MCB GROUP

Annual Report 2026



Online investor centre

Help us to protect the environment while also benefiting from easy access to up-to-date information:

- Register to receive your shareholder communications electronically
- Opt-in for email alerts pertaining to earnings releases and corporate events
- Access financial reports and presentations

SCAN ME

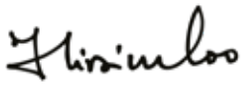
This report has been prepared to assist relevant stakeholders in assessing the strategies of MCB Group Limited (the 'Group') and their potential of success. The statements contained herein may include declarations of future expectations and other forward-looking statements that are based on our current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

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

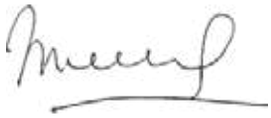
Dear Shareholder,

The Directors of MCB Group Limited are pleased to present its Annual Report for the year ended 30 June 2026.

The Annual Report was approved by the Board of Directors on 28 September 2026.



Jayananda NIRSIMLOO
Chairperson



Jean Michel NG TSEUNG
Group Chief Executive

Our purpose

Success Beyond Numbers

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

Vision 2030

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

Our Core Values



Service

Make Things Simple



Integrity

Act Responsibly



Innovation

Push Boundaries



Respect

Create Positive Impact



Teamwork

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

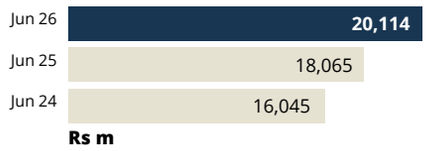
Financial highlights

Financial performance



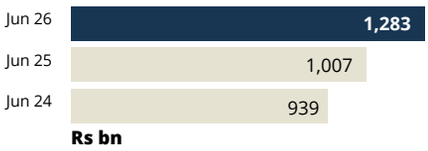
Profit attributable to ordinary shareholders

Rs 20,114 m +11.3%

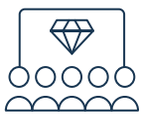


Total assets

Rs 1,283 bn +27.4%

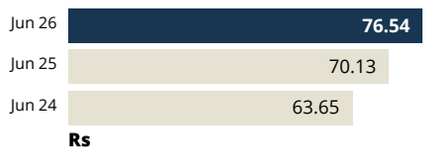


Shareholder value



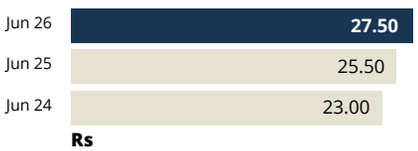
Diluted Earnings per share

Rs 76.54 +9.1%



Dividend per share

Rs 27.50 +7.8%

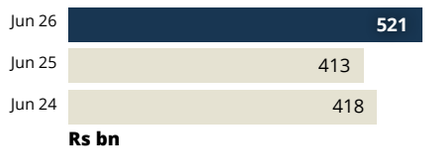


Market positioning



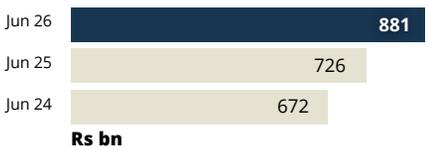
Customer loans

Rs 521 bn +26.1%



Customer deposits

Rs 881 bn +21.4%

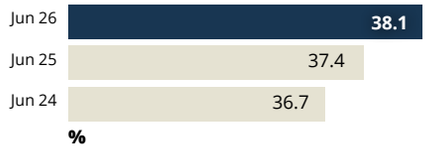


Efficiency and return ratios



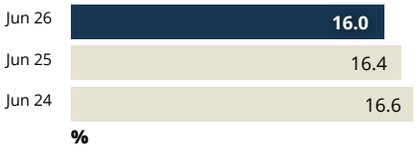
Cost-to-income

38.1% +75 bps



Return on equity

16.0% -34 bps

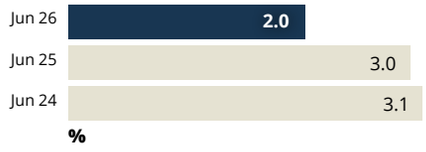


Asset quality and capitalisation



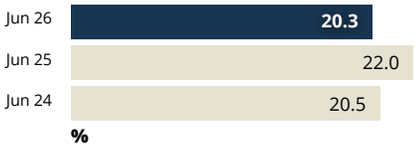
Gross NPL ratio

2.0% -99 bps



Capital adequacy ratio

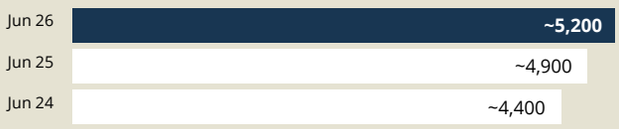
20.3% -171 bps



Sustainability highlights

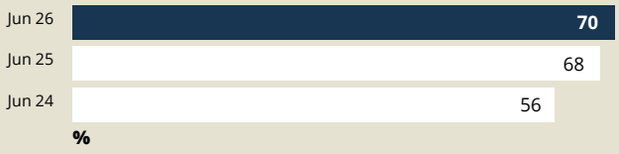
Nurturing our people and culture

Workforce



Trust Index

MCB Group accredited Great Place to Work®

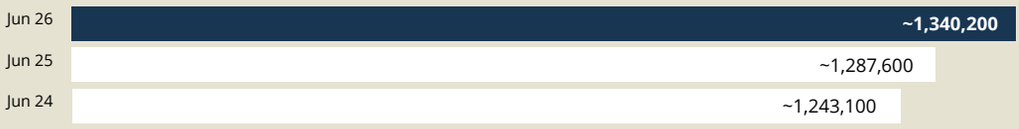


35.1%

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

from Rs 10 bn previously

'Lokal is Beautiful' loan scheme*

Rs 452.8 m

Amount disbursed

Creating shared prosperity

Rs 76.5 m

Amount spent by MCB Forward Foundation

14.5%

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

~ 1.5%

of the total value added generated in Seychelles

~ 4.5%

of the total value added generated in Mauritius*

** Relates to MCB Ltd*

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

Read more in the Sustainability Report on our website

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.

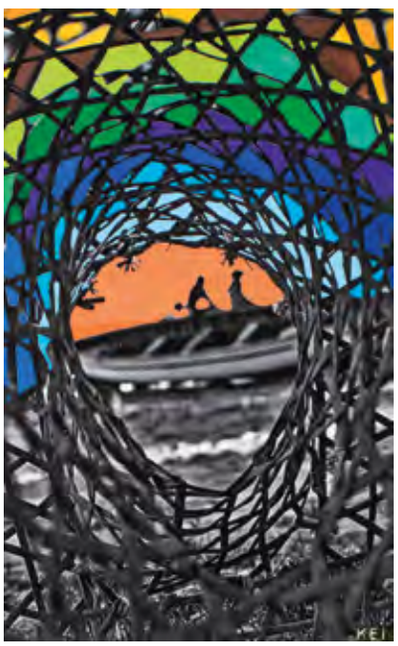
As MCB strengthens its commitment to a sustainable blue economy, we have placed the ocean at the heart of this year's Annual Report. Through a selection of artworks by artists, past and present, we celebrate this shared heritage and its importance for future generations.



Where everything flows
Artist: Anthesis



From Above
Artist: Jean Norbert Meunier



Casié
Artist: Keivan Cadinouche



Connecté
Artist: Sophie Harel



Shipyard 1
Artist: Bernard Charoux



Festival de la mer
Artist: Serge Constantin



Navires à quai, grues
Artist: Hervé Masson



Remorqueurs poussant un navire
Artist: Jocelyn Thomasse



A garden in motion
Artist: Anthesis



Title unknown
Artist: Jocelyn Thomasse



Chairperson's statement

Dear Shareholders,

Performance in a complex environment

I am pleased to report that MCB Group delivered a solid performance in FY 2025/26 despite a challenging economic and geopolitical environment. Profit before tax rose by 20.3% to Rs 27,593 million, while profit attributable to ordinary shareholders increased by 11.3% to Rs 20,114 million, reflecting the impact of new fiscal measures introduced in Mauritius at the start of the year. The balance sheet remained sound, with a comfortable capital adequacy ratio of 20.3% despite the higher risk-weighted assets associated with strong lending growth. In light of these results, the Board declared a final dividend of Rs 16.50, which together with the interim dividend per share of Rs 11.00 paid in July 2026, led to a total dividend pay-out of Rs 27.50 per share for FY 2025/26, representing an increase of 7.8%.

The conflict in the Middle East, the fragmentation of global trade and regulatory frameworks, and the accelerating impact of artificial intelligence continue to test business resilience and oversight. Against this backdrop, the Group's diversified business model, prudent risk management and continued investment in its capabilities supported the year's results.

Our performance also reflects progress in the areas that support long-term value creation: stronger client relationships, greater trust and collaboration among our people, further action on climate and sustainability, and a broader contribution to the community. The Group's achievements continue to receive international recognition, reflecting the talent and professionalism of our employees.

We remain committed to helping our clients across our home markets and in the African region cope with the challenging landscape. Mauritius remains the foundation of the Group and an important source of resilience, relationships and expertise. During the year, we continued to support households, entrepreneurs, corporates and institutions as they navigated changing economic conditions and new fiscal measures. Our responsibility extends beyond providing finance: it includes facilitating investment, supporting productive activity, encouraging innovation and contributing to the country's long-term competitiveness. We will continue to engage constructively with public and private stakeholders while applying disciplined commercial judgement to every commitment.

Turning Vision 2030 into tangible outcomes

This year's results should be viewed in the context of a Group that is deliberately evolving its business model. Vision 2030 is intended to deepen our leadership in Mauritius, Seychelles, Madagascar and Maldives, extend our business development across Africa, improve the way our businesses work together, and reinforce the foundations needed for sustainable growth. The strategy is therefore not a collection of separate initiatives, but a coherent programme linking client outcomes, capital allocation, technology, talent, risk management and positive societal impact.

Vision 2030 is increasingly shaping decisions and collaboration across the Group. Our entities are working more closely together to bring the full breadth of our capabilities to each client relationship, resulting in more integrated solutions, stronger relationships, and encouraging improvements in customer satisfaction and Net Promoter Scores.

The Board has maintained close oversight of execution, providing constructive challenge and guidance to Management. The Strategy Retreat clarified the critical strategic choices and priorities and informed the Blueprint now being developed to sequence delivery and establish clear accountability.

Building stronger foundations for sustainable success

The Board focused on three foundations for sustainable success:

Governance and risk: We strengthened Group-level oversight of cyber, technology, artificial intelligence and other key risks. Directors completed training in financial crime, data privacy and cybersecurity to reinforce informed and responsible decision-making. An independent Board evaluation by an external consultant, benchmarked against the National Code of Corporate Governance for Mauritius, recognised our governance framework as a leading practice.

People and leadership: Our Trust Index confirms continued progress towards a culture built on trust, transparency and mutual respect. The Board remains closely focused on succession and the strength of our leadership pipeline. We are also competing for exceptional talent - at home and internationally - to power our next phase of growth. In an AI-enabled world, the advantage will belong to those who think first, using technology to accelerate decisions while relying on people to give them purpose.

Sustainability and community: We continued to develop sustainable business opportunities, strengthen the governance of climate-related financial risk, and support environmental and social initiatives in the community. In response to strong demand, the Group increased its sustainable finance credit line by Rs 15 billion, bringing the total envelope to Rs 25 billion to finance projects in Mauritius.

We also supported the Association Mauricienne des Femmes Chefs d'Entreprises' Business Without Borders programme for a fourth consecutive year, promoting women's entrepreneurship across the Indian Ocean region, and held the fourth edition of Deba Klima, engaging secondary school students in climate change discussions. A full-fledged Sustainability Report is available, providing detailed information alongside key highlights of actions achieved during the year.

Growing with discipline

Growth and prudence must advance together. Despite heightened geopolitical tensions, the quality of our credit portfolio improved, demonstrating the value of disciplined risk management. As we pursue Vision 2030, growth will remain supported by effective oversight and continued investment in our capabilities.

The Group is making a significant, sustained investment in technology and artificial intelligence to strengthen operational resilience, improve efficiency and deliver a more seamless, personalised client experience. The Board is overseeing this programme closely, ensuring that execution remains aligned with Vision 2030 and that innovation is supported by robust cybersecurity, data governance and responsible-use standards.

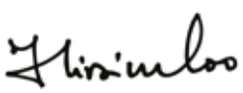
Yet financial services remain fundamentally a business of trust: as technology accelerates change, human judgement and strong client relationships will become more - not less - important and will remain central to our competitive advantage.

Outlook

The external context will remain demanding. The Board's priorities for the year ahead are disciplined execution of Vision 2030, responsiveness to changing market conditions, and the continued strengthening of the Group's resilience. I remain confident in our strategy, our diversified business model and our capacity to adapt and create long-term value for all stakeholders.

I thank my fellow directors for their professionalism, independence of mind and commitment throughout the year. On behalf of the Board, I also extend my gratitude to our employees for their dedication, to our clients for their trust, and to our shareholders for their continued support. It remains a privilege to serve as Chairperson of the MCB Group.

Sincerely yours,



Jay NIRSIMLOO

Chairperson - MCB Group



Board of Directors

Independent Non-Executive Directors

Jayananda NIRSIMLOO *(Chairperson)*

Constantine CHIKOSI *(until November 2025)*

Stephen DAVIDSON

Cédric JEANNOT

Georges Michael David LISING

Maya MAKANJEE

Anna Margaretha ROETS

San T SINGARAVELLOO

Non-Executive Director

Yvan LEGRIS

Executive Directors

Jean Michel NG TSEUNG

Dipak CHUMMUN

Secretary to the Board:

MCB Group Corporate Services Ltd
(represented by Marivonne OXENHAM)

Committees of the Board

Risk Monitoring Committee

Stephen DAVIDSON *(Chairperson)*
Dipak CHUMMUN
Yvan LEGRIS
Jean Michel NG TSEUNG
Jayananda NIRSIMLOO

Secretary: Frederic PAPOCCHIA

Corporate Strategy Committee

Jayananda NIRSIMLOO *(Chairperson)*
Dipak CHUMMUN *(also acts as Secretary)*
Cédric JEANNOT
Maya MAKANJEE
Jean Michel NG TSEUNG

Directors from MCB Ltd
Thierry HEBRAUD
Craig McKENZIE
Simon WALKER

Audit Committee

San T SINGARAVELLOO *(Chairperson)*
Stephen DAVIDSON *(until January 2026)*
Georges Michael David LISING
Anna Margaretha ROETS *(as from February 2026)*

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

Corporate Governance and Sustainability Committee

Jayananda NIRSIMLOO *(Chairperson)*
Constantine CHIKOSI *(until November 2025)*
Stephen DAVIDSON *(as from February 2026)*
Yvan LEGRIS
Maya MAKANJEE
Jean Michel NG TSEUNG

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

Cyber and Technology Risk Committee

Cédric JEANNOT *(Chairperson representing MCB Group Ltd)*
Stephen DAVIDSON
Jean Michel NG TSEUNG
San T SINGARAVELLOO

Directors from MCB Ltd
Su Lin ONG *(Chairperson representing MCB Ltd)*
Thierry HEBRAUD
Simon WALKER

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

Supervisory and Monitoring Committee

Jayananda NIRSIMLOO *(Chairperson)*
Dipak CHUMMUN *(also acts as Secretary)*
Jean Michel NG TSEUNG

Executive Management

Group Executive Committee

Jean Michel NG TSEUNG	Group Chief Executive – MCB Group Ltd
Thierry HEBRAUD	Chief Executive Officer – MCB Ltd
Dipak CHUMMUN	Group Chief Finance Officer
Vanessa DOGER DE SPEVILLE	Group Head of Sustainability, Reputation and Engagement
Philippe ENJALBAL	Group Chief Information Officer
Allan FREED	Group Head of Human Resources
Frederic PAPOCCHIA	Group Chief Risk Officer
Adrian VERMOOTEN	Group Chief Customer Experience Officer

Group Executive Strategy Committee

Jean Michel NG TSEUNG	Group Chief Executive – MCB Group Ltd
Thierry HEBRAUD	Chief Executive Officer – MCB Ltd
Dipak CHUMMUN	Group Chief Finance Officer
Ashvin DEENA	Global Head of Coverage
Mathieu DELTEIL	Global Head of Structured Finance
Vanessa DOGER DE SPEVILLE	Group Head of Sustainability, Reputation and Engagement
Philippe ENJALBAL	Group Chief Information Officer
Allan FREED	Group Head of Human Resources
Hemandra Kumar HAZAREESING	Chief Operating Officer
Rony LAM	Chief Executive Officer – MCB Capital Markets
Frederic PAPOCCHIA	Group Chief Risk Officer
Dominic PROVENÇAL	Head of MCB Overseas
Parikshat TULSIDAS	Head of Financial Markets
Anju UMROWSING-RAMTOHUL	Head of Domestic Banking
Adrian VERMOOTEN	Group Chief Customer Experience Officer





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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 Group 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 Group'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 Corporate Governance and Sustainability 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 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 Group Ltd have also been communicated.

Financial and non-financial reporting

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

Capital types

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

Report content and materiality

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

Specific areas of reporting

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

Operating business

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

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

With a legacy spanning 188 years, MCB Group has grown into a reputable regional banking and financial services provider. It serves individuals, businesses and institutions across its home markets, Africa and beyond, combining deep expertise with innovation to support sustainable growth and long-term value creation.



Presence in
11 countries

Wide network of correspondent banks across Africa
~100

MCB Group
Headquartered in Mauritius, the Group reinforced its footprint across its home markets in the Indian Ocean, while also deepening its involvement in sub-Saharan Africa.

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

Our channels

60
Branches/Kiosks

219
ATMs

>770,000
MCB Juice subscribers

Credit and ESG ratings

Moody's Ratings
Deposit ratings

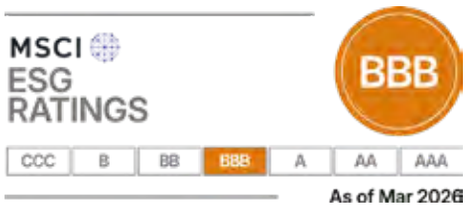
Baa3/P-3 (Negative)

Relates to MCB Ltd

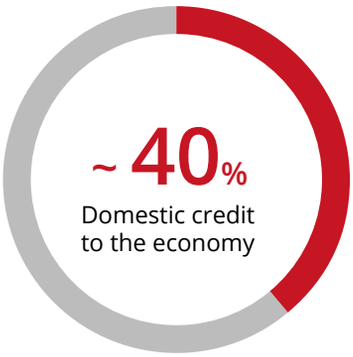
Care Ratings (Africa) Private Limited
Issuer ratings

AAA (Stable)

Pertains to the servicing of financial obligations in Mauritius



Domestic market shares (MCB Ltd)





Stock profile

Market capitalisation

~ Rs 113 billion

~ 38% of SEMDEX[1]

~ 24,500
Ordinary shareholders (Individual shareholders account for 45.3% of the ownership base)

~ 1,870
Preference shareholders and bondholders

Figures are as at 30 June 2026

[1] excludes foreign currency denominated, GBL and international companies

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

Accolades

World

544th

in the world based on Tier 1 capital

The Banker Top 1000 World Banks
2026

GTR Best Deals 2026

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

Africa

1st

in East Africa based on Tier 1 capital

13th

in Africa in terms of Tier 1 capital

The Banker Top 1000 World Banks
2026

75th

in Africa in terms of market capitalisation

African Business Top 250 companies
2026

10th

in terms of financial performance and balance sheet strength

Jeune Afrique Top 300 Champions de la Finance
2025

Financial Institutions Syndicated Loan Deal of the Year

Global Banking & Markets Awards
2026

Financial Institutions/Bank Bond Deal of the Year

Global Banking & Markets Awards
2025

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

Portfolio Financing Deal of the Year - Africa

IJGlobal Awards
2025

Structured Finance Deal of the Year - Africa

Global Banking & Markets Awards
2026



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

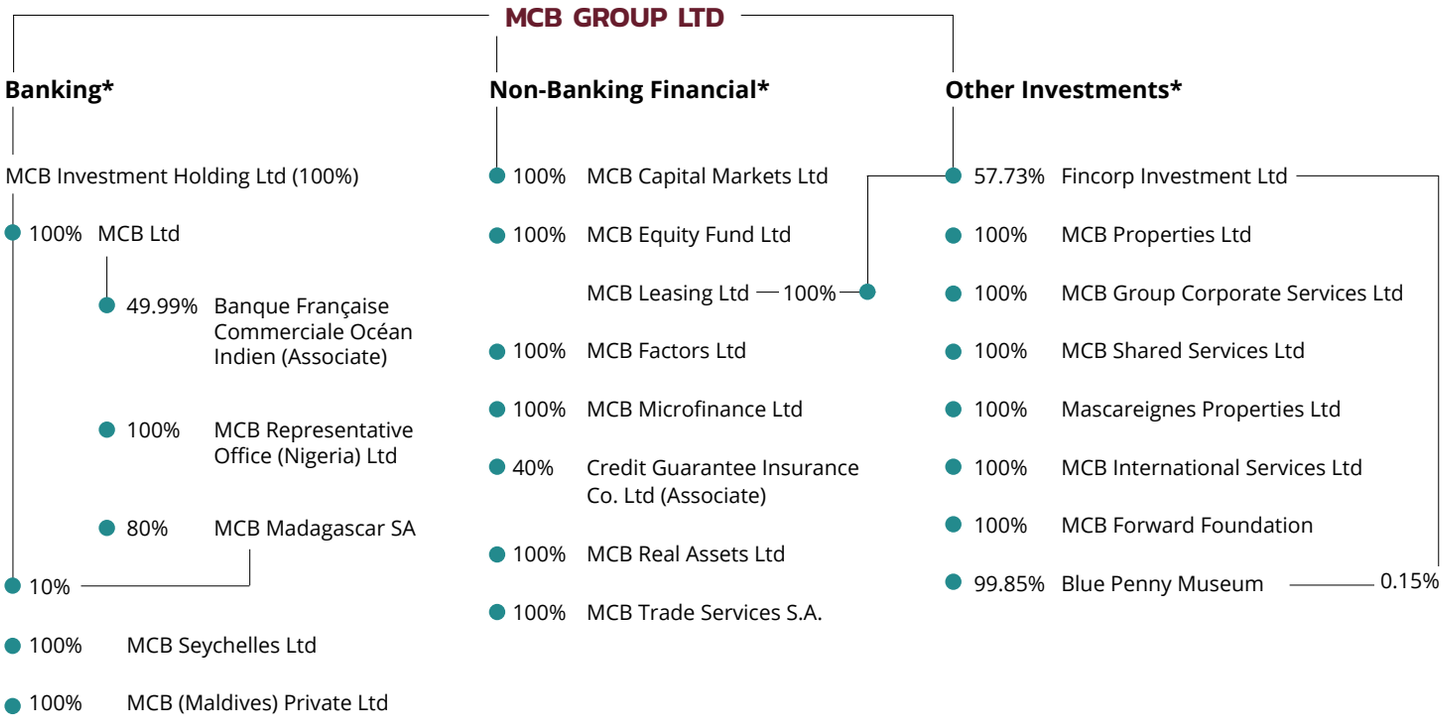
Most Innovative Brand (2nd)

Top Local Heritage Brand (2nd)

Top Brands of Mauritius by
Kantar, Brand Magic
2026

How we operate

MCB Group Ltd, which is the ultimate holding company of the Group, holds a number of subsidiaries and associates in Mauritius and beyond. The Group operates under three clusters, i.e. 'Banking', 'Non-banking financial', and 'Other investments'. MCB Investment Holding Ltd, a wholly owned subsidiary of MCB Group Ltd, is the holding company of all the banking investments of the Group, namely MCB Ltd and the other overseas banking subsidiaries and associates. These entities enable us to serve clients across markets, diversify earnings streams and support our regional growth ambitions.



**Relate to clusters*

Our clusters and entities

Banking

MCB Ltd

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

Retail

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

Business Banking

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

Private Wealth Management

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

Corporate and Institutional

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

Regional hubs

Our network of regional hubs in Johannesburg, Nairobi, Paris, Lagos and Dubai strengthens the Group's proximity to clients and business partners, supporting cross-border business development and access to opportunities across Africa and international markets.

Overseas entities

The Group's banking subsidiaries in Madagascar, Maldives and Seychelles, together with its associate, Banque Française Commerciale Océan Indien, operating in Réunion, Mayotte and Paris, deliver a broad range of banking solutions tailored to the needs of their respective markets.

Non-banking financial

MCB Capital Markets Ltd

MCB Capital Markets Ltd is involved in investment banking, proprietary investment and investment management. It supports clients expanding operations in Mauritius and Africa with solutions that meet their financing, strategic and investment objectives.

Offerings of MCB Capital Markets



MCB Capital Partners, a subsidiary, manages the Group's investment vehicles:

MCB Equity Fund

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

MCB Real Assets Ltd

This wholly owned subsidiary of the Group is the shareholder of COVIFRA, which owns the 394-key Club Med resort at Pointe aux Canonniers, Mauritius. The resort is managed by Club Med under a long-term lease agreement.

Para banking subsidiaries

MCB Microfinance Ltd

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

MCB Leasing Ltd

Our subsidiary remains a key player in the industry, offering a wide range of innovative finance and operating leasing solutions, including green leases, as well as attractive rates on fixed deposits.

MCB Factors Ltd

As a prominent operator in Mauritius, it offers innovative advisory and counselling solutions, while customising its offer to accommodate the business growth and cash flow requirements of its clients.

Other investments

MCB Forward Foundation

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

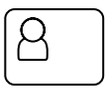
Fincorp Investment Ltd

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

Our extensive and customised financial and wealth solutions

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

Individuals



Everyday Banking

- Deposit accounts (current 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

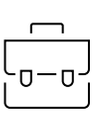
- Wealth planning
- Discretionary portfolio management
- Non-discretionary portfolio management
- Fund selection
- Structured products
- MCB Wealth Global Balanced Certificate
- Sustainable investment solutions
- Short-term investment solutions
- Access to private equity groups and deals
- Investment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

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
- Transfers and remittances
- Internet Banking Pro (IB Pro) and SmartApprove App
- Bulk payment
- Mobile banking solutions
- SWIFT gpi tracker
- Host to Host Connectivity
- SWIFT Connectivity
- SWIFT Service Bureau
- 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



Business Services

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



Financing Solutions

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



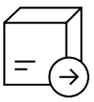
Financial Market Solutions

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



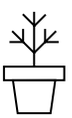
Outsourcing & Advisory Services

- Payments outsourcing
- Consulting and project management services



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: trademu*
- 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



Investment Related Services

- Investment trade execution
- Structured products
- Structured credit
- Investment advisory services – Real assets – Private equity
- Securities and custodian services
- Brokerage services
- Investment management
- Short-term investment solutions

**trade.mu is a one-stop hub for international trade information, enabling businesses to manage cross-border activities and explore new market opportunities*



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.

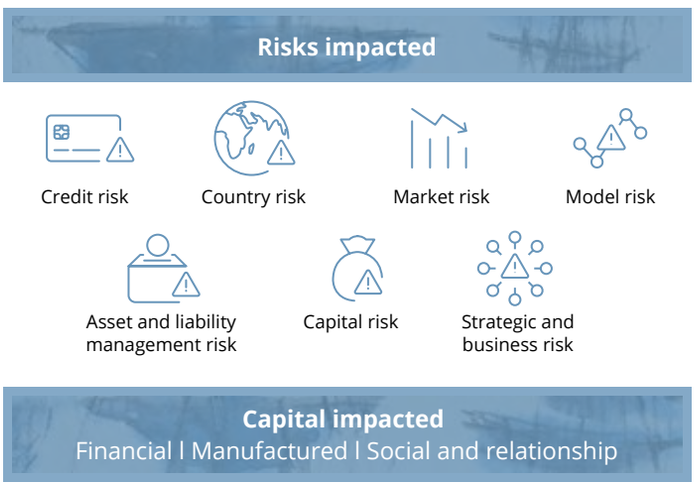
Geopolitical shocks and macroeconomic conditions



- 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

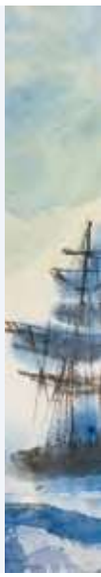
Risks impacted

- 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

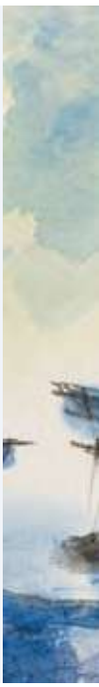
Risks impacted

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





DELIVERING ON OUR STRATEGIC OBJECTIVES

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Message from the Group Chief Executive

Growing stronger as one

Last year, I wrote that the notion of 'One Group' was gathering momentum across the organisation. Twelve months on, what strikes me most is how deeply it has become embedded in the way we work. I see it in the way our teams across Mauritius, Seychelles, Madagascar and Maldives come together to structure solutions for clients. I see it in the sharing of expertise between our banking and non-banking businesses, and in the willingness of colleagues to contribute beyond their immediate remit in pursuit of a common objective.

This shift in mindset is very encouraging. The fact that synergies are increasingly initiated from within the organisation, rather than guided from the top, tells me that the foundations we set out to build are taking hold. It is this collective strength more than any single transaction that gives me confidence in what lies ahead. This greater integration is strengthening our ability to serve clients across their full range of financial needs, deploy the Group's capabilities more efficiently and create more sustainable value for our shareholders and other stakeholders.

Performing in a more demanding environment

The past year remained challenging. Geopolitical tensions heightened global volatility and inflationary pressures, while evolving regulatory and fiscal requirements added further complexity. Growth moderated across our home markets as tourism and connectivity were disrupted, although financial services in Mauritius and renewed mining investment in Madagascar provided some support. In sub-Saharan Africa, conditions remained uneven, although sovereign credit profiles improved in several markets.

Against this backdrop, the Group delivered a solid performance. Profit attributable to ordinary shareholders increased by 11.3% to Rs 20,114 million, despite the rise in the Group's tax charge following the fiscal measures introduced in Mauritius, as well as higher staff and technology-related costs incurred to support business growth. This performance reflects stronger contributions from both our domestic and international activities. Results also benefitted from improved debt recoveries which led to a reduction in the cost of risk, while the gross non-performing loan ratio declined to 2.0%. Our capital buffers remained comfortable, with a capital adequacy ratio of 20.3%, even as lending growth increased risk-weighted assets. Our funding and liquidity positions also stayed comfortable, supported by continued diversification of our foreign currency funding base.

Importantly, we continue our journey from a position of strength, anchored by a robust business model, sound financial fundamentals and increasingly diversified activities across markets. This foundation enables us to invest with confidence, navigate uncertainty and pursue our strategic ambitions with discipline.

