Provision for credit impairment for the year	2,022	2,068	5,199	9,289
Provision released during the year	(1,447)	(381)	(717)	(2,545)
Financial assets that have been derecognised	(1,090)	(958)	(1,819)	(3,867)
Write offs	-	-	(1,099)	(1,099)
Changes in models/risk parameters	886	181	-	1,067
At 30 June 2025	3,730	2,727	10,078	16,535
Interest in suspense	-	-	2,588	2,588
Provision and interest in suspense at 30 June 2025	3,730	2,727	12,666	19,123
At 1 July 2023	2,516	3,832	7,825	14,173
Exchange adjustment	-	-	168	168
Transfer to Stage 1	294	(239)	(55)	-
Transfer to Stage 2	(4)	8	(4)	-
Transfer to Stage 3	(11)	(416)	427	-
Provision for credit impairment for the year	2,364	1,388	6,076	9,828
Provision released during the year	(887)	(987)	(430)	(2,304)
Financial assets that have been derecognised	(856)	(1,376)	(585)	(2,817)
Write offs	-	-	(4,799)	(4,799)
Changes in models/risk parameters	(178)	(15)	-	(193)
At 30 June 2024	3,238	2,195	8,623	14,056
Interest in suspense	-	-	1,996	1,996
Provision and interest in suspense at 30 June 2024	3,238	2,195	10,619	16,052

Notes to the Consolidated and Separate Financial Statements

for the year ended 30 June 2026

6. LOANS (continued)

(b) Loans and advances to customers (continued)

(v) Allowances for credit impairment by industry sectors

	GROUP					
	2026					
	Gross amount of loans*	Non performing loans**	Stage 1	Stage 2	Stage 3	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	**5,951**	**201**	**31**	**3**	**117**	**151**
Manufacturing	**41,962**	**1,531**	**367**	**177**	**1,102**	**1,646**
Tourism	**18,085**	**16**	**79**	**207**	**16**	**302**
Transport	**5,075**	**26**	**33**	**563**	**42**	**638**
Construction	**15,085**	**433**	**119**	**182**	**254**	**555**
Financial and business services	**95,286**	**854**	**1,093**	**1,586**	**633**	**3,312**
Traders	**172,012**	**2,357**	**1,428**	**1,099**	**2,628**	**5,155**
Personal	**75,422**	**1,109**	**382**	**166**	**603**	**1,151**
of which credit cards	***1,400***	***63***	***26***	***5***	***58***	***89***
of which housing	***58,187***	***620***	***49***	***23***	***226***	***298***
Professional	**475**	**5**	**16**	**1**	**3**	**20**
Global Business Licence holders	**46,688**	**2,970**	**32**	**149**	**4,767**	**4,948**
Others	**27,329**	**214**	**725**	**249**	**170**	**1,144**
	503,370	**9,716**	**4,305**	**4,382**	**10,335**	**19,022**

*The Gross amount of loans figures include the following exposures:

Oil & Gas	**161,118**
Power & Infrastructure	**32,621**
Metals & Minerals	**9,201**

	GROUP					
	2025					
	Gross amount of loans*	Non performing loans**	Stage 1	Stage 2	Stage 3	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	5,363	193	14	-	96	110
Manufacturing	26,490	334	253	361	347	961
Tourism	20,403	3,046	113	218	3,508	3,839
Transport	5,376	39	87	580	53	720
Construction	14,027	486	89	180	490	759
Financial and business services	76,909	1,363	1,161	29	1,330	2,520
Traders	126,607	2,361	1,166	890	2,468	4,524
Personal	63,384	917	307	136	432	875
of which credit cards	*1,086*	*48*	*14*	*3*	*44*	*61*
of which housing	*48,715*	*511*	*81*	*40*	*185*	*306*
Professional	593	4	6	3	3	12
Global Business Licence holders	31,891	3,033	73	240	4,341	4,654
Others	23,902	220	519	94	180	793
	394,945	11,996	3,788	2,731	13,248	19,767

*The Gross amount of loans figures include the following exposures:

Oil & Gas	122,397
Power & Infrastructure	25,716
Metals & Minerals	2,139

6. LOANS (continued)

(b) Loans and advances to customers (continued)

(v) Allowances for credit impairment by industry sectors

	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	5,568	93	43	16	76	135
Manufacturing	21,683	241	183	260	209	652
Tourism	25,059	3,209	118	535	2,349	3,002
Transport	9,208	52	79	27	67	173
Construction	15,778	209	83	217	140	440
Financial and business services	63,232	333	528	224	345	1,097
Traders	151,989	2,630	676	790	2,313	3,779
Personal	53,325	870	126	20	407	553
of which credit cards	*1,354*	*39*	*10*	*1*	*36*	*47*
of which housing	*40,879*	*439*	*50*	*7*	*181*	*238*
Professional	491	3	3	-	2	5
Global Business Licence holders	15,442	4,134	83	122	4,914	5,119
Others	37,336	571	1,363	1	259	1,623
	399,111	12,345	3,285	2,212	11,081	16,578

*The Gross amount of loans figures include the following exposures:

Oil & Gas	147,262
Power & Infrastructure	26,701
Metals & Minerals	-

**Non performing loans excludes interest in suspense.

6. LOANS (continued)

(b) Loans and advances to customers (continued)

(v) Allowances for credit impairment by industry sectors

	BANK					
	2026					
	Gross amount of loans*	Non performing loans**	Stage 1	Stage 2	Stage 3	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	**5,367**	**168**	**29**	**3**	**87**	**119**
Manufacturing	**37,801**	**1,239**	**352**	**169**	**790**	**1,311**
Tourism	**18,071**	**14**	**79**	**207**	**14**	**300**
Transport	**4,677**	**10**	**30**	**563**	**6**	**599**
Construction	**14,873**	**367**	**118**	**182**	**135**	**435**
Financial and business services	**94,296**	**770**	**1,088**	**1,586**	**557**	**3,231**
Traders	**169,597**	**2,264**	**1,414**	**1,090**	**2,520**	**5,024**
Personal	**75,366**	**1,109**	**382**	**166**	**603**	**1,151**
of which credit cards	***1,400***	***63***	***26***	***5***	***58***	***89***
of which housing	***58,187***	***620***	***49***	***23***	***226***	***298***
Professional	**475**	**5**	**16**	**1**	**3**	**20**
Global Business Licence holders	**46,688**	**2,970**	**32**	**149**	**4,767**	**4,948**
Others	**27,206**	**208**	**722**	**246**	**158**	**1,126**
	494,417	**9,124**	**4,262**	**4,362**	**9,640**	**18,264**

*The Gross amount of loans figures include the following exposures:

Oil & Gas	**161,118**
Power & Infrastructure	**32,621**
Metals & Minerals	**9,201**

	BANK					
	2025					
	Gross amount of loans*	Non performing loans**	Stage 1	Stage 2	Stage 3	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	4,800	180	11	-	80	91
Manufacturing	22,420	235	232	358	199	789
Tourism	20,381	3,044	113	218	3,506	3,837
Transport	5,111	20	85	580	14	679
Construction	13,794	424	88	179	395	662
Financial and business services	76,080	1,306	1,155	27	1,287	2,469
Traders	123,849	2,164	1,142	894	2,253	4,289
Personal	63,384	917	307	136	432	875
of which credit cards	*1,086*	*48*	*14*	*3*	*44*	*61*
of which housing	*48,680*	*511*	*81*	*40*	*185*	*306*
Professional	593	4	6	3	3	12
Global Business Licence holders	31,891	3,033	73	240	4,341	4,654
Others	23,790	215	518	92	156	766
	386,093	11,542	3,730	2,727	12,666	19,123

*The Gross amount of loans figures include the following exposures:

Oil & Gas	122,397
Power & Infrastructure	25,716
Metals & Minerals	2,139

6. LOANS (continued)

(b) Loans and advances to customers (continued)

(v) Allowances for credit impairment by industry sectors

	BANK					
	2024					
	Gross amount of loans*	Non performing loans**	Stage 1	Stage 2	Stage 3	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	4,956	79	41	16	65	122
Manufacturing	17,931	137	164	249	57	470
Tourism	25,029	3,207	118	535	2,347	3,000
Transport	8,926	31	77	27	29	133
Construction	15,491	107	82	211	51	344
Financial and business services	62,542	304	520	223	272	1,015
Traders	150,064	2,437	662	791	2,226	3,679
Personal	53,289	870	126	20	407	553
of which credit cards	*1,354*	*39*	*10*	*1*	*36*	*47*
of which housing	*40,843*	*439*	*50*	*7*	*181*	*238*
Professional	491	3	3	-	2	5
Global Business Licence holders	15,442	4,134	83	122	4,914	5,119
Others	37,295	565	1,362	1	249	1,612
	391,456	11,874	3,238	2,195	10,619	16,052

*The Gross amount of loans figures include the following exposures:

Oil & Gas	147,262
Power & Infrastructure	26,701
Metals & Minerals	-

**Non performing loans excludes interest in suspense.

7. INVESTMENT SECURITIES

(a) Investment securities

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
Investment in debt securities at amortised cost (note 7(b))	**385,346**	316,896	316,387	**379,657**	313,530	314,019
Less allowances for credit impairment on investment in debt securities at amortised cost	**(907)**	(1,104)	(905)	**(844)**	(1,076)	(889)
	384,439	315,792	315,482	**378,813**	312,454	313,130
Investment in debt and equity securities measured at fair value through other comprehensive income (note 7(c))	**4,098**	2,882	2,166	**4,098**	2,882	2,166
Investment in debt and equity securities measured at fair value through profit or loss (note 7(d))	**6,699**	9,447	6,914	**6,699**	9,447	6,914
	395,236	328,121	324,562	**389,610**	324,783	322,210

Credit impaired investments at fair value through other comprehensive income amounted to Rs 1M/Provision Rs 1M (2025 and 2024: Rs 1M)

Investment securities (gross of allowances for credit impairment) can be classified as:

Current	**142,753**	131,381	121,113	**140,848**	130,791	120,162
Non-current	**253,390**	197,844	204,354	**249,606**	195,068	202,937

(b) (i) Investment in debt securities at amortised cost

	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
Government of Mauritius and Bank of Mauritius bonds	**156,573**	147,198	133,768	**156,573**	147,198	133,768
Treasury bills	**73,172**	46,171	65,698	**67,483**	42,805	63,330
Foreign bonds*	**118,800**	86,949	83,886	**118,800**	86,949	83,886
Notes	**36,589**	36,182	32,637	**36,589**	36,182	32,637
Index linked note	**212**	396	398	**212**	396	398
	385,346	316,896	316,387	**379,657**	313,530	314,019

*The foreign bonds include the following exposures:

Oil & Gas	**2,510**	719	-	**2,510**	719	-
Power & Infrastructure	**1,693**	1,616	-	**1,693**	1,616	-
	4,203	2,335	-	**4,203**	2,335	-

(ii) Remaining term to maturity

	GROUP					
	2026					
	Up to 3 months RS'M	3 - 6 months RS'M	6 - 12 months RS'M	1 - 5 years RS'M	Over 5 years RS'M	Total RS'M
Government of Mauritius and Bank of Mauritius bonds	**7,035**	**4,544**	**13,564**	**64,628**	**66,802**	**156,573**
Treasury bills	**47,610**	**13,111**	**8,667**	**3,784**	**-**	**73,172**
Foreign bonds	**9,885**	**7,140**	**19,979**	**61,057**	**20,739**	**118,800**
Notes	**867**	**959**	**2,691**	**20,835**	**11,237**	**36,589**
Index linked note	**-**	**2**	**-**	**25**	**185**	**212**
	65,397	**25,756**	**44,901**	**150,329**	**98,963**	**385,346**

7. INVESTMENT SECURITIES (continued)

(b) (ii) Remaining term to maturity (continued)

	GROUP					
	2025					
	Up to 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Government of Mauritius and Bank of Mauritius bonds	16,197	8,888	18,472	53,526	50,115	147,198
Treasury bills	22,820	9,610	10,965	2,776	-	46,171
Foreign bonds	11,483	5,715	14,504	37,060	18,187	86,949
Notes	180	1,309	1,583	22,419	10,691	36,182
Index linked note	-	208	-	14	174	396
	50,680	25,730	45,524	115,795	79,167	316,896

