

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

Vision 2030

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

Our value-adding activities

Finance growth

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

Promote savings and investment

Deposits and investment related products and services

Provide business advisory and support

Corporate finance advisory and structured solutions

Enable trade and transactions

Domestic and international payments, cash management and trade finance solutions

Facilitate access to financial markets

Foreign exchange, derivatives and risk hedging instruments

Grow wealth

Asset management, private wealth and custody services

Expand value beyond banking and finance

Selected services in non-financial field

Give back

Community investment, social impact and sustainability 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 • Attract, develop and retain talent	⊕ 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 • 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 (+2 p.p compared to the previous survey) 35.1% Women at middle and senior management level (MCB Ltd) ~ Rs 108 million Investment in training (MCB Ltd) ~ 10% Turnover rate	Net Promoter Scores (MCB Ltd) 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	16.0% Return on equity 11.6% Operating income growth 6.4% Dividend yield 43% of market turnover (Excludes one-off transactions)	BBB MCB Group MSCI ESG rating Rs 14.4 bn Outstanding loans to MSMEs (includes microfinance, leasing and factors) Rs 6.8 bn Total tax paid in Mauritius (MCB Ltd) ~ Rs 5 bn Amount disbursed under our sustainable finance line in Mauritius (MCB Ltd)

Material matters

How we determine our material matters

The Group'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.

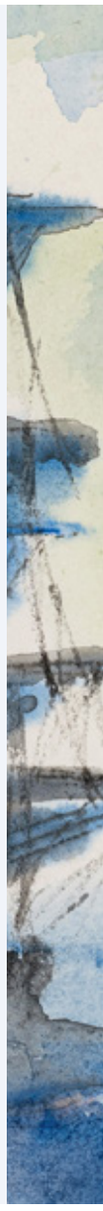
Customer experience in a competitive landscape

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.

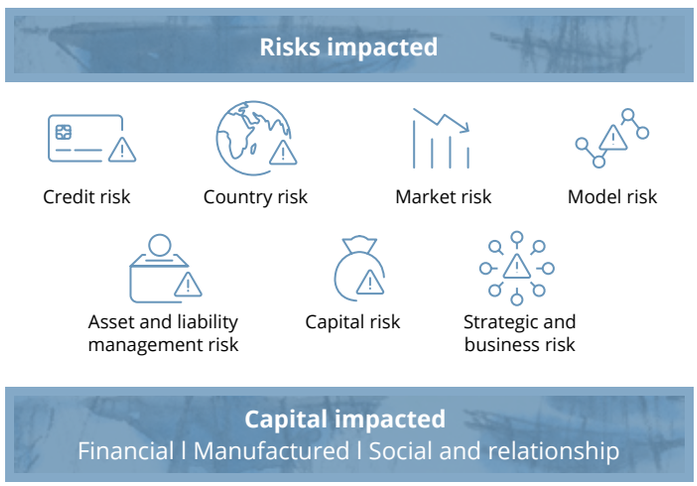
Geopolitical shocks and macroeconomic conditions



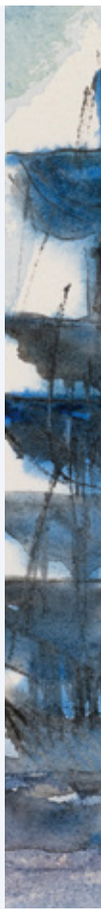
- Global growth remains modest amidst heightened uncertainty stemming from the conflict in the Middle East and broader geopolitical tensions, though accelerating AI adoption and technology-led investment continue to provide support. Elevated commodity prices, alongside higher freight costs stemming from 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 by progress on renewable energy projects, the execution of earmarked public infrastructure projects and initiatives to boost private sector investment
- Headline inflation trended higher during 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
- After the strong performance recorded in 2025, economic activity in Maldives and Seychelles is expected to moderate in 2026, reflecting the impact of the conflict on air connectivity, tourist arrivals and inflation. In Madagascar, growth is set to be supported by renewed mining investment, despite cyclone-related disruptions and higher import costs
- Policy rates in Seychelles remained unchanged during the year under review, while Madagascar increased its key policy rate by 50 bps to 12.5% at its August 2026 meeting. In the Maldives, the Minimum Reserve Requirement on foreign-currency deposits was reduced from 7.5% to 5% in July 2025 to help ease foreign-currency liquidity constraints

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



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
- Enhanced tax transparency and reduced reputational risks associated with Seychelles following its upgrade to "Largely Compliant" by the OECD Global Forum and removal from the EU grey list
- Stronger governance and risk oversight requirements for banks in the Maldives through mandatory annual submission of Internal Audit Plans
- Evolving AML/CFT and jurisdictional risk considerations across the Group'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 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
- Introduction of a Cyber Security Bill and a Digital Identity Bill in Maldives to strengthen cybersecurity governance, advance national digital infrastructure and facilitate remote access to banking services across the archipelago

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 Group Chief Information Officer to strengthen oversight of technology, digital transformation and information security across the Group
- 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
- 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

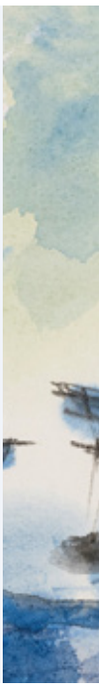
Risks impacted

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 Group 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 Group 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 our 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