Vision 2030: turning direction into delivery

One year on from its launch, Vision 2030 is increasingly shaping how decisions are made and executed across the Group. A key milestone this year was our Strategy Retreat, which brought together our Board directors and executive leadership team for an open and candid reflection on how we execute Vision 2030. The depth of our engagement and the quality of our debates were particularly constructive. Together, we confronted some important questions to shape the delivery of Vision 2030: where should we concentrate our efforts in our home markets? How far and how fast should we go in Africa? What is the future of our oil and gas franchise? Where should we expand next? The outcomes of these discussions are being translated into a strategic Blueprint that will sequence our priorities and set clear accountabilities for delivery.

Evidence of traction across our markets

Over the past year, the Group reinforced its footprint across our home markets while supporting local economic development and long-term value creation. Closer collaboration among Group entities enabled us to deliver more integrated solutions to individuals, entrepreneurs and corporates navigating a demanding environment.

In Mauritius, MCB maintained its leadership position, holding around half of local currency deposits and 40% of domestic credit to the economy. We supported homeownership, micro, small and medium-sized enterprises and corporate sustainability ambitions, partly through an increase in our sustainable finance credit line to Rs 25 billion. We also strengthened our presence and sustainable finance offering in Madagascar, Seychelles and Maldives, supporting green projects and enhancing our commercial banking capabilities.

In parallel, we broadened our reach as a specialist bank across Africa. We expanded our involvement in power, infrastructure and cross-commodities by financing and supporting the continent's energy and development needs while increasing our exposure to metals critical to the global energy transition. Our sustainable development ambitions were reinforced by a USD 100 million, 10-year climate financing facility from Proparco, DEG and FMO and a USD 1 billion envelope supporting intra-African trade and regional integration. We also strengthened our commercial hubs, trading capabilities, private banking proposition and capital markets offering, while concurrently assessing selected opportunities for future growth in West Africa. Together, these capabilities enable us to support clients across financing, investment, foreign exchange and strategic advisory needs throughout the continent.

Our progress across these markets is ultimately measured not only by the business we generate, but also by the broader contribution we make to the societies in which we operate. Beyond financing, we remain committed to contributing to the resilience and prosperity of the communities we serve. Financial inclusion, entrepreneurship, employability and climate resilience will continue to shape how we use our reach and expertise to generate lasting positive impact. In this way, our growth becomes a force for broader progress, strengthening the communities on which our own long-term success depends.

Investing ahead of the curve

During the year, we continued to invest in our digital platforms, products and capabilities, including the launch of Juice 5.0 and Apple Pay, with a view to delivering a more seamless, personalised and intuitive banking experience across all customer segments. Yet, we recognise the need to continuously raise the bar. This conviction underpins our sustained investment in artificial intelligence and technology, which we view as essential enablers of future competitiveness. While such investments may exert some pressure on our bottom line in the short term, they reflect a deliberate and considered choice. In an industry being reshaped by rapid technological change, the long-term cost of underinvesting in the capabilities that will define the next decade of banking would be far greater. We are building for where the industry is going, not where it has been. The recruitment of Adrian Vermooten as Chief Customer Experience Officer and Philippe Enjalbal as Chief Information Officer is central to this. Together, they are shaping our technology and customer experience agenda, from a new IT and CX strategy aligned with Vision 2030 to the data and AI foundations that will underpin how we serve clients.

As we expand and digitise, protecting the trust that clients place in us remains non-negotiable. We will continue to strengthen cybersecurity, data privacy, operational resilience and the responsible use of technology, ensuring that innovation is matched by the highest standards of security and reliability. Always on, always secure - this is the standard we are setting as we build the trusted, resilient and client-centred bank of the future.

Our people, our foundation

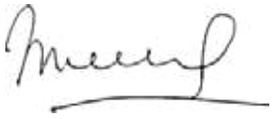
The ambitions we have set can only be realised through our people, and this year we sharpened how we articulate what MCB offers them, launching Beyond, our employer brand, built around meaningful impact, growth, connection and care. We strengthened our leadership pipeline through deeper investment in development and formalised our commitment to inclusion through a comprehensive Group-wide DEI charter. The continued improvement in our Trust Index and the renewal of our Great Place to Work® Certification provide encouraging validation of the progress being made. Moreover, our values and Shared Ways of Working are increasingly the reference point for how we behave, not simply what we display. Empowering and developing our people will remain a key priority as we advance towards Vision 2030.

The year ahead

Looking to FY 2026/27, our priority is to convert the Blueprint into disciplined execution, begin realising measurable value from our technology and AI investments, and bring Vision 2030 visibly closer within reach. Delivery will continue to rest on clear ownership, defined milestones and transparent measures of

progress, monitored at both executive and Board level. We will continue to reinforce the governance and oversight that keep our strategic initiatives on course, alongside a risk management framework in which Group-level oversight is now fully embedded. We will sustain alignment across entities, leverage our collective capabilities more effectively while remaining responsive to the needs of each market. The environment will remain demanding, and we will need to stay proactive. But we approach it from a position of strength: with a clear destination, a strategy we understand, capabilities we are actively building and, above all, a team that is increasingly working as one.

On this note, I extend my sincere gratitude to our Boards for their counsel and engagement, and to our teams across the Group for their professionalism and commitment. To our clients, partners and communities - thank you for your trust. What gives me the greatest confidence for the road to 2030 is the fact that we are increasingly pulling in the same direction. This is what One Group means, and it is how we will get there.



Jean Michel NG TSEUNG
Group Chief Executive



Executing Vision 2030

In June 2025, we launched Vision 2030, our strategic roadmap for the years ahead. 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 Group, 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, supported by the Corporate Strategy Committee, provides strategic stewardship by guiding the Group'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. At the executive level, the Group Executive Strategy Committee oversees strategy setting and execution and measures organisation-wide performance against defined objectives and targets. Individual entities of the Group, in turn, formulate their own strategic objectives, guided by a pragmatic and adaptable approach that reflects their respective operating environments and business priorities, while ensuring alignment with Vision 2030 and the strategic direction set at Group level.



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 at entity level

5. IMPLEMENTATION

Implementation of earmarked priorities, capitalising on a value network approach and cross-functional synergies facilitated by the setup of dedicated platforms/forums

6. REVIEW

Monitoring and reporting to the Board 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 | Entity ▶ 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, enhancing Group-wide oversight, 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, we strengthened leadership oversight with the appointment of a Group Chief Customer Experience Officer and a Group Chief Information Officer, who will lead the rollout of our 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 across the Group.

The Group 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 Group's AI ambition, priorities and approach to value creation. The Group 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, Private Wealth Management and Capital Markets, establishing a strong pipeline of initiatives aligned to the Group's strategic priorities.



The Group also continued to drive AI adoption across its workforce through the rollout of Microsoft Copilot, which recorded active usage rates of around 60% for standard licences and near 100% for upgraded licences, helping employees adopt new ways of working and enhance productivity. These investments position the Group 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 Group, 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 - Mauritius, Madagascar, Seychelles and Maldives - are at the core of our Vision 2030 ambitions. We aim to be the preferred financial partner in each market 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 continued to promote greater consistency in how we manage risk, advance people practices, support sustainability priorities and deliver client solutions. Through shared frameworks and closer cross-border coordination, we are leveraging the strengths of our network while preserving local accountability and market relevance. As part of this Group-wide approach, we are building a scalable Financial Markets franchise capable of supporting clients, facilitating regional business flows and creating long-term value across our home markets of Seychelles and Madagascar. By leveraging the expertise and operational capabilities developed in Mauritius, we are broadening collaboration and promoting greater consistency in service delivery, risk management and product development.

MARKET SHARES

~50%
Share of local currency deposits (Mauritius)

~40%
Share of domestic credit to the economy (Mauritius)

~71%
Share of local custody assets (Mauritius)

~31%
Share of domestic credit to corporates (Seychelles)

Strengthening our market positioning and client relationships

Mauritius

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 69.

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.

Consolidating our non-banking financial cluster

We further reinforced our presence in the para-banking and capital markets landscape by diversifying our solutions, enhancing service delivery and improving operational effectiveness, on the back of the following undertakings:

- Continued to foster financial inclusion and empowerment of micro-enterprises and self-employed individuals by facilitating their access to micro loans.
- Advanced key strategic initiatives for our factoring business aimed at reinforcing its long-term competitiveness, including a review of its operating model. These initiatives were designed to strengthen business development capabilities, deepen client engagement and support future digitalisation initiatives.
- Revamped operating model for our leasing business and expanded the leasing franchise through the introduction of reconditioned and second-hand vehicle financing, the rollout of tailored offerings for retail/individual clients and launch of in-house insurance services following FSC accreditation.
- Reinforced our capabilities and widened our presence in capital markets and investor services, actively fostering an investment culture while delivering strategic support to corporate and institutional clients. During the year, we expanded our credit-linked notes offering, enabling investors to access a diversified portfolio of Mauritian credit exposures through structured instruments. We also enhanced our capital markets offerings, via digitalisation and financial inclusion initiatives, for our funds' distribution, market-making activities and sponsored research. Read more on initiatives undertaken on capital markets on page 69.

Madagascar

In Madagascar, we continued to pursue our strategic priorities by enhancing client relationships, expanding our market presence, progressing on our digital transformation agenda and strengthening organisational capabilities. The year was marked by several key initiatives:

- Established a dedicated desk to serve transaction-focused corporate clients across trade finance and cash management services.
- Opened our 17th branch in Antsakaviro in April 2026, extending our footprint in the capital and supporting client proximity.
- Continued to support sustainable development projects through the EUR 6 million SUNREF (Sustainable Use of Natural Resources and Energy Finance) credit line signed with Agence Française de Développement. Since its launch in 2021, the Bank has financed 20 projects amounting to EUR 5 million, of which EUR 3.13 million was funded through the SUNREF facility. The initiative focuses on energy efficiency, renewable energy and environmental protection projects.
- Progressed on our digital transformation agenda through the rollout of IB Pro and the upgrade of POS payment terminals with Android-based devices, supporting accessibility and transaction processing.
- Formalised the management of customer requests and complaints within the Customer Support and Assistance Centre, standardising workflows and strengthening case tracking.

Seychelles

We continued to strengthen our franchise in Seychelles, supported by enhanced client propositions, higher operational efficiency and reinforced organisational capabilities. The main initiatives undertaken in FY 2025/26 are highlighted below:

- Reviewed and enhanced our home loan proposition to match evolving client needs. This initiative was complemented by a successful targeted home loan campaign, which generated a healthy pipeline of opportunities for our retail cluster.
- Streamlined the personal loan journey, while further enhancements are underway to reduce turnaround times.
- Launched a new version of MCB Juice and deployed the Temenos Payment Hub, which is a universal payments engine designed to handle all account-to-account based payment types on a single, scalable, real time platform.
- Promoted our Green Loan offering through a dedicated campaign to support environmentally sustainable projects for households and businesses.
- Continued to reinforce our internal capabilities through key strategic recruitments, thus enhancing our ability to better serve clients and our market positioning.

Maldives

As part of our strategy to be a specialised banking partner of choice for corporates, we pursued targeted sector engagement and progressed on several initiatives during FY 2025/26:

- Introduced a Sustainable Loan with preferential terms to support corporate clients pursuing sustainability initiatives.
- Upgraded the Temenos Transact platform to address system stability, performance, regulatory compliance and technology obsolescence risks, in line with the Group's objective of maintaining a modern and standardised core banking environment.
- Completed the rollout of IB Pro, making digital banking functionality available to customers.

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

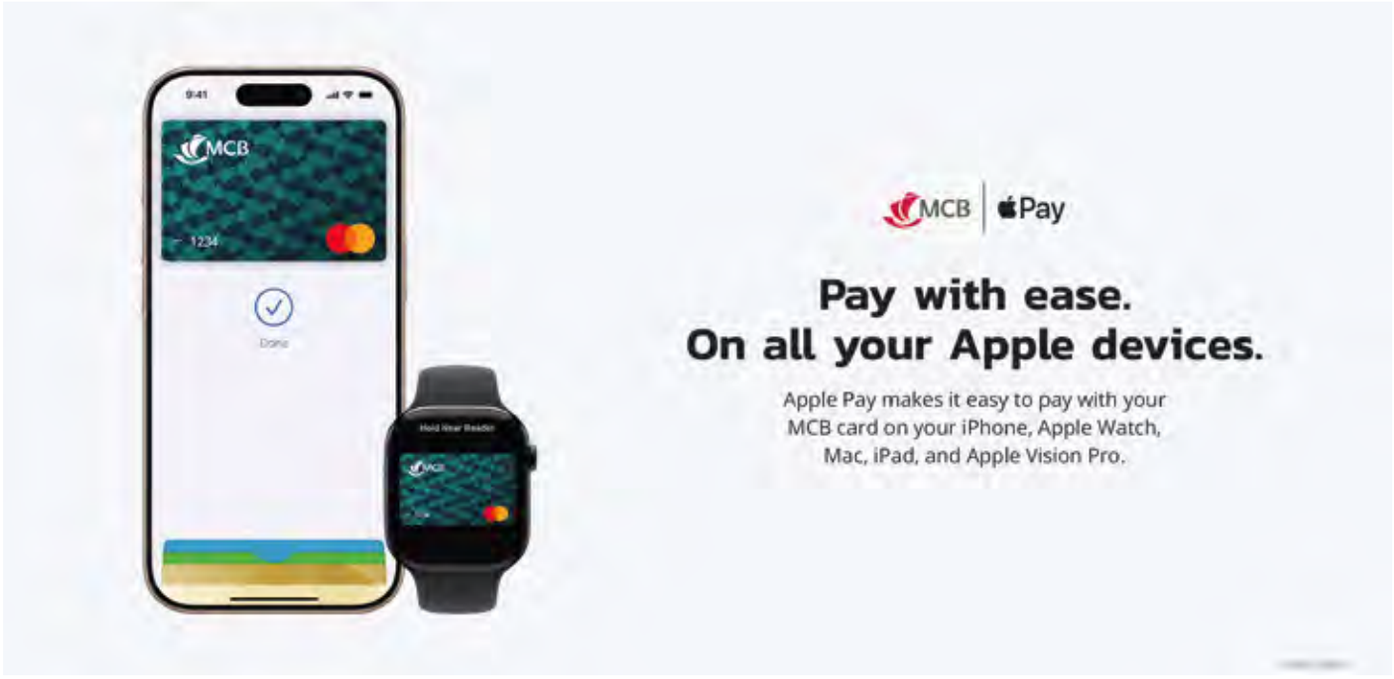
At MCB, we are committed to innovation, continuously enhancing our digital platforms and modernising our operating infrastructure to meet evolving customer expectations. Beyond enriching our value proposition, these initiatives enable us to enhance operational efficiency, allowing us to deliver faster,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

MCB Seychelles strengthened its payments franchise through strategic partnerships with Payment Service Providers (PSPs), alongside targeted customer campaigns such as the VISA FIFA Campaign in Seychelles. The partnership with PSPs supported the e-commerce proposition by broadening merchant acquisition opportunities and extending its reach within the digital payments ecosystem.

Advancing digital transformation – Key metrics

Payment and channel

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

MCB Juice Seychelles
Subscribers **>24,000** (+13% y.o.y) | 78 CSAT

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

MCB Juice Madagascar
Subscribers **>11,000** (+38% y.o.y) | 76 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*
- *All figures relate to MCB Ltd, except MCB Juice Madagascar and Seychelles*

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 into 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.

MCB Microfinance: 10 years of bridging the gap

For ten years, MCB Microfinance has been advancing financial inclusion and literacy across Mauritius and Rodrigues, bridging the gap between the country's formal and informal economic sectors. Since its establishment in July 2016, the institution has accompanied 4,339 entrepreneurial journeys, financed 9,321 projects and disbursed around Rs 2.2 billion, including Rs 167.8 million across 1,002 loans in Rodrigues. Its offering has continued to evolve alongside entrepreneurs' needs, as testified by the launch of Start-up Loans in 2020, which have since supported 226 young businesses with Rs 21.3 million in financing.

Key milestones along the way included surpassing Rs 1 billion in cumulative disbursements in 2022, digitalising its loan application process in 2024, and crossing the Rs 2 billion mark in 2025 — reflecting our conviction that financial inclusion is both a social and an economic imperative.

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 94 million was entrusted to MCBFF by the Group, of which Rs 76.5 million was spent. 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.



- Launched the MCBFF's Call for Projects, inviting NGOs registered with the National Social Inclusion Foundation to submit initiatives that contribute to social inclusion, community development and sustainable positive impact.
- 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.
- Celebrated the cultural and artistic heritage of artisanal fishing in Mauritius through the Artizan Lamer exhibition at the Blue Penny Museum. The exhibition highlighted the skills, traditions and knowledge passed down through generations of *fishermen*.
- 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.



- Partnered with the Seychelles' National Arts and Crafts Council to sponsor *Rakontaz*, a storytelling initiative promoting traditional Kreol stories among nearly 40 children. Combined with music and interactive activities, the initiative helped introduce younger audiences to Seychelles' oral traditions and cultural heritage.
- Continued to fund ADRA's WASH Project in Madagascar, supporting improved access to clean water and sanitation across nine rural communities in Farafangana.

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 centered 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 Group'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.

Strengthening our Capital Markets presence

We continued to expand our capital markets activities during the year, with a focus on innovative financing solutions in the area of sustainable finance and renewable energy. Key developments included:

- Enabled the successful commissioning of Dyospower, a vehicle focused on financing commercial and industrial renewable energy projects in Africa, for its first agrivoltaic solar farm in the north of Mauritius, developed through a strategic partnership between MCB Group, Omnicane and Calycé International. Financed through a Green Bond structured by MCB Capital Markets Ltd, the 4.8 MW solar PV project represents a tangible outcome of our sustainable finance investment efforts.
- Advised ER Group Limited, a leading Mauritian-listed group with activities spanning various sectors, on the development and implementation of its Sustainable Finance Framework.
- Advised clients across a range of sectors on significant capital market transactions, including:
  - Beachcomber Hospitality Investments, the owner of 3 resort hotels in Mauritius and 1 in Seychelles, on its EUR 28 million private placement of preference shares;
  - HV Holdings Ltd, a trade, retail, distribution and property group, on its MUR 2.25 billion medium-term note programme; and
  - Evolis Properties Ltd, a mixed-use property investment vehicle, on its MUR 650 million note issuance.
- Continued to support the development of African debt capital markets through the ongoing execution of local currency bond transactions.

Pioneering sustainable Capital Market solutions

MCB Capital Markets arranged the inaugural MUR 1.45 billion AA-rated Sustainability-Linked Bond issuance for CIEL Limited, marking the first transaction of its kind in Africa by a diversified investment holding company. This landmark transaction underscores our leadership in sustainable finance, broadens the range of innovative financing solutions available to Mauritian issuers and supports the integration of sustainability considerations into corporate funding strategies.

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:

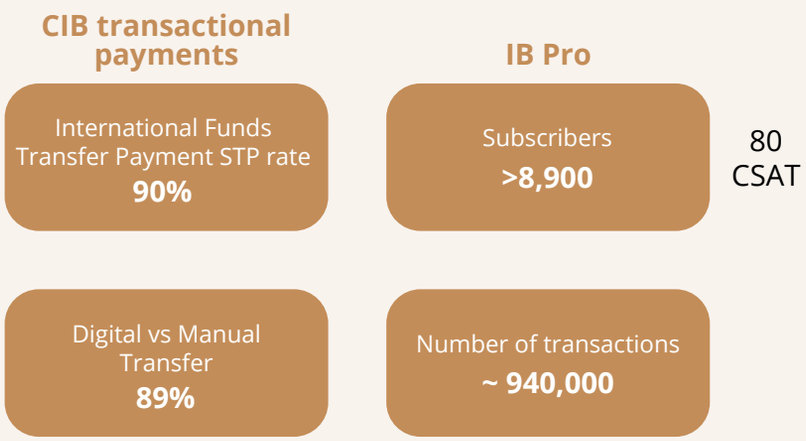
- Participated in the Africa CEO Forum in Kigali as a Diamond Sponsor for the ninth consecutive year, reaffirming our commitment to Africa and contributing to discussions shaping the continent's economic and business agenda.
- Sponsored the Africa Energy Forum 2026, held in Cape Town under the theme "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.
- Released 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 62. 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.

Key digital performance indicators for the Corporate and Institutional banking segment



Notes:

- *All figures relate to FY 2025/26 for MCB Ltd, 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 the Group's 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 Group. To reduce administrative friction and enable our people to work more efficiently, our HR SBU deployed a Group-wide 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.
- Advanced the alignment of people practices across the Group by rolling out performance, reward and career management frameworks in our overseas banking subsidiaries, including Career Architecture in MCB Madagascar and Reward Framework in MCB Seychelles.

Building and retaining talent

Retention and turnover

~93%
Retention rate
(FY 2025: ~94%)

~10%
Turnover rate
(FY 2025: ~9%)

Percipio - Our online learning platform

81,746
Number of learning units
(FY 2025: 70,351)

51,369
Number of hours spent
(FY 2025: 34,067)

11.5
Hours spent per user
on learning
(FY 2025: 7.0)

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 Group-wide 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 Group.
- 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.
- Expanded the reach of our Social Leave programme across the Group, with our first initiative of this kind in MCB Madagascar, enabling colleagues to dedicate paid time to community causes while fostering a culture of solidarity and positive social impact.
- 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. Of note, MCB Maldives became the first bank in the Maldives to be certified as a Great Place to Work®, reflecting its commitment to fostering a positive and engaging workplace for its employees. We have maintained the EQUAL SALARY Certification, reaffirming our long-standing commitment to fair and equitable pay practices across the organisation.

Driving inclusion from within

Key focus areas

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.



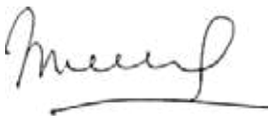
ERG Disability friendly



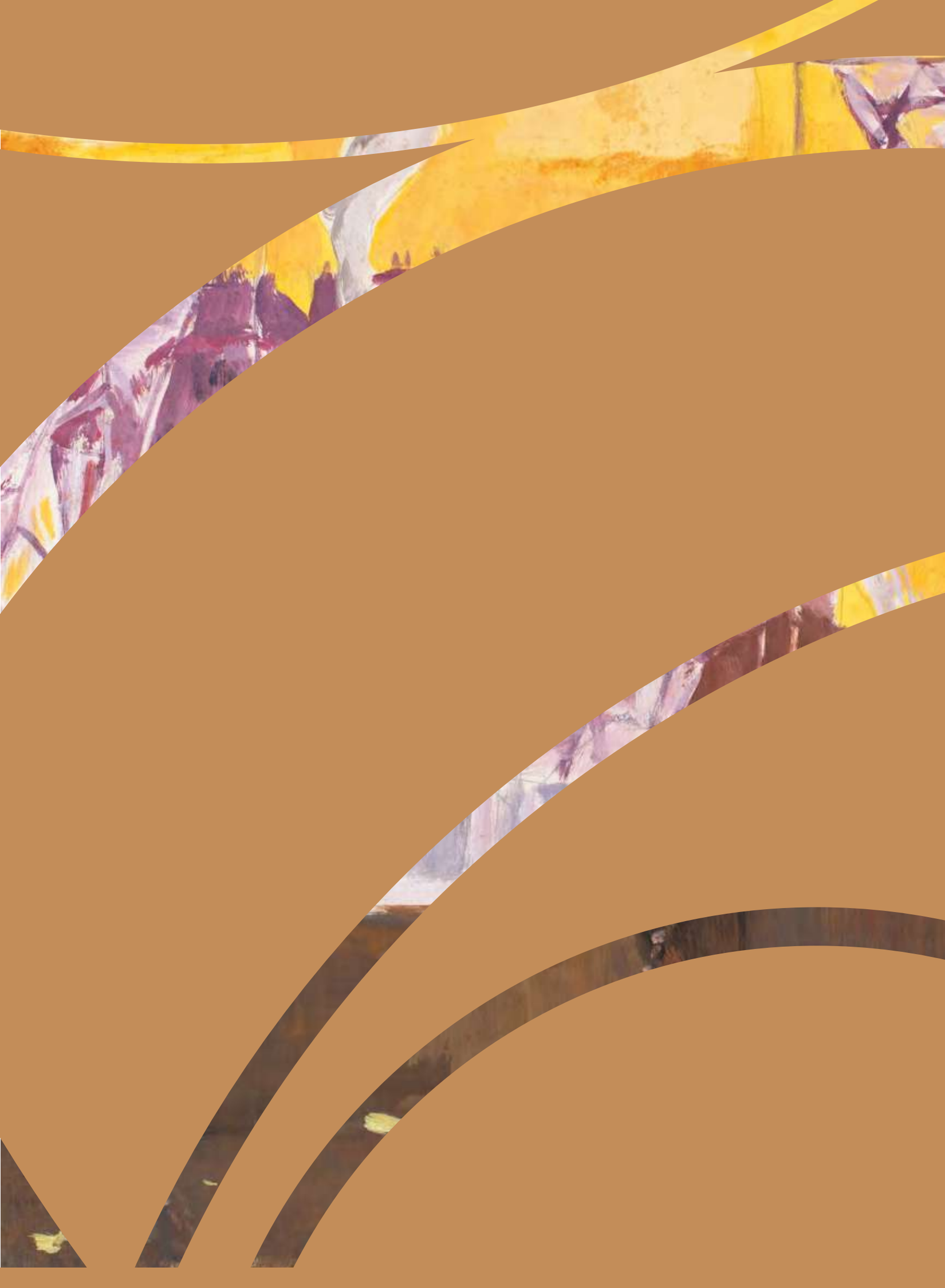
ERG Gender equity



ERG Belonging



Jean Michel NG TSEUNG
Group Chief Executive





GROUP CHIEF FINANCE OFFICER REPORT

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Message from the Group Chief Finance Officer

I am pleased to present the CFO report for MCB Group. 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 Corporate and Investment Bank and Private Banking (CIBPB) strategic pillar.

Our resilient and diversified business model enabled the Group to deliver a strong performance during the financial year ended 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 of all of our client-led businesses and supported by a robust deposit and funding base, strong capitalisation and an improved risk profile, evidenced by lower cost of risk and declining gross non-performing loans.

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

These investments, while contributing to higher operating expenses, are essential to strengthening the Group'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 our Home Markets 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.

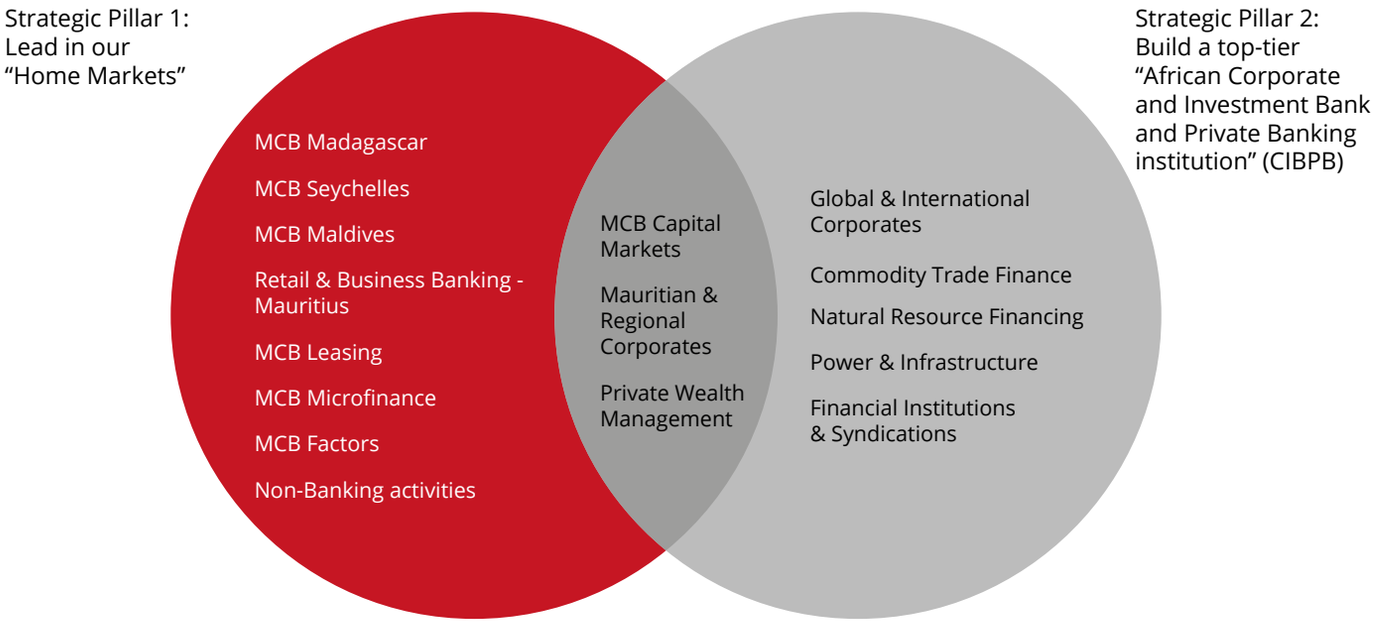
Home Markets

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's sovereign rating consequently remained at Baa3 with a negative outlook. In our other Home Markets, namely the Seychelles, the Maldives and Madagascar, the Middle East conflict weighed on economic activity, most visibly through disruptions to air connectivity.

Performance across our strategic pillars

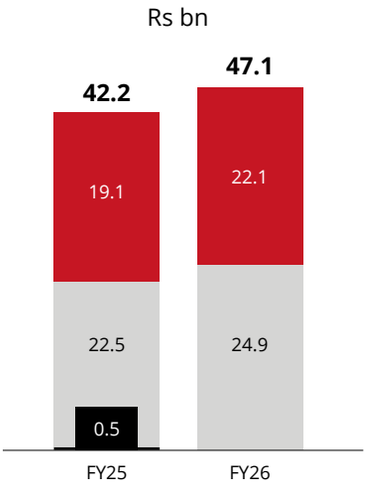
Our business model



The Group delivered a strong performance during the year with solid growth in core earnings across both strategic pillars. Operating income under the "Home Markets" strategic pillar - Mauritius, Madagascar, the Seychelles and the Maldives – increased by 15.8% in FY26 to Rs 22,133 million, with growth in both interest as well as non-interest income. The Group maintained its momentum in the retail segment in Mauritius through ongoing enhancements to customer experience and strengthened its market positioning, resulting in market share gains, notably in the housing segment. In line with the Group's commitment to supporting local 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.