	GROUP					
	2024					
	Up to 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Government of Mauritius and Bank of Mauritius bonds	5,383	4,847	13,019	74,679	35,840	133,768
Treasury bills	36,063	10,485	17,733	1,417	-	65,698
Foreign bonds	-	9,482	17,179	47,029	10,196	83,886
Notes	511	2,412	514	16,537	12,663	32,637
Index linked note	-	-	-	228	170	398
	41,957	27,226	48,445	139,890	58,869	316,387

7. INVESTMENT SECURITIES (continued)

(b) (ii) Remaining term to maturity (continued)

	BANK					
	2026					
	Up to 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Government of Mauritius and Bank of Mauritius bonds	**7,035**	**4,544**	**13,564**	**64,628**	**66,802**	**156,573**
Treasury bills	**46,955**	**12,193**	**8,335**	**-**	**-**	**67,483**
Foreign bonds	**9,885**	**7,140**	**19,979**	**61,057**	**20,739**	**118,800**
Notes	**867**	**959**	**2,691**	**20,835**	**11,237**	**36,589**
Index linked note	**-**	**2**	**-**	**25**	**185**	**212**
	64,742	**24,838**	**44,569**	**146,545**	**98,963**	**379,657**

	BANK					
	2025					
	Up to 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Government of Mauritius and Bank of Mauritius bonds	16,197	8,888	18,472	53,526	50,115	147,198
Treasury bills	22,662	9,480	10,663	-	-	42,805
Foreign bonds	11,483	5,715	14,504	37,060	18,187	86,949
Notes	180	1,309	1,583	22,419	10,691	36,182
Index linked note	-	208	-	14	174	396
	50,522	25,600	45,222	113,019	79,167	313,530

	BANK					
	2024					
	Up to 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Government of Mauritius and Bank of Mauritius bonds	5,383	4,847	13,019	74,679	35,840	133,768
Treasury bills	35,720	10,353	17,257	-	-	63,330
Foreign bonds	-	9,482	17,179	47,029	10,196	83,886
Notes	511	2,412	514	16,537	12,663	32,637
Index linked note	-	-	-	228	170	398
	41,614	27,094	47,969	138,473	58,869	314,019

7. INVESTMENT SECURITIES (continued)

(b) Investment in debt securities at amortised cost (continued)

(iii) Reconciliation of gross carrying amount of investment in debt securities at amortised cost

	GROUP				BANK			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
At 1 July 2025	**316,505**	**-**	**391**	**316,896**	**313,139**	**-**	**391**	**313,530**
Exchange adjustment	**293**	**-**	**-**	**293**	**-**	**-**	**-**	**-**
Investments originated or purchased	**197,525**	**-**	**22**	**197,547**	**195,004**	**-**	**22**	**195,026**
Investments derecognised or repaid	**(129,390)**	**-**	**-**	**(129,390)**	**(128,899)**	**-**	**-**	**(128,899)**
At 30 June 2026	**384,933**	**-**	**413**	**385,346**	**379,244**	**-**	**413**	**379,657**
At 1 July 2024	316,011	-	376	316,387	313,643	-	376	314,019
Exchange adjustment	(139)	-	-	(139)	-	-	-	-
Investments originated or purchased	123,041	-	15	123,056	120,925	-	15	120,940
Investments derecognised or repaid	(122,408)	-	-	(122,408)	(121,429)	-	-	(121,429)
At 30 June 2025	316,505	-	391	316,896	313,139	-	391	313,530
At 1 July 2023	242,456	429	-	242,885	240,958	429	-	241,387
Exchange adjustment	87	-	-	87	-	-	-	-
Transfer to Stage 3	-	(167)	167	-	-	(167)	167	-
Investments originated or purchased	163,816	-	273	164,089	162,569	-	273	162,842
Investments derecognised or repaid	(90,348)	(262)	(64)	(90,674)	(89,884)	(262)	(64)	(90,210)
At 30 June 2024	316,011	-	376	316,387	313,643	-	376	314,019

7. INVESTMENT SECURITIES (continued)

(b) Investment in debt securities at amortised cost (continued)

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

	GROUP				BANK			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
At 1 July 2025	**715**	**-**	**368**	**1,083**	**687**	**-**	**368**	**1,055**
Exchange adjustment	**6**	**-**	**-**	**6**	**-**	**-**	**-**	**-**
Provision for credit impairment for the year	**197**	**-**	**10**	**207**	**168**	**-**	**10**	**178**
Provision released during the year	**(59)**	**-**	**-**	**(59)**	**(59)**	**-**	**-**	**(59)**
Financial assets that have been derecognised	**(452)**	**-**	**-**	**(452)**	**(452)**	**-**	**-**	**(452)**
Changes in models/risk parameters	**88**	**-**	**-**	**88**	**88**	**-**	**-**	**88**
At 30 June 2026	**495**	**-**	**378**	**873**	**432**	**-**	**378**	**810**
Interest in suspense	**-**	**-**	**34**	**34**	**-**	**-**	**34**	**34**
Provision and interest in suspense at 30 June 2026	**495**	**-**	**412**	**907**	**432**	**-**	**412**	**844**
At 1 July 2024	530	-	362	892	514	-	362	876
Provision for credit impairment for the year	207	-	11	218	193	-	11	204
Provision released during the year	(418)	-	(5)	(423)	(416)	-	(5)	(421)
Financial assets that have been derecognised	(32)	-	-	(32)	(32)	-	-	(32)
Changes in models/risk parameters	428	-	-	428	428	-	-	428
At 30 June 2025	715	-	368	1,083	687	-	368	1,055
Interest in suspense	-	-	21	21	-	-	21	21
Provision and interest in suspense at 30 June 2025	715	-	389	1,104	687	-	389	1,076
At 1 July 2023	362	65	-	427	350	65	-	415
Exchange adjustment	1	-	-	1	-	-	-	-
Transfer to Stage 3	-	(64)	64	-	-	(64)	64	-
Provision for credit impairment for the year	337	-	298	635	333	-	298	631
Provision released during the year	(93)	-	-	(93)	(92)	-	-	(92)
Financial assets that have been derecognised	(66)	(1)	-	(67)	(66)	(1)	-	(67)
Changes in models/risk parameters	(11)	-	-	(11)	(11)	-	-	(11)
At 30 June 2024	530	-	362	892	514	-	362	876
Interest in suspense	-	-	13	13	-	-	13	13
Provision and interest in suspense at 30 June 2024	530	-	375	905	514	-	375	889

7. INVESTMENT SECURITIES (continued)

		GROUP & BANK		
		2026 RS'M	2025 RS'M	2024 RS'M
(c)	**(i) Investment in debt and equity securities measured at fair value through other comprehensive income by levels**			
	Quoted - Level 1			
	Official list : shares (equity instrument)	**877**	964	887
	Bonds (debt instrument)	**2,140**	662	74
		3,017	1,626	961
	Unquoted - Level 2			
	Investment fund (debt instrument)	**635**	852	819
	Unquoted - Level 3			
	Shares (equity instrument)	**446**	404	386
		4,098	2,882	2,166

		GROUP & BANK		
		2026 RS'M	2025 RS'M	2024 RS'M
	(ii) Reconciliation of level 3 fair value measurements			
	At 1 July	**404**	386	360
	Additions	**-**	2	2
	Movement in fair value	**42**	16	24
	At 30 June	**446**	404	386

		GROUP & BANK		
		2026 RS'M	2025 RS'M	2024 RS'M
(d)	**Investment in debt and equity securities measured at fair value through profit or loss by levels**			
	Quoted - Level 1			
	Foreign shares (equity instrument)	**-**	-	3,429
	Unquoted - Level 2			
	Government of Mauritius & Bank of Mauritius bonds (debt instrument)	**691**	777	1
	Treasury bills (debt instrument)	**6,008**	8,670	3,484
		6,699	9,447	3,485
		6,699	9,447	6,914

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 SUBSIDIARIES AND ASSOCIATES

(a) Investments in subsidiaries

(i) The Group has the following subsidiaries:

	Country of incorporation	Nature of business	Holding	Proportion of ownership interests held by non-controlling interests	Cost
			%	%	RS'M
Year ended 30 June 2026					
The Mauritius Commercial Bank(Madagascar) S.A	**Madagascar**	**Banking & Financial Services**	**80.00**	**20.00**	**118**
MCB Nigeria (Representative Office) Ltd	**Nigeria**	**Financial Services**	**100.00**	**-**	**3**
					121
Year ended 30 June 2025					
The Mauritius Commercial Bank(Madagascar) S.A	Madagascar	Banking & Financial Services	80.00	20.00	118
MCB Nigeria (Representative Office) Ltd	Nigeria	Financial Services	100.00	-	3
					121
Year ended 30 June 2024					
The Mauritius Commercial Bank(Madagascar) S.A	Madagascar	Banking & Financial Services	80.00	20.00	118
MCB Nigeria (Representative Office) Ltd	Nigeria	Financial Services	100.00	-	3
					121

(b) Investments in associates

(i) The Bank's and Group's interest in its associates are as follows:

	Country of incorporation	Nature of business	Assets	Liabilities	Revenues	Profit	Holding
			RS'M	RS'M	RS'M	RS'M	%
At 30 June 2026							
Banque Française Commerciale Océan Indien	**Réunion**	**Banking & Financial Services**	**109,765**	**99,476**	**6,280**	**743**	**49.99**
At 30 June 2025							
Banque Française Commerciale Océan Indien	Réunion	Banking & Financial Services	109,282	99,093	6,185	588	49.99
At 30 June 2024							
Banque Française Commerciale Océan Indien	Réunion	Banking & Financial Services	107,653	97,909	6,091	614	49.99

(ii) The above associates are accounted for using the equity method.

(iii) Banque Française Commerciale Océan Indien (BFCOI) is unquoted.

8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

(b) Investments in associates(continued)

(v) Movements in investments in associates

	GROUP & BANK			
	BFCOI	SG Moçambique*	Subordinated loan to BFCOI	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2023	4,913	628	543	6,084
Share of profit of associate	306	-	-	306
Exchange differences on translating foreign operations	126	26	-	152
Share of other movements in associate	12	-	-	12
Dividend received from associate	(420)	-	-	(420)
Adjustments	-	-	15	15
Disposal of associate	-	(654)	-	(654)
At 30 June 2024	4,937	-	558	5,495
Share of profit of associate	294	-	-	294
Exchange differences on translating foreign operations	215	-	-	215
Share of other movements in associate	(38)	-	-	(38)
Dividend received from associate	(249)	-	-	(249)
Adjustments	-	-	23	23
At 30 June 2025	**5,159**	**-**	**581**	**5,740**
Share of profit of associate	**371**	**-**	**-**	**371**
Exchange differences on translating foreign operations	**108**	**-**	**-**	**108**
Share of other movements in associate	**-**	**-**	**-**	**-**
Dividend received from associate	**(428)**	**-**	**-**	**(428)**
Adjustments	**-**	**-**	**11**	**11**
At 30 June 2026	**5,210**	**-**	**592**	**5,802**

* During the financial year 2024, the Group disposed of its 35% stake in SG Moçambique for Rs 413m, which was received in July 2024. The loss on disposal amounted to Rs 241m.

(vi) Summarised financial information in respect of material entities:

Banque Française Commerciale Océan Indien (BFCOI)

	2026 RS'M	2025 RS'M	2024 RS'M
Summarised statement of financial position:			
Current assets	**23,059**	21,431	17,207
Non current assets	**86,706**	87,851	90,446
Current liabilities	**25,466**	25,896	26,239
Non current liabilities	**74,010**	73,197	71,670
Equity attributable to owners of BFCOI	**10,289**	10,189	9,744
Summarised statement of profit or loss and other comprehensive income:			
Revenue	**6,280**	6,185	6,091
Profit	**743**	588	614
Other comprehensive income	**-**	(76)	25
Total comprehensive income	**743**	512	639

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

Investments in subsidiaries and associates are classified as non-current assets.

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9. INTANGIBLE ASSETS

	GROUP			BANK		
	Computer software	Work in progress	Total	Computer software	Work in progress	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cost						
At 1 July 2023	4,618	237	4,855	4,333	237	4,570
Additions	23	979	1,002	13	979	992
Adjustment	(13)	-	(13)	(13)	-	(13)
Exchange	16	-	16	-	-	-
Transfer	925	(925)	-	925	(925)	-
At 30 June 2024	5,569	291	5,860	5,258	291	5,549
Additions	6	1,005	1,011	-	1,005	1,005
Adjustment	(404)	-	(404)	(404)	-	(404)
Exchange	(10)	-	(10)	-	-	-
Transfer	745	(745)	-	745	(745)	-
At 30 June 2025	**5,906**	**551**	**6,457**	**5,599**	**551**	**6,150**
Additions	**21**	**949**	**970**	**-**	**949**	**949**
Adjustment	**(20)**	**-**	**(20)**	**(20)**	**-**	**(20)**
Exchange	**26**	**-**	**26**	**-**	**-**	**-**
Transfer	**992**	**(992)**	**-**	**992**	**(992)**	**-**
At 30 June 2026	**6,925**	**508**	**7,433**	**6,571**	**508**	**7,079**
Accumulated amortisation						
At 1 July 2023	2,592	-	2,592	2,359	-	2,359
Charge for the year	663	-	663	641	-	641
Exchange	14	-	14	-	-	-
Adjustment	(2)	-	(2)	(2)	-	(2)
At 30 June 2024	3,267	-	3,267	2,998	-	2,998
Charge for the year	663	-	663	642	-	642
Exchange	(8)	-	(8)	-	-	-
Adjustment	(404)	-	(404)	(404)	-	(404)
At 30 June 2025	**3,518**	**-**	**3,518**	**3,236**	**-**	**3,236**
Charge for the year	**724**	**-**	**724**	**698**	**-**	**698**
Exchange	**25**	**-**	**25**	**-**	**-**	**-**
Adjustment	**(20)**	**-**	**(20)**	**(20)**	**-**	**(20)**
At 30 June 2026	**4,247**	**-**	**4,247**	**3,914**	**-**	**3,914**
Net book values						
At 30 June 2026	**2,678**	**508**	**3,186**	**2,657**	**508**	**3,165**
At 30 June 2025	2,388	551	2,939	2,363	551	2,914
At 30 June 2024	2,302	291	2,593	2,260	291	2,551

Intangible assets are classified as non-current assets.

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for the year ended 30 June 2026

10. PROPERTY, PLANT AND EQUIPMENT

	GROUP						
	Land and buildings	Computer and other equipment	Furniture, fittings and vehicles	Work in progress	Right-of-Use assets (Land and Buildings)	Right-of-Use assets (Equipment)	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cost							
At 1 July 2023	5,123	3,975	1,119	212	526	-	10,955
Additions	7	223	26	221	84	-	561
Scrap	-	(163)	(1)	-	-	-	(164)
Disposals	-	(4)	(17)	-	-	-	(21)
Exchange adjustment	14	5	7	2	7	-	35
Adjustment on re-measurement	-	-	-	-	23	-	23
Transfer	44	83	43	(170)	-	-	-
At 30 June 2024	5,188	4,119	1,177	265	640	-	11,389
Additions	16	307	51	290	214	6	884
Scrap	-	(319)	(2)	-	-	-	(321)
Disposals	-	(1)	(10)	-	-	-	(11)
Exchange adjustment	(9)	(3)	(4)	-	(4)	-	(20)
Adjustment on re-measurement	-	-	-	-	(19)	-	(19)
Transfer	25	63	58	(146)	-	-	-
At 30 June 2025	**5,220**	**4,166**	**1,270**	**409**	**831**	**6**	**11,902**
Additions	**16**	**242**	**47**	**262**	**184**	**-**	**751**
Scrap	**-**	**(214)**	**-**	**(51)**	**-**	**-**	**(265)**
Disposals	**-**	**(1)**	**(3)**	**-**	**(5)**	**-**	**(9)**
Exchange adjustment	**28**	**9**	**38**	**14**	**17**	**-**	**106**
Adjustment on re-measurement	**-**	**-**	**-**	**-**	**6**	**-**	**6**
Transfer	**8**	**255**	**11**	**(274)**	**-**	**-**	**-**
At 30 June 2026	**5,272**	**4,457**	**1,363**	**360**	**1,033**	**6**	**12,491**
Accumulated depreciation							
At 1 July 2023	1,261	3,212	760	-	312	-	5,545
Charge for the year	93	293	68	-	87	-	541
Scrap adjustment	-	(150)	(7)	-	-	-	(157)
Exchange adjustment	1	5	6	-	5	-	17
Disposal adjustment	-	(4)	(14)	-	-	-	(18)
At 30 June 2024	1,355	3,356	813	-	404	-	5,928
Charge for the year	95	290	63	-	127	2	577
Scrap adjustment	-	(318)	(1)	-	-	-	(319)
Exchange adjustment	(1)	(2)	(2)	-	(3)	-	(8)
Disposal adjustment	-	(1)	(9)	-	-	-	(10)
At 30 June 2025	**1,449**	**3,325**	**864**	**-**	**528**	**2**	**6,168**
Charge for the year	**97**	**317**	**71**	**-**	**148**	**-**	**633**
Scrap adjustment	**-**	**(211)**	**-**	**-**	**-**	**-**	**(211)**
Exchange adjustment	**4**	**8**	**9**	**-**	**13**	**-**	**34**
Disposal adjustment	**-**	**(1)**	**(2)**	**-**	**-**	**-**	**(3)**
At 30 June 2026	**1,550**	**3,438**	**942**	**-**	**689**	**2**	**6,621**
Net book values							
At 30 June 2026	**3,722**	**1,019**	**421**	**360**	**344**	**4**	**5,870**
At 30 June 2025	3,771	841	406	409	303	4	5,734
At 30 June 2024	3,833	763	364	265	236	-	5,461

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.

10. PROPERTY, PLANT AND EQUIPMENT (continued)

	BANK						
	Land and buildings	Computer and other equipment	Furniture, fittings and vehicles	Work in progress	Right-of-Use assets (Land and	Right-of-Use assets (Equipment)	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cost							
At 1 July 2023	4,832	3,887	973	183	419	-	10,294
Additions	-	219	20	211	57	-	507
Scrap	-	(150)	(1)	-	-	-	(151)
Disposals	-	(4)	(17)	-	-	-	(21)
Adjustment on re-measurement	-	-	-	-	13	-	13
Transfer	44	83	43	(170)	-	-	-
At 30 June 2024	4,876	4,035	1,018	224	489	-	10,642
Additions	-	295	30	240	186	6	757
Scrap	-	(319)	(2)	-	-	-	(321)
Disposals	-	(1)	(10)	-	-	-	(11)
Adjustment on re-measurement	-	-	-	-	(23)	-	(23)
Transfer	25	63	58	(146)	-	-	-
At 30 June 2025	**4,901**	**4,073**	**1,094**	**318**	**652**	**6**	**11,044**
Additions	**-**	**200**	**20**	**262**	**165**	**-**	**647**
Scrap	**-**	**(214)**	**-**	**-**	**-**	**-**	**(214)**
Disposals	**-**	**(1)**	**(3)**	**-**	**-**	**-**	**(4)**
Adjustment on re-measurement	**-**	**-**	**-**	**-**	**6**	**-**	**6**
Transfer	**8**	**255**	**11**	**(274)**	**-**	**-**	**-**
At 30 June 2026	**4,909**	**4,313**	**1,122**	**306**	**823**	**6**	**11,479**
Accumulated depreciation							
At 1 July 2023	1,247	3,136	680	-	228	-	5,291
Charge for the year	81	287	59	-	65	-	492
Scrap adjustment	-	(150)	(1)	-	-	-	(151)
Disposal adjustment	-	(4)	(14)	-	-	-	(18)
At 30 June 2024	1,328	3,269	724	-	293	-	5,614
Charge for the year	82	281	52	-	99	2	516
Scrap adjustment	-	(318)	(1)	-	-	-	(319)
Disposal adjustment	-	(1)	(9)	-	-	-	(10)
At 30 June 2025	**1,410**	**3,231**	**766**	**-**	**392**	**2**	**5,801**
Charge for the year	**82**	**302**	**56**	**-**	**112**	**-**	**552**
Scrap adjustment	**-**	**(211)**	**-**	**-**	**-**	**-**	**(211)**
Disposal adjustment	**-**	**(1)**	**(2)**	**-**	**-**	**-**	**(3)**
At 30 June 2026	**1,492**	**3,321**	**820**	**-**	**504**	**2**	**6,139**
Net book values							
At 30 June 2026	**3,417**	**992**	**302**	**306**	**319**	**4**	**5,340**
At 30 June 2025	3,491	842	328	318	260	4	5,243
At 30 June 2024	3,548	766	294	224	196	-	5,028

11. DEFERRED TAX ASSETS

	GROUP				
	Balance as at 1 July	Effect of change in tax rate and adjustments	Recognised in Statement of profit or loss	Recognised in Statement of comprehensive income	Balance as at 30 June
	RS'M	RS'M	RS'M	RS'M	RS'M
2026					
Provisions and post retirement benefits	**597**	**-**	**(7)**	**34**	**624**
Provisions for credit impairment	**4,397**	**43**	**425**	**-**	**4,865**
Accelerated tax depreciation	**(586)**	**-**	**(76)**	**-**	**(662)**
Other provisions	**-**	**-**	**(62)**	**-**	**(62)**
At 30 June 2026	**4,408**	**43**	**280**	**34**	**4,765**
2025					
Provisions and post retirement benefits	400	-	(25)	222	597
Provisions for credit impairment	3,807	-	590	-	4,397
Accelerated tax depreciation	(467)	-	(119)	-	(586)
At 30 June 2025	3,740	-	446	222	4,408
2024					
Provisions and post retirement benefits	430	57	(63)	(24)	400
Provisions for credit impairment	2,694	360	753	-	3,807
Accelerated tax depreciation	(395)	(53)	(19)	-	(467)
At 30 June 2024	2,729	364	671	(24)	3,740

The applied deferred tax rate is in the range of 17% to 20% (2025 & 2024: from 17% to 20%).

Deferred tax assets are classified as non-current asset.

11. DEFERRED TAX ASSETS (continued)

	BANK				
	Balance as at 1 July	Effect of change in tax rate and adjustments	Recognised in Statement of profit or loss	Recognised in Statement of comprehensive income	Balance as at 30 June
	RS'M	RS'M	RS'M	RS'M	RS'M
2026					
Provisions and post retirement benefits	**597**	**-**	**(7)**	**34**	**624**
Provisions for credit impairment	**4,371**	**43**	**408**	**-**	**4,822**
Accelerated tax depreciation	**(585)**	**-**	**(76)**	**-**	**(661)**
Other provisions	**-**	**-**	**(62)**	**-**	**(62)**
At 30 June 2026	**4,383**	**43**	**263**	**34**	**4,723**
2025					
Provisions and post retirement benefits	400	-	(25)	222	597
Provisions for credit impairment	3,785	-	586	-	4,371
Accelerated tax depreciation	(466)	-	(119)	-	(585)
At 30 June 2025	3,719	-	442	222	4,383
2024					
Provisions and post retirement benefits	430	57	(63)	(24)	400
Provisions for credit impairment	2,674	360	751	-	3,785
Accelerated tax depreciation	(394)	(53)	(19)	-	(466)
At 30 June 2024	2,710	364	669	(24)	3,719

The applied deferred tax rate is 17% (2025 & 2024: 17%).

Deferred tax assets are classified as non-current asset.

12. OTHER ASSETS

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
Prepayments and other receivables	**1,747**	1,328	1,835	**1,758**	1,347	1,859
Credit card clearing	**522**	391	506	**441**	331	469
Non-banking assets acquired in satisfaction of debts*	**138**	103	105	**138**	103	105
Intermediary accounts and others	**9,047**	5,042	5,335	**8,405**	4,533	4,719
	11,454	6,864	7,781	**10,742**	6,314	7,152

* 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 'Intermediary accounts and others'.

Management has assessed the impact of ECLs on the balances as immaterial.