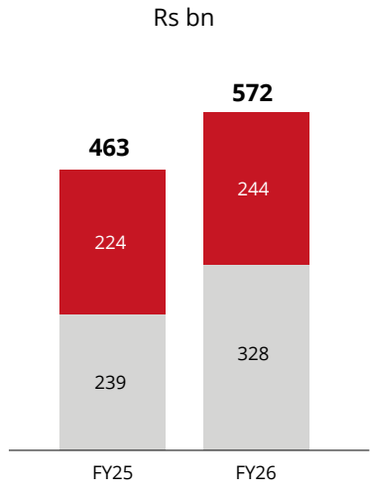
Operating income from the "African CIBPB" strategic pillar increased by 10.8% in FY26 to Rs 24,919 million. This performance reflects the continued development of the Group's structured finance franchise and its growing presence across key African markets. By supporting clients in the energy, commodities, power and infrastructure sectors as well as private equity funds, the Group 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 Group 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*

Notes: (i) The "Mauritian and Regional Corporates" business line (MRC) is managed within the Corporate and Institutional banking coverage structure and serves large Mauritian and regional groups in their domestic operations and accompanies them in their development and expansion beyond the "Home Markets". For the purposes of describing the performance by strategic pillar, MRC has been classified under "Home Markets" reflecting the larger mix of domestic business they do in domestic currency. "Private Wealth Management" and "MCB Capital Markets" on the other hand serve both domestic and foreign clients and are considered as fundamental in the development of the African CIBPB and have been classified as such in the charts above. (ii) Other represents the fair value of Mastercard and Visa in FY25 which are non-recurring items.

Financial performance analysis

Performance highlights

Operating income increased by 11.6%, reflecting the solid performance of the banking and other investment clusters, partly offset by a lower contribution from the non-banking segment.

Cost-to-income ratio increased to 38.1% mainly reflecting continued investment in human capital and technology to support the Group's expansion.

Impairment charge declined by 33.5% mainly due to the successful recoveries made during the first half of the financial year. The Gross NPL ratio and cost of risk dropped to 2.0% and 0.39% respectively.

Share of profit of associates increased by Rs 764 million.

The Group's liquidity position remained healthy with a net customer loans and advances to customer deposits ratio of 62.4% and net customer loans and advances to funding base of 49.4%.

Capital adequacy ratios declined while remaining above the regulatory requirements.

Key figures

Profit attributable to shareholders

Rs **20.1 bn** +11.3% ▲

Operating income

Rs **47.1 bn** +11.6% ▲

Non-interest expense

Rs **17.9 bn** +13.8% ▲

Impairment charge

Rs **2.3 bn** -33.5% ▼

Gross customer loans and advances

Rs **571.7 bn** +23.6% ▲

Total assets

Rs **1,283.4 bn** +27.4% ▲

Key ratios

Return on equity
16.0%
(FY25: 16.4%)
34 bps ▼

Cost-to-income ratio
38.1%
(FY25: 37.4%)
75 bps ▲

Cost of risk
0.39%
(FY25: 0.74%)
35 bps ▼

Loan-to-deposit ratio
62.4%
(FY25: 60.6%)
182 bps ▲

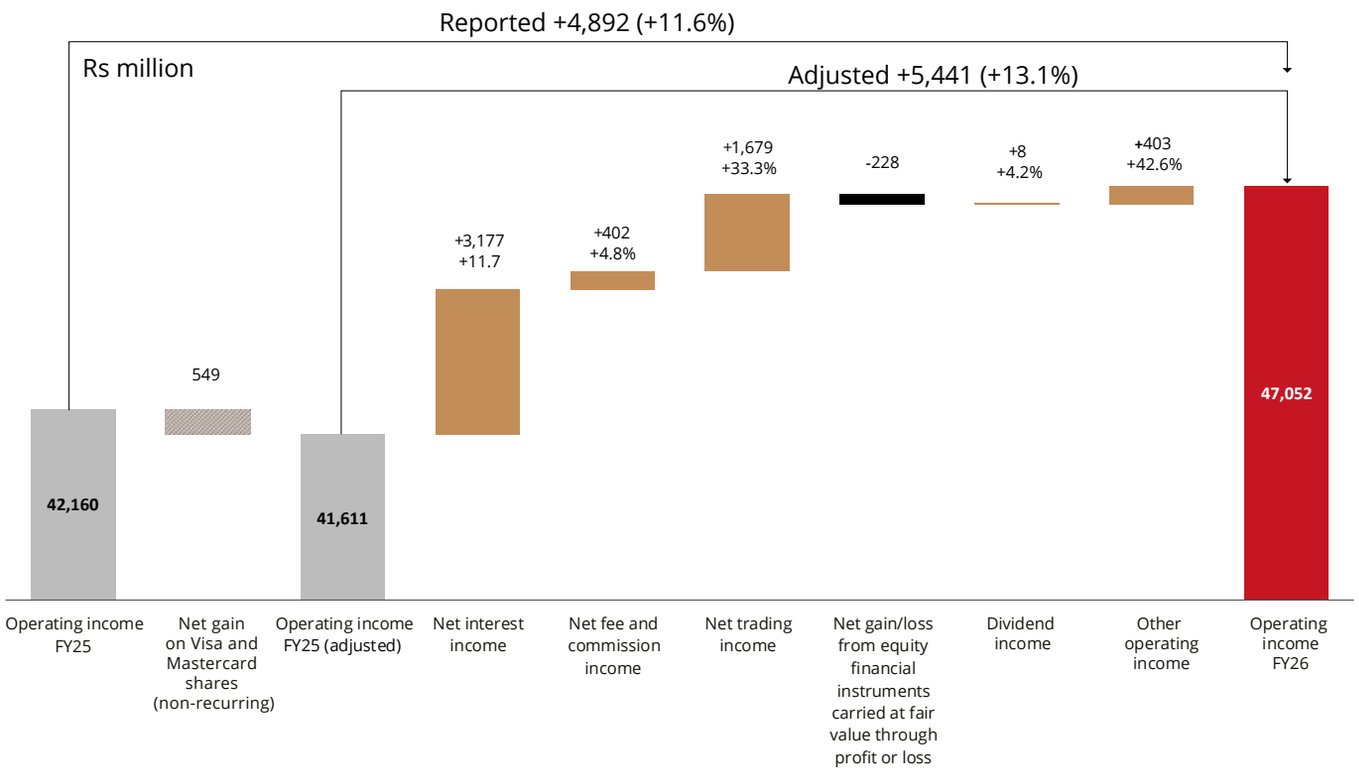
Gross NPL ratio
2.0%
(FY25: 3.0%)
99 bps ▼

Capital adequacy ratio
20.3%
(FY25: 22.0%)
171 bps ▼

Note: (i) Loan-to-deposit ratio is calculated as net customer loans and corporate notes and bonds divided by customer deposit, (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 Group reported an increase in operating income of Rs 4,892 million (+11.6%), 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 Group's core activities increased by 13.1%.

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

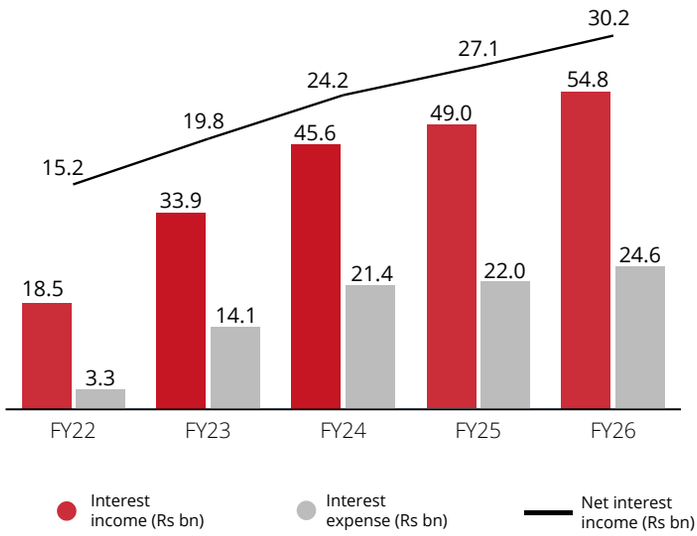
Net interest income increased by 11.7% to Rs 30,229 million as a result of the growth in interest-earning assets notwithstanding a fall in the overall net interest margin.

In Mauritius, the growth in the Group'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 offered on sustainable finance facilities. In the Group's overseas banking subsidiaries, net interest income increased in the Maldives and Madagascar but remained relatively flat in the Seychelles.

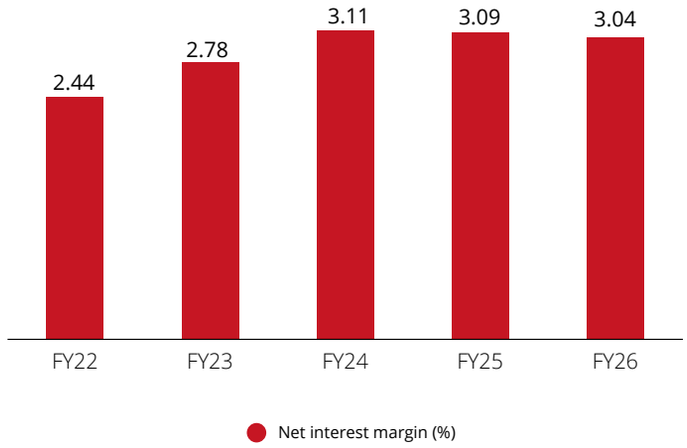
Foreign currency net interest income increased despite a decline in margins, with growth in customer loans and advances and liquid assets more than offsetting the impact of lower margins. The drop in net interest margins reflected the fall in the USD benchmark rate, heightened competition and a higher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

The Group 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



Net interest margin



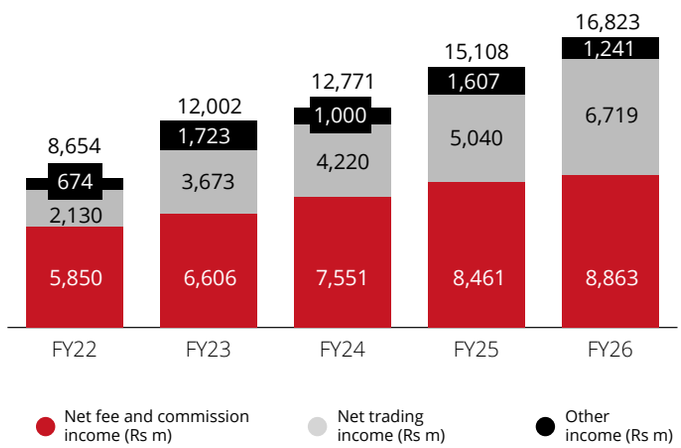
The growth of financial markets, wealth management and payments activities contributed to the growth in non-interest income

Non-interest income increased by 11.4% to Rs 16,823 million in FY26, representing a five-year CAGR of 18.1%, in line with the Group's strategy to grow its non-funded income. The growth in non-interest income is explained by:

- a 4.8% rise in net fee and commission income supported by payments and wealth management activities;
- a 33.3% increase in trading income reflecting higher volumes of foreign exchange activity and fixed income transactions;
- other operating income increasing by Rs 403 million, benefitting from gains realised on the sale of financial instruments.

The growth in non-interest income was mitigated by fair value losses of Rs 306 million on equity financial instruments linked to investments in the MCB Equity Fund compared to gains of Rs 471 million in the previous year. Of note, most of the gains on financial instruments recorded in FY25 were related to Visa and Mastercard shares. Fair value changes on these shares are no longer recorded in the income statement since November 2024.

Non-interest income



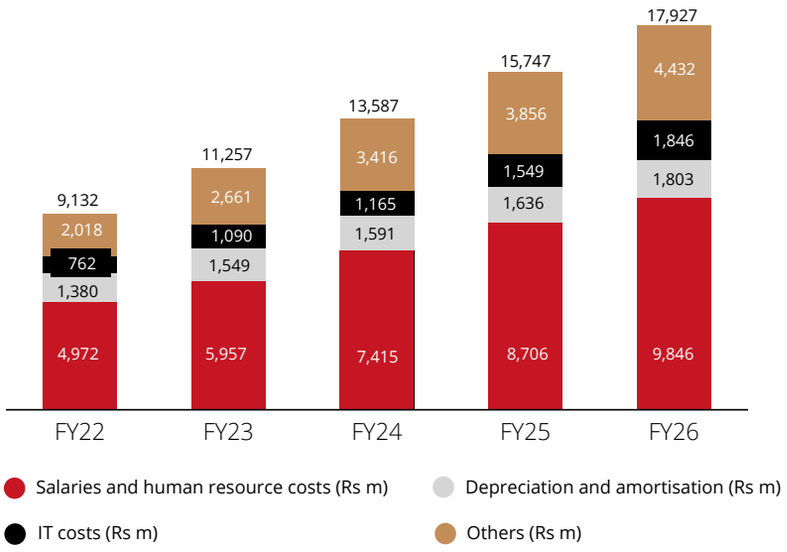
Ongoing investment in people, technology and organisational capabilities led to higher non-interest expenses

Non-interest expenses rose by 13.8% to Rs 17,927 million, in line with continued investment to support the Group's growth ambitions. The year-on-year increase in non-interest expenses is explained by:

- an increase of 13.1% 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 19.2% in IT costs in line with increased investment in technology as well as higher system costs associated with the Group's cloudification strategy, cybersecurity initiatives, the deployment of AI and inflation-linked adjustments;
- higher premiums for the Deposit Insurance Scheme in Mauritius of Rs 537 million compared to initial contribution of Rs 256 million in FY25;
- an increase of 25.6% in legal and professional fees to Rs 1,454 million, in line with business growth and reflecting higher consultancy fees incurred linked to the implementation of initiatives to support the Group's strategic ambitions.

As a result, the cost-to-income ratio increased by 75 basis points to 38.1%.

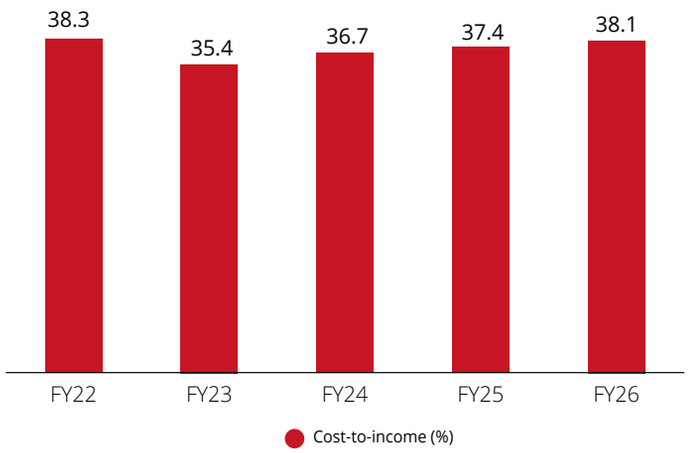
Breakdown of non-interest expenses



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

Impairment charges decreased by 33.5% to Rs 2,330 million, reflecting strong recoveries made during the first half of the financial year. Consequently, the cost of risk for FY26 improved to 0.39% compared to 0.74% in the previous year. The specific provision coverage ratio remained robust at 78.1% as at June 2026 compared to 87.6% last year.

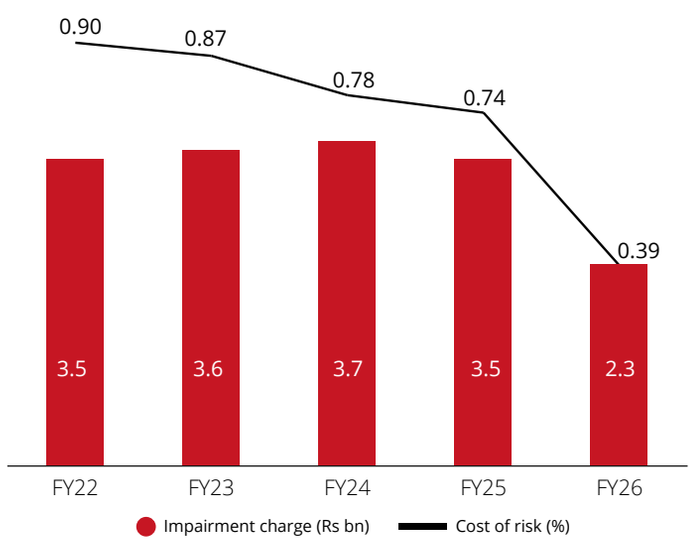
Cost-to-income ratio



Increase in the share of profit of associates

The share of profit of associates increased to Rs 798 million compared to Rs 34 million in FY25 driven by the stronger performance of BFCOI as well as an improvement in the results of Fincorp's associate, namely Promotion and Development Ltd (PAD). Of note, the Group recorded a share of loss from PAD last year due to the one-off write-down of property value linked to damage caused by a cyclone in 2024.

Credit impairment charge

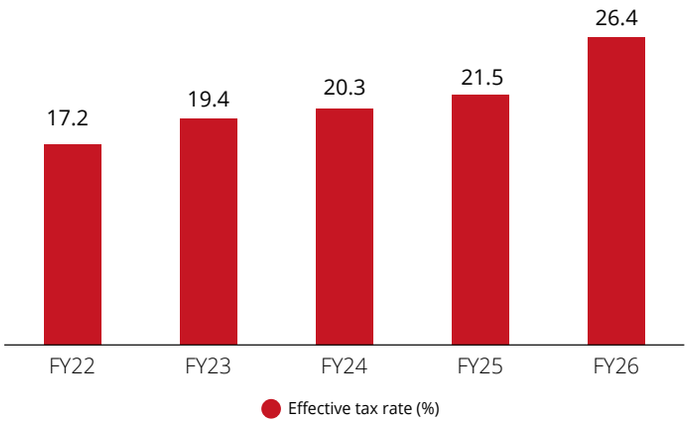


Note: Specific provision coverage ratio is calculated as stage 3 provisions on customer loans, loans to banks and corporate notes and bonds net of suspended interest divided by stage 3 customer loans , loans to banks and corporate notes and bonds.

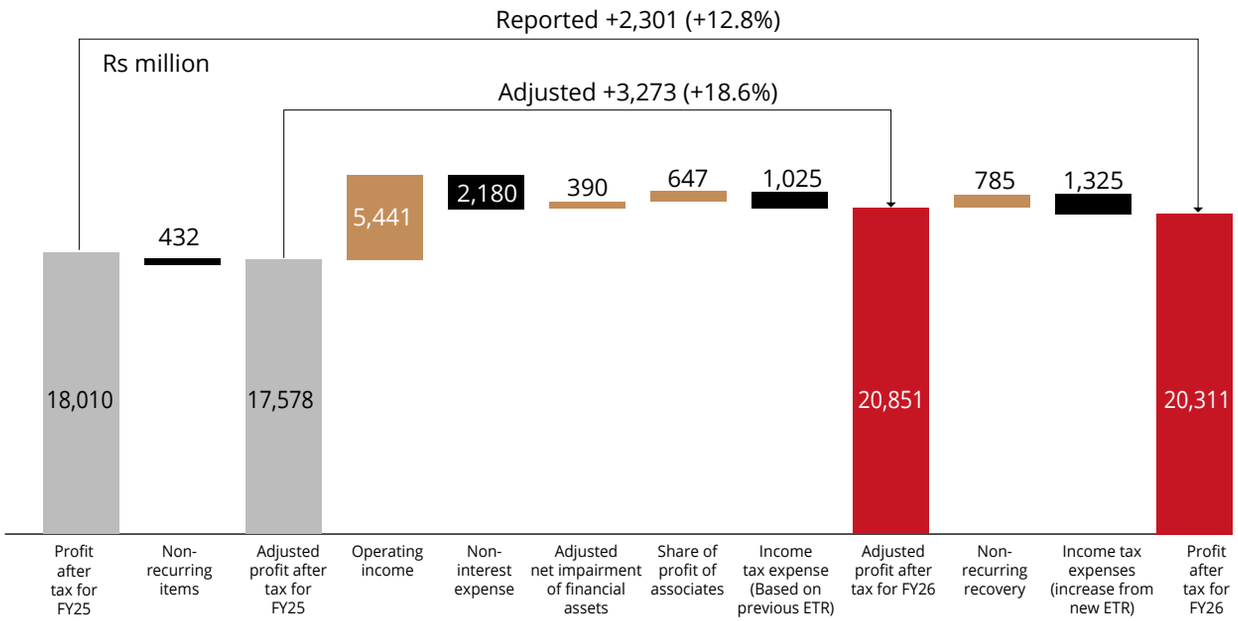
New fiscal measures led to an increase in taxes

The tax charge increased by 47.6% to Rs 7,282 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 21.5% last year to 26.4% for FY26.

Effective tax rate



Reported profit after tax (PAT) increased by 12.8%. Adjusted for non-recurring items and changes in tax legislation, the Group delivered an 18.6% increase in PAT



Reported profit after tax increased by 12.8% to Rs 20,311 million. However, on a like-to-like basis, excluding the one-off adjustments in FY25 and taking into account the recovery of a significant impaired loan together with the increase in the Group's effective tax rate linked to the new tax legislation in Mauritius in FY26, profit after tax was up by 18.6%.

Note: One-off adjustments include the non-recurring fair value gains on Visa and Mastercard shares of Rs 549 million and the write-down of assets held by one of PAD's associates (Caudan) of Rs 117 million.

Financial position statement analysis

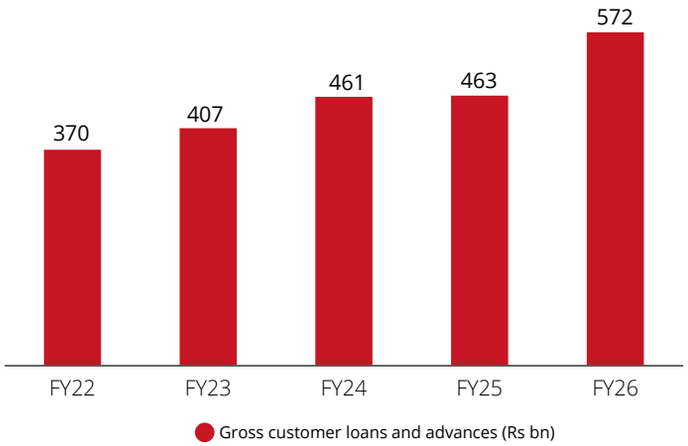
Growth in gross customer loans and advances across the Group's strategic pillars

Gross customer loans and advances (including corporate notes and bonds) increased by 23.6% year on year to Rs 571.7 billion, driven by continued growth across both strategic pillars. The loan book in the "Home Markets" grew by 8.8%, while lending to the international segment under the "African CIBPB" strategic pillar rose by 37.4%, reflecting sustained business momentum across key markets. In Mauritius, loan growth was supported by higher disbursements to the individual segment, particularly for housing loans, as well as increased lending to corporates. In addition, loans and advances increased slightly in the Seychelles and declined, in local currency terms, in the Maldives and Madagascar. Under the "African CIBPB" strategic pillar, foreign currency loan 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 2.0% as at June 2026, compared to 3.0% as at June 2025.

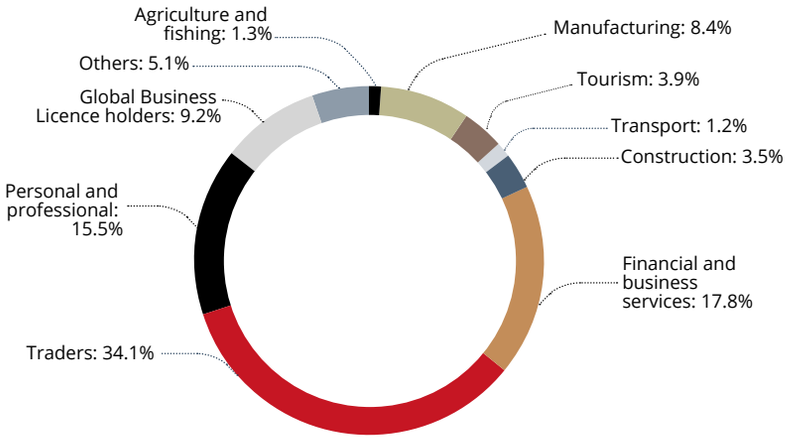
Increase in borrowings to diversify the Group's funding base

Total deposits increased by 24.5% to Rs 921.4 billion as at June 2026, underpinned by growth across all banking entities. Continued efforts to mobilise foreign currency funding contributed to a 35.8% increase in foreign currency deposits, while rupee-denominated deposits grew by 6.7%. In a bid to continue to diversify its funding base and increase the amount of stable funding, the Group has completed several funding initiatives during the year. As a result, other borrowed funds also rose by 68.5%, reflecting the higher use of repos and the successful closure of a USD 450 million syndicated loan facility, which also strengthened the Group's capacity to support future growth of its loan portfolio. Debt securities increased to Rs 36.9 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 Group 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 62.4% and 49.4% respectively, as at June 2026.

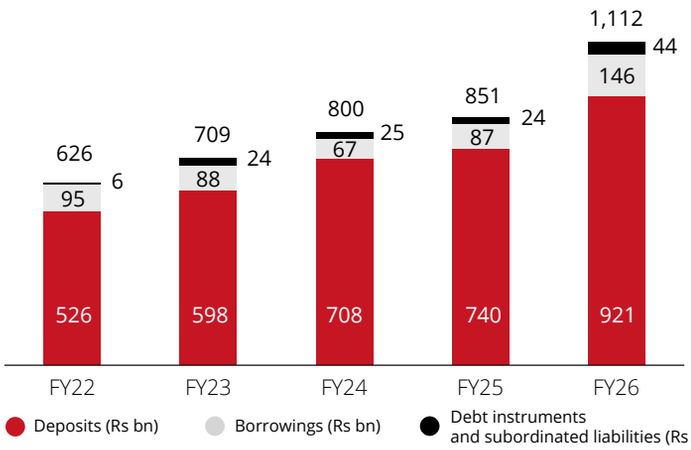
Gross customer loans and advances



Loans to customers - Sector distribution



Funding base

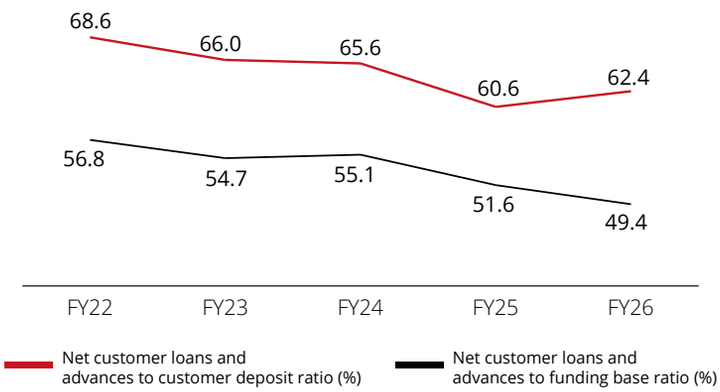


Excess liquidity deployed in short-term treasury bills and balances with banks

Total liquid assets increased by 29.5% to Rs 644.8 billion, reflecting the faster growth rate in the Group's funding base compared to loans and advances. Investment securities, excluding corporate notes and bonds went up by 23.1% while cash and cash equivalents increased by 59.4%, 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 stood at 50.2% as at June 2026.

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

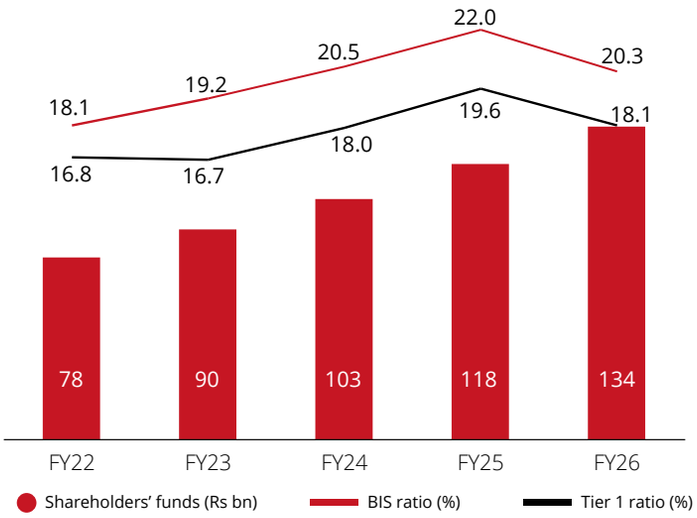
Funding ratios



Comfortable capital adequacy despite strong growth in loans and advances

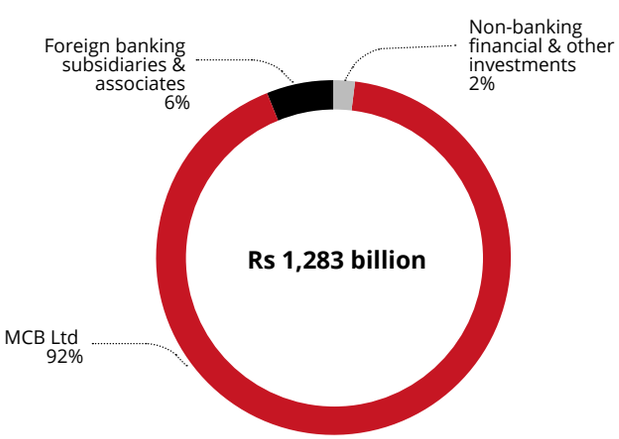
Shareholders' funds increased by 13.5% to Rs 133.6 billion in line with an increase of Rs 13.2 billion in retained earnings, after accounting for dividends of Rs 6.8 billion during the financial year. Shares issued under the Group's scrip dividend scheme and conversion of preference shares also contributed to the growth in shareholders' equity. Total eligible and Tier 1 capital increased by 12.9% to Rs 142.6 billion and 12.9% to Rs 127.0 billion. Combined with a rise of 22.4% in risk-weighted assets, linked to the significant expansion of the Group's lending activities, the capital adequacy ratio and Tier 1 ratio declined to 20.3% and 18.1% respectively.

Shareholders funds and capital adequacy

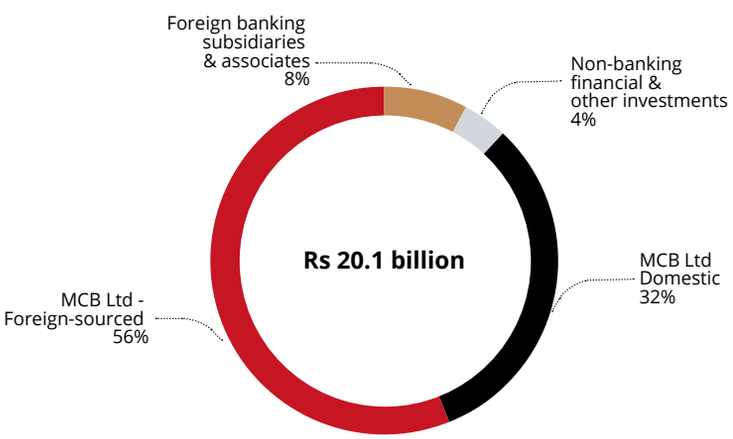


Performance by cluster

Assets by cluster



Contribution to Group profit



The growth in Group results was supported by an encouraging performance within the banking cluster with income in Mauritius from foreign activities as well as foreign subsidiaries and associates accounting for an aggregate 64% of Group profits. The share of Group's profit derived in Mauritius improved to 32% while the contribution from the Group's non-banking segment contributed to 4%.