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13. DEPOSITS

		GROUP			BANK		
		2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
(a)	**Deposits from banks**						
	Demand deposits	**18,460**	10,133	11,159	**16,262**	7,604	11,111
	Money market deposits with remaining term to maturity:						
	Up to 3 months	**23,408**	5,701	24,260	**23,408**	5,701	24,328
	Over 3 months and up to 6 months	**923**	1,724	3,754	**923**	1,724	3,754
	Over 6 months and up to 1 year	**3,079**	2,091	1,828	**3,079**	2,091	1,828
	Over 1 year and up to 5 years	**761**	509	-	**761**	509	-
		28,171	10,025	29,842	**28,171**	10,025	29,910
	Total deposits from banks	**46,631**	20,158	41,001	**44,433**	17,629	41,021
	Deposits from banks can be classified as:						
	Current	**45,870**	19,649	41,001	**43,672**	17,120	41,021
	Non-current	**761**	509	-	**761**	509	-
(b)	**Deposits from customers**						
(i)	**Retail customers**						
	Demand deposits	**63,209**	61,317	55,231	**62,015**	60,398	54,474
	Savings deposits	**276,901**	257,226	224,654	**273,289**	254,392	222,170
	Time deposits with remaining term to maturity:						
	Up to 3 months	**16,720**	16,095	13,680	**16,719**	16,094	13,680
	Over 3 months and up to 6 months	**7,330**	6,423	5,630	**7,327**	6,423	5,630
	Over 6 months and up to 1 year	**10,291**	8,030	8,966	**10,290**	8,029	8,965
	Over 1 year and up to 5 years	**17,974**	15,549	13,225	**17,974**	15,549	13,225
	Over 5 years	**27**	25	7	**27**	25	7
		52,342	46,122	41,508	**52,337**	46,120	41,507
		392,452	364,665	321,393	**387,641**	360,910	318,151
(ii)	**Corporate customers**						
	Demand deposits	**251,488**	225,883	210,163	**246,730**	222,759	207,492
	Savings deposits	**9,376**	7,115	6,553	**6,549**	5,335	5,433
	Time deposits with remaining term to maturity:						
	Up to 3 months	**141,601**	62,475	71,248	**141,302**	62,322	70,965
	Over 3 months and up to 6 months	**19,394**	13,887	7,682	**19,387**	13,865	7,663
	Over 6 months and up to 1 year	**24,966**	13,163	15,581	**24,938**	13,160	15,571
	Over 1 year and up to 5 years	**3,647**	3,136	8,985	**3,647**	3,136	8,985
	Over 5 years	**-**	-	1	**-**	-	1
		189,608	92,661	103,497	**189,274**	92,483	103,185
		450,472	325,659	320,213	**442,553**	320,577	316,110
(iii)	**Government**						
	Demand deposits	**127**	40	31	**127**	40	31
	Savings deposits	**130**	-	-	**130**	-	-
		257	40	31	**257**	40	31
	Total deposits from customers	**843,181**	690,364	641,637	**830,451**	681,527	634,292
	Deposits from customers can be classified as:						
	Current	**821,533**	671,654	619,419	**808,803**	662,817	612,074
	Non-current	**21,648**	18,710	22,218	**21,648**	18,710	22,218

14. OTHER BORROWED FUNDS

(a) Other borrowed funds comprise the following:

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
Borrowings from banks*:						
in Mauritius	**1,004**	7,930	5,740	**991**	7,497	5,740
abroad	**144,318**	77,741	59,615	**143,849**	77,245	56,789
	145,322	85,671	65,355	**144,840**	84,742	62,529
Other borrowed funds include borrowings with original maturity of less than 3 months as shown in note 4	**-**	127	6	**-**	127	6
*Of which repo	**83,772**	16,666	12,770	**83,772**	16,666	12,770

The carrying amounts of other borrowed funds are not materially different from their fair values.

Opening balance	**85,671**	65,355	86,517	**84,742**	62,529	84,422
Net issuance/(repayments)	**59,148**	20,275	(20,954)	**59,595**	22,172	(21,685)
Movement in accrued interest and others	**503**	41	(208)	**503**	41	(208)
Closing balance	**145,322**	85,671	65,355	**144,840**	84,742	62,529

(b) Remaining term to maturity:

On demand or within a period not exceeding 1 year	**63,321**	61,779	7,070	**62,839**	60,850	4,244
Within a period of more than 1 year but not exceeding 3 years	**63,134**	9,067	53,520	**63,134**	9,067	53,520
Within a period of more than 3 years	**18,867**	14,825	4,765	**18,867**	14,825	4,765
	145,322	85,671	65,355	**144,840**	84,742	62,529
Other borrowed funds can be classified as:						
Current	**63,321**	61,779	7,070	**62,839**	60,850	4,244
Non-current	**82,001**	23,892	58,285	**82,001**	23,892	58,285

15. DEBT SECURITIES

	GROUP & BANK		
	2026 RS'M	2025 RS'M	2024 RS'M
USD 300 million 5-year senior unsecured notes maturing in 2028 at a fixed coupon rate of 7.95%	**13,649**	14,314	13,759
USD 400 million 5-year senior unsecured notes maturing in 2031 at a fixed coupon rate of 6.15%	**18,484**	-	-
Exchange adjustments and others	**1,208**	(665)	555
	33,341	13,649	14,314

Debt securities are classified as non-current liabilities.

The Bank launched a Global Medium Term Note Programme, which enables the Bank to tap into the international bond market for up to USD 3 billion. This programme has earned a Baa3 rating from Moody's and was registered on the International Securities Market of the London Stock Exchange in October 2022. It aims at diversifying the funding sources of the Bank and support its overall growth strategy.

Under this programme, the Bank issued its first bond for a notional value of USD 300 million on 26 April 2023.

The Bank has successfully priced a USD 400 million 5-year Eurobond, marking the second issuance under the Global Medium Term Note Programme listed on the London Stock Exchange. This will enable the Bank to further support the expansion of its foreign currency asset base in Mauritius and across Africa.

	GROUP & BANK		
	2026 RS'M	2025 RS'M	2024 RS'M
Opening balance	**13,649**	14,314	13,759
Net issuance	**18,484**	-	-
Movement in accrued interest and others	**1,208**	(665)	555
Closing balance	**33,341**	13,649	14,314

16. SUBORDINATED LIABILITIES

Subordinated liabilities comprise the following:

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
Opening balance	**6,889**	7,057	7,059	**6,707**	7,057	7,059
Repayment during the year (2024: USD 6M)	**-**	-	(271)	**-**	-	(271)
USD 4M from MCB Investment Holding Ltd maturing on 29 December 2027	**-**	177	-	**-**	-	-
Exchange and other adjustments	**298**	(345)	269	**290**	(350)	269
	7,187	6,889	7,057	**6,997**	6,707	7,057

Subordinated liabilities are classified as non-current liabilities.

The carrying amount of the subordinated liabilities are not materially different from their fair value.

On 31 March 2023, the Bank successfully concluded its inaugural Basel III compliant Tier 2 bond issuance, amounting to USD 147 million maturing on 30 March 2033 at an average interest rate of 7.40% (2025 : 7.95%, 2024: 5.40%). 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.

The Mauritius Commercial Bank (Madagascar) S.A was granted a subordinated loan by MCB Investment Holding Ltd maturing on 29 December 2027 at an average interest rate of 9.58% (2025 : 9.90%).

17 POST EMPLOYMENT BENEFIT LIABILITY/(ASSET)

		GROUP & BANK		
		2026 Rs'M	2025 Rs'M	2024 Rs'M
	Post employee benefit liability/(asset)			
(a)	Staff superannuation fund (defined benefit section)	**289**	34	(1,001)
(b)	Residual retirement gratuities	**468**	422	247
		757	456	(754)
(a)	**Staff superannuation fund (defined benefit section)**			
	Reconciliation of net defined benefit liability/(asset)			
	Opening balance	**34**	(1,001)	(689)
	Amount recognised in statement of profit or loss	**384**	239	201
	Amount recognised in statement of comprehensive income	**195**	1,128	(199)
	Less employer contributions	**(324)**	(332)	(314)
	Closing balance	**289**	34	(1,001)
	Reconciliation of fair value of plan assets			
	Opening balance	**11,945**	11,224	10,229
	Interest income	**717**	613	580
	Employer contributions	**324**	332	314
	Benefits paid	**(538)**	(510)	(425)
	Return on plan assets above interest income	**389**	286	526
	Closing balance	**12,837**	11,945	11,224
	Reconciliation of present value of defined benefit obligation			
	Opening balance	**11,979**	10,223	9,540
	Current service cost	**357**	303	249
	Interest expense	**744**	549	532
	Benefits paid	**(538)**	(510)	(425)
	Liability experience loss	**1,187**	1,411	-
	Liability (gain)/loss due to change in financial assumptions	**(603)**	3	327
	Closing balance	**13,126**	11,979	10,223
	Components of amount recognised in statement of profit or loss			
	Current service cost	**357**	303	249
	Net interest on net defined benefit liability/(asset)	**27**	(64)	(48)
	Total	**384**	239	201
	Analysed as follows:			
	The Mauritius Commercial Bank Limited	**363**	218	179
	Other members of The MCB Group Limited	**21**	21	22
		384	239	201
	Components of amount recognised in statement of comprehensive income			
	Return on plan assets above interest income	**(389)**	(286)	(526)
	Liability experience loss	**1,187**	1,411	-
	Liability (gain)/loss due to change in financial assumptions	**(603)**	3	327
	Total	**195**	1,128	(199)

17 POST EMPLOYMENT BENEFIT LIABILITY/(ASSET) (CONTINUED)

(a) Staff superannuation fund (defined benefit section) (continued)

	GROUP & BANK		
	2026	2025	2024
Allocation of plan assets at end of year	%	%	%
Equity - Local quoted	**29**	32	30
Equity - Local unquoted	**1**	1	1
Debt - Overseas quoted	**2**	2	1
Debt - Local quoted	**18**	18	19
Debt - Local unquoted	**5**	6	6
Property - Overseas	**-**	-	5
Property - Local	**4**	4	1
Investment funds	**40**	35	33
Cash and other	**1**	2	4
Total	**100**	100	100
Allocation of plan assets at end of year	**%**	%	%
Reporting entity's own transferable financial instruments	**13**	13	11
Property occupied by reporting entity	**4**	4	5
Other assets used by reporting entity	**1**	1	-
Principal assumptions used at end of year			
Discount rate	**5.9%**	6.0%	5.5%
Rate of salary increases	**4.7%**	4.7%	4.2%
Rate of pension increases	**2.5%**	3.2%	2.7%
Average retirement age (ARA)	**63**	63	63
Average life expectancy for:			
Male at ARA	**17.3 years**	17.3 years	17.3 years
Female at ARA	**21.7 years**	21.7 years	21.7 years

	2026	2025	2024
	Rs'M	Rs'M	Rs'M
Sensitivity analysis on defined benefit obligation at end of year			
Increase due to 1% decrease in discount rate	**2,295**	2,109	1,882
Decrease due to 1% increase in discount rate	**1,810**	1,666	1,462
Increase due to 1% increase in salary increase rate	**957**	887	808
Decrease due to 1% decrease in salary increase rate	**926**	767	696
Increase due to 1% increase in pension increase rate	**1,245**	1,126	988
Decrease due to 1% decrease in pension increase rate	**1,066**	970	828

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 289M as at 30 June 2026 for the defined benefit pension plan (2025: net defined liability of Rs 34M and 2024: net defined asset of Rs 1,001M).

17 POST EMPLOYMENT BENEFIT LIABILITY/(ASSET) (CONTINUED)

(a) Staff superannuation fund (defined benefit section) (continued)

The liability experience loss of Rs 1,187M is mainly due to actual average salary increases being higher than expected over the past year as well as pensioners living for longer, partly offset by a smaller gain due to a release of liabilities in respect of some leavers during the year and actual investment returns earned were higher than expected.

The liability gain due to change in financial assumptions amounting to Rs 603M is mainly due to the decrease in the pension increase rate from 3.2% p.a. in 2025 to 2.5% p.a. in 2026, partly offset by a smaller loss due to the decrease in the discount rate from 6.0% p.a. in 2025 to 5.9% p.a. in 2026.

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.

Pension Risk: The plan liability is calculated by reference to the future pensions payable to the pensioners. As such, an increase in the pension payable to pensioners above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

The Group had a residual obligation imposed by Workers' Rights Act (WRA) 2019 on top of its Defined Contribution (DC) plan. It is therefore particularly exposed to investment under-performance of the DC plan.