Banking cluster

MCB Ltd

The Bank delivered a strong financial performance despite the challenging operating environment with profit before tax increasing by 15.6% to Rs 25,099 million. However, bottom-line results were impacted by the introduction of new fiscal measures in Mauritius at the start of the financial year, resulting in profit after tax rising by 7.8% to Rs 18,549 million.

In Mauritius, the Bank further strengthened its leadership position by continuously enhancing its value proposition and delivering an improved customer experience. In corporate banking, the Bank remains the foremost banking partner of many local companies and affirmed its commitment to the country's transition to a green economy, partly through the deployment of our sustainable finance credit line. The Bank also reinforced its leading role in supporting entrepreneurs and individuals, with strong growth in loan book across both segments, reflecting its tailored offerings and a customer-centric approach.

Within the African Corporate and Investment Banking and Private Banking (CIBPB) strategic pillar, the Bank's various business lines continued to contribute strongly to revenue growth, supported by its strong franchise in selected market niches. The Bank continued to expand its Commodity Trade Finance business whilst simultaneously growing its loans and advances portfolio across Natural Resources Financing and Power and Infrastructure business lines. It also reinforced its position as a strategic partner to multinational corporations and large enterprises doing business in or with Africa, offering bespoke solutions that contributed to the diversification of its revenue streams.

Supported by the continued growth of its commercial activities, the Bank recorded an 11.7% increase in operating income, driven by higher net interest income and non-interest income, which grew by 11.9% and 11.3%, respectively. Net interest income growth was supported by the continued expansion of the interest-earning assets portfolio and the reinvestment of liquid assets at higher yields, while non-interest income benefited from the growth of the Bank's payments and wealth management activities, as well as higher volumes of foreign exchange and fixed income transactions. Non-interest expenses increased by 14.8%, reflecting higher staff costs, IT-related expenditure and professional fees incurred to support the Bank's long-term growth ambitions. Impairment charges declined by 27.7%, mainly driven by higher recoveries during the period under review, while the Bank's share of profit from BFCOI increased by Rs 77 million. The tax charge rose by 45.4% to Rs 6,550 million, resulting in an effective tax rate of 26.1%.

Balance sheet growth remained strong, with gross loans and advances (including corporate notes and bonds) increasing by 25.4%. This growth was supported by a larger and more diversified funding base. Total deposits increased by 25.1% to Rs 874.9 billion, while borrowings and debt securities rose to Rs 144.8 billion and Rs 33.3 billion respectively, following the successful execution of wholesale funding initiatives.

The Bank's risk profile continued to improve, with the gross non-performing loan ratio declining to 1.7% and the cost of risk decreasing to 0.40%. The balance sheet remained highly liquid, as reflected by a Liquidity Coverage Ratio of 401%, while the Bank maintained a strong capital position with Capital Adequacy and Tier 1 ratios of 19.5% and 17.3%, respectively.

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.

MCB Maldives

MCB Maldives delivered a strong improvement in profitability during FY26, supported by both balance sheet growth and enhanced revenue generation. Customer deposits increased by 9% while the gross loans portfolio contracted by 6%, resulting in a 16% rise in excess liquidity. Through prudent and effective management of this excess liquidity, net interest income grew by 17%, while non-interest income increased by 6%, contributing to a 14% increase in operating income.

Performance was, however, partly offset by a 25% rise in operating expenses, mainly reflecting higher business operating costs. In addition, recoveries of MVR 44 million from historical non-performing facilities supported the bottom line. As a result, profit after tax increased by 59%, lifting MCB Maldives' contribution to Group profit to Rs 520 million in FY26, compared with Rs 322 million in the previous financial year.

MCB Seychelles

MCB Seychelles recorded a modest balance sheet growth during the period under review with gross loans and advances to customers and deposits increasing by 3% and 6%, respectively. Against this backdrop, coupled with the decreasing interest rates on foreign currency-denominated assets, net interest income witnessed a decrease of 3%. Lower card-related revenues outweighed the growth of 11% in foreign exchange income, resulting in a 2% reduction in non-interest income. As a result, operating income recorded a contraction of 3%. Overall performance was further impacted by a 15% growth in operating expenses, which reflected continued investment in human capital and higher costs incurred across business support functions. Impairment charges for the year stood at SCR 32 million, with provision coverage ratio improving from 47% to 54% over the year. Profit after tax declined to SCR 172 million, resulting in a lower contribution to Group profit of Rs 562 million in FY26 (FY25: Rs 712 million).

Banque Française Commerciale Océan Indien (BFCOI)

Despite a slight decline in both loans and deposits during the period under review, BFCOI recorded a 18% increase in net interest income, supported by the gradual decline in interest rates. While non-interest income declined by 3%, mainly due to lower commission income resulting from reduced transaction volumes across certain activities, gross operating income increased by 5%. Impairment charges decreased significantly to EUR 5 million, including EUR 1.7 million in provision reversals, compared to EUR 6 million in the prior year. Consequently, MCB Group's share of profit amounted to some Rs 371 million in FY26 (FY25: Rs 294 million). BFCOI maintained a strong capital position, with a Tier 1 ratio of 13.0% and a capital adequacy ratio of 15.1%, both comfortably above the regulatory thresholds of 9.5% and 11.3%, respectively.

Non-banking financial cluster

MCB Capital Markets

MCBCM's consolidated revenues amounted to Rs 732 million in FY26 (FY25: Rs 701 million) while its contribution to Group profits rose from Rs 264 million in FY25, (including an exceptional loss of Rs 83 million), to Rs 362 million in FY26. Results were supported primarily by its corporate finance activities and the continued growth of its structured products, securities business and growth in assets under management.

In particular, the Corporate Finance Advisory team further strengthened its position as Mauritius' leading advisor on Sustainability Finance by assisting its clients on defining their ESG objectives, integrating ESG considerations into their financing and investment strategies, drafting their Sustainability Frameworks and raising capital aligned with these frameworks.

Private Equity

MCB Equity Fund is the Group's captive USD 100 million evergreen fund that provides expansion capital to established businesses across Africa. The fund is managed by MCB Capital Partners Ltd, a wholly owned subsidiary of MCB Capital Markets Ltd. During FY26, the fund manager continued to focus on the realisation of existing investments and the redeployment of proceeds into new investment opportunities where appropriate.

MCB Equity Fund recorded a loss of Rs 251 million (FY25: profit of Rs 29 million), primarily due to fair value losses recognised on its portfolio of unquoted investments.

MCB Real Assets Ltd

During FY26 MCB Real Assets Ltd acquired the remaining shareholding in Compagnie des Villages de Vacances de L'Isle de France Limitée (COVIFRA) by way of a Scheme of Arrangement, making COVIFRA a wholly owned subsidiary of MCB Group Ltd. COVIFRA is the owner of the Club Med hotel resort located at Pointe aux Canonniers, Mauritius. Total contribution of MCB Real Assets to Group results amounted to Rs 180 million for FY26 (FY25: Profit of Rs 222 million). The decrease in profit is primarily due to movements in deferred tax.

MCB Leasing Ltd

The lease portfolio increased by 19%, across both the finance and operating leases, to reach Rs 6,985 million whilst the deposit book expanded by 16% to Rs 6,812 million. Increase in profits after tax is explained by increases in net interest income and net operating lease income stemming from the growth in the lease portfolio. Correspondingly, operating expenses increased by 14% while the impairment charge for the year amounted to Rs 10 million (FY25: Rs 8 million). Overall profit after tax reached Rs 73 million for the year (FY25: Rs 55 million).

MCB Factors Ltd

MCB Factors Ltd continued to strengthen its leadership position in the Mauritian factoring market by providing businesses with tailored working capital solutions that improve cash flow, unlock liquidity and enhance protection against trade credit risks. During the year under review, client assignments increased by 17% to Rs 10.4 billion, driving an 18% growth in operating income to Rs 124 million. Supported by disciplined cost management and strong funding spreads, profit before tax rose by 28% to Rs 60 million, while profit after tax increased by 19% to Rs 45 million.

Looking ahead, MCB Factors will continue to enhance its value proposition by remaining well positioned to support the evolving working capital needs of businesses while pursuing sustainable growth opportunities.

MCB Microfinance Ltd

Since inception, MCB Microfinance has disbursed some 9,321 loans, corresponding to a gross amount of Rs 2,162 million, of which 52% relate to investment loans. Since the creation of its office in Rodrigues in March 2017, around 1,000 micro-loans have been disbursed, corresponding to a gross amount of Rs 168 million. As at 30 June 2026, MCB Microfinance's loans stood at around Rs 496 million while a net profit of Rs 0.9 million was recorded in FY26.

Other investment cluster

Fincorp Investment Ltd

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

Fincorp returned to profitability during the year under review, reversing the losses incurred in the previous year, which were primarily attributable to the write down of investment property value related to damage to the quays at Caudan caused by a cyclone. The improved performance was supported by the following factors:

- The yielding assets of Caudan Development Ltd performed well during the year under review with good rental growth and improved occupancy levels and effective cost management initiatives;
- Medine delivered an improved performance driven by the successful execution of property transactions through strategic bulk and parcelling land sales;
- Increased profitability of MCB Leasing Ltd as explained in the previous section.

As a result of the above, the company recorded a consolidated profit of Rs 367 million in FY26 compared to a loss after tax of Rs 202 million in FY25.

Value created

The Group 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 Group is the largest corporate taxpayer, has the widest shareholder base, is a major customer of local suppliers and is one of the largest employers of professionals on the island.

The Group derives 47% of its revenue from customers in its Home Markets, with its banking operations in Mauritius representing approximately 40% of domestic credit and 50% of rupee deposits in the banking sector as at June 2026. Through its extensive network across the island, the Group plays a significant role in supporting individuals and businesses, fostering economic activity and contributing to wealth creation within the wider community.

Our international business, under the African CIBPB strategic pillar, accounts for the remaining 53% of the Group's revenue. This performance is driven by the provision of bespoke and specialised products and services to international corporates and high-net-worth clients, primarily those conducting business in Africa. Through its growing international business, MCB Group 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 invest 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 Group 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 9.8 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 around Rs 6.8 billion during FY26.

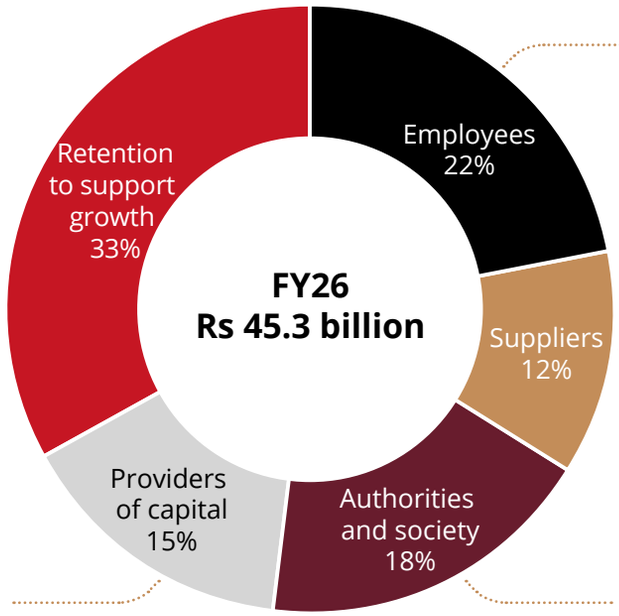
Authorities and Society

We are committed to making meaningful contributions to the socio-economic development of countries where we operate. With our status as the largest contributor to corporate tax revenue and banking levy in Mauritius, the amount of tax and levies charged as well as premiums for the Deposit Insurance Scheme in Mauritius, worked out to approximately Rs 8.3 billion in FY26. Moreover, we promote social progress and financial inclusion, environmental protection, sports, arts and culture through sponsorship programmes and initiatives channeled via MCB Forward Foundation, amongst others.

Shareholders and Investors

We deliver consistent and sustainable financial returns with sound risk and capital management. Dividends amounted to Rs 6.8 billion, allowing the Group to maintain its dividend payout of around a third of its profits.

Wealth created by MCB Group



We employ more than 5,000 people across the Group, which remains one of the largest employers in Mauritius. Out of the remuneration paid to employees, our colleagues contributed about Rs 659 million as pay-as-you-earn income tax in Mauritius in FY26.

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

We contribute to the development of the communities across markets while being the largest taxpayer in Mauritius.

Dividends to more than 24,000 shareholders.

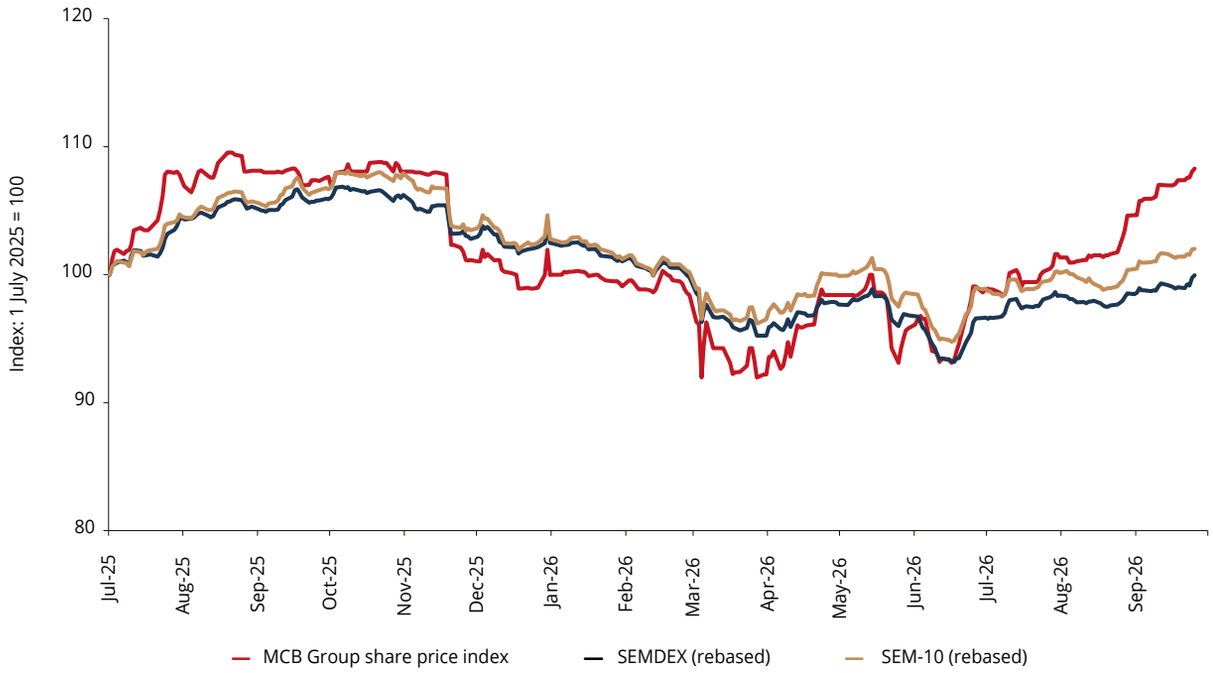
Shareholder information

The Group aims to provide adequate and consistent returns to shareholders whilst preserving enough capital for growth. To that end, the Group declared an interim dividend of Rs 11.00 in May 2026 compared to Rs 10.50 in May 2025. The final dividend declared also increased from Rs 15.00 for FY25 to Rs 16.50 for FY26, with the total dividend for FY26 increasing to Rs 27.50.

Year ending June	2024	2025	2026
Share price (Rs)			
High	399.50	474.50	**476.50**
Low	313.50	378.00	**400.00**
Average	342.07	441.24	**441.31**
Closing - Year end	380.00	430.25	**430.00**
Market capitalisation			
Market capitalisation as at 30 June (Rs m)	96,187	111,617	**113,490**
Market capitalisation as % of SEMDEX[1]	36.1	36.3	**38.4**
Value of shares traded (Rs m)	3,988	4,944	**5,579**
MCB market share[2] (%)	45	52	**43**
Dividends			
Total	23.00	25.50	**27.50**
Interim	9.50	10.50	**11.00**
Final	13.50	15.00	**16.50**
Returns and ratios			
Price Return	21.3%	13.2%	**-0.1%**
Dividend Yield	6.1%	5.9%	**6.4%**
Price/NAV ratio (times)	0.9	0.9	**0.9**
Price earnings ratio (times)	6.0	6.1	**6.1**

[1] excludes foreign currency denominated, GBL and international companies
[2] excludes one-off transactions

Share price evolution



Financial summary table

Group financial summary	Jun-26	Jun-25	Jun-24	Jun-23	Jun-22
Statement of profit or loss (Rs m)					
Operating income	**47,052**	42,160	37,010	31,792	23,845
Operating profit before impairment	**29,125**	26,413	23,423	20,535	14,713
Operating profit	**26,795**	22,908	19,739	16,891	11,232
Profit before tax	**27,593**	22,942	20,321	17,758	12,031
Profit attributable to ordinary equity holders of the parent	**20,114**	18,065	16,045	14,133	9,637
Statement of financial position (Rs m)					
Total assets	**1,283,413**	1,006,994	938,747	829,981	728,128
Net customer loans and advances	**499,667**	391,118	399,161	349,285	325,613
Investment securities	**426,154**	355,436	345,677	267,472	239,684
Total deposits	**921,425**	740,373	708,408	597,766	525,656
Subordinated liabilities	**6,997**	6,707	7,057	8,172	1,793
Other borrowed funds	**146,151**	86,761	66,579	87,657	94,995
Debt securities	**36,935**	17,543	18,342	15,760	3,848
Shareholders' funds	**133,614**	117,703	103,259	89,763	77,912
Performance ratios (%)					
Return on average total assets	**1.8**	1.9	1.8	1.8	1.4
Return on average equity	**16.0**	16.4	16.6	16.9	12.8
Net customer loans and advances to customer deposit ratio	**62.4**	60.6	65.6	66.0	68.6
Cost to income ratio	**38.1**	37.4	36.7	35.4	38.3
Capital adequacy ratios (%)					
BIS risk adjusted ratio	**20.3**	22.0	20.5	19.2	18.1
of which Tier 1	***18.1***	*19.6*	*18.0*	*16.7*	*16.8*
Asset quality					
Non-performing loans (Rs m)	**11,757**	13,988	14,436	13,636	14,331
Gross NPL ratio (%)	**2.0**	3.0	3.1	3.3	3.7
Cost of risk (%)	**0.39**	0.74	0.78	0.87	0.90

Note: Non-performing loans include Stage 3 customer loans, loans to bank and 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 to our shareholders.



Dipak CHUMMUN
Group Chief Finance Officer


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03

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 Group has during the year under review, adhered to the requirements and provisions of the National Code of Corporate Governance for Mauritius (2016) (the 'Code') and has explained how these have been applied.

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

Principles of the Code	Relevant sections of the Annual Report
Principle 1: Governance Structure	• Our corporate 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] • Group 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 23 to 31
2 The 'Risk and capital management report' can be found on pages 155 to 203
3 'Delivering on our strategic objectives' which contains information on our strategy execution can be found on pages 47 to 74
4 The Group CFO report provides an assessment of the Group's results and can be found on pages 77 to 93
5 The 'Sustainability Report' provides an overview of the Group's sustainability initiatives and its engagement with various stakeholders and is available on our website

Approach and principles

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

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



Strong commitment to ethics and values

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



Strict compliance to rules and regulations

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



Robust risk governance and internal control

- Ring-fencing of activities, as gauged by the segregation of banking and non-banking operations
- Board responsible for the oversight and monitoring of risk profile against risk appetite
- Strong and transparent governance framework, based on the 'three lines of defence' model
- Provision of independent assurance by both internal and external auditors



Continuous multi-stakeholder engagement

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

Governance structure

Governance framework

MCB Group Ltd is led by a committed and unitary Board that collectively assumes responsibility for the Group's strategic direction, oversight and long-term value creation. The Group operates within a clearly defined governance framework that sets out lines of authority, accountability and responsibility, enabling effective delegation while preserving overall oversight of the business. The Board is supported by six committees, each mandated to provide counsel, recommendations and specific expert guidance on matters affecting the Group's activities. Acting on the direction set by the Board, Executive Directors and Management at large are entrusted with the operational management of the business, with their performance and actions closely monitored against set objectives and policies. The diagram below illustrates the governance structure of the Group 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 Group's Strategy within a framework of robust risk management and internal controls, alongside ensuring adherence by the Company and its subsidiaries to relevant legislations, policies and norms, including sustainability principles.

Board of Directors



Role of the Board committees

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

- Audit Committee
- Corporate Governance and Sustainability Committee
- Risk Monitoring Committee
- Corporate Strategy Committee
- Supervisory & Monitoring Committee
- Cyber & Technology Risk Committee

Role of Management

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

Management

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

The roles and responsibilities of the Chairperson, executive and non-executive directors as well as the Company Secretary are clearly defined in the Board Charter and Position Statements, which have been approved and are regularly reviewed by the Board. The role of the Chairperson is distinct and separate from that of the Group Chief Executive. There is a clear segregation of responsibilities with the Chairperson leading the Board and the Group Chief Executive managing the Group's business on a day-to-day basis. The Board ensures that the time commitments and 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 the Chairperson's external commitments and found no concerns about his ability to perform his duties effectively. The main roles and responsibilities of the Chairperson, Group Chief Executive and directors are described in the following table.

Key roles and responsibilities

Chairperson	Group Chief Executive	Directors
• Provides overall leadership to the Board • Ensures that the Board is effective in its duties of setting out and overseeing the implementation of the Group's strategy • Ensures that committees are properly structured with appropriate terms of reference • Ensures that the development needs of the directors are identified and that appropriate training is provided with a view to continuously updating their skills and knowledge • Presides and conducts Board and shareholder meetings effectively • Advises, supports and oversees the performance of the Group Chief Executive • Oversees the succession planning process at Board and key management positions • Maintains sound relations with stakeholders and ensures effective disclosures and communication are maintained • Oversees the Group's ethics performance	• Manages the day-to-day operations • Develops and executes the plans and strategy of the business, in line with the policies set by the Board • Consults the Chairperson and Board on matters which may have a material impact on the Group • Acts as a liaison between Management and the Board • Provides leadership and direction to Management • Builds, protects and enhances the Group's brand value • Ensures that the Group's corporate culture and values are embraced throughout the organisation • Ensures the Group has implemented the necessary frameworks and structures to identify, assess and mitigate risks • Ensures that the information laid out before the Board is an accurate and true representation of his understanding of the Company's affairs	• Contribute to the development of the Group's strategy • Analyse and monitor the performance of Management against set objectives • Ensure that the Group has adequate and proper internal controls as well as a robust system of risk management • Ensure that financial information released to markets and shareholders is accurate • Participate actively in Board decision-making and constructively challenge, 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 • Maintain the skills required to discharge their obligations to the Group

Company Secretary

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

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

Constitution of MCB Group Limited

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

The Board



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



Changes during the financial year under review

Re-elected during the Annual Meeting of Shareholders held in November 2025

- Stephen DAVIDSON
- Jean Michel NG TSEUNG
- Jayananda NIRSIMLOO

Left the Board

- Constantine CHIKOSI

Directors' profiles

The names of the directors who held office at the end of the financial year, together with details of their position, qualifications, experience, directorships in other listed companies in Mauritius (where applicable) and nationality are set out hereafter. Unless otherwise stated in their respective profile, directors reside in Mauritius.

Key

AC	Audit Committee
CGSC	Corporate Governance and Sustainability Committee
CSC	Corporate Strategy Committee
CTRC	Cyber and Technology Risk Committee
RMC	Risk Monitoring Committee
SMC	Supervisory and Monitoring Committee

C	Committee Chair
M	Committee Member



Jayananda NIRSIMLOO

Chairperson, Independent Non-Executive Director

Age: 70

CGSC C | CSC C | RMC M | SMC C

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

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

Skills and experience:
Jay has extensive boardroom and international business experience gained over a distinguished executive career. He was the Chairperson and Chief Executive Officer of KPMG France for 16 years and was a director of the KPMG Global Board and of its Risk and Reputation Committee for eight years. Further, he was a director of the KPMG EMA Board, with his responsibilities extended to French speaking sub-Saharan Africa, Mauritius, and the Maghreb countries.

Throughout his career he advised and audited several leading international companies, providing expertise in strategic and deal management, corporate governance, risk oversight and financial reporting. He was also a member of a landmark French think tank, contributing to strategic and policy discussions on global business.

Nationality: Mauritian



Jean Michel NG TSEUNG

Group Chief Executive and Executive Director

Age: 58

CGSC M | CSC M | CTRC M | RMC M | SMC M

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

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

Skills and experience:
Jean Michel is the Chief Executive of MCB Group Ltd since March 2023. He joined MCB Ltd in January 2004 and was Head of Corporate Banking of the Bank until July 2015, when he was appointed Chief Executive Officer of MCB Investment Holding Ltd. He trained as a Chartered Accountant with Arthur Andersen in London before becoming Partner and Head of the Audit and Business Advisory Department of De Chazal Du Mée and subsequently of Ernst & Young in Mauritius. He is currently a Board member of several companies within the Group namely MCB Investment Holding Ltd, Banque Française Commerciale Océan Indien, The Mauritius Commercial Bank Limited, MCB Seychelles Ltd, MCB Maldives Private Ltd, MCB Madagascar SA, MCB Capital Markets Ltd and MCB Equity Fund Ltd, amongst others.

Nationality: Mauritian



Dipak CHUMMUN

Group Chief Finance Officer and Executive Director

Age: 59

CSC M | RMC M | SMC M

Executive Director since September 2024, Dipak sits on the Risk Monitoring Committee as well as the Corporate Strategy and the Supervisory and Monitoring Committees, on which he acts as Secretary. Moreover, he is a member of the Corporate Sustainability Committee (a sub-committee of the Corporate Governance and Sustainability 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 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 Exchange of Mauritius Ltd and as a member of the International Advisory Board and Council for ICAEW in London.

Nationality: Mauritian



Stephen DAVIDSON

Independent Non-Executive Director

Age: 71

CGSC M | CTRC M | RMC C

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

Qualifications:
MA in Mathematics and Statistics (Scotland)

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

Nationality: British, Non-Resident



Cédric JEANNOT

Independent
Non-Executive Director

Age: 40

CSC M CTRC C

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

Qualifications:
PhD in Computer Science (USA)

Skills and experience:
Cédric is a serial entrepreneur and the co-founder of Be Financial Group, a multi-family office focused on investing in and building tech firms in emerging markets, specifically Africa. He previously built and sold an investment and tokenisation platform which enabled people in emerging markets to access US equities. He is also the co-founder and Chairman of Be Mobile Africa, a neobank which focuses on the unbanked and underbanked in Africa. The company covers over 30 markets and 22 currencies. It is known for operating one of the largest blockchain-based payment systems as well as having one of the most competitive savings accounts. Be Mobile Africa became a Harvard Business School Case Study and its story is also taught to the MBA class at MIT Sloan School of Management.

He serves as an independent member of the investment committee of FinnFund's Digital Access Impact Fund (DAIF), the growth stage investment vehicle for digital companies managed by FinnFund, Finland's leading development financier and impact investor (Finland's DFI) and was a 'Growth Coach' at one of Canada's largest tech incubators, Communitech, where he mentored start-up founders for several years.

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

Nationality: French, Non-Resident



Yvan LEGRIS

Non-Executive Director

Age: 63

CGSC M RMC M

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

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

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

Directorship in other listed companies: Medine Limited

Nationality: Mauritian



Georges Michael David LISING

Independent
Non-Executive Director

Age: 54

AC
M

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

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

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

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

Nationality: Mauritian



Maya MAKANJEE

Independent
Non-Executive Director

Age: 64

CSC
M

CGSC
M

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

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

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

Nationality: South African, Non-Resident



Anna Margaretha (Marna) ROETS

Independent
Non-Executive Director

Age: 59

AC
M

Independent Non-Executive Director since June 2025, Marna is a member of the Audit Committee.

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

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

Nationality: South African, Non-Resident



San T SINGARAVELLOO

Independent
Non-Executive Director

Age: 53

AC
C

CTRC
M

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

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

Skills and experience:
San is a qualified actuary with over 27 years of international experience, primarily across Africa. Her expertise spans employee benefits, pensions, insurance and risk management. She currently heads Global Benefits Solutions for Aon in Africa and serves as a Director of Aon GBAN. Her board experience encompasses governance, audit and risk oversight, including technology and cyber risk oversight.

Directorship in other listed companies:
Happy World Property Ltd

Nationality: Mauritian

More information on MCB Group Corporate Services which serves as Company Secretary to the Group is available on the website

Mandate of the Board

The Board defines the Group's purpose, strategic direction and values. It retains ultimate responsibility for all significant matters relating to the governance, policies, management and operations of MCB Group Ltd and its subsidiaries. The Board ensures that the Group is managed in accordance with its approved strategy and within the framework of delegated authority.

Key facts (FY 2025/26)

Number of directors	Independent directors	Average length of tenure (years)	Average meeting attendance
10	70%	4.4	98%

Responsibilities

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

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

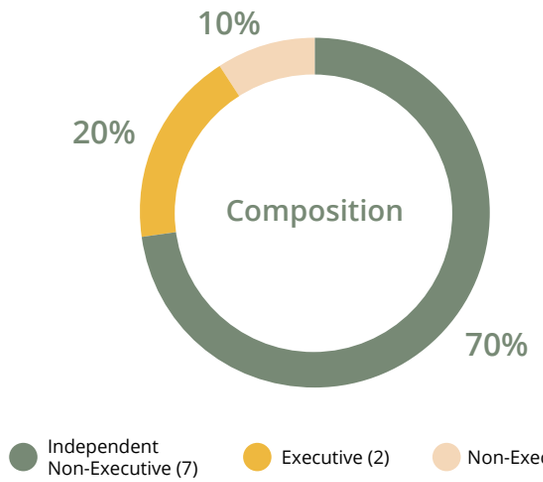
Approval of the Board is required for, amongst other important matters, modifying the Company's Constitution, issuing fresh capital or buying back its own shares, declaring dividends, acquiring or divesting sizeable stakes in subsidiaries or associates, appointing senior officers, and establishing the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

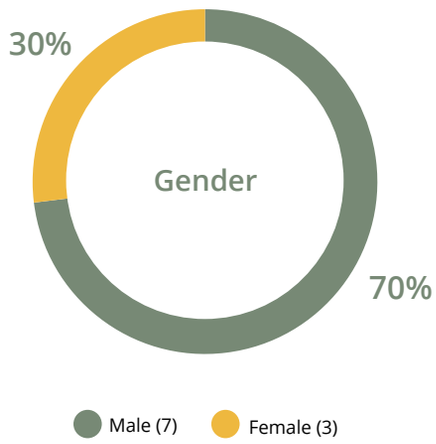
Composition and meetings

Composition

As per the Board Charter, the Board shall consist of a minimum of five and a maximum of twelve directors, with at least two executive directors and two independent directors. The Board, assisted by the Corporate Governance and Sustainability Committee (CGSC), regularly reviews its size and composition, including the independent status of the non-executive directors, in line with applicable laws and regulations. Constantine Chikosi left the Board in November 2025. Subsequently, at the last Annual Meeting, Anna Margaretha Roets was elected as Independent Director.

As at 30 June 2026, the Board comprised 10 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 30% in line with the minimum prescribed by the Mauritius Companies Act 2001. The average age of Board members stood at around 59 years. The Board composition at financial year end is shown hereunder.





Length of tenure

1–2 years



3–6 years



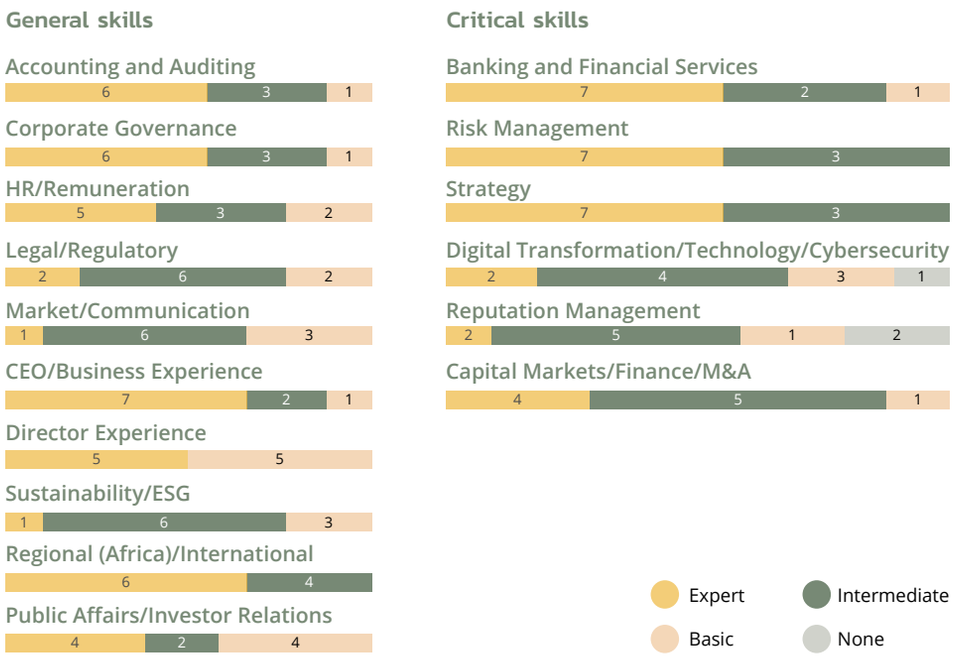
7–8 years



8+ years



Mix of skills and experience



Meetings

The Board determines the frequency of its meetings to ensure that key matters are considered in a timely and effective manner. The Board Charter requires meetings to be held at least quarterly. Meetings follow a pre-established annual schedule and provisional agenda, while retaining sufficient flexibility 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 to allow 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 Management team and/or external advisors are regularly invited to attend meetings, present and discuss topical issues identified by the Board. The Chairperson presides over the Board meetings, 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 Group Chief Executive

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 Group

Board attendance

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

Members	Board member since	Board status as at 30 June 2026	Meeting attendance
Jayananda NIRSIMLOO *(Chairperson)*	**November 2022**	**Independent Non-Executive Director**	**11/11**
Constantine CHIKOSI *(until November 2025)*	November 2019	Independent Non-Executive Director	3/4
Stephen DAVIDSON	December 2020	Independent Non-Executive Director	10/11
Cédric JEANNOT	June 2023	Independent Non-Executive Director	11/11
Georges Michael David LISING	November 2018	Independent Non-Executive Director	11/11
Maya MAKANJEE	November 2023	Independent Non-Executive Director	11/11
Anna Margaretha ROETS	June 2025	Independent Non-Executive Director	11/11
San T SINGARAVELLOO	November 2018	Independent Non-Executive Director	11/11
Yvan LEGRIS	November 2024	Non-Executive Director	11/11
Dipak CHUMMUN	September 2024	Executive Director	11/11
Jean Michel NG TSEUNG	November 2016	Executive Director	11/11

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

Board focus areas



Strategy and performance

- Discussed the impact of developments in the operating environment on the strategy, financial performance, and operations of the Group
- Assessed the impact of the Middle East conflict on the Mauritian economy and on business activities of the Group
- Monitored progress against objectives set in relation to Vision 2030 and its strategic pillars
- Reviewed and endorsed the strategic orientations and budget plans of all the banking and non-banking subsidiaries of the Group
- Reviewed the strategic orientations, key focus areas and the deployment of the overall sustainability strategy
- Reviewed the progress of the consultancy work on the Corporate and Investment Banking operating model



Financial



- Assessed and monitored the Group's financial performance against budget
- Discussed and approved the dividend payout proposal, the Scrip Dividend scheme and conversion of preference shares
- Approved the financial budget
- Reviewed and approved the Group's consolidated accounts on a quarterly basis

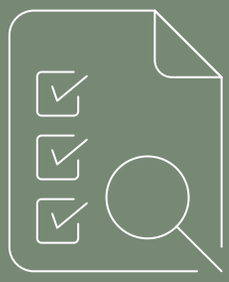
Governance and risk



- Reviewed and validated the structure, size and composition of the Board and Board Committees
- Endorsed the appointment of the Chief Information Officer and Customer Experience Officer
- Reviewed the Board and Committee Charters and other constitutive documents
- Approved the Long-Term Incentive Plan and the Group Employee Share Scheme
- Monitored the 2026 Board evaluation process
- Reviewed the succession planning for executive directors and key management personnel
- Approved and monitored the FY 2025/26 Group Scorecard and monitored the Group's performance against the approved targets
- Endorsed the appointment of external auditors for the FY 2026/27



Recurrent agenda items



- Approved the minutes of proceedings
- Reviewed reports from Chairpersons of Board Committees
- Validated communiqués/announcements as required by the relevant rules and regulations
- Approved the issue of share options under the Group Employee Share Option Scheme
- Reviewed relevant policies and changes thereto
- Debriefed on the Annual Meeting of Shareholders
- Updated on 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 Group's strategy. The Group therefore promotes a fair, results-oriented and well-governed approach to remuneration, designed to attract, retain and motivate high calibre leaders and key talent across the organisation. Whilst the remuneration practices within the Group are structured to drive high performance in pursuit of the Group's strategic ambitions, they have also been designed to reinforce values and behaviours that will help to deliver on the Group's purpose.

Directors

Executive directors

The remuneration of executive directors is aligned with the overall policy for employees. Executive remuneration within the Group 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 that are vested upon the achievement of specified objectives and conditions. The Board, with the support of the Corporate Governance and Sustainability Committee, determines remuneration of executive directors after considering their performance during the year and assessing the progress made towards the Group'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

The Group Employee Share Scheme (GESS) was set up and approved by the Board 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 Group'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.

Group Employee Share Option Scheme

The Group Employee Share Option Scheme (GESOS) provides eligible employees with the opportunity to partake in the growth and prosperity of the Group through the acquisition of shares in MCB Group Ltd. Under the scheme, employees are granted non-transferable options to buy MCB Group Ltd shares with a maximum of 25% of their annual performance bonus. The options, which can be exercised over a period of one year starting mid-October through four specific windows, carry a retention period of three years. The option price is based on the average of the share price over the quarter prior to the date on which the options are granted, to which a discount of 10% is applied. Management is, however, not entitled to such discount. Once issued, the shares rank *pari passu* as to dividend, capital, voting rights and in all other respects with the existing shares of MCB Group Ltd.

The table 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.

	Management	Other employees	Total
Percentage exercised from October 2024 GESOS offering	**48%**	**35%**	**37%**
Number of options granted in October 2025	**137,050**	**745,679**	**882,729**
Initial option price (Rs)	469.25	422.50	-
Number of options exercised to date	-	122,783	122,783
Value (Rs)[1]	-	51,875,818	51,875,818
Percentage exercised	0%	16%	14%
Number of employees	0	697	697
Available for the 4th window and expiring in mid-October 2026	**137,050**	**622,896**	**759,946**

[1] Based on initial option price

Figures in the above table are audited

Long-Term Incentive Plan

The Long-Term Incentive Plan (LTIP) is a long-term, performance-based share plan targeted at selected senior members of Management as part of the executive remuneration framework. The LTIP is intended to strengthen the alignment between executive reward and long-term value creation by linking a portion of remuneration to the sustained performance of the Group over a multi-year period. The Plan also supports the attraction, retention and engagement of critical leadership talent required to execute the Group's strategic ambitions and create long-term value.

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 and is accounted for as an equity-settled share-based payment in accordance with IFRS 2. 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 governance of the LTIP incorporates multiple layers of review and approval. Recommendations relating to executive participants are subject to oversight by the relevant Board Committees, while awards pertaining to the Chief Executive Officers are recommended by the respective Chairs and approved through the established governance process. The Corporate Governance and Sustainability Committee is satisfied that the LTIP strengthens the alignment between executive remuneration, prudent risk-taking, sustainable earnings growth and long-term shareholder value creation.

During the year, awards were granted to selected members of the Group's management team under the FY2026-FY2028 cycle. Depending on the level of performance achieved over the vesting period, awards may vest at threshold, target or maximum levels, resulting in the vesting of between 110,086 and 220,186 ordinary shares of MCB Group Ltd. No award will vest below the threshold level. The final number of shares that ultimately vest will be determined upon completion of the performance period and subject to the achievement of the relevant performance and service conditions.

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 Group.

Non-executive directors

The Group aims to attract non-executive directors from diverse backgrounds who are qualified to effectively oversee the Group. Each non-executive Director, who does not hold an executive position within the Group, 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 meetings, Board Committee meetings and the Annual Meeting of Shareholders while a travelling indemnity is paid to non-resident directors. No share options or performance bonus are granted to non-executive directors.

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

Remuneration and benefits received (Rs '000)	From the holding company	From subsidiaries	Total
Jayananda NIRSIMLOO	4,919	-	4,919
Constantine CHIKOSI *(until November 2025)*	362	-	362
Stephen DAVIDSON	2,002	-	2,002
Cédric JEANNOT	1,626	-	1,626
Yvan LEGRIS	1,560	-	1,560
Georges Michael David LISING	979	155	1,134
Maya MAKANJEE	1,903	259	2,162
Anna Margaretha ROETS	848	-	848
San T SINGARAVELLOO	1,762	-	1,762
Total Non-Executive	***15,963***	***414***	***16,376***
Jean Michel NG TSEUNG	53,941	-	53,941
Dipak CHUMMUN	29,685	-	29,685
Total Executive	***83,626***	-	***83,626***
Total (Non-Executive and Executive)	***99,589***	***414***	***100,003***

Figures may not add up due to rounding

Directors' interests and dealings in securities

The directors confirm that they have followed the absolute prohibition principles and notification requirements of the 'Model Code for Securities Transactions by Directors of Listed Companies' as detailed in Appendix 6 of the Stock Exchange of Mauritius Listing Rules.

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

Interests in MCB Group Ltd Ordinary shares as at 30 June 2026	Number of Ordinary shares	
	Direct	**Indirect**
Yvan LEGRIS	13,700	-
Georges Michael David LISING	11,722	62,223
Jean Michel NG TSEUNG	124,991	-
San T SINGARAVELLOO	2,211	5,000

Transactions during FY 2025/26	Number of Ordinary shares					
	Purchased		**Sold**		**Others***	
	Direct	**Indirect**	**Direct**	**Indirect**	**Direct**	**Indirect**
Yvan LEGRIS	13,700	-	-	-	-	-
Jean Michel NG TSEUNG	-	-	-	-	24,539	-
San T SINGARAVELLOO	940	-	-	-	71	-

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

Interests in MCB Group Ltd Unsecured Floating Rate Notes as at 30 June 2026	Number of notes	
	Direct	**Indirect**
Georges Michael David LISING	-	3,000

Interests in Fincorp Investment Ltd Ordinary shares as at 30 June 2026	Number of notes	
	Direct	**Indirect**
San T SINGARAVELLOO	2,000	-

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 Corporate Governance and Sustainability Committee, reviews the terms of directors' appointments periodically to ensure alignment with governance best practices and shareholder interests.

Related party transactions

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

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

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

Board committees

The Board has delegated authority to various Board committees to provide specialist guidance and make recommendations, through established reporting mechanisms, on areas and matters entrusted to them. Each committee 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 Group Ltd and MCB Ltd. Additionally, the Corporate Strategy Committee comprises members from both MCB Group Ltd and MCB Ltd given the strategic significance of the latter in the Group.

The next section outlines the mandate, composition and focus areas covered during FY 2025/26 of the six Committees namely: (i) Risk Monitoring Committee; (ii) Corporate Strategy Committee; (iii) Audit Committee; (iv) Corporate Governance and Sustainability Committee (formerly known as the Remuneration, Corporate Governance, Ethics and Sustainability Committee); (v) Cyber and Technology Risk Committee; and (vi) Supervisory and Monitoring Committee.

Risk Monitoring Committee (RMC)

Key facts (FY 2025/26)

Average length of tenure (years)	**2.6**
Number of meetings	**6**
Average meeting attendance	**100%**

Current members	Committee member since
Stephen DAVIDSON *(Chairperson)*	**January 2025**
Yvan LEGRIS	January 2025
Jayananda NIRSIMLOO	January 2025
Dipak CHUMMUN	September 2024
Jean Michel NG TSEUNG	January 2019

Secretary: Frederic PAPOCCHIA (Group Chief Risk Officer)

Mandate

The RMC supports the Board in setting the tone from the top fostering an appropriate risk culture within the organisation. It guides the elaboration of risk mitigation strategies and oversees their effective implementation across all subsidiaries of MCB Group Ltd. It also advises the Board on risk issues and monitors the risk of the different portfolios against the set risk appetite of the subsidiaries.

Composition and meetings

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

Focus areas in FY 2025/26

Key topics discussed
Asset quality metrics and key risks exposures across Group entities, with a focus on principal risks, including credit, country, market, liquidity risks, along with actions taken to mitigate them
Adequacy of capital, funding and liquidity requirements of the Group and its banking subsidiaries, including stress testing of financial soundness under different scenarios
Detailed review of the top stage 1, 2 and 3 exposures of the various banking entities of the Group to forestall potential credit risks and of the level and the adequacy of provisions
Write-offs across Group entities
Follow up on material legal risks
Review of the Group Risk Heat Map recommended to the Board
Review of the Market Risk and Asset and Liability Risk Appetite of MCB Ltd approved by its Board
Review of the Risk Appetite for Mauritian and Regional Corporate segment of MCB Ltd
Review of the impact analysis conducted on a potential Moody's rating downgrade on MCB Ltd
Quarterly review of the MCB Ltd's risk appetite ratio targets/limits/parameters including RWA and country risk limits as well as the Environmental and Social Risk Management reports
Review of MCB Equity Fund investment portfolio
Assessment of the impact of the Middle East conflict on MCB Seychelles and MCB Maldives

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

Corporate Strategy Committee (CSC)

Key facts (FY 2025/26)

Average length of tenure (years)	**2.4**
Number of meetings	**4**
Average meeting attendance	**100%**

Current members	Committee member since
Jayananda NIRSIMLOO *(Chairperson)*	**January 2023**
Cédric JEANNOT	July 2023
Maya MAKANJEE	January 2024
Dipak CHUMMUN *(also acts as Secretary)*	September 2024
Jean Michel NG TSEUNG	March 2023
Thierry HEBRAUD *(MCB Ltd)*	July 2024
Craig McKENZIE *(MCB Ltd)*	January 2025
Simon WALKER *(MCB Ltd)*	July 2024

Mandate

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

Composition and meetings

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

Focus areas in FY 2025/26

Key topics discussed
Impact of developments in the operating environment on the Group's strategy, financial performance and operations
Prioritisation and monitoring of key strategic initiatives across the Group to deliver on the Group's vision and strategic pillars
Allocation of capital and investment to support the Group's growth ambition
Assessment of the medium to long-term workspace requirements
Review of MCB Group Scorecard
Acquisition and disinvestment opportunities for the Group
Review of the progress of the consultancy work on the Corporate and Investment Banking operating model

More information on the Corporate Strategy Committee Charter is available on the website

Audit Committee (AC)

Key facts (FY 2025/26)

Average length of tenure (years)	**2.5**
Number of meetings	**10**
Average meeting attendance	**97%**

Current members	Committee member since
San T SINGARAVELLOO *(Chairperson)*	**December 2018**
Georges Michael David LISING	January 2025
Anna Margaretha ROETS	February 2026

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

Mandate

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

Composition and meetings

As per its Charter, the AC shall consist of a minimum of three non-executive members, with a majority of independent directors from whom the Chairperson shall be nominated. The Chairperson of the Board and the Group Chief Executive shall not be members of the AC. The Committee meets at least four times a year corresponding to the Company's quarterly reporting cycle and on an ad hoc basis when required. A member of the Risk Monitoring Committee may be requested to attend the AC whenever deemed appropriate. The Committee also holds consultations with the Chairpersons of Audit Committees of subsidiaries as deemed appropriate.

Focus areas in FY 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
Review 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 of training, awareness and capability-building initiatives
Oversight of Group Risk and Compliance functions

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

Corporate Governance and Sustainability Committee (CGSC)

Key facts (FY 2025/26)

Average length of tenure (years)	**2.3**
Number of meetings	**4**
Average meeting attendance	**95%**

Current members	Committee member since
Jayananda NIRSIMLOO *(Chairperson)*	**January 2023**
Stephen DAVIDSON	February 2026
Yvan LEGRIS	January 2025
Maya MAKANJEE	January 2024
Jean Michel NG TSEUNG	March 2023

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

Mandate

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

Composition and meetings

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

Focus areas in FY 2025/26

Key topics discussed
Election/Re-election of directors as Board members
Board and Committee composition
Succession planning for non-executive directors
Appointment of senior executives and Board members of the Group's subsidiaries
Review of Directors' fees for Board and Board Committees
Review of the performance management process
Salary review for senior executives
Review and approval of MCB Group's Long-Term Incentive Plan
Review of the Directors' development training programme
Review of FY 2024/25 Group Scorecard results and recommending the Group FY 2025/26 Scorecard for the leadership team
Review of the 'Corporate Governance Report' forming part of the Annual Report
Review of the Board skills matrix
Renaming of the Committee and review of Committee Charter
Oversight of the 2026 Board Evaluation exercise

More information on the Corporate Governance and Sustainability 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
Cédric JEANNOT ***(Chairperson representing MCB Group Ltd)***	**October 2024**
Su Lin ONG ***(Chairperson representing MCB Ltd)***	**October 2024**
Stephen DAVIDSON	January 2025
San T SINGARAVELLOO	January 2025
Jean Michel NG TSEUNG	October 2024
Simon WALKER (MCB Ltd)	August 2025
Thierry HEBRAUD (MCB Ltd)	October 2024

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

Mandate

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

Composition and meetings

As per its Charter, the CTRC shall consist of a minimum of six members, of whom two independent directors shall be from MCB Group Ltd and two independent directors from MCB Ltd. The Committee shall also consist of two Chairpersons, one Chairperson appointed by the Board of MCB Group Ltd and the other Chairperson appointed by MCB Ltd, who will co-chair the Committee. The Committee 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 of the strategic cyber and technology risk initiatives
Monitoring of the cyber and technology risk exposures against risk appetite and tolerance
Review the cyber and technology risk management framework
Review and update of cyber and technology risk policies
Review of cyber strategic risk areas
Update on key cybersecurity projects
Discussed cyber crisis simulation exercise
Review of the charter and composition of the Cyber and Technology Risk Committee

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)	**4.1**
Number of meetings	**22**
Average meeting attendance	**95%**

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

Mandate

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

Composition and meetings

As per its Charter, the SMC shall consist of a minimum of three members, including the Chairperson, the Group Chief Executive and any other executive director of the Company. Chief Executives of the subsidiaries of MCB Group Ltd may be invited to attend SMC meetings as required. The SMC shall meet regularly and on an ad hoc basis when required.

Focus areas in FY 2025/26

Key topics discussed
Impact of developments in the operating environment on the strategy, financial performance and operations of the Group
Implications of tax laws and regulations and changes therein for the Group's existing businesses and strategic initiatives
Sensitivity analysis and stress test relating to potential sovereign rating downgrade
Strategic initiatives to deliver on Vision 2030
Progress on transformation projects
Corporate and investment banking target operating model
Overseas expansion and presence model
Review of financial performance and plans
Dividend pay-out proposal of the Group for approval by the Board
Legal, operational and compliance matters impacting MCB Group
Follow-up on the recommendations of the various Board committees
Review of Board and Committee Composition
Succession planning for the Board
Corporate sustainability initiatives
HR matters, including the review of employee engagement survey results, recruitment of potential candidates in senior executive positions within the Group, resignations and movements of key senior personnel
Updates in relation to succession planning for senior roles and leadership changes within the organisation

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

Attendance at Board Committees' meeting

The table below provides Board Committee members and their attendance during FY 2025/26.

	RMC	CSC	AC	CGSC	CTRC	SMC
● *Chairperson as at 30 June 2026*						
MCB Group Ltd Directors						
Jayananda NIRSIMLOO	6/6	● 4/4	-	● 4/4	-	● 22/22
Constantine CHIKOSI[1]	-	-	-	1/2	-	-
Stephen DAVIDSON[2]	● 6/6	-	4/5	1/1	4/4	-
Cédric JEANNOT	-	4/4	-	-	● 4/4	-
Georges Michael David LISING	-	-	10/10	-	-	-
Maya MAKANJEE	-	4/4	-	4/4	-	-
Anna Margaretha ROETS[3]	-	-	5/5	-	-	-
San T SINGARAVELLOO	-	-	● 10/10	-	4/4	-
Yvan LEGRIS	6/6	-	-	4/4	-	-
Jean Michel NG TSEUNG	6/6	4/4	-	4/4	4/4	22/22
Dipak CHUMMUN	6/6	4/4	-	-	-	19/22
MCB Ltd Directors						
Simon WALKER	-	4/4	-	-	4/4	-
Su Lin ONG	-	-	-	-	● 4/4	-
Thierry HEBRAUD	-	4/4	-	-	4/4	-
Craig McKENZIE	-	4/4	-	-	-	-

[1] Constantine CHIKOSI left the CGSC in FY 2025/26

[2] Stephen DAVIDSON left the AC and joined the CGSC during FY 2025/26

[3] Anna Margaretha ROETS joined the AC in FY 2025/26

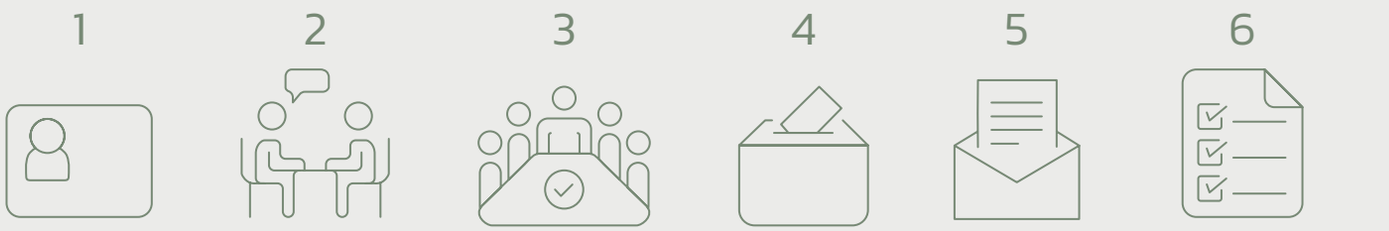
Board effectiveness

Nomination process

The Board has a formal and transparent process in place for the nomination and appointment of directors. In fulfilling this duty, it is supported by the Corporate Governance and Sustainability Committee (CGSC), which oversees Board renewal and succession planning. The CGSC reviews the size, structure and composition of the Board annually, or more frequently when considering new appointments. The Board places significant emphasis on ensuring that its membership reflects an appropriate diversity of skills, experience, backgrounds and perspectives to support effective decision-making and the successful execution of the Group's strategy. The CGSC is satisfied that the current size of the Board contributes to its effectiveness and facilitates robust discussion and oversight.

The CGSC is responsible for identifying suitable candidates, conducting interviews and recommending prospective directors to the Board for approval. Appointments are made on merit, considering factors such as the candidate's skills, expertise, knowledge, experience and background, as well as the value they can bring to the overall effectiveness of the Board. In addition, the CGSC considers gender diversity, independence and the availability of prospective directors to devote sufficient time to their responsibilities. Prior to their appointment, non-executive directors are informed of the expected time commitment and are required to dedicate the time necessary to discharge their duties effectively. The Board is satisfied that none of its directors has time commitments that give rise to concern regarding their ability to fulfil their responsibilities.

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



1	2	3	4	5	6
Identification of candidates	Interviews and recommendation by the CGSC to the Board	Board approval	Election at Annual/Special Meeting	Letter of Appointment	Regulatory filling

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 group of directors with long-standing institutional knowledge and experience, the Board recognises the importance of rotation of Board members to maintain an appropriate balance between continuity and the introduction of new perspectives, insights and skills that support effective oversight and long-term value creation. 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 Group's structure and business operations, its strategic priorities and current challenges. The objective of the programme is to enable newly appointed directors to be well equipped from the outset to contribute effectively to strategic discussions and oversight of the Group.

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

During the year under review, as part of the ongoing development programme, training sessions have been offered across a range of topics to deepen understanding of the evolving business landscape and facilitate advanced discussions. In line with the Group'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, 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 Group 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 Group's organisational structure, financial performance, strategic direction, 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 notes and reading materials are made available on the Board portal for consultation.



"The induction programme was well planned and comprehensive, providing a clear understanding of the Group's businesses, operating model and governance framework. The opportunity to engage with Board members, senior management, Company Secretary and business leaders across the Group provided valuable insight into its culture, strategic priorities and execution capabilities. The openness and professionalism demonstrated throughout the process reflected the Group's collaborative culture and enabled me to integrate quickly into my role. I look forward to contributing to the Board and supporting the Group's continued success."

Anna Margaretha (Marna) ROETS
Independent Non-Executive Director

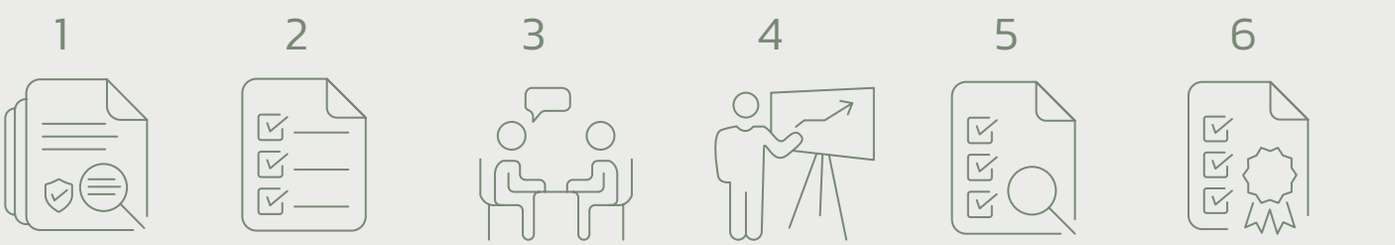
Board/Directors' performance

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 Corporate Governance and Sustainability Committee (CGSC).

In FY 2025/26, the CGSC appointed Ernst & Young (EY) to perform an external evaluation exercise of the Board effectiveness and the Group'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 was 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 90% in 2024, to 95% 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 CGSC, 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.



1	2	3	4	5	6
Review of key governance documents	Self-evaluation questionnaires filled by the Directors/ Chairperson	One-to-one meetings with Directors/ Chairperson	Presentation of findings and discussion with Board members	Action plan agreed with Board members to address gaps	Implementation and monitoring of action plan

Risk governance

Risk management and internal control

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

The Board, assisted by the Audit Committee, ensures that the internal control framework in place results in an acceptable level of risk exposure while guaranteeing compliance with established internal policies and procedures and relevant laws and regulations. The Internal Audit, Compliance and Risk functions regularly report to the Audit Committee. In addition to feedback from Audit Committees of subsidiaries, the Audit Committee receives feedback from the Company's internal and external auditors and engages with them in the absence of Executive Directors to ensure that there are no unresolved material issues of concern. Based on the work performed by internal and external auditors, reviews by Management and regular reporting from the Chairperson of the Audit Committee, the Board received comfort that internal control systems are adequate and effective.

Information governance

The Group places significant emphasis on the confidentiality, integrity and availability of information. It ensures that a robust framework is maintained to protect its information asset and uphold the security and performance of information and Information Technology (IT) systems. The Board, assisted by the Cyber and Technology Risk Committee, is responsible for setting up and regularly reviewing relevant policies and for ensuring that they are appropriately implemented through adequate structures and processes while adhering to relevant rules and regulations. In this respect, access to information is only available to authorised parties.

Physical and logical access controls are in place at all times with staff being regularly made aware of relevant requirements. Adoption of best practices in terms of cybersecurity risk management is actively promoted through regular awareness exercises including training sessions and simulated phishing attacks. The Group continues to invest in technology to enhance its operational resilience with significant investments monitored by the Board. Internal Audit provides independent assurance on the suitability of the Group entities' information and IT policies while the Audit Committee evaluates the effectiveness of related internal control systems.

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

More information is available in the 'Risk and capital management report' on pages 155 to 203

Internal audit

The Internal Audit function provides independent and objective assurance to the Board and on the adequacy and effectiveness of the Group's governance, risk management and internal control systems. Reporting directly to the Audit Committee, the function operates independently from all operational activities, in full alignment with the relevant legislation and guidelines in countries where the Group operates and the professional standards of the Institute of Internal Auditors. In the exercise of their function, the internal auditors have sufficient access to information, records and employees of the organisation. Whilst the Internal Audit SBU of MCB Ltd provides independent assurance over the internal control systems at Bank level, its scope of activity also encompasses other Group entities in line with its Group-wide mandate. In this respect, it reports to the Audit Committee and/or Board of each subsidiary as well as to the Audit Committee of the Group, which acts as the overarching authority.