There has been no plan amendment, curtailment or settlement during the year, except for the change in retirement benefit formula.

Future cash flows

The funding policy is to pay contributions to an external legal entity at the rate recommended by the Bank's actuaries:

Expected employer contribution for the next year (Rs'M):	**337**
Weighted average duration of the defined benefit obligation:	**16 years**

Defined Contribution Cash Balance (DCCB)

As from 1 July 2015, the Group has introduced a Defined Contribution Cash Balanced Scheme "DCCB" for its employees.

Consequently, all employees joining the Group as from that date are automatically enrolled in the new scheme. Existing employees had the choice of either remaining in the Defined Benefit Scheme or to join the new scheme.

17 POST EMPLOYMENT BENEFIT LIABILITY/(ASSET) (CONTINUED)

(b) Residual retirement gratuities

Amounts recognised in the financial statements at end of year

	GROUP & BANK		
	2026 Rs'M	2025 Rs'M	2024 Rs'M
Reconciliation of net defined benefit liability			
Opening balance	**422**	247	234
Amount recognised in statement of profit or loss (see note 27(a))	**76**	55	12
Amount recognised in statement of comprehensive income	**5**	179	58
Employer contributions	**(35)**	(59)	(57)
Closing balance	**468**	422	247
Reconciliation of present value of defined benefit obligation			
Opening balance	**422**	247	234
Current service cost	**50**	43	15
Interest expense	**26**	12	11
Past service cost	**-**	-	(14)
Other benefits paid	**(35)**	(59)	(57)
Liability experience loss	**5**	178	45
Liability loss due to change in financial assumptions	**-**	1	13
Closing balance	**468**	422	247
Components of amount recognised in statement of profit or loss			
Current service cost	**50**	43	15
Past service cost	**-**	-	(14)
Net interest on net defined benefit liability	**26**	12	11
Total (see note 27(a))	**76**	55	12
Components of amount recognised in other statement of comprehensive income			
Liability experience loss	**5**	178	45
Liability loss due to change in financial assumptions	**-**	1	13
Total	**5**	179	58
Principal assumptions used at end of year			
Discount rate	**5.9%**	6.0%	5.5%
Rate of salary increases	**4.7%**	4.7%	4.2%
Rate of pension increases	**2.5%**	3.2%	2.7%
Average retirement age (ARA)	**63**	63	63

	2026 Rs'M	2025 Rs'M	2024 Rs'M
Sensitivity analysis on defined benefit obligation at end of year			
Increase due to 1% decrease in discount rate	**161**	142	86
Decrease due to 1% increase in discount rate	**129**	114	78
Increase due to 1% increase in salary increase rate	**139**	125	68
Decrease due to 1% decrease in salary increase rate	**111**	99	52
Increase due to 1% increase in pension increase rate	**20**	16	10
Decrease due to 1% decrease in pension increase rate	**22**	18	11

The Group has also recognised a net defined benefit liability of Rs 468M as at 30 June 2026 (2025: Rs 422M, 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, salary increase rate and pension increase rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

The liability experience loss of Rs 5M is mainly due to actual average remuneration increases being higher than expected over the past year, partly offset by a smaller gain due to a release of liabilities in respect of some leavers during the year.

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'M): Nil

Weighted average duration of the defined benefit obligation: 31 years

Note: The most recent actuarial valuation of planned assets and present value of post employment benefit obligation were carried out as at the reporting date by Actuarix Consulting Limited.

Post employee benefit liability/(asset) is classified as non-current liability/(asset).

18. OTHER LIABILITIES

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
Allowances for credit impairment on off balance sheet exposures (18 (a))	**853**	922	313	**843**	907	292
Lease liabilities (18 (b))	**362**	295	241	**308**	251	201
Other payables	**12,154**	13,224	13,063	**11,476**	12,613	12,444
Proposed dividend (see note 30)	**-**	2,900	2,500	**-**	2,900	2,500
	13,369	17,341	16,117	**12,627**	16,671	15,437

All elements under other liabilities are classified as current liabilities except 'other payables' and 'lease liabilities' (amounts over 1 year).

(a) Allowances for credit impairment on off balance sheet exposures

	GROUP		BANK	
	Stage 1 RS'M	Total RS'M	Stage 1 RS'M	Total RS'M
At 1 July 2025	**922**	**922**	**907**	**907**
Exchange adjustment	**1**	**1**	**-**	**-**
Provision for credit impairment for the year	**594**	**594**	**584**	**584**
Provision released during the year	**(536)**	**(536)**	**(521)**	**(521)**
Changes in models/risk parameters	**(128)**	**(128)**	**(127)**	**(127)**
At 30 June 2026	**853**	**853**	**843**	**843**
At 1 July 2024	313	313	292	292
Exchange adjustment	(1)	(1)	-	-
Provision for credit impairment for the year	669	669	655	655
Provision released during the year	(111)	(111)	(92)	(92)
Changes in models/risk parameters	52	52	52	52
At 30 June 2025	922	922	907	907
At 1 July 2023	470	470	459	459
Exchange adjustment	2	2	-	-
Provision for credit impairment for the year	221	221	211	211
Provision released during the year	(378)	(378)	(376)	(376)
Changes in models/risk parameters	(2)	(2)	(2)	(2)
At 30 June 2024	313	313	292	292

(b) The lease liabilities can be analysed as follows:

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
Up to 1 year	**84**	70	15	**84**	70	15
Over 1 year and up to 5 years	**270**	206	143	**217**	163	104
Over 5 years	**8**	19	83	**7**	18	82
	362	295	241	**308**	251	201

Notes to the Consolidated and Separate Financial Statements

for the year ended 30 June 2026

19. STATED CAPITAL AND RESERVES

(a) Stated capital

	GROUP & BANK	
	Number of shares	RS'M
Issued and paid up share capital **At 30 June 2024, 2025 and 2026**	**887,960,247**	**8,880**

Fully paid ordinary shares carry one vote per share and the right to dividend.

(b) Reserves

(i) Capital reserve

The capital reserve represents the cumulative net change in the fair value of financial assets FVOCI until the financial instruments are derecognised or impaired.

(ii) Statutory reserve

Statutory reserve represents accumulated transfers from retained earnings in accordance with relevant local banking legislations. These reserves are not distributable.

The statutory reserve should not exceed the stated capital.

(iii) Translation reserve

The translation reserve represents all foreign currency differences arising from the translation of the results and financial position of investments in associates.

(iv) Cash flow hedge reserve

Cash flow hedge reserve, which comprises the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

20. CONTINGENT LIABILITIES

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
(a) Instruments*						
Guarantees on account of customers	**74,420**	69,388	57,426	**73,315**	68,178	55,832
Letters of credit and other obligations on account of customers (net)	**195,856**	107,989	120,383	**195,726**	107,272	120,244
Other contingent items (net)	**22,166**	6,226	2,138	**22,157**	6,202	2,095
	292,442	183,603	179,947	**291,198**	181,652	178,171
(b) Commitments						
Loans and other facilities, including undrawn credit facilities	**11,968**	14,261	9,140	**11,968**	14,261	9,140
	304,410	197,864	189,087	**303,166**	195,913	187,311
*The above contingent liabilities figures include the following exposures:						
Oil & Gas	**192,675**	117,026	110,747	**192,675**	117,026	110,747
Power & Infrastructure	**576**	1,359	-	**576**	1,359	-
Metals & Minerals	**8,941**	2,703	-	**8,941**	2,703	-
	202,192	121,088	110,747	**202,192**	121,088	110,747

Notes to the Consolidated and Separate Financial Statements

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21. INTEREST INCOME USING THE EFFECTIVE INTEREST METHOD

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
Loans to and placements with banks	**6,090**	4,263	5,207	**6,069**	4,270	5,226
Loans and advances to customers	**30,982**	28,927	28,228	**30,208**	28,204	27,560
Investments at amortised cost	**15,036**	13,570	10,342	**14,501**	13,220	10,136
Investments at fair value through other comprehensive income	**456**	219	14	**456**	219	14
	52,564	46,979	43,791	**51,234**	45,913	42,936

22. INTEREST EXPENSE

Deposits from banks	**821**	1,167	1,308	**802**	1,218	1,396
Deposits from customers	**16,045**	14,807	13,543	**15,291**	14,300	13,168
Debt securities	**1,362**	1,122	1,102	**1,362**	1,122	1,102
Subordinated liabilities	**547**	594	610	**528**	575	610
Other borrowed funds	**5,273**	3,782	4,327	**5,299**	3,726	4,225
Lease liabilities	**22**	20	18	**17**	16	14
	24,070	21,492	20,908	**23,299**	20,957	20,515

23. FEE AND COMMISSION INCOME

Cards and other related fees	**4,520**	4,383	4,354	**4,498**	4,345	4,313
Trade finance fees	**1,987**	2,113	1,862	**1,827**	1,999	1,781
Transaction fees	**1,717**	1,583	1,470	**1,701**	1,523	1,384
Guarantee fees	**1,181**	1,182	1,338	**1,170**	1,177	1,338
Loan related fees	**1,033**	691	551	**829**	679	551
Private banking and wealth management fees	**832**	611	496	**828**	611	496
Others	**11**	109	-	**20**	22	19
	11,281	10,672	10,071	**10,873**	10,356	9,882

24. FEE AND COMMISSION EXPENSE

Cards and other related fees	**2,765**	2,581	2,715	**2,581**	2,436	2,617
Loan related and trade finance fees	**507**	489	430	**490**	481	409
Transaction fees	**138**	138	129	**121**	123	116
	3,410	3,208	3,274	**3,192**	3,040	3,142

25. NET TRADING INCOME

Profit arising from dealing in foreign currencies	**4,834**	3,833	3,141	**4,631**	3,725	3,058
Net gain from derivative financial instruments fair valued through profit or loss	**152**	201	179	**152**	201	179
Net gain from investment securities fair valued through profit or loss	**1,088**	693	299	**1,088**	693	299
Cash flow hedge	**(34)**	(55)	-	**(34)**	(55)	-
Net gain from other investment securities	**1**	5	-	**1**	5	-
	6,041	4,677	3,619	**5,838**	4,569	3,536

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	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
26. DIVIDEND INCOME						
Quoted investments FVOCI	**42**	50	46	**42**	50	46
Unquoted investments FVOCI	**25**	21	19	**25**	21	19
Subsidiary	**-**	-	-	**45**	32	41
	67	71	65	**112**	103	106
27. NON - INTEREST EXPENSE						
(a) Salaries and human resource costs						
Wages and salaries	**5,909**	4,790	4,317	**5,718**	4,831	4,340
Defined benefit plan	**384**	218	179	**384**	218	179
Defined contribution plan	**464**	304	222	**464**	304	222
Residual retirement gratuities	**76**	55	12	**76**	55	12
Compulsory social security obligations	**294**	246	198	**281**	235	190
Equity settled share-based payments	**5**	30	7	**5**	30	7
Other personnel expenses	**1,704**	2,027	1,434	**1,691**	1,862	1,319
	8,836	7,670	6,369	**8,619**	7,535	6,269
(b) Other non-interest expense						
Legal and professional fees	**1,293**	997	693	**1,202**	932	635
Rent, repairs, maintenance and security costs	**619**	605	450	**584**	578	438
Software licensing and other information technology costs	**1,750**	1,427	1,037	**1,630**	1,366	1,036
Electricity, water and telephone charges	**510**	467	376	**462**	428	374
Advertising, marketing costs and sponsoring	**361**	309	328	**358**	308	282
Postage, courier and stationery costs	**280**	253	251	**236**	224	216
Insurance costs	**730**	459	185	**720**	448	177
Others	**107**	282	577	**179**	304	575
of which short term leases	***26***	*21*	*7*	***26***	*21*	*7*
	5,650	4,799	3,897	**5,371**	4,588	3,733
28. NET IMPAIRMENT OF FINANCIAL ASSETS						
Net allowance for credit impairment						
Cash and cash equivalents	**(8)**	43	(5)	**(7)**	41	(1)
Loans and advances						
Loans to and placements with banks	**352**	(227)	(457)	**352**	(227)	(457)
Loans and advances to customers	**2,767**	4,030	4,663	**2,656**	3,944	4,514
Investment securities						
Amortised cost	**(216)**	191	464	**(245)**	179	461
Fair value through other comprehensive income	**1**	1	-	**1**	1	-
Off balance sheet exposures	**(70)**	610	(159)	**(64)**	615	(167)
	2,826	4,648	4,506	**2,693**	4,553	4,350
Net recoveries of advances previously written off	**(483)**	(1,486)	(1,021)	**(483)**	(1,498)	(1,021)
	2,343	3,162	3,485	**2,210**	3,055	3,329