The approved Internal Audit Plan for FY 2025/26 was implemented, with reviews conducted across all significant areas of the Group's operations, including strategic, operational, compliance, financial, and technological domains. Audit recommendations were addressed by Management and monitored to ensure timely resolution, contributing to the continued enhancement of the Group's control environment and the protection of stakeholder value.

More information is available in the 'Risk and capital management report' on pages 155 to 203 and on the website

External auditors

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

In line with mandatory requirements for the rotation of auditors, a tender for external audit services was initiated in January 2026 for the replacement of Deloitte whose initial appointment dated back to November 2020. 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 the financial year 2026/27 will be tabled for approval by shareholders at the next annual meeting to be held in November 2026.

Non-audit services

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

Auditors' fees and fees for other services

	FY 2025/26		FY 2024/25	
	The Group	The Company	The Group	The Company
	Rs '000	Rs '000	Rs '000	Rs '000
Audit, Quarterly Review and Internal Control				
Deloitte Mauritius				
The Mauritius Commercial Bank Limited	24,272	-	23,577	-
MCB Leasing Limited	1,692	-	1,611	-
MCB Group Limited	1,361	1,361	1,296	1,296
MCB Investment Holding Ltd	136	-	130	-
Fincorp Investment Limited	368	-	399	-
The Mauritius Commercial Bank (Seychelles) Limited	4,654	-	4,328	-
Mascareignes Properties Ltd	157	-	145	-
MCB International Services Ltd	104	-	96	-
Deloitte Nigeria				
The Mauritius Commercial Bank Representative Office (Nigeria) Limited	881	-	1,187	-
BDO Mauritius				
MCB Capital Markets Ltd	3,903	-	3,995	-
MCB Equity Fund Ltd	1,005	-	956	-
MCB Consulting Services Ltd	455	-	570	-
MCB Factors Ltd	381	-	362	-
MCB Properties Ltd	-	-	-	-
MCB Microfinance Ltd	371	-	345	-
MCB Real Assets Ltd	749	-	660	-
MCB Group Corporate Services Ltd	109	-	104	-
MCB Forward Foundation	128	-	122	-
Blue Penny Museum	91	-	86	-
KPMG Maldives				
MCB (Maldives) Private Limited	-	-	444	-
EY Maldives				
MCB (Maldives) Private Limited	702	-	651	-
Crowe				
The Mauritius Commercial Bank Limited (DIFC Branch)	595	-	473	-
Volpe Sàrl				
MCB Trade Services S.A.	102	-	77	-
PwC Madagascar				
The Mauritius Commercial Bank Limited (Madagascar) S.A	-	-	918	-
Forvis Mazars				
The Mauritius Commercial Bank Limited (Madagascar) S.A	204	-	393	-
MCB Shared Services (Madagascar) S.A	221	-	-	-
CGA				
The Mauritius Commercial Bank Limited (Madagascar) S.A	307	-	106	-

	FY 2025/26		FY 2024/25	
	The Group	The Company	The Group	The Company
	Rs '000	Rs '000	Rs '000	Rs '000
Fees for other services payable to:				
Deloitte Mauritius				
The Mauritius Commercial Bank Limited	2,179	-	2,075	-
MCB Leasing Limited	224	-	214	-
Deloitte Nigeria				
The Mauritius Commercial Bank Representative Office (Nigeria) Limited	358	-	-	-
PwC Madagascar				
The Mauritius Commercial Bank Limited (Madagascar) S.A	-	-	19	-
CGA				
The Mauritius Commercial Bank Limited (Madagascar) S.A	-	-	61	-
KPMG Maldives				
MCB (Maldives) Private Ltd	-	-	219	-
EY Maldives				
MCB (Maldives) Private Ltd	469	-	386	-

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

Directors of MCB Group Ltd subsidiaries

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

Subsidiary	Cluster	Directors
MCB Investment Holding Ltd	Banking	**Paul CORSON *(Chairperson as from February 2026)*** Jean François DESVAUX DE MARIGNY *(Chairperson) (until November 2025)* Jean Michel NG TSEUNG Margaret WONG PING LUN
The Mauritius Commercial Bank Limited	Banking	**Simon WALKER *(Chairperson)*** Dipak CHUMMUN Johanne HAGUE Thierry HEBRAUD *(Chief Executive Officer)* Craig McKENZIE Jean Michel NG TSEUNG Su Lin ONG
The Mauritius Commercial Bank Representative Office (Nigeria) Limited *(a subsidiary of MCB Ltd)*	Banking	**Thierry HEBRAUD *(Chairperson)*** Abiodun Babatunde AZEEZ *(Chief Representative Officer)* Frederic PAPOCCHIA
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
MCB (Maldives) Private Limited	Banking	**Jean Michel NG TSEUNG *(Chairperson)*** Paul CORSON Jean-François DESVAUX DE MARIGNY *(until December 2025)* Hemraj HOSANEE *(Managing Director)* Marcello Chee Yan LEUNG HING WAH Laila MANIK Vikash NATHOO *(as from February 2026)* Dominic PROVENÇAL
The Mauritius Commercial Bank (Seychelles) Limited	Banking	**Jean Michel NG TSEUNG *(Chairperson)*** Paul CORSON Jean-François DESVAUX DE MARIGNY *(until January 2026)* Christina GEORGES *(as from June 2026)* Hemandra Kumar HAZAREESING *(as from June 2026)* Désiré LEO *(Managing Director)* Vikash NATHOO Dominic PROVENÇAL

Subsidiary	Cluster	Directors
MCB Capital Markets Ltd *(MCBCM)*	Non-Banking Financial	**Jean Michel NG TSEUNG *(Chairperson)*** Dipak CHUMMUN Rony LAM YAN FOON *(Chief Executive Officer)* Sichelesile MOYO Frederic PAPOCCHIA *(as from September 2026)* Jeremy PAULSON-ELLIS *(until November 2025)* Eric SIEW HEW SAM Gilles TRANCART Paul TSANG MIN CHING
MCB Investment Services Ltd *(a subsidiary of MCBCM)*	Non-Banking Financial	Rony LAM YAN FOON Akesh UMANEE
MCB Registry and Securities Ltd *(a subsidiary of MCBCM)*	Non-Banking Financial	Edgar Vincent BOURELLY Rony LAM YAN FOON Vimal ORI Marivonne OXENHAM
MCB Securities Ltd ***(formerly MCB Stockbrokers Ltd)*** *(a subsidiary of MCBCM)*	Non-Banking Financial	**Dipak CHUMMUN *(Chairperson as from November 2025)*** Jeremy PAULSON-ELLIS *(Chairperson) (until November 2025)* Rony LAM YAN FOON Shivraj RANGASAMI *(Managing Director)* Paul TSANG MIN CHING
CM Securities Holdings Ltd *(a subsidiary of MCB Securities Ltd)*	Non-Banking Financial	Dipak CHUMMUN Rony LAM YAN FOON Shivraj RANGASAMI
MCB Capital Partners Ltd *(a subsidiary of MCBCM)*	Non-Banking Financial	**Dipak CHUMMUN *(Chairperson)*** Arthur DESCAMPS Rony LAM YAN FOON
MCB Investment Management Co. Ltd *(a subsidiary of MCBCM)*	Non-Banking Financial	**Dipak CHUMMUN *(Chairperson as from November 2025)*** Jeremy PAULSON-ELLIS *(Chairperson) (until November 2025)* Ameenah IBRAHIM *(Managing Director)* Rony LAM YAN FOON Michael NAAMEH Gilles TRANCART
MCB Structured Solutions Ltd *(a subsidiary of MCBCM)*	Non-Banking Financial	**Krishen PATTEN *(Chairperson) (until September 2026)*** Robert IP MIN WAN Anbar JOWAHEER Rony LAM YAN FOON Vimal ORI Bernard YEN
CM Special Opportunities Ltd *(a subsidiary of MCBCM)*	Non-Banking Financial	Antoine MUSNIER *(as from June 2026)* Shayl SAWMYNADEN Afolabi Ayokunle SOREMEKUN *(until May 2026)*

Subsidiary	Cluster	Directors
CM Diversified Credit Ltd *(a subsidiary of MCBCM)*	Non-Banking Financial	**Krishen PATTEN *(Chairperson) (until September 2026)*** Robert IP MIN WAN Anbar JOWAHEER Rony LAM YAN FOON Vimal ORI Bernard YEN
CM Structured Finance (1) Ltd *(a subsidiary of MCBCM)*	Non-Banking Financial	Anish GOORAH Rony LAM YAN FOON Vimal ORI
CM Structured Finance (2) Ltd *(a subsidiary of MCBCM)*	Non-Banking Financial	Anish GOORAH Anbar JOWAHEER *(as from July 2026)* Rony LAM YAN FOON Vimal ORI
CM Structured Products Ltd *(a subsidiary of MCBCM)*	Non-Banking Financial	**Krishen PATTEN *(Chairperson) (until September 2026)*** Robert IP MIN WAN Anbar JOWAHEER Rony LAM YAN FOON Vimal ORI Bernard YEN
MCBCM AFRICA LTD *(a subsidiary of MCBCM - incorporated in September 2025)*	Non-Banking Financial	Dipak CHUMMUN *(as from September 2025)* Rony LAM YAN FOON *(as from September 2025)*
CM Equity Linked Products Ltd *(a subsidiary of MCBCM - incorporated in February 2026)*	Non-Banking Financial	Krishen PATTEN *(from February to September 2026)* Robert IP MIN WAN *(as from February 2026)* Anbar JOWAHEER *(as from February 2026)* Rony LAM YAN FOON *(from February to September 2026)* Vimal ORI *(as from February 2026)* Bernard YEN *(as from February 2026)*
MCB Financial Advisers *(a subsidiary of MCBCM)*	Non-Banking Financial	**Paul TSANG *(Chairperson)*** Rony LAM YAN FOON Nirmal SHIMADRY
MCB Equity Fund Ltd	Non-Banking Financial	**Eric SIEW HEW SAM *(Chairperson)*** Jean Michel NG TSEUNG Karuna BHOOJEDHUR-OBEEGADOO
MCB Leasing Limited *(a subsidiary of Fincorp Investment Ltd)*	Non-Banking Financial	**Simon Pierre REY *(Chairperson)*** Raj GUNGAH *(Managing Director)* Johanne HAGUE Cathie HANNELAS *(as from July 2026)* Yan Chong NG CHENG HIN Dominic PROVENÇAL

Subsidiary	Cluster	Directors
MCB Factors Ltd	Non-Banking Financial	**Jean-Philippe COULIER *(Chairperson)*** Jenifer CHUNG WONG TSANG Jean-Mée ERNEST *(Managing Director) (until December 2025)* Georges David Michael LISING Dominic PROVENÇAL Sapna SEWRAJ-SHAH *(Managing Director as from January 2026)*
MCB Microfinance Ltd	Non-Banking Financial	**Alain REY *(Chairperson) (until September 2026)*** Paul CORSON *(until September 2026)* Jean-Philippe COULIER Cathie HANNELAS *(as from July 2026)* Bernard JACKSON *(as from July 2026)* Aurélie LECLEZIO *(Chief Executive Officer)* Dominic PROVENÇAL
MCB Real Assets Ltd *(MCBRA)*	Non-Banking Financial	**Margaret WONG PING LUN *(Chairperson)*** Jean Michel NG TSEUNG Marivonne OXENHAM
MCB Trade Services S.A.	Non-Banking Financial	**Ashvin DEENA *(Chairperson) (as from September 2026)*** Hemandra Kumar HAZAREESING *(Chairperson) (until September 2026)* Mary-Hedwige EL-KHOURY Muhammed Cassim HOSSEN Arnaud Louis Dominique LEVASSEUR
Compagnie des Villages de Vacances de L'Isle de France Ltée *(a subsidiary of MCBRA)*	Other Investments	**Margaret WONG PING LUN *(Chairperson) (until September 2026)*** Angelo LETIMIER *(until January 2026)* Jean Michel NG TSEUNG Medina TORABALLY Frederic TYACK *(as from September 2026)*
Fincorp Investment Ltd	Other Investments	**Jean-Pierre MONTOCCHIO *(Chairperson)*** Jean-Philippe COULIER Navindranath HOOLOOMANN Marivonne OXENHAM Frederic TYACK *(Chief Executive Officer)* Margaret WONG PING LUN
MCB Properties Ltd	Other Investments	Bhavish NAECK Marivonne OXENHAM
MCB Consulting Services Ltd *(operation ceased during the year)*	Other Investments	**Mushtaq OOSMAN *(Chairperson)*** Nadine CORETTE Bhavish NAECK
MCB Institute of Finance Ltd *(operation ceased during the year)*	Other Investments	Nadine CORETTE Bhavish NAECK
MCB Shared Services Ltd	Other Investments	Dipak CHUMMUN Marivonne OXENHAM
MCB Group Corporate Services Ltd	Other Investments	Joël LAMBERT Marivonne OXENHAM *(Managing Director)*

Subsidiary	Cluster	Directors
Mascareignes Properties Ltd *(incorporated in Seychelles)*	Other Investments	Jean-François DESVAUX DE MARIGNY *(until January 2026)* Désiré LEO Dominic PROVENÇAL
MCB International Services Ltd *(incorporated in Seychelles)*	Other Investments	Jean-François DESVAUX DE MARIGNY *(until January 2026)* Désiré LEO Dominic PROVENÇAL
MCB Forward Foundation	Other Investments	**Maya MAKANJEE *(Chairperson) (as from October 2025)*** Vanessa DOGER DE SPEVILLE *(Chairperson until October 2025)* Thierry HEBRAUD Bernard JACKSON Aurélie LECLEZIO Dominic PROVENÇAL *(until September 2026)*
Blue Penny Museum	Other Investments	Jean-François DESVAUX DE MARIGNY *(Chairperson) (until November 2025)* Paul CORSON Vanessa DOGER DE SPEVILLE Neekeea RAMEN *(as from June 2026)* Frederic TYACK *(as from November 2025*)

Directors of subsidiaries' remuneration

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

Remuneration and benefits received (Rs '000)	FY 2025/26
Executive (Full-time)	196,296
Non-executive	20,450
Total	**216,746**

Management

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

Profiles of the Group Executive Committee members

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

Thierry HEBRAUD – Age 64

Chief Executive Officer and Executive Director – MCB Ltd

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

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

Vanessa DOGER DE SPEVILLE – Age 47

Group Head of Sustainability, Reputation and Engagement

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

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

Philippe ENJALBAL – Age 61

Group 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 Group's technologies including operational systems, banking platforms and digital technology solutions.

Allan FREED – Age 48

Group 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.

Frederic PAPOCCHIA – Age 52

Group Chief Risk Officer

Qualifications : Master's Degree in Finance and MBA (France)

Skills and experience: Frederic is the Chief Risk Officer of MCB Ltd since January 2016 and also acts as the 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.

Adrian VERMOOTEN – Age 58

Group 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.

Profiles of the Group Executive Strategy Committee members

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

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 PWC in the UK in the London Top Tier as well as Corporate Treasury Assurance divisions.

Mathieu DELTEIL – Age 41

Global Head of Structured Finance – MCB Ltd

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 buyouts, 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.

Hemandra Kumar (Sanjeev) HAZAREESING – Age 58

Chief Operating Officer – MCB Ltd

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.

Rony LAM – Age 55

Chief Executive Officer – MCB Capital Markets Ltd

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

Skills and experience: Rony Lam was appointed Chief Executive Officer of MCB Capital Markets in 2014. Since then, he has led the development of MCB Group's investment banking franchise and established the company as the clear leader in debt, capital markets and M&A advisory in Mauritius. He also leads the implementation of two Principal Investment strategies: a USD 100 million fund investing in fast growing African companies and a diversified portfolio of income-generating real assets. He started his career with KPMG in Beijing and London, where he qualified as a Chartered Accountant. Since 2000, he has pursued a career in investment banking at HSBC Investment Bank and Barclays. From 2007 to 2012, he was a Partner at Fenchurch Advisory Partners, a global investment banking firm focused exclusively on advising clients on M&A and capital raising transactions in the Financial Services sector. He is a Steering Committee member of the Africa Financial Industry Summit (AFIS) where he leads the Capital Markets chapter. He is a frequent speaker at conferences on topics relating to financial sector development and investment in Africa.

Dominic PROVENÇAL – Age 52

Head of MCB Overseas – MCB Group Ltd

Qualifications : Chartered Global Management Accountant (CIMA/CGMA) and Global Executive MBA (UK)

Skills and experience: Dominic is a seasoned banking executive with more than 25 years of experience across retail, business and private banking. His current focus is on growing the Group's regional presence in Seychelles, Madagascar, Maldives and leading the domestic para-banking activities. Throughout his career, Dominic has demonstrated strong leadership, entrepreneurial vision and strategic thinking. He has led numerous initiatives aimed at enhancing customer experience, developing innovative products and services, strengthening commercial performance and building high-performing teams. His broad experience across multiple banking segments gives him a deep understanding of customer needs and market dynamics. As part of his current role, he sits on the board of a few Group entities.

Parikshat TULSIDAS – Age 47

Head of Financial Markets – MCB Ltd

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

Skills and experience: 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 – MCB Ltd

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

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

Shareholder relations and communication

How we communicate:

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

Who we engage with:

- Retail shareholders
- Institutional investors
- Financial analysts
- Brokers

How we engage:

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

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

Investor engagement

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

Individual shareholders

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

Institutional investors

The Group's Investor Relations (IR) Unit acts as the point of contact for institutional investors and is responsible for managing and developing relationships with existing and potential investors. The objective is to achieve a stable and diversified shareholder base and support high liquidity in and fair valuation of MCB Group shares. During FY 2025/26, the IR Unit has maintained a comprehensive Investor Relations engagement programme to provide investors with timely updates on the Group's strategy, financial performance, ESG matters as well as latest developments in the operating environment. In addition to quarterly interactions with investors through results briefings, half-yearly analyst meetings and online earnings calls, the Investor Relations (IR) Unit also engaged with investors regularly through conference calls and one-to-one meetings arranged outside the preset reporting cycle. The IR Unit keeps the Board up-to-date on key market trends as well as investors' views and sentiment. An outline of the Group's engagement programme during the year in review is set out in the following section.

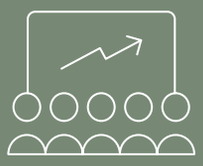
Our engagement with investors during FY 2025/26

Investor roadshow



- Participated in the ABSA Corporate Summit in December 2025
- Attended the Avior Corporate Summit 2026 in March 2026
- Interacted with investors in the Auerbach Grayson Virtual Conference in April 2026
- Interacted with some 25 international institutional investors and active fund managers

Earnings call and analyst meeting



- Earnings calls are organised on a quarterly basis in October 2025, November 2025, February 2026 and May 2026 following publication of financial statements
- Bi-annual analyst meeting held in October 2025 and February 2026
- An average of 30 participants interacted with Group Management

Annual Meeting of Shareholders



- Annual Meeting of Shareholders held in November 2025
- Shareholders who attended had the opportunity to interact directly with Board members

In FY 2025/26, the key topics discussed between Group Executives and investors revolved around, but were not limited to the following theme

Operating environment

- Expectations of the Bank of Mauritius (BoM) Key Rate
- Excess liquidity situation
- Credit growth expectations in Mauritius
- Implications of 2025-26 national budget measures
- Sovereign rating outlook
- General economic conditions prevailing in the country and key African markets
- Impact of the Middle East conflict on Mauritius
- Evolution of Mauritian Rupee against major currencies
- Fiscal situation in Mauritius

MCB Group



- Financial performance and outlook
- Progress on strategic objectives
- Adoption of artificial intelligence within the Group
- Foreign currency funding and liquidity
- Expected cost of risk
- Evolution of the Group's cost base
- Interest margin expectations
- Commodity Trade Finance business segment
- Capital allocation and dividend policy
- Impact of the Middle East conflict on the Group's business
- International loan book expansion
- Asset quality

Shareholder information

Shareholding profile

Ordinary shareholders

The Group has a diversified ownership base of more than 24,500 shareholders, with foreign shareholding accounting for around 7% of the total. As at 30 June 2026, the market capitalisation of MCB Group Ltd amounted to Rs 113.5 billion, comprising 263.9 million ordinary shares. The following tables set out the 10 largest institutional shareholders and ownership of ordinary share capital by size and type as at 30 June 2026.

Largest institutional shareholders	Number of shares owned	% Holding
National Pensions Fund	18,630,338	7.1
State Insurance Company of Mauritius Ltd	12,753,204	4.8
Swan Life Ltd	10,054,938	3.8
Promotion and Development Limited	6,064,500	2.3
The Mauritius Commercial Bank Ltd Superannuation Fund	3,865,114	1.4
National Savings Fund	2,482,147	0.9
BNYM SA/ NV A/C Eastspring Investments SICAV-FIS	2,375,000	0.9
MUA Life Ltd	2,172,485	0.8
JOG Investment Ltd	2,081,685	0.8
IBL Pension Fund	2,056,026	0.8

Size of shareholding	Number of shareholders	% of shareholder base	Number of shares owned	% Holding
1-500 shares	15,775	64.3	1,702,435	0.6
501-1,000 shares	1,792	7.3	1,319,142	0.5
1,001-5,000 shares	3,414	13.9	8,206,392	3.1
5,001-10,000 shares	1,104	4.5	7,829,029	3.0
10,001-50,000 shares	1,644	6.7	37,201,680	14.1
50,001-100,000 shares	371	1.5	26,165,394	9.9
Above 100,000 shares	424	1.8	181,505,866	68.8
Total	**24,524**	**100.0**	**263,929,938**	**100.0**

Category	Number of shareholders	% of shareholder base	Number of shares owned	% Holding
Individuals	23,299	95.0	119,511,253	45.3
Insurance and Assurance Companies	16	0.1	28,379,866	10.8
Investment and Trust Companies	130	0.5	30,419,699	11.5
Pension and Provident Funds	67	0.3	39,250,107	14.9
Other Corporate Bodies	1,012	4.1	46,369,013	17.6
Total	**24,524**	**100.0**	**263,929,938**	**100.0**

Preference shareholders

Since June 2022, holders of preference shares benefit from the option of converting their preference shares into ordinary shares. During the financial year 2025/26, an aggregate of 9,750,235 preference shares has been converted into 221,316 ordinary shares in the conversion windows corresponding to the payment of the June 2025 and December 2025 preference dividend. As at 30 June 2026, the Group had 84,520,822 preference shares in issue.

The latest conversion window corresponding to the payment of the June 2026 preference dividend resulted in the conversion of 4,759,053 preference shares into 119,322 ordinary shares, which were listed in July 2026.

The next conversion window for the outstanding preference shares will occur with the payment of the December 2026 preference dividend.

Scrip dividend scheme

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

In relation to the ordinary dividends declared during the course of FY 2025/26, the proportion of dividends payable converted into Scrip shares are as follows:

Dividend payment date	Conversion rate (%)	Scrip share (Rs m)
December 2025	23.7	929.8
July 2026	26.3	764.1

Dividend policy

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

Taking into account the diluted earnings per share of Rs 76.54 for the financial year, the Board decided to apply part of the proceeds from the issue of Scrip shares amounting to Rs 1.7 billion to declare a total dividend of Rs 27.50, comprising an interim dividend of Rs 11.00 per share paid in July 2026 and a final dividend of Rs 16.50 per share to be paid in December 2026. The total dividend pay-out ratio for FY 2025/26 stood at 35.9% of diluted earnings per share.

Shareholder agreements

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

Shareholders' diary

November 2026	Release of first quarter results to September 2026
November 2026	Annual Meeting of Shareholders
December 2026	Payment of final dividend
February 2027	Release of half-year results to December 2026
May 2027	Release of 9-month results to March 2027
May 2027	Declaration of interim dividend
July 2027	Payment of interim dividend
September 2027	Release of full-year results to June 2027
September 2027	Declaration of final dividend
November 2027	Release of first quarter results to September 2027
November 2027	Annual Meeting of Shareholders
December 2027	Payment of final dividend

Statement of Directors' responsibilities

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

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

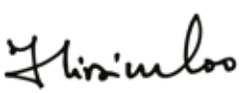
- ensure that adequate accounting records and an effective system of internal controls and risk management have been maintained;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether IFRS Accounting Standards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

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

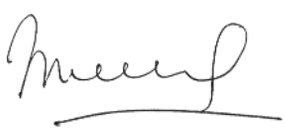
The directors hereby report that:

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

On behalf of the Board



Jayananda NIRSIMLOO
Chairperson



Jean Michel NG TSEUNG
Group Chief Executive

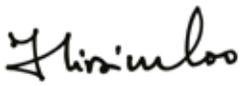
Statement of Compliance

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

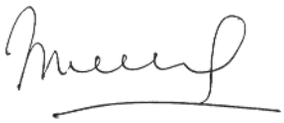
Name of Public Interest Entity ('the PIE'): MCB Group Limited

Reporting Period: 1 July 2025 to 30 June 2026

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



Jayananda NIRSIMLOO
Chairperson



Jean Michel NG TSEUNG
Group Chief Executive

28 September 2026



COMPANY SECRETARY'S CERTIFICATE

Company Secretary's Certificate

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

Reporting Period: 1 July 2025 to 30 June 2026

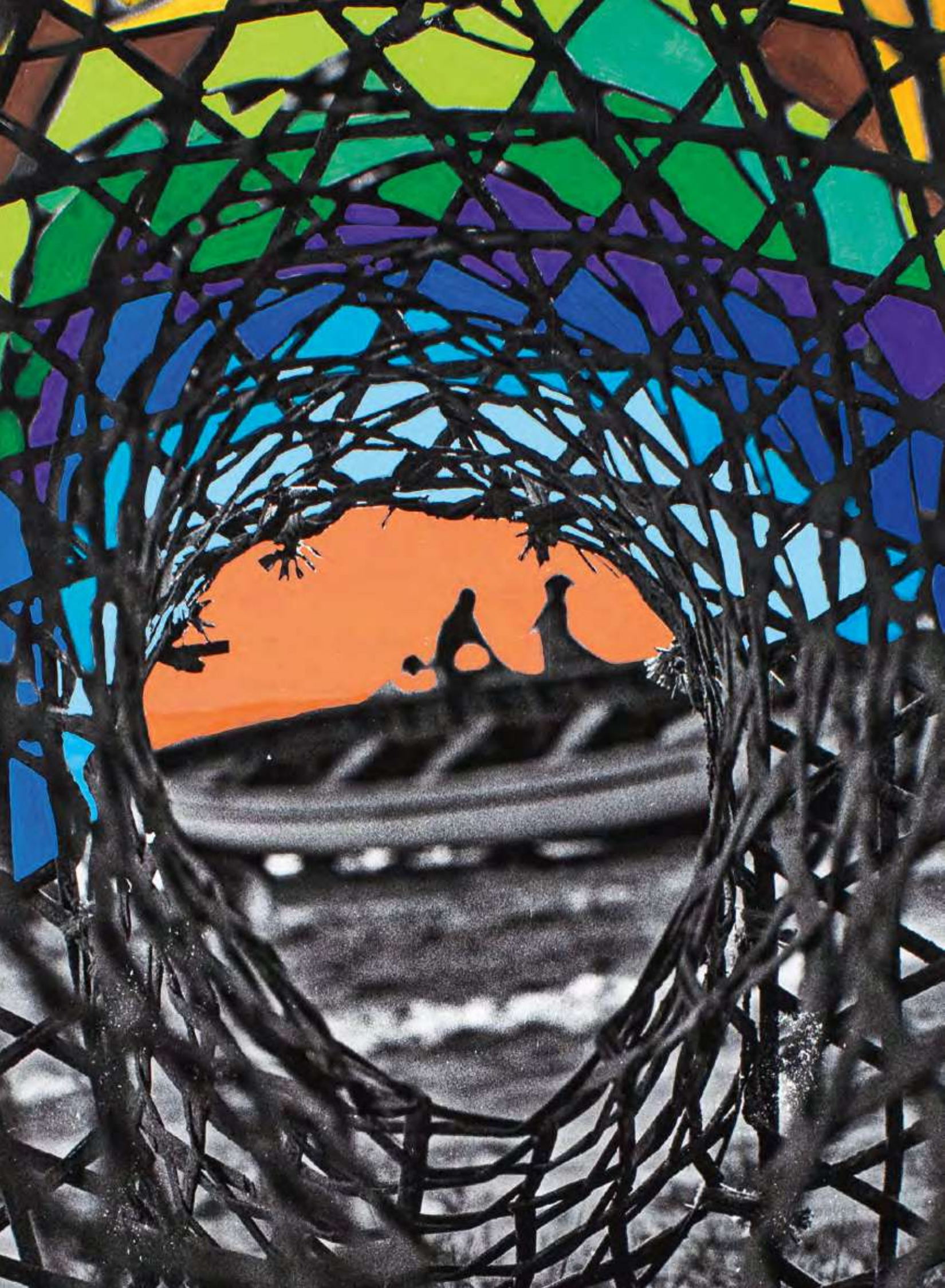
In our capacity as Company Secretary, we hereby certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001 in terms of section 166(d).



Marivonne OXENHAM
Per MCB Group Corporate Services Ltd
Company Secretary

28 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 Group'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 Group's growth ambitions. During the year, we strengthened Group-wide oversight, 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 Group, enabling us to pursue targeted growth opportunities across our home markets 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

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

Capital impacted



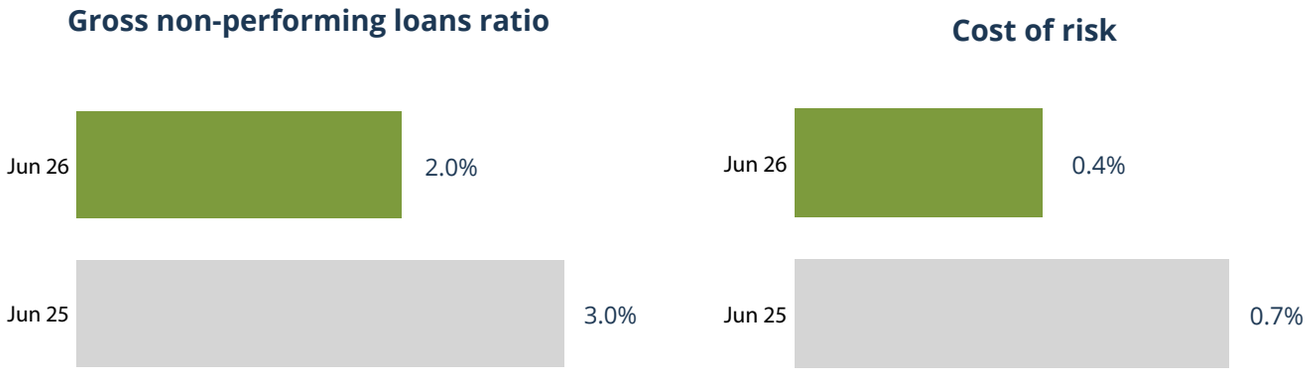
Operating context influences: Geopolitical shocks and macroeconomic conditions

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

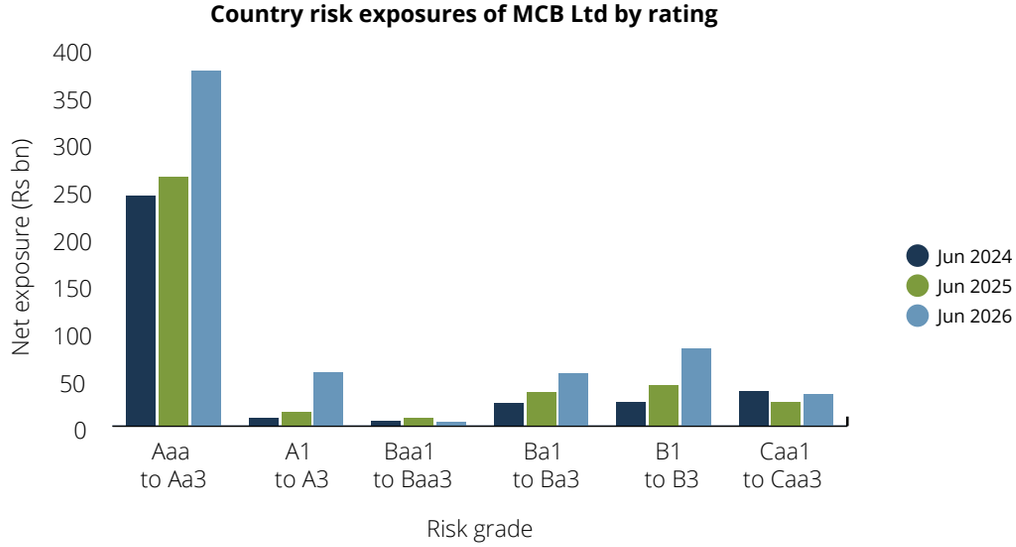
Operating context influences: Geopolitical shocks and macroeconomic conditions

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 Group'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 MCB Ltd'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

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
- Exercised ongoing oversight of the exposure of MCB in countries having a non-investment grade rating status
- Optimised capital deployment and balance sheet structure to support sustainable growth, preserve capital adequacy, and enhance the Group'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 Group 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 Group's activities and a more competitive labour market for critical skills.

Our response

- Expanded the Permanent Supervision and Operational Risk frameworks across all Group entities to strengthen governance and controls over operational risks
- 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 Group'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 Group'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 Group'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 Group. 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 FCRM platform to support ISO 20022 (MX) message screening across banking subsidiaries
- 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.

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

Capital impacted



Operating context influences: Climate, environmental and social considerations | Technology, AI and cybersecurity | Workplace transformation and employee engagement | Customer experience in a competitive landscape

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

Our response

- Undertook daily screening of local and international media for potential reputation threats and performed daily automated customer database screening against World-Check lists for risk assessment
- 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 (E&S) throughout the credit cycle, with risk categorisation based on International Finance Corporation (IFC) and Equator Principles criteria
- Strengthened our 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 Group. Their early identification and assessment will help ensure that the Group 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 Group, 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 Group to harness the transformative opportunities of Artificial Intelligence while ensuring its responsible, secure and effective adoption
- Supporting our sustainability ambitions by completing the ESRM roll-out across the Group, 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 risk management philosophy and foundations

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

Key objectives

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

Governance framework

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

Other key foundations

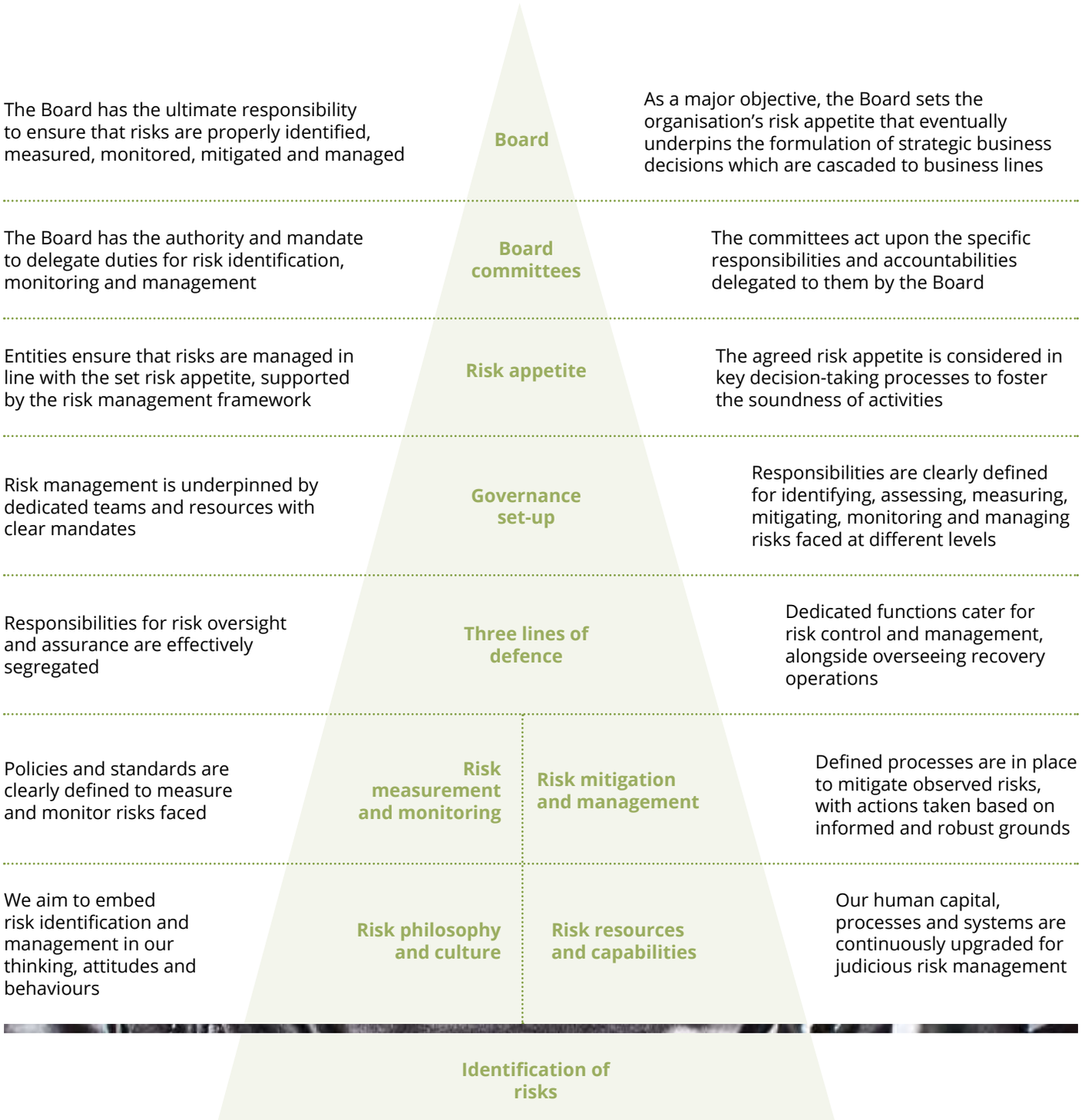
- Regular review and update of risk management practices to ensure consistency with business activities and relevance to financial strategies, while catering for changes in the economic, market and regulatory landscapes
- Adoption of policies and processes that are clear and simple to be understood and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

Financial soundness

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

Key elements of our risk management set-up

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



Governance and oversight

To ensure that key risks faced by its entities are properly identified, measured and monitored, the Group adopts a robust governance framework. The framework defines clear responsibilities, reporting lines and oversight arrangements across the organisation and provides high-level direction for each entity on how to manage risks in a consistent and interactive manner. Responsibilities are allocated across the Group to ensure that decisions are taken at the appropriate levels, in alignment with the mandates of internal stakeholders and the strategic orientations pursued by the organisation. MCB's Risk and Compliance Group functions reinforce enterprise-wide risk oversight and promote a consistent and integrated approach to risk management across all entities. Each subsidiary, nevertheless, retains ownership of its operational risks and the management of its risk and compliance functions, underpinned by its own governance framework aligned with Group-level orientations, its inherent specificities and prevailing market realities. Group Risk and Compliance functions, in turn, provide oversight of these risks and activities. To support this model, entities also benefit from technical and advisory support provided by specific Strategic Business Units of the Bank, e.g. Internal Audit and Legal through clearly-defined Service Level Agreements. In parallel, the Group Head of Finance supports a harmonised financial governance framework across the Group.

At Group Level

The Board

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

Risk Monitoring Committee

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

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

Read more on the key mandates and focus areas of the Board committees of MCB Group Ltd in the 'Corporate Governance Report' on pages 118 to 125

At entity level

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

The Board

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

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

Key committees by entity

<table>
<tr><th colspan="3">Key committees by entity</th></tr>
<tr><th colspan="2">Banking cluster</th><th>Non-banking financial cluster</th></tr>
<tr><th>MCB Ltd</th><th>Overseas Banking Subsidiaries</th><th>MCB Capital Markets (MCBCM) and its subsidiaries</th></tr>
<tr><td colspan="3">Board committees</td></tr>
<tr><td>Risk Monitoring Committee</td><td>Audit and Risk Committee</td><td rowspan="2">Risk & Audit Committee (MCBCM)</td></tr>
<tr><td>Audit Committee</td><td></td></tr>
<tr><td>Cyber and Technology Risk Committee</td><td></td><td rowspan="2">Supervisory and Monitoring Committee (SMC)</td></tr>
<tr><td>Supervisory and Monitoring Committee</td><td></td></tr>
<tr><td colspan="2">Executive committees</td><td rowspan="4">MCB Investment Management (MCBIM)

Collective Investment Scheme (CIS) Supervisory Committee

• The committee is responsible for the review and assessment of all aspects relating to the CIS management activities of MCBIM, including set-up of new funds, material changes to existing funds and regulatory compliance

Investment Committee (IC)

• The committee, though not a sub-committee of the Board of MCBIM, serves an important purpose in respect of the investment management activities of MCBIM. The IC meets on a quarterly basis and reviews all material aspects of MCBIM's portfolio management process, including strategic and tactical asset allocation, portfolio performance/risk and mandate compliance</td></tr>
<tr><td colspan="2">Financial risk: Credit risk</td></tr>
<tr><td>Executive Credit Committees (ECC)

• The ECC (A), sanctions/declines credit applications where customer group total commitment exceeds Rs 400 million

• The ECC (B) sanctions/declines credit applications with total client commitment of up to Rs 400 million</td><td>Subsidiary Credit Committee (SCC)

• The Local OBS credit committee sanctions/declines credit applications for customers with exposures of up to USD 500,000. Exposures from USD 500,000 to USD 2 million are approved by a joint MCB Subsidiaries Credit Committee. Facilities above this level are channelled to the MCB Subsidiaries Executive Credit Committee</td></tr>
<tr><td>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</td><td></td></tr>
<tr><td>Country Risk Committee (CoRC)

The CoRC is responsible for setting individual country limits within the validated risk parameters on selected countries</td><td></td><td rowspan="3">MCB Financial Advisers (MCBFA)

On-boarding Committee (OBC)

• The OBC, though an internal committee, plays an important role in the governance framework of MCBFA by screening and (if deemed relevant) approving all new corporate finance advisory mandates being contemplated by the company's executives. The OBC may escalate material transactions to the SMC for review and final approval

MCB Securities (MCBSL)

Transaction Review Committee (TRC)

• The TRC is an internal committee of MCBSL which has the responsibility to review all material transactions/ activities being contemplated by MCBSL including, but not limited to, underwriting, market making and IPOs. The TRC has the authority to (where applicable) approve, reject or escalate to the SMC all transactions being contemplated by MCBSL</td></tr>
<tr><td>Conduct Review Management Committee (CRMC)

• The CRMC ratifies credit exposures and other transactions with related parties where the aggregate of credit exposures/any other transactions to any single related party and/or its group of connected counterparties do not exceed 2% of the Bank's Tier 1 capital or Rs 500 million, whichever is lower</td><td></td></tr>
<tr><td colspan="2">Financial risks: Market and Asset & Liability Management risks</td></tr>
<tr><td>Asset and Liability Committee</td><td>Asset and Liability Committee</td></tr>
<tr><td colspan="2">Non-financial risks</td><td rowspan="3">Overseas Banking Subsidiaries Cybersecurity Committee</td></tr>
<tr><td>Information and Operational Risk Committee

• Cybersecurity Committee</td><td></td></tr>
<tr><td>Compliance, Anti-Money Laundering and Legal Committee</td><td></td></tr>
</table>

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

Adherence to the three lines of defence approach

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

1st Line of defence

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

Risk ownership

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

2nd Line of defence

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

Risk control and compliance

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

3rd Line of defence

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

Risk assurance

- The Internal Audit function provides independent assurance that the control objectives are achieved by the first and second lines of defence in line with the set risk appetite
- MCB's Internal Audit SBU provides assurance over control systems and reports on those via the Audit Committee and/or Board of each entity. The findings are consolidated and presented to the MCB Group Audit Committee for an integrated view of the effectiveness of risk management, control and governance processes

Key tenets of our risk management strategy

Risk capacity

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

Risk appetite

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

Risk tolerance

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

Risk profile

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

Risk control

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

Risk culture

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

Our risk appetite framework

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

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

Framework

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

The Bank articulates and monitors its risk appetite, which is the reasonable quantity and type of risk that it is broadly able and willing to take in the pursuit of its strategic/financial objectives.

The purpose of setting risk appetite is not necessarily to limit risk-taking, but to align the Bank's risk profile and strategic orientations. Its risk appetite is updated at least annually or on an ad hoc basis in order to reflect stakeholder aspirations and the context.

Key underpinnings

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

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

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

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

Limit structure of MCB Ltd

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 Group's overall risk management process spans the entire cycle, enabling the proactive, disciplined, structured identification, measurement, monitoring, mitigation, management, and reporting of risks.

1. Identification

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

2. Measurement

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

3. Monitoring

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

4. Mitigation

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

5. Management and reporting

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

Our processes, methodologies and positioning by risk type

Credit risk

General approach and objectives

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

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

Measurement and monitoring

Credit risk measurement consists of appraising the track record of customers as appropriate for the prediction of likely future behaviours of existing accounts. Credit facilities granted are guided by the credit standing, source of repayment and debt servicing ability of the borrower. As a fundamental credit principle, we do not generally grant credit facilities solely on the basis of the collateral provided. Collateral is taken whenever possible to mitigate the credit risk assumed with periodic monitoring being performed depending on the type, liquidity and volatility of the collateral value.

Ultimately, we assess whether individual business areas provide sufficient contribution to the targeted risk-return profile. The aim is to ensure that capital allocation generates an optimum return. This is achieved by channelling risk capital from low-return to high-return business areas, commensurate with risks shouldered. We measure credit risk capital requirements by applying appropriate risk weights to both on-balance sheet and off-balance sheet exposures in line with regulatory requirements. In this respect, MCB Ltd has established credit rating frameworks that enable the extensive usage of ratings for its portfolios. These ratings are leveraged not only in respect of loan approval, but also credit review, monitoring of risk profiles and determination of business strategies. They are also used for the purpose of the stress testing and limits determination exercises.

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

Risk-weighted assets for credit risk

Risk-weighted on-balance sheet assets	Jun 26 Amount	Jun 26 Weight	Jun 26 Weighted Assets	Jun 25 Weighted Assets
	Rs m	%	Rs m	Rs m
Cash items	4,717	0 - 20	56	92
Claims on sovereigns	451,440	0 - 100	1,399	1,400
Claims on central banks	109,480	0 - 100	18,298	13,033
Claims on banks	120,166	20 - 100	43,894	36,462
Claims on non-central government public sector entities	905	0 - 100	453	345
Claims on corporates	437,510	20 - 150	381,233	296,858
Claims on retail segment	21,308	75	14,954	12,669
Claims secured by residential property	61,624	35 - 125	25,423	21,306
Claims secured by commercial real estate	15,976	100 - 125	18,399	16,331
Fixed assets/other assets	56,285	100 - 250	60,351	56,394
Past due claims	2,787	50 - 150	3,414	3,236
Total			**567,873**	**458,126**

Non-market related off-balance sheet risk-weighted assets	Jun 26 Nominal Amount	Jun 26 Credit Conversion Factor	Jun 26 Credit Equivalent Amount	Jun 26 Weight	Jun 26 Weighted Amount	Jun 25 Weighted Amount
	Rs m	%	Rs m	%	Rs m	Rs m
Direct credit substitutes	2,950	100	2,950	0 - 100	2,829	2,493
Transaction-related contingent items	63,626	50	28,546	0 - 100	25,311	19,589
Trade related contingencies	194,753	20 - 100	29,956	0 - 100	23,487	18,734
Outstanding loans commitment	16,651	20 - 50	8,779	0 - 100	7,212	7,556
Total					**58,838**	**48,372**

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

	Jun 26	Jun 25
	Rs m	Rs m
Total credit risk-weighted assets	**632,930**	**513,231**

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

Mitigation and management

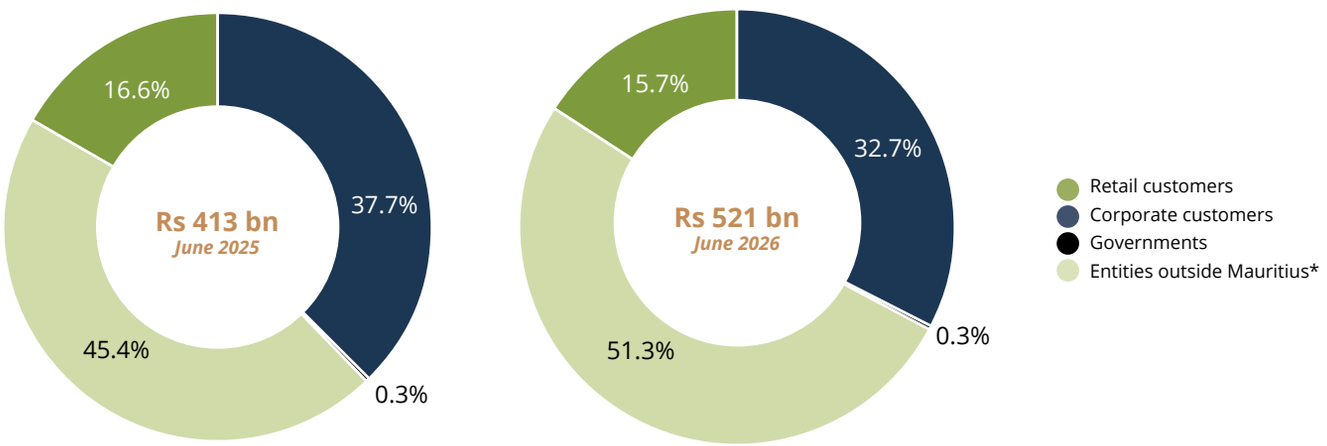
The credit risk management framework enables Group entities to manage credit risk within the limits of their defined risk appetite, to develop risk-response strategies and to optimise risk-taking by anticipating and acting on potential opportunities or threats. This framework encompasses the following: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

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

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

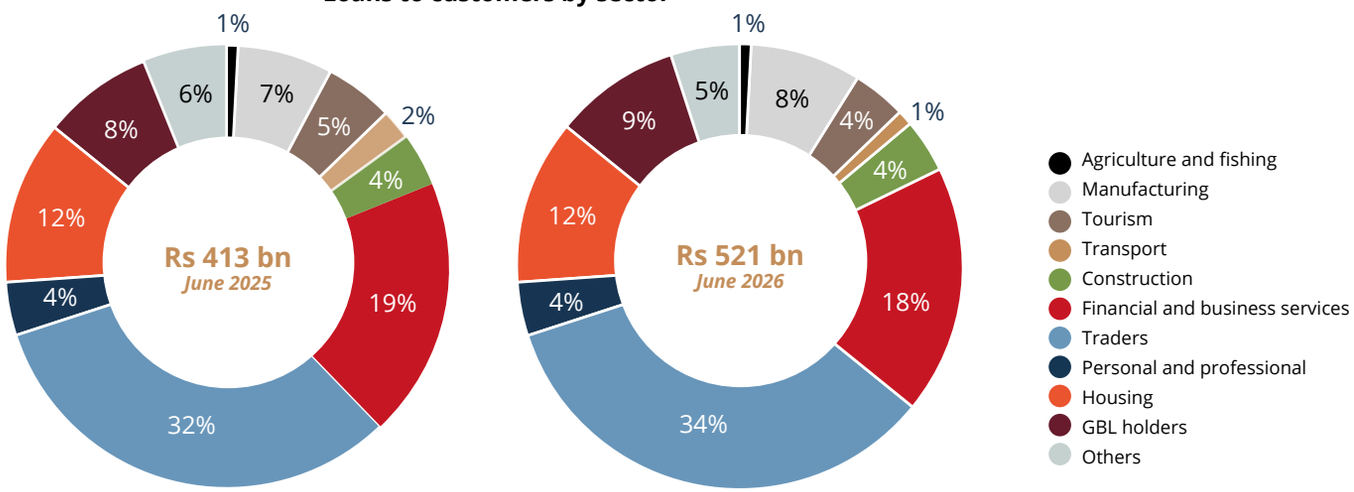
In FY 2025/26, we maintained a diversified market footprint across segments and geographies, which helped us remain well positioned in terms of credit concentration and within regulatory limits. Our largest credit concentration pertains to oil and gas with a major part of these exposures being of a short-term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

Loans to customers by segment



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

Loans to customers by sector



Concentration of exposures at MCB Ltd

Bank of Mauritius Guideline on Credit Concentration Risk

Credit concentration limits (% of Bank's Tier 1 capital)	Regulatory requirements	MCB Ltd 30 June 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

Note: Figures in the above table are audited

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

Determination and review of impairment and provisioning

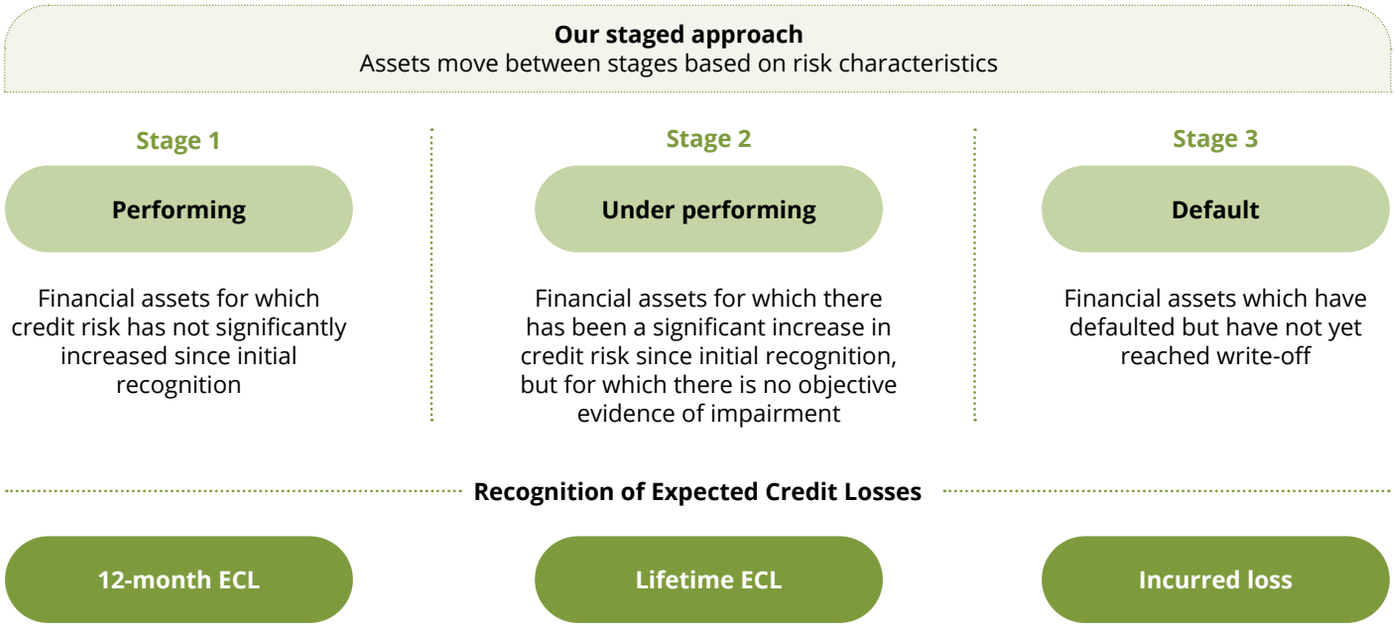
With regard to the determination and review of impairment and provisioning levels, Group entities undertake their respective exercises on a regular basis. The entities adhere to relevant regulatory stipulations, alongside aligning themselves to other advocated standards. At the level of MCB Ltd, this exercise is undertaken on a quarterly basis and involves the collaboration of several stakeholders across the organisation. After being reviewed and agreed upon by the RMC as well as validated by the Board, the figures are submitted to the Bank of Mauritius (BoM). The objective of this exercise is to ensure

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

Adherence to IFRS 9 requirements

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

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



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

Relevant entities of the Group calculate ECL parameters for the retail segment on a portfolio basis, i.e. facilities having homogeneous characteristics are assumed to have similar risk behaviours and can reasonably be assigned same parameter values. As for wholesale portfolios pertaining to corporate, financial institutions and sovereign amongst others, they use a combination of internal models and external benchmarking for the calculation of PDs, LGDs and EADs.

Formulation of Expected Credit Losses for FY 2025/26

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

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

As at 30 June 2026, ECL amounted to Rs 10.9 billion, of which Rs 9.8 billion pertained to stage 1 and stage 2 loans and advances, with the corresponding ECL coverage ratio standing at 1.7%.

MCB Ltd

Provisions as at 30 June 2025

Stages	Retail portolios	Wholesale portfolios				
		Corporate	Financial institutions	Project finance	Sovereign	Energy & commodities
	Rs m	Rs m	Rs m	Rs m	Rs m	Rs m
Stage 1						
Exposures	70,739	235,966	116,356	10,947	369,898	245,849
Expected Credit Losses	489	2,675	179	439	139	1,580
Coverage ratio (%)	0.7	1.1	0.2	4.0	0.0	0.6
Stage 2						
Exposures	841	8,256	0	329	0	1,397
Expected Credit Losses	158	1,924	0	82	0	564
Coverage ratio (%)	18.8	23.3	0.0	25.0	0.0	40.4
Stage 3						
Exposures	1,235	9,004	0	0	0	1,670
Specific provisions	509	8,268	0	0	0	1,670
Coverage ratio (%)	41.2	91.8	-	-	-	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	529,588	358,992
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	0.0	0.0	1,749
Specific provisions	616	5,086	0.0	0.0	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
(v) Figures in the above table are audited

Overseas banking subsidiaries

Provisions as at 30 June 2025

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

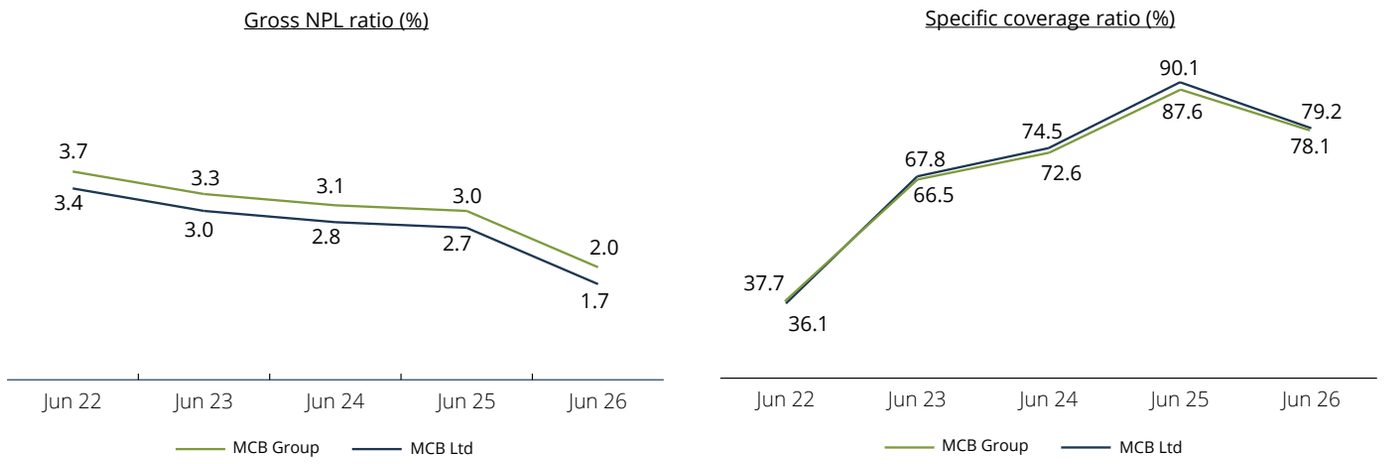
Provisions as at 30 June 2026

Overseas banking subsidiaries	Retail	Corporate	Financial institutions	Sovereign
	Rs m	Rs m	Rs m	Rs m
Stage 1				
Exposures	4,404	20,698	10,781	29,079
Expected Credit Losses	29	131	7	115
Coverage ratio (%)	0.7	0.6	0.1	0.4
Stage 2				
Exposures	76	1,235	0	0
Expected Credit Losses	18	125	0	0
Coverage ratio (%)	23.2	10.1	-	-
Stage 3				
Exposures	361	2,063	0	3
Specific provisions	298	1,279	0	3
Coverage ratio (%)	82.5	62.0	-	100.0

Asset quality

We improved the general quality of our exposures on the back of careful market endeavours and strong risk management framework, while having also recorded significant recoveries of bad debts and targeted write-offs during the year. Our gross NPL ratio stood at 2.0% as at June 2026, down from 3.0% in June 2025. Our specific coverage ratio stood at 78.1%, with the remaining portion being adequately covered by collateral, suitably discounted to reflect current market conditions and expected recovery time.