29. INCOME TAX EXPENSE

(a) The tax charge related to statement of profit or loss is as follows:

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
Income tax based on the adjusted profit	**3,794**	3,541	3,200	**3,735**	3,494	3,174
Deferred tax	**(280)**	(446)	(671)	**(263)**	(442)	(669)
Effect of change in tax rate	**-**	-	(364)	**-**	-	(364)
Corporate climate responsibility levy	**518**	483	440	**518**	483	440
Special levy on banks	**1,297**	808	808	**1,297**	808	808
Corporate social responsibility contribution	**192**	179	144	**192**	179	144
Fair Share Contribution	**1,297**	-	-	**1,297**	-	-
Additional Fair Share Contribution	**227**	-	-	**227**	-	-
Cap of 35%	**(473)**	-	-	**(473)**	-	-
Under/(Over) provision in previous years	**20**	(18)	13	**20**	(18)	13
Charge for the year	**6,592**	4,547	3,570	**6,550**	4,504	3,546
The tax on the profits differs from the theoretical amount that would arise using the basic tax rate as follows:						
Profit before tax	**25,194**	21,887	19,057	**25,099**	21,715	18,992
Less share of profit of associates	**(371)**	(294)	(306)	**(371)**	(294)	(306)
	24,823	21,593	18,751	**24,728**	21,421	18,686
Tax calculated at applicable tax rates	**3,628**	3,125	2,708	**3,591**	3,082	2,687
Effect of change in tax rate	**-**	-	(364)	**-**	-	(364)
Impact of:						
Income not subject to tax	**(832)**	(1,008)	(1,195)	**(832)**	(1,008)	(1,195)
Expenses not deductible for tax purposes	**754**	978	1,025	**749**	978	1,022
Tax credits	**(36)**	-	(9)	**(36)**	-	(9)
Corporate climate responsibility levy	**518**	483	440	**518**	483	440
Special levy on banks	**1,297**	808	808	**1,297**	808	808
Corporate social responsibility contribution	**192**	179	144	**192**	179	144
Fair Share Contribution	**1,297**	-	-	**1,297**	-	-
Additional Fair Share Contribution	**227**	-	-	**227**	-	-
Cap of 35%	**(473)**	-	-	**(473)**	-	-
Under/(Over) provision in previous years	**20**	(18)	13	**20**	(18)	13
Tax charge	**6,592**	4,547	3,570	**6,550**	4,504	3,546

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.

Special levy on Banks

Special levy represents a levy imposed on banks at 5.5% of leviable income, which comprises of net interest income and other income before deduction of expenses, arising from transactions with residents other than companies holding a Global Business Licence under the Financial Services Act. The special levy payable was previously capped at 1.5 times the levy payable in the year of assessment 2017-2018. This cap has now been removed following enactment of the Finance Act 2025 and is applicable as from financial year ended 30 June 2026.

Corporate Social Responsibility (CSR) tax

Corporate Social Responsibility (CSR) tax was legislated by the Government of Mauritius in July 2009. The Bank is entitled to allocate a percentage of its chargeable income of the preceding year to a CSR programme approved by the National Social Inclusion Foundation (formerly known as National CSR Foundation) and the remaining to the Mauritius Revenue Authority.

Fair Share Contribution

Fair Share Contribution (FSC) was introduced via the Finance Act 2025 and is applicable for the period from 1 July 2025 to 30 June 2028 for companies having (i) supplies exceeding MUR 24 million rupees in an accounting year and (ii) a chargeable income exceeding MUR 24 million in an accounting year. In the case of a bank, FSC is computed at the rate of 5% on a bank's chargeable income.

Additional Fair Share Contribution

Additional Fair Share Contribution (AFSC) was introduced via the Finance Act 2025 and is applicable for banks for the period from 1 July 2025 to 30 June 2028 if they have (i) supplies exceeding MUR 24 million rupees in an accounting year and (ii) a chargeable income exceeding MUR 24 million in an accounting year. The AFSC is computed at the rate of 2.5% of its chargeable income arising from transactions from residents, other than from a global business entity.

Cap of 35%

The amount of FSC and AFSC payable by a bank shall be reduced by such amount to ensure that the total amount of FSC, AFSC, income tax, CSR, CCR Levy and special levy on banks does not exceed 35% of its chargeable income with respect to transactions with residents, other than a global business entity.

Applicable tax rates

The applicable tax rate for the Bank is as follows:

- First Rs 1.5 billion of chargeable income at 5%
- Remainder 15%

29. INCOME TAX EXPENSE (continued)

(b) The tax credit/(charge) related to statement of comprehensive income is as follows:

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
Remeasurement of defined benefit pension plan and retirement residual gratuities	**(200)**	(1,307)	141	**(200)**	(1,307)	141
Deferred tax credit/(charge)	**34**	222	(24)	**34**	222	(24)
Remeasurement of defined benefit pension plan and retirement residual gratuities, net of deferred tax	**(166)**	(1,085)	117	**(166)**	(1,085)	117

30. DIVIDENDS

	BANK		
	2026 RS'M	2025 RS'M	2024 RS'M
Dividends in cash			
Opening dividend payable	**2,900**	2,500	2,300
Declared during the year	**3,505**	7,062	5,200
Paid during the year	**(6,405)**	(6,662)	(5,000)
Closing dividend payable	**-**	2,900	2,500

31. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to the ordinary equity holder of the Group and Bank by the weighted average number of ordinary shares outstanding during the year.

	GROUP			BANK		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
Profit attributable to ordinary equity holders of the parent	**18,582**	17,308	15,471	**18,549**	17,211	15,446
Weighted average number of ordinary shares (thousands)	**887,960**	887,960	887,960	**887,960**	887,960	887,960
Earnings per share (Rs)	**20.93**	19.49	17.42	**20.89**	19.38	17.39
Diluted earnings per share (Rs)	**20.93**	19.49	17.42	**20.89**	19.38	17.39

32. COMMITMENTS

(a) Capital commitments

	GROUP & BANK		
	2026 RS'M	2025 RS'M	2024 RS'M
Expenditure contracted for but not incurred	**170**	138	199
Expenditure approved by the Board but not contracted for	**145**	131	123

(b) Securities pledged

The Bank has pledged Government of Mauritius bonds as collateral for the purpose of overnight facility from the Bank of Mauritius and for repurchase agreement with other financial institutions.

	GROUP & BANK		
	2026 RS'M	2025 RS'M	2024 RS'M
Government of Mauritius & Bank of Mauritius bonds with other financial institutions	**108,067**	11,893	15,191
	108,067	11,893	15,191

Notes to the Consolidated and Separate Financial Statements

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33. RELATED PARTY TRANSACTIONS

	GROUP AND BANK					GROUP	BANK
	Ultimate Holding Company * RS'M	Holding Company* RS'M	Entities in which the Bank holds more than a 10% interest RS'M	Directors and Key Management Personnel (including parent)** RS'M	Enterprises in which Directors and Key Management Personnel have significant interest (including parent)** RS'M	Entities under common control (including defined benefit plan) RS'M	Entities under common control (including defined benefit plan) RS'M
Cash equivalents, Loans and Advances							
Balances at 30 June 2026	**1**	**-**	**1,288**	**292**	**118**	**7,904**	**7,966**
Net movements during the year	**1**	**-**	**604**	**60**	**(17)**	**3,831**	**3,219**
Balances at 30 June 2025	-	-	684	232	135	4,073	4,747
Net movements during the year	-	-	(44)	84	(24)	1,886	1,580
Balances at 30 June 2024	-	-	728	148	159	2,187	3,167
Net movements during the year	(1,617)	-	94	(34)	137	(364)	(375)
Balances at 30 June 2023	1,617	-	634	182	22	2,551	3,542
Deposits							
Balance at year end:							
30 June 2026	**3,245**	**30**	**45**	**465**	**203**	**8,521**	**9,016**
30 June 2025	1,103	75	38	372	317	6,823	6,917
30 June 2024	3,095	12	77	436	429	6,734	6,826
Amounts due from/(to)							
Balance at year end:							
30 June 2026	**-**	**217**	**6**	**-**	**-**	**230**	**271**
30 June 2025	1	(2,469)	4	-	-	132	166
30 June 2024	1	(2,097)	85	-	-	162	190
Off Balance sheet items							
Balance at year end:							
30 June 2026	**-**	**-**	**-**	**-**	**67**	**754**	**4,246**
30 June 2025	-	-	3	-	41	446	3,092
30 June 2024	-	-	3	-	29	684	2,621
Interest income							
For the year ended:							
30 June 2026	**-**	**-**	**28**	**9**	**9**	**255**	**268**
30 June 2025	-	-	30	6	9	128	177
30 June 2024	28	-	30	5	13	136	222
Interest expense							
For the year ended:							
30 June 2026	**18**	**19**	**1**	**11**	**-**	**193**	**200**
30 June 2025	25	13	1	12	-	239	242
30 June 2024	47	-	1	16	1	255	257
Other income							
For the year ended:							
30 June 2026	**-**	**-**	**440**	**1**	**2**	**319**	**461**
30 June 2025	1	-	255	2	2	252	329
30 June 2024	1	1	426	2	2	120	200
Non-interest expense							
For the year ended:							
30 June 2026	**(1)**	**-**	**-**	**-**	**-**	**(112)**	**(169)**
30 June 2025	(1)	-	-	-	-	(105)	(149)
30 June 2024	(1)	-	-	-	-	(20)	(41)

The related party transactions were carried out under market terms and conditions with the exception of loans to Key Management Personnel who benefited from preferential rates as applicable to staff.
All the loans are performing.

* The Directors regard MCB Investment Holding Limited as its holding company and MCB Group Limited as its ultimate holding company. The figures for 'Amounts due from/(to)' include the Interim Dividend payable to MCB Investment Holding Limited of Rs Nil for 2025/2026, Rs 2,900 M for 2024/2025 and Rs 2,500 M for 2023/2024.

** Directors and Key Management Personnel also include other key members of the Leadership team.

33. RELATED PARTY TRANSACTIONS (continued)

The Bank introduced a Transfer Pricing policy applicable as from 1 January 2021 with its related entities in line with best practice and has gradually migrated to the new policy with support services being mainly categorised as 'low value services'.

The figures for 'Other income' from Ultimate Holding Company, Holding Company and Entities under common control, include (where applicable) dividend income and support services charged to these entities as per the Group's transfer pricing policy.

The figure for 'Entities in which the bank holds more than 10% interest' includes dividend income and an annual amount in respect of management fees charged to Banque Française Commerciale Océan Indien ('BFCOI').

During the year, 24,936 share options were exercised under the Group Employee Share Option scheme by Key Management Personnel, including Executive Directors amounting to Rs 11M (FY 2024/2025: 120,826 share options for Rs 44M; FY 2023/2024: 108,186 share options for Rs 34M).

Key Management Personnel compensation	GROUP			BANK		
	2026 RS'M	**2025 RS'M**	**2024 RS'M**	**2026 RS'M**	**2025 RS'M**	**2024 RS'M**
Remuneration and other benefits relating to members of the Group Executive Strategy Committee and Directors, were as follows :						
Salaries and short term employee benefits	**240**	219	209	**221**	201	192
Post employment benefits	**18**	16	12	**18**	16	12
	258	235	221	**239**	217	204

Notes to the Consolidated and Separate Financial Statements

for the year ended 30 June 2026

34. OPERATING SEGMENTS

The Bank's and Group's Chief Executive Officers, supported by the Board is considered as the Chief Operation Decision Makers (CODM) for the purpose of identifying the reportable segments. The Chief Operation Decision Makers review the Bank's and Group's performance based on the identified segments which enable management to assess its performance towards meeting its strategic intent of "extending our frontier." Furthermore, internal management reports cover the performance of the domestic and international markets. The Group's reportable segments under IFRS 8 are:

1. Domestic segment - This segment englobes all our banking activities and other financial services offered to customers in Mauritius ranging from deposit taking, provision of loan, card services and other investment products.

2. Foreign segment - This segment relates to the provision of financial services to customers outside Mauritius.

3. Global Business segment - This segment relates to the provision of financial services to customers holding a GBC licence.

GROUP

Reported segment profit or loss information

	DOMESTIC			FOREIGN			GLOBAL BUSINESS		
	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M	2026 RS'M	2025 RS'M	2024 RS'M
Interest income using the effective interest method	**24,423**	20,790	18,668	**24,969**	23,692	23,289	**3,172**	2,497	1,834
Interest expense	**(9,912)**	(8,568)	(8,189)	**(13,479)**	(12,335)	(12,009)	**(679)**	(589)	(710)
Net fee and commission income	**3,631**	3,394	2,719	**3,592**	3,303	3,665	**648**	767	413
Dividend income	**45**	50	46	**22**	21	19	**-**	-	-
Operating income	**21,301**	17,694	14,959	**18,408**	17,611	16,315	**3,300**	3,159	2,432
Depreciation of property, plant and equipment	**(409)**	(368)	(326)	**(208)**	(192)	(199)	**(16)**	(17)	(16)
Amortisation of intangible assets	**(518)**	(458)	(425)	**(185)**	(184)	(217)	**(21)**	(21)	(21)
Net impairment of financial assets	**(113)**	(1,048)	(146)	**(1,906)**	(1,494)	(1,409)	**(324)**	(620)	(1,930)
Operating profit (adjusted)	**10,570**	7,611	7,597	**12,661**	12,452	11,430	**2,516**	2,107	137
Share of profit of associates	**-**	-	-	**371**	294	306	**-**	-	-
Profit before tax (adjusted)	**10,570**	7,611	7,597	**13,032**	12,746	11,736	**2,516**	2,107	137
Income tax expense(adjusted)	**(3,198)**	(2,378)	(2,121)	**(3,177)**	(2,211)	(2,237)	**(540)**	(404)	(247)
Profit/(Loss) for the year (adjusted)	**7,372**	5,232	5,476	**9,855**	10,536	9,499	**1,976**	1,703	(110)
Reported segment asset and liabilities information									
Loan and advances to customers	**197,332**	174,986	147,424	**245,275**	172,955	206,621	**41,741**	27,237	28,488
Deposits from customers	**466,202**	440,181	399,197	**250,381**	135,021	148,404	**126,598**	115,162	94,036
Total Assets (adjusted)	**586,676**	531,638	455,919	**617,181**	401,593	416,663			
Total Liabilities (adjusted)	**494,741**	466,623	421,358	**601,674**	374,118	368,819			

Reconciliation of reported profit or loss

	2026 RS'M	2025 RS'M	2024 RS'M
Adjusted total profit or loss for reportable segments	**19,203**	17,471	14,865
Adjustment to pension expense	**(924)**	(577)	(413)
Adjustment for deferred tax	**323**	446	1,035
Profit for the year	**18,602**	17,340	15,487

Reconciliation of assets and liabilities

	2026 RS'M	2025 RS'M	2024 RS'M
Total assets for reportable segment	**1,203,857**	933,231	872,582
Deferred tax	**4,765**	4,408	3,740
Post employee benefit asset	**-**	-	754
	1,208,622	937,639	877,076
Total liabilities for reportable segment	**1,096,415**	840,741	790,177
Post employee benefit liability	**757**	456	-
	1,097,172	841,197	790,177

Notes to the Consolidated and Separate Financial Statements

for the year ended 30 June 2026

35. ADDITIONAL DISCLOSURES AS REQUIRED BY THE BANK OF MAURITIUS - BANK

Under the Guideline on Public Disclosure of Information, the Bank of Mauritius requires the Bank to disclose its assets and liabilities, income and expenditure into Resident and Non Resident.

The Bank's Non Resident activity is essentially directed to the provision of international financial services to customers outside Mauritius while its Resident activity relates to all banking and other financial business in Mauritius.

Expenditure incurred by the Bank but which is not directly attributable to its income derived from Mauritius or outside Mauritius is apportioned in a fair and reasonable manner.

Statement of financial position

		2026			2025			2024		
		Total	Resident	Non-Resident	Total	Resident	Non-Resident	Total	Resident	Non-Resident
		RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
	Note									
ASSETS										
Cash and cash equivalents		**211,765**	**60,529**	**151,236**	131,612	70,518	61,094	90,669	30,306	60,363
Mandatory balances with Central Bank		**43,945**	**43,945**	**-**	40,969	40,969	-	36,696	36,696	-
Derivative financial instruments		**4,160**	**66**	**4,094**	3,745	125	3,620	2,071	156	1,915
Loans to and placements with banks	35(i)	**35,715**	**4,228**	**31,487**	30,791	273	30,518	13,582	-	13,582
Loans and advances to customers	35(i)	**476,153**	**197,332**	**278,821**	366,970	174,986	191,984	375,404	147,424	227,980
Investment securities		**389,610**	**266,884**	**122,726**	324,783	233,100	91,683	322,210	229,842	92,368
Investment in subsidiaries		**121**	**-**	**121**	121	-	121	121	-	121
Investments in associates		**5,802**	**-**	**5,802**	5,740	-	5,740	5,495	-	5,495
Intangible assets		**3,165**	**3,165**	**-**	2,914	2,914	-	2,551	2,551	-
Property, plant and equipment		**5,340**	**5,340**	**-**	5,243	5,243	-	5,028	5,028	-
Deferred tax assets		**4,723**	**874**	**3,849**	4,383	913	3,470	3,719	600	3,119
Post employee benefit asset		**-**	**-**	**-**	-	-	-	754	754	-
Other assets		**10,742**	**5,187**	**5,555**	6,314	3,511	2,803	7,152	3,917	3,235
Total assets		**1,191,241**	**587,550**	**603,691**	923,585	532,552	391,033	865,452	457,274	408,178
LIABILITIES AND SHAREHOLDER'S EQUITY										
Deposits from banks		**44,433**	**1,532**	**42,901**	17,629	922	16,707	41,021	872	40,149
Deposits from customers	35(ii)	**830,451**	**466,202**	**364,249**	681,527	440,181	241,346	634,292	399,197	235,095
Derivative financial instruments		**4,330**	**191**	**4,139**	4,068	270	3,798	1,990	87	1,903
Other borrowed funds		**144,840**	**12,870**	**131,970**	84,742	7,497	77,245	62,529	5,740	56,789
Debt securities		**33,341**	**-**	**33,341**	13,649	-	13,649	14,314	-	14,314
Subordinated liabilities		**6,997**	**-**	**6,997**	6,707	-	6,707	7,057	-	7,057
Current tax liabilities		**3,022**	**1,674**	**1,348**	2,574	1,637	937	2,697	237	2,460
Post employee benefit liability		**757**	**757**	**-**	456	456	-	-	-	-
Other liabilities		**12,627**	**12,271**	**356**	16,671	16,116	555	15,437	15,225	212
Total liabilities		**1,080,798**	**495,497**	**585,301**	828,023	467,079	360,944	779,337	421,358	357,979
Shareholder's equity										
Stated capital		**8,880**			8,880			8,880		
Retained earnings		**90,944**			76,001			66,975		
Other components of equity		**10,619**			10,681			10,260		
Total equity		**110,443**			95,562			86,115		
Total equity and liabilities		**1,191,241**			923,585			865,452		
CONTINGENT LIABILITIES (NET)		**303,166**	**34,390**	**268,776**	195,913	30,716	165,197	187,311	35,339	151,972

35. ADDITIONAL DISCLOSURES AS REQUIRED BY THE BANK OF MAURITIUS - BANK

Operating Income

	2026			2025		
	Total	Resident	Non-Resident	Total	Resident	Non-Resident
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Interest income using the effective interest method	**51,234**	**24,423**	**26,811**	45,913	20,790	25,123
Interest expense	**(23,299)**	**(9,912)**	**(13,387)**	(20,957)	(8,568)	(12,389)
Net Interest Income	**27,935**	**14,511**	**13,424**	24,956	12,222	12,734
Fee and commission income	**10,873**	**5,904**	**4,969**	10,356	5,420	4,936
Fee and commission expense	**(3,192)**	**(2,273)**	**(919)**	(3,040)	(2,025)	(1,015)
Net fee and commission Income	**7,681**	**3,631**	**4,050**	7,316	3,395	3,921
Net trading income	**5,838**	**2,879**	**2,959**	4,569	1,975	2,594
Net gain from equity financial instruments carried at fair value through profit or loss	**-**	**-**	**-**	549	-	549
Dividend Income	**112**	**45**	**67**	103	50	53
Other operating income	**612**	**235**	**377**	264	52	212
Loss on disposal of associate	**-**	**-**	**-**	-	-	-
	6,562	**3,159**	**3,403**	5,485	2,077	3,408
Operating Income	**42,178**	**21,301**	**20,877**	37,757	17,694	20,063

	2024		
	Total	Resident	Non-Resident
	RS'M	RS'M	RS'M
Interest income using the effective interest method	42,936	18,668	24,268
Interest expense	(20,515)	(8,189)	(12,326)
Net Interest Income	22,421	10,479	11,942
Fee and commission income	9,882	4,506	5,376
Fee and commission expense	(3,142)	(1,787)	(1,355)
Net fee and commission Income	6,740	2,719	4,021
Net trading income	3,536	1,695	1,841
Net gain from equity financial instruments carried at fair value through profit or loss	476	-	476
Dividend Income	106	46	60
Other operating income	112	20	92
Loss on disposal of associate	(241)	-	(241)
	3,989	1,761	2,228
Operating Income	33,150	14,959	18,191

35. ADDITIONAL DISCLOSURES AS REQUIRED BY THE BANK OF MAURITIUS - BANK

(i) Sectorwise Distribution of Loans and Advances

	2026			2025		
	Total RS'M	Resident RS'M	Non-Resident RS'M	Total RS'M	Resident RS'M	Non-Resident RS'M
Other Non-Financial Corporations						
A. - Agriculture, forestry and fishing	**7,357**	**7,152**	**205**	6,598	6,372	226
B - Mining and quarrying	**73,694**	**23**	**73,671**	42,215	28	42,187
C - Manufacturing	**28,571**	**13,775**	**14,796**	19,338	13,036	6,302
D - Electricity, gas, steam and air conditioning supply	**6,280**	**2,215**	**4,065**	5,288	1,449	3,839
E - Water supply; sewerage, waste management and remediation activities	**374**	**374**	**-**	562	562	-
F - Construction	**13,907**	**8,148**	**5,759**	12,943	8,349	4,594
G - Wholesale and retail trade; and repair of motor vehicles and motorcycles	**108,209**	**18,588**	**89,621**	90,268	17,468	72,800
H - Transportation and storage	**4,722**	**2,375**	**2,347**	5,231	2,505	2,726
I - Accommodation and food service activities	**17,928**	**15,996**	**1,932**	20,263	15,265	4,998
J - Information and communication	**4,658**	**2,023**	**2,635**	4,989	2,573	2,416
L - Real estate activities	**8,079**	**7,933**	**146**	7,018	5,943	1,075
M - Professional, scientific and technical activities	**3,630**	**3,626**	**4**	1,685	1,681	4
N - Administrative and support service activities	**8,961**	**4,554**	**4,407**	6,407	2,649	3,758
P - Education	**505**	**505**	**-**	586	586	-
Q - Human health and social work activities	**322**	**322**	**-**	343	343	-
R - Arts, entertainment and recreation	**652**	**652**	**-**	529	529	-
S - Other service activities	**343**	**342**	**1**	600	311	289
Households	**75,668**	**71,092**	**4,576**	63,462	60,150	3,312
Central Bank	**-**	**-**	**-**	-	-	-
Non-Bank Deposit Taking Institutions	**9,383**	**9,383**	**-**	6,997	6,997	-
Central Government	**-**	**-**	**-**	-	-	-
State and Local Government	**-**	**-**	**-**	-	-	-
Public Non-Financial Corporations	**1,481**	**1,481**	**-**	1,774	1,774	-
Other Financial Corporations (excl GBC)	**72,530**	**30,583**	**41,947**	56,924	31,804	25,120
Global Business Corporations (GBCs)	**46,688**	**-**	**46,688**	31,891	-	31,891
Non-Profit Institutions	**475**	**475**	**-**	182	182	-
	494,417	**201,617**	**292,800**	386,093	180,556	205,537
Banks	**36,171**	**4,234**	**31,937**	30,895	273	30,622
	530,588	**205,851**	**324,737**	416,988	180,829	236,159
Less:						
Allowances for credit impairment	**(18,720)**	**(4,291)**	**(14,429)**	(19,227)	(5,570)	(13,657)
	511,868	**201,560**	**310,308**	397,761	175,259	222,502

35. ADDITIONAL DISCLOSURES AS REQUIRED BY THE BANK OF MAURITIUS - BANK

(i) Sectorwise Distribution of Loans and Advances

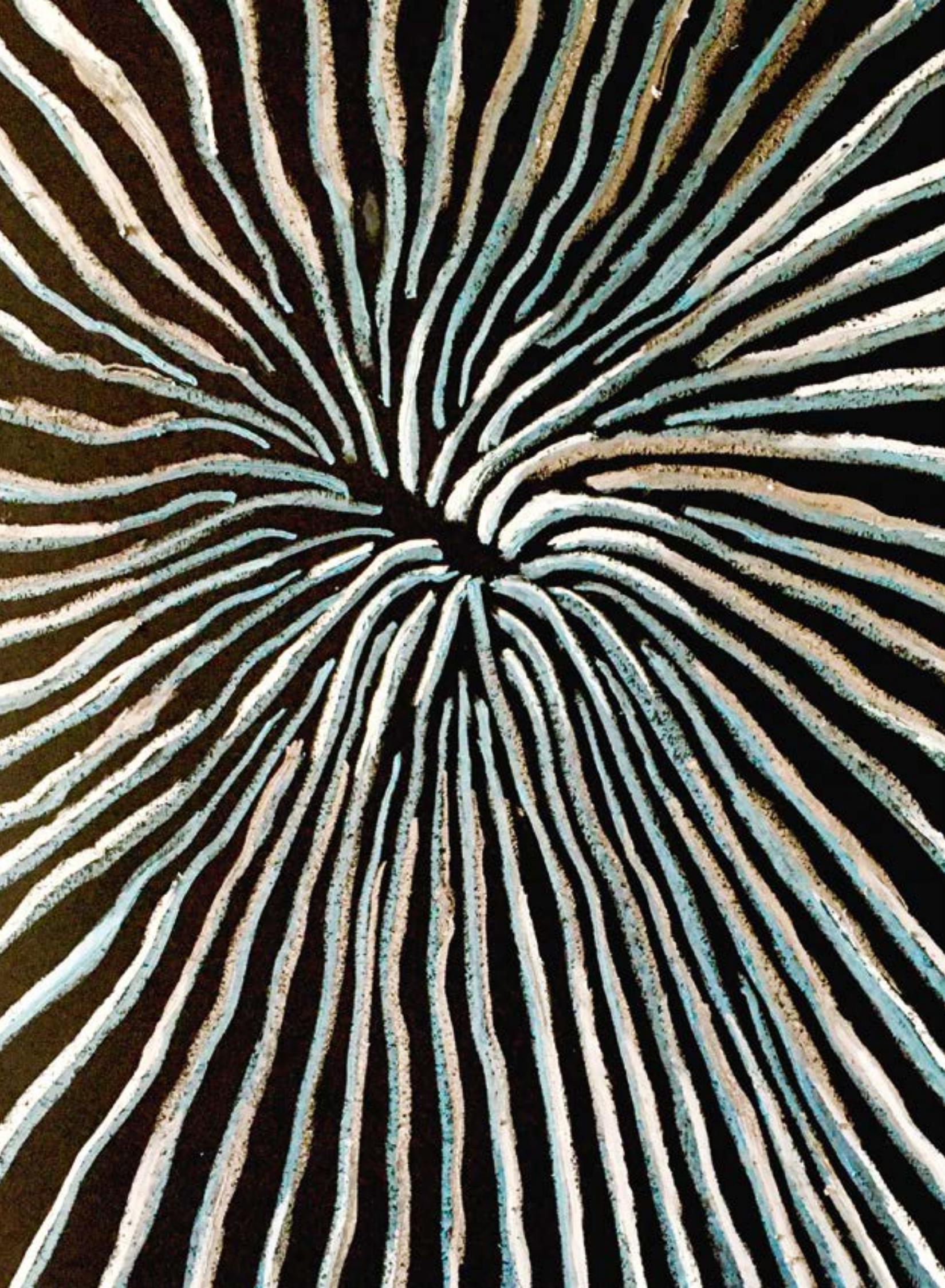
	2024		
	Total	Resident	Non-Resident
	RS'M	RS'M	RS'M
Other Non-Financial Corporations			
A - Agriculture, forestry and fishing	5,538	5,300	238
B - Mining and quarrying	38,283	7	38,276
C - Manufacturing	17,434	9,312	8,122
D - Electricity, gas, steam and air conditioning supply	15,412	842	14,570
E - Water supply; sewerage, waste management and remediation activities	555	555	-
F - Construction	14,951	8,307	6,644
G - Wholesale and retail trade; and repair of motor vehicles and motorcycles	119,591	13,227	106,364
H - Transportation and storage	7,400	2,618	4,782
I - Accommodation and food service activities	24,755	16,482	8,273
J - Information and communication	2,365	1,595	770
L - Real estate activities	7,998	6,826	1,172
M - Professional, scientific and technical activities	1,347	1,252	95
N - Administrative and support service activities	6,013	2,335	3,678
P - Education	662	662	-
Q - Human health and social work activities	333	333	-
R - Arts, entertainment and recreation	933	933	-
S - Other service activities	169	168	1
Households	53,441	51,387	2,054
Central Bank	-	-	-
Non-Bank Deposit Taking Institutions	2,614	2,614	-
Central Government	560	-	560
State and Local Government	-	-	-
Public Non-Financial Corporations	1,481	1,481	-
Other Financial Corporations (excl GBC)	39,164	25,317	13,847
Global Business Corporations (GBCs)	30,368	-	30,368
Non-Profit Institutions	89	89	-
	391,456	151,642	239,814
Banks	13,913	-	13,913
	405,369	151,642	253,727
Less:			
Allowances for credit impairment	(16,383)	(4,218)	(12,165)
	388,986	147,424	241,562

35. ADDITIONAL DISCLOSURES AS REQUIRED BY THE BANK OF MAURITIUS - BANK

(ii) Breakdown of Deposits from Customers

	2026			2025		
	Total	Resident	Non-Resident	Total	Resident	Non-Resident
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Retail Customers	**387,641**	**336,305**	**51,336**	360,910	316,034	44,876
Demand deposits	**62,015**	**42,770**	**19,245**	60,398	42,522	17,876
Savings Accounts	**273,289**	**256,597**	**16,692**	254,392	239,837	14,555
Time Deposits	**52,337**	**36,938**	**15,399**	46,120	33,675	12,445
Corporate Customers	**442,553**	**129,640**	**312,913**	320,577	124,107	196,470
Demand deposits	**246,730**	**103,799**	**142,931**	222,759	100,762	121,997
Savings Accounts	**6,549**	**6,530**	**19**	5,335	5,324	11
Time Deposits	**189,274**	**19,310**	**169,964**	92,483	18,021	74,462
Government	**257**	**257**	**-**	40	40	-
Demand deposits	**127**	**127**	**-**	40	40	-
Savings Accounts	**130**	**130**	**-**	-	-	-
	830,451	**466,202**	**364,249**	681,527	440,181	241,346

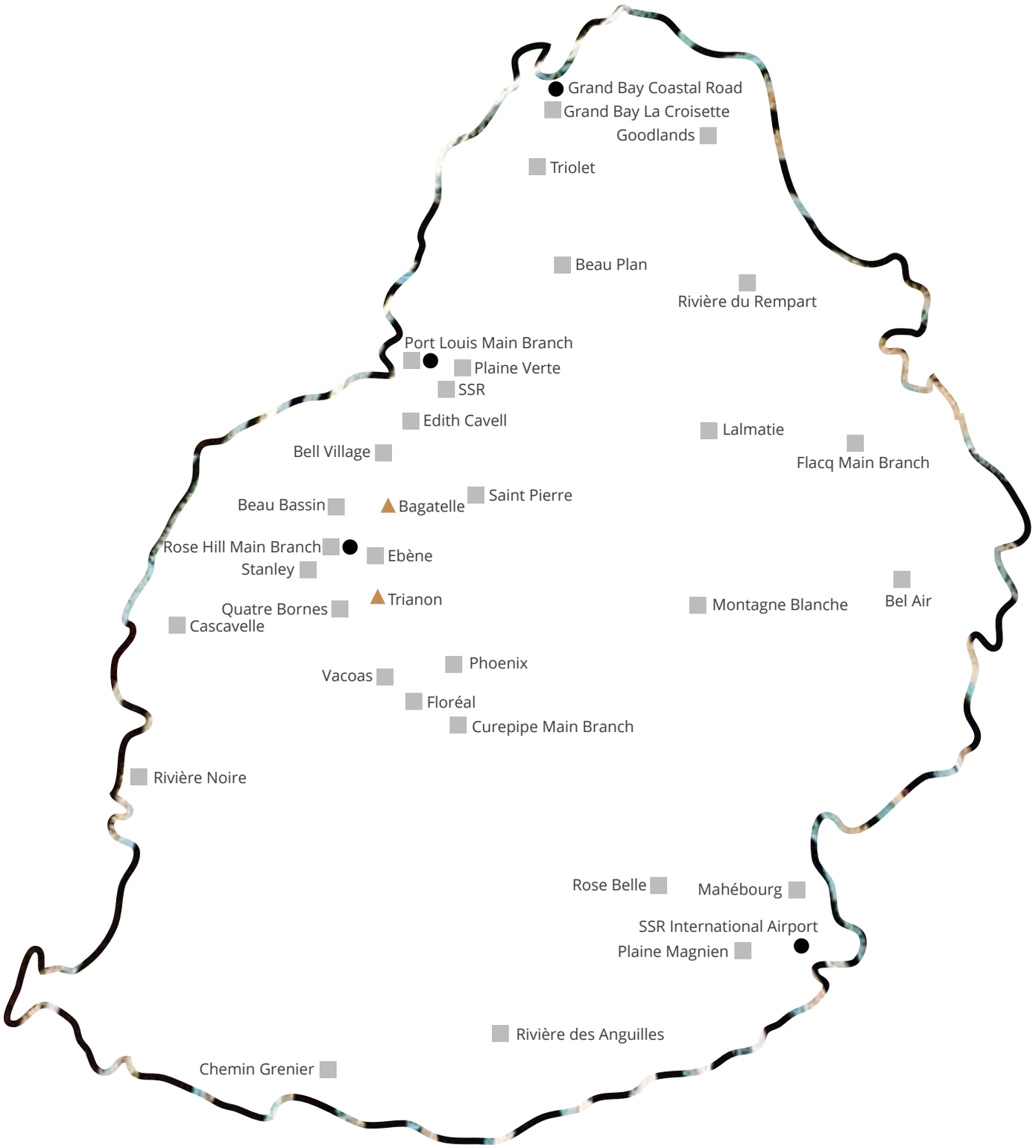
	2024		
	Total	Resident	Non-Resident
	RS'M	RS'M	RS'M
Retail Customers	318,151	277,396	40,755
Demand deposits	54,474	37,540	16,934
Savings Accounts	222,170	209,945	12,225
Time Deposits	41,507	29,911	11,596
Corporate Customers	316,110	121,770	194,340
Demand deposits	207,492	95,965	111,527
Savings Accounts	5,433	5,420	13
Time Deposits	103,185	20,385	82,800
Government	31	31	-
Demand deposits	31	31	-
Savings Accounts	-	-	-
	634,292	399,197	235,095



ADMINISTRATIVE INFORMATION

Our local branch network

Mauritius



Rodrigues



Branches

Kiosks

Forex Counters



Registered address

THE MAURITIUS COMMERCIAL BANK LTD
PO Box 52 – 9-15, Sir William Newton Street
Port Louis – Republic of Mauritius
Tel: (230) 202 5000
Swift: MCBLMUMU
Email: contact@mcb.mu
Website: mcb.mu