Quality of exposures



June 2026	Non-performing loans (NPLs)		Specific provisions	
MCB Group	**Rs m**	***% of exposures***	**Rs m**	***% of NPLs***
Loans to customers				
Agriculture and fishing	460	*6.9*	281	*37.3*
Manufacturing	1,628	*3.7*	1,233	*66.0*
Tourism	354	*1.8*	176	*6.3*
Transport	241	*3.8*	219	*12.0*
Construction *(including property development)*	635	*3.5*	683	*94.5*
Financial and business services	854	*0.9*	705	*78.6*
Traders	2,657	*1.5*	3,173	*88.2*
Personal and professional	1,212	*1.5*	687	*45.2*
of which credit cards	67	*4.5*	59	*88.1*
of which housing	655	*1.1*	232	*30.3*
Global Business Licence holders	2,970	*6.4*	4,767	*100.0*
Others	366	*1.4*	415	*101.2*
Corporate notes/bonds	**380**	***0.7***	**414**	***100.1***
Total	**11,757**	***2.0***	**12,753**	***78.1***

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

Country risk at MCB Ltd

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. The RMC sets and reviews the country risk framework and country risk appetite parameters. The RMC meets at least quarterly to monitor the performance of the Bank's cross-border exposures, including compliance with the risk appetite, risk limits and overall requirements set out in the framework on cross-border exposure.

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.

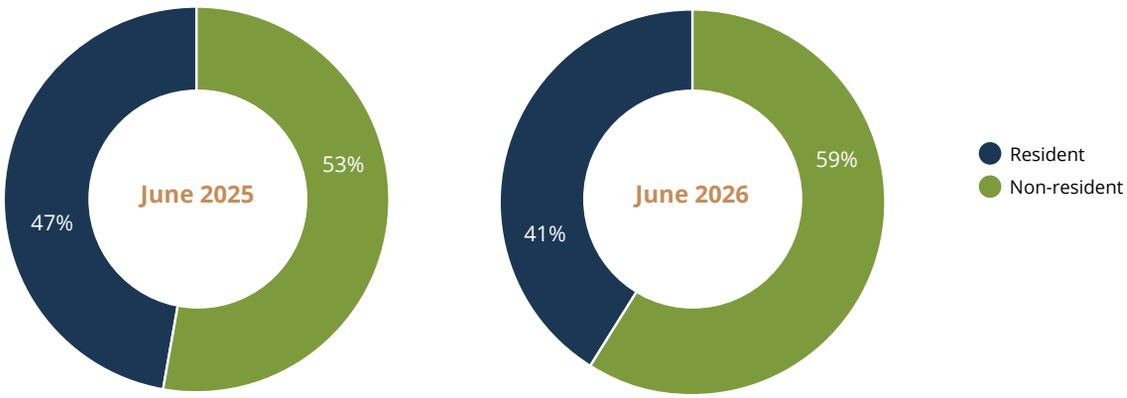
The Bank ensures the proactive monitoring of country risk exposures against country limits and sub-limits that have been set, while promptly reviewing such levels in case of unexpected events. MCB keeps track of the unfolding developments and business opportunities across markets of interest, using open-source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

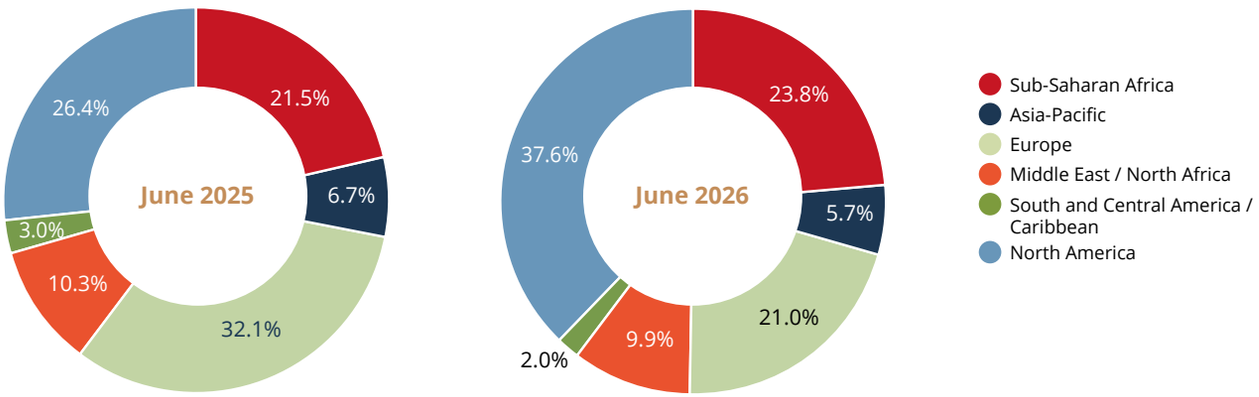
With a view to fostering sound country risk management, we emphasise on (i) regular determination and review of our risk appetite, after making allowance for the evolving operating environment and our strategic ambitions; (ii) diversified exposures across countries and sectors; (iii) undertaking activities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

At the level of MCB Ltd, the market risk management approach and framework 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.

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

Measurement and management

Interest rate risk

The Group is exposed to interest rate risks, mainly at the level of MCB Ltd by virtue of: (i) its primary dealership status in the local Government and BoM securities market; (ii) its trading positions in international fixed income securities; and (iii) the holding of interest rate derivatives products that are subject to daily fluctuation in rates and yields. To 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 Group is subject to foreign exchange (FX) risk from an on-balance sheet perspective, i.e. as a result of imbalances witnessed between the foreign currency composition of our assets and liabilities. The risk to which we are exposed can also be viewed from an off-balance sheet angle through our outstanding positions, mainly in respect of foreign exchange forwards. Exposure to FX risk is monitored against both regulatory stipulations and internal targets, which are, especially, applied to metrics such as the 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.

Asset, Liability and Capital Management Risk

The Group 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 198)

Interest rate risks in the banking book

Measurement, monitoring and management

In the banking book, the Group's primary exposure to interest rate risk stems from mismatches in the reset dates of its on- and off-balance sheet assets and liabilities. 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 Group 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 Group 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 roll-overs 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 Group is committed to maintaining robust funding and liquidity positions that support its business development ambitions. While it accesses wholesale and bond markets as and when required, the Group prioritises sources of funding that are cost-efficient, diversified and stable, with a primary focus on customer deposits. Furthermore, an appropriate level of liquid assets is kept to ensure that obligations can be met within a reasonable timeframe.

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

Measurement and monitoring

Funding and liquidity risk is measured and monitored separately for each material currency, for foreign currencies on an aggregated basis and on a consolidated level. The Group assesses funding and liquidity positions with respect to obligations under both Business As Usual (BAU) and stressed conditions. At the level of MCB Ltd, it sets 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

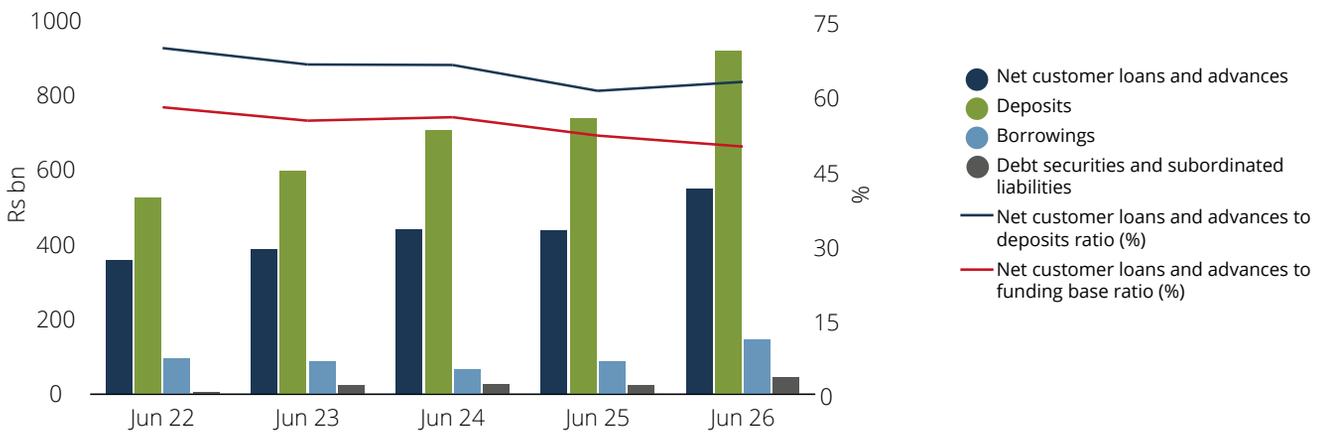
The Group diligently manages and diversifies the funding and maturity profile of the balance sheet in order to ensure that we can successfully deploy our strategic endeavours over the short and longer runs.

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

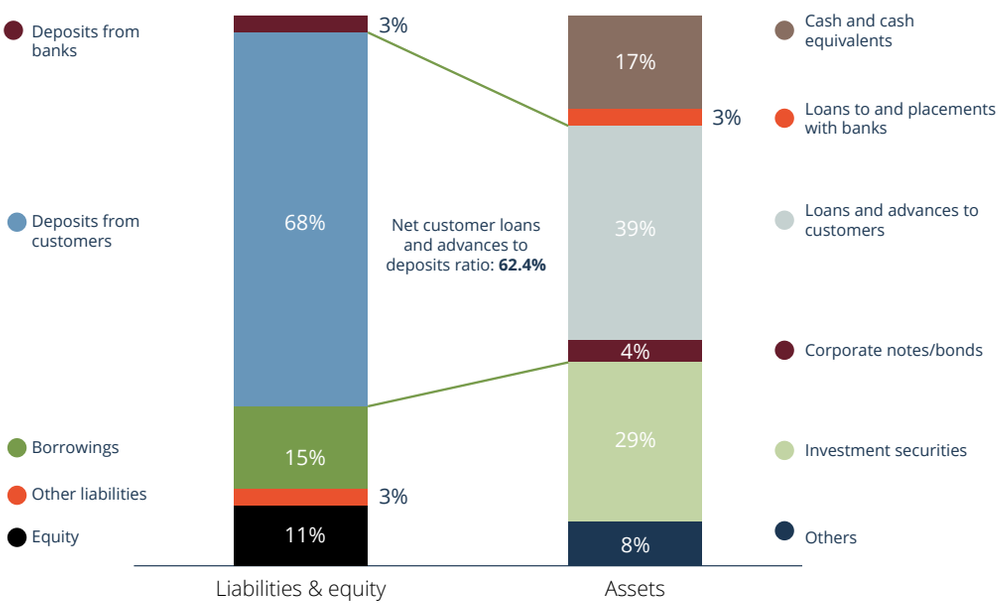
The stock of liquid assets is proactively managed to cover day-to-day cash management needs as well as to provide for an adequate coverage of the risk-weighted cash outflows associated with the standardised crisis scenario under the Basel III framework for liquidity coverage ratio. The components of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

During the year, we sustained efforts to maintain substantial buffers in light of the challenging economic environment, with the Group 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 Euro-bond issuance under our Global Medium Term Note Programme listed on the London Stock Exchange.

Loan and funding base



Asset funding structure as at June 2026



MCB Ltd: Key liquidity ratios

Liquidity coverage ratio (LCR)

In alignment with Basel III rules, the objective of the LCR is to promote the short-term resilience of a bank to liquidity shocks. With regard to MCB, 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 mWarkets 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 stands at 558%. 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.

MCB Ltd closely monitors its 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.

Zoom on MCB Capital Markets (MCBCM)

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

Financial risks:

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

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

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

Non-financial risks:

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

Model risk

General approach and objectives

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

Mitigation and management

Policies and procedures have been established to ensure the effective development, deployment and validation of models and adequate performance monitoring thereof. Model development data, which are guided by principles of transparency, explainability and auditability, are thoroughly assessed before use. Before models are deployed, they go through an internal validation process covering dimensions such as data sampling, variable treatments, variable selection, model design, and 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 Group aims to identify, mitigate and manage operational risks across activities, processes and systems in line with the defined risk tolerance. The objective is to underpin the continuity of our operations and anchor a solid platform to provide customers with seamless services. Towards determining the operational risk tolerance levels, we set risk acceptance and mitigation limits in respect of the principal categories of operational risk as appropriate. Operational risk sanctioning mandates and day-to-day oversight responsibilities are entrusted to the Management of Group entities. The latter are responsible for the application and effectiveness of their respective Operational Risk Policy as approved by relevant governance bodies. The operational risk policies formulate the principles and methodologies for the management of operational risk. They set out a framework which is aligned with best practices and standards, advocated rules and norms on the local and international fronts, while setting out the relevant roles and responsibilities within the entity. As part of their responsibility to implement the operational risk management framework, Management has to (i) ensure compliance with underlying objectives set in terms of the management of such types of risk; and (ii) foster the development, implementation and documentation of internal controls and processes.

Measurement and monitoring

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

Mitigation and management

Operational risk mitigation relies on appropriate processes and systems, backed by the clear segregation of duties, dual control as well as the regular verification and reconciliation of transactions. The control environment is based on the appropriate risk culture, fostered through risk awareness sessions targeting relevant audiences. For example, an overview of both Operational Risk and Business Continuity Management is provided – in the form of a dedicated induction course – to new employees joining the Group. 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 & Entities of the Group	**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

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

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

At MCB Capital Markets, the initial stage for the management of operational risks includes formal reviews of procedures and processes, analysis of complaints, incident reports and IT change requests as well as review of new products and services. The output is then used to update MCBCM's risk libraries which have been revised following the Risk Control Self-Assessment exercise facilitated by Group Risk in September 2025. This ensures that, where applicable, all material risks faced by the business are captured along with their corresponding pre-control ratings. These risks are eventually reassessed taking into account existing and additional controls that are required to arrive at a post-control rating. Any residual post-control risks deemed material will lead to a re-design of the relevant controls until such risks are adequately addressed, mitigated or eliminated.

In addition, MCBCM has embarked on an exercise to align its current active compliance methodology with MCB Group's Permanent Supervision methodology, including the formalisation of a control library and the implementation of key risk indicators within MCBCM entities. This aims to ensure a Group-standardised approach to the identification, monitoring and mitigation of key operational and compliance risks.

Health and safety

The Group ensures the highest standards of safety and health are adopted across all our business activities and on our premises. Towards this end, it complies with the provisions of relevant legislations. We maintain a safe and healthy environment for our staff and clients through regular health and safety audits and on-site inspections. These reviews help identify potential hazards and implement appropriate measures to mitigate risks. By promoting a strong safety culture across the organisation, we help prevent accidents, reduce injuries, and ensure a secure environment for everyone.

Business continuity risk

General approach and objectives

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

Mitigation and management

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

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

Cyber and information security risk

General approach and objectives

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

Mitigation and management

Risk management implies the regular conduct of information risk assessments so as to identify issues that can potentially harm the organisation's information assets and recommend adequate mitigating controls. At MCB Ltd, the Cyber & Information Security Risk (CIS) BU is responsible for, *inter alia*, developing and maintaining cyber, technology and information risk policies, in line with the evolving operating and threat landscapes, as well as the requirements set by the regulator and other major stakeholders. The key objective is to ensure that an adequate level of security is maintained to protect private, confidential, personal and any other sensitive information held by the Bank. Importantly, the Group 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 by regulated entities based in Mauritius, 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. The Group has cyber incident response plans, disaster recovery plans, business continuity plans and crisis management plans that are regularly reviewed, simulated and tested. Moreover, a proactive promotion of a cyber risk culture has resulted in enhanced security awareness amongst staff. These measures form a cohesive framework designed to protect the Group's assets and maintain operational resilience.

The Group'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. The Internal Audit function offers an independent assessment of the effectiveness of the Group's cybersecurity measures, providing an additional layer of assurance. To maintain the efficacy of our security posture, the Group conducts annual audits of its information security policies and systems. The CIS BU regularly reports its findings, recommendations, and assessments to executive committees and the Cyber and Technology Risk Committee (CTRC), ensuring that cybersecurity, technology risks and data protection remain at the forefront of the Group's risk management agenda.

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

Zoom on our Permanent Supervision framework

The Group continues to apply the Permanent Supervision methodology across banking entities to reinforce independent controls within its second line of defence. The Permanent Supervision approach is governed by the Group 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 banking entities of the Group also adhere to dedicated internal control policies, which formulate the key principles and underlying governance framework underpinning the efficient development, deployment and monitoring of control activities undertaken by different sections of the organisation. The applicable framework sets out the relevant roles, responsibilities and reporting mechanisms to assist in fostering sound and stable operations within the entity.

The Group applies a series of 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. At MCB Ltd in particular, 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 & 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 Group.

Compliance risk

General approach and objectives

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

We also continually strive to ensure consistency between the conduct of business operations and the observance of relevant laws, regulations and standards of good market practices. This is achieved through the continued identification of compliance-related risks, ongoing assessments, and the design of adequate controls. As a socially responsible organisation, the Group is committed to upholding ethical conduct and adherence to legal standards which, in turn, reinforces the trust and confidence of our stakeholders, including investors, customers and the communities in which the Group operates. It fosters a compliance-oriented culture, supporting business lines in delivering fair outcomes for customers and preserving the Group's reputation, all while helping to achieve sustainable business development objectives.

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

The year in review from a Compliance Risk perspective

During the year, we ensured that our business activities were conducted in adherence to our compliance framework while further reinforcing Group-level oversight. The Group Compliance function oversees the compliance aspects of the banking and non-banking entities of the Group, both locally and internationally where the Group has a presence. While such oversight is undertaken by the Group Head of Compliance and respective teams, each subsidiary retains ownership of the risks arising from its operations and responsibility for the management of its compliance function.

The Group continued to strengthen its compliance framework in response to evolving regulatory requirements and emerging risk trends. Relevant policies, procedures and controls are being reviewed and enhanced across the Group to support alignment with applicable regulations and international standards, while promoting the effective management of compliance and financial crime risks.

Group Compliance AML/CFT/CPF initiatives

Financial crime risk management remains a cornerstone of the Group's governance and risk management framework. During the year, the Group further enhanced its Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation Financing (AML/CFT/CPF) framework through strengthened risk assessments, customer due diligence processes, sanctions screening controls, monitoring activities and staff awareness programmes. These initiatives contributed to safeguarding the integrity of the Group's operations and protecting customers, investors and the broader financial ecosystem. Supported by a risk-based approach and ongoing employee training, the Group remains committed to meeting its legal and regulatory obligations while fostering a strong culture of compliance and ethical conduct.

Group Compliance main objectives

One of the main objectives of the Group Compliance function is to foster collaboration, create synergy and promote a harmonised approach to compliance and regulatory matters across the Group. This operationalisation of the Group Compliance function is achieved through the following key Group initiatives:

1. Centralised oversight – by identifying emerging trends, regulatory developments, gaps and best practices across the Group, while simultaneously reducing duplication of efforts
2. Economies of scale – optimising the use of resources, expertise and compliance-related technology to enhance efficiency and effectiveness
3. Standardisation of policies and procedures – promoting a consistent and risk-based approach to the management of compliance risks across the Group, where appropriate
4. Enhancing overall compliance effectiveness – monitoring activities, reviews and oversight across Group entities to support sound compliance risk management
5. Capacity building and knowledge sharing – fostering the exchange of expertise and best practices across the Group while enhancing staff competencies through continuous learning and development initiatives

Group Compliance main priorities

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

- Implementing Group compliance controls, policies and procedures
- Ensuring adherence to Group's Code of Ethics and Business Conduct, Anti-Bribery Policy, Whistleblowing Policy and Fraud Policy to uphold good conduct, good order and the values of honesty and integrity
- Promoting strong ethical behaviour amongst employees of the Group as well as preventing, identifying and managing potential conflicts of interest
- Conducting compliance risk assessments, compliance audits and reviews
- Providing proactive compliance advice and support
- Conducting regular awareness and training programmes aiming to promote compliance culture, transparency and coherence across the Group
- Revamping and upholding the Group's whistleblowing system
- Ensuring ongoing enhancement of the transaction monitoring, sanctions screening, alert management frameworks and data analytics capabilities to reinforce effectiveness
- Implementing innovative and technology-enabled compliance solutions
- Conducting Enterprise Risk Heat Map and the Enterprise Wide Risk Assessment (EWRA) from an AML/CFT/CPF perspective, including the identification of new/emerging risks and ensuring corrective measures are taken and monitored to minimise the likelihood of the risks materialising
- Paying continuous attention to the fast-changing legal and regulatory framework and undertaking regular reviews of ongoing developments with respect to laws, regulations, guidelines and standards of good practice
- Fostering trusted relationships with regulatory and supervisory bodies by sustaining productive and value-adding dialogue to support effective engagement and cooperation
- Increasing synergies and close collaboration amongst risk functions and with other areas of the Group to promote a coordinated and holistic approach to risk and compliance management

Legal risk

General approach and objectives

The Group manages legal risk through a proactive and integrated approach combining legal expertise, market intelligence, strong governance and technology-driven solutions. The Legal SBU serves all Group entities, except MCB Capital Markets Ltd which maintains its own legal department, and plays a critical role in the risk management framework. It has a dual mandate: to act as guardian of legal risk and regulatory integrity, and to enable business. Its objectives are to ensure adherence to applicable laws, regulations, guidelines, codes of conduct and contractual obligations, alongside the Compliance SBU; protect revenue while supporting business lines within legal confines; address complex legal issues at both local and international levels, including cross-border interpretations; and promote a holistic risk culture in close coordination with Group Risk. The function oversees traditional areas such as litigation and regulatory compliance, as well as emerging domains including data privacy, ESG and sanctions enforcement.

Mitigation and management

Legal risk is monitored and managed through defined controls, specialist collaboration and targeted use of technology. The Legal SBU works closely with the Compliance SBU on anti-corruption, AML, CFT and sanctions to ensure a unified approach to legal and regulatory risks. 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 at MCB Ltd

General approach and objectives

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

Physical risk

This refers to potential losses and economic costs which may arise due to increased severity of extreme weather events such as cyclones and floods (acute risks) and longer term shifts in climate patterns such as sustained higher temperatures and rising sea levels (chronic risks).

Transition risk

This refers to potential losses and economic costs which may arise due to significant and rapid policy changes, disruptive technology development or market sentiment shifts as part of the transition towards a lower carbon economy.

Governance and oversight

The Bank 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

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 198)

Environmental and Social risk at MCB Ltd

General approach and objectives

MCB Ltd is committed to contributing to the sustainable development of countries where we operate. We have integrated environmental and social (E&S) risk management into our credit value chain to promote positive impacts and mitigate potential negative effects on people, communities, and the environment. Our approach is guided by our internal E&S Risk Policy, which outlines our commitment to identifying and managing E&S risks in our financing activities. The E&S Risk Policy is reviewed annually to ensure alignment with evolving standards and our operating context.

Our dedicated Environmental and Social Risk Management function sits within the Risk function and is responsible for the identification of E&S risks in financing activities and for the provision of recommendations on E&S matters, with the Head of Credit Management integrating 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

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

Read more on our ESRM Policy on our website

Risk assurance: Internal audit

General approach

The Internal Audit Function is the third line of defence within MCB Group, operating independently from the business and support functions (first line) and the risk oversight and compliance functions (second line). Its primary responsibility is to provide independent, objective assurance to the MCB Group Audit Committee, the Audit and Risk Committees of subsidiary entities and Executive Management on the adequacy and effectiveness of the Group's governance, risk management and internal control frameworks.

The Function performs its duties with full organisational independence and professional objectivity, in accordance with the IIA Code of Ethics, the Global Internal Audit Standards (GIAS) and applicable regulatory and governance requirements. It has unrestricted access to all records, systems, premises, information, personnel and Management necessary to discharge its responsibilities, enabling it to provide impartial and reliable assurance across the Group. During the reporting period, no limitations were placed on the scope of its activities or its right of access.

Internal Audit assesses whether key risks to the Group's strategic, operational, financial, regulatory and cyber objectives are appropriately identified, evaluated, monitored, managed and reported. This includes evaluating the design and operating effectiveness of internal controls, the robustness of governance arrangements and the adequacy of risk management processes. Where provided under applicable Service Level Agreements, its mandate covers other banking and non-banking entities of MCB Group Ltd - with its independence, access rights, reporting rights and ability to communicate results to the relevant Audit Committee or Board preserved in all cases.

While the Group 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 change, evolving cybersecurity threats, third-party dependencies, geopolitical developments and regulatory change - may evolve at a pace that challenges existing controls. These areas are continuously reassessed through the Group's risk management and audit planning processes.

To support a consistent assurance approach across the Group, the overseas banking subsidiaries maintain locally based Internal Audit teams that conduct assurance activities within their respective jurisdictions. These auditors report functionally to the Head of Internal Audit of MCB Ltd - preserving their independence and alignment with Group standards, methodologies and quality requirements - and maintain an administrative reporting line to their respective Managing Directors to facilitate local coordination. The Internal Audit SBU of MCB Ltd, which is compliant with the Institute of Internal Auditors' (IIA) Standards, provides ongoing guidance, technical support and specialist expertise to subsidiary teams, promoting methodological consistency, quality assurance and the adoption of best practices. Audit plans are developed from risk assessments and reviewed by the respective Audit Committees to ensure adequate coverage of significant risks and regulatory requirements.

Audit reports, detailing key observations and associated corrective action plans, are formally communicated to responsible operational management and senior leadership. To maintain its independence, the 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 monitored, with past-due items actively followed up. Overall, the function does not believe that any significant control deficiencies currently exist that could reasonably be expected to jeopardise the Group's ability to achieve its objectives or materially impact its operations.

Main priorities

The Internal Audit function seeks to continue to strengthen its role as a trusted, independent assurance provider by enhancing its capabilities, methodologies and coverage in response to an increasingly dynamic risk environment. Over the short to medium term, its strategic priorities will focus on keeping assurance activities aligned with the Group's strategic objectives, evolving risk profile and regulatory expectations:

- 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 and professional qualifications
- Continuously enhancing audit methodologies to align with the Global Internal Audit Standards (GIAS) and leading international practices
- Completing the IFACI Quality Certification assessment and implementing any improvement identified
- Increasing focus on emerging risks, including cybersecurity, digital transformation, artificial intelligence, operational resilience and third-party risk management
- Continuing investment in the development and professional certification of staff to audit increasingly complex, technology-driven environments
- Further strengthening coordination with Risk Management, Compliance and other assurance providers, in line with the Three Lines Model, to optimise assurance coverage and improve organisational risk oversight

Through these initiatives, the function aims to continuously enhance the quality, relevance and impact of its assurance activities while supporting the Group in achieving its strategic objectives and maintaining the confidence of the Board, regulators, shareholders and other stakeholders.

Capital management

The framework

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

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

Our process

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

Internal Capital Adequacy Assessment Process of MCB Ltd

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. The 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 financial year risk appetite limits are set by the Board. As for the Bank's exposures, they are monitored on a quarterly basis against those limits, with related insights being reported to the RMC. The capital plan includes a crisis management plan. The latter makes allowance for various measures that should help to rapidly mobilise additional capital if the need arises, with discussions thereon being held at Board level.

Stress testing at MCB Ltd

Stress testing is a key risk management tool used by the Bank and is an integral part of its ICAAP. The aim of the Bank's stress testing framework is to identify, quantify, evaluate and make sense of the potential impact of specific changes in risk factors on the business development and financial strength of the Bank. MCB applies the stress testing principles set out under the BoM Guideline on Stress Testing issued in June 2022. Forecasts are made over a 3-year horizon, taking into account the Basel Pillar I and II stresses. The ICAAP provides for an assessment of the Pillar I risk types (i.e. credit, operational and market risks) and Pillar II risk types (i.e. concentration, liquidity, interest rate, strategic risks, etc.). In line with this approach, climate risk considerations 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.

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

Stress testing 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 hereunder.

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 cyberattacks 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 layoffs 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 the 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.

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

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

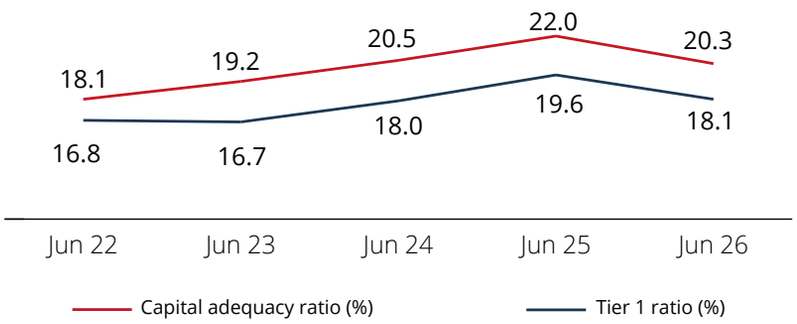
Stress testing results

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

Capital position for FY 2025/26

The Group continued to be well capitalised in view of higher retained earnings and the issue of scrip shares in lieu of dividend under the Group's scrip dividend scheme. The capital adequacy and Tier 1 capital ratios dropped on the back of the growing exposure but remained robust at 20.3% and 18.1% respectively as at 30 June 2026. The predominant contribution thereto has emanated from the banking entities of the Group, for which maintenance of adequate capital levels is a key priority by virtue of their business operations and regulatory responsibilities. Risk-weighted assets of the Group stood at Rs 702 billion as at 30 June 2026, out of which 94% was accounted for by the banking cluster with MCB Ltd representing 85% of the overall risk-weighted assets.

Capital adequacy and Tier 1 ratios



Zoom on the banking cluster

Regulatory requirements

The Group's banking entities maintain strict compliance with mandatory stipulations set by the regulators in their respective jurisdictions. In respect of MCB Ltd, it uses the Basel II Standardised Approach to manage its credit and market risk exposures, with the Alternative Standardised Approach used for operational risk. The determination of its capital resources is conducted in line with the BoM Guideline on Scope of Application of Basel III and Eligible Capital. It also complies with the Guideline for dealing with Domestic-Systemically Important Banks (D-SIB). Under the guideline, banks are required to hold a capital surcharge, also known as D-SIB buffer, ranging from 1.0% to 2.5% of their risk-weighted assets depending on their systemic importance. The assessment for determining Domestic-Systemically Important Banks is carried out on a yearly basis by the Central Bank using end-June figures. According to the assessment carried out by the BoM, MCB Ltd features among the four banks that have been identified as systemically important in our jurisdiction. This assessment is based on five factors, namely size, exposure to large groups, interconnectedness, complexity and substitutability.

The minimum regulatory Tier 1 and capital adequacy ratios currently applicable to MCB Ltd stand at 13.0% and 15.0% respectively. As for the overseas banking entities, they are guided by the minimum regulatory ratios set out in the table below.

Minimum regulatory ratios

	MCB Ltd	MCB Seychelles	MCB Maldives	MCB Madagascar
As at 30 June 2026	%	%	%	%
Capital adequacy ratio	15.0	12.0	12.0	10.5
Tier 1 ratio	13.0	6.0	6.0	8.5

Performance for FY 2025/26

The capital adequacy ratio of the banking cluster – as measured at the level of MCB Investment Holding Ltd on a consolidated basis – stood at 18.8% as at 30 June 2026. The capital base was primarily made up of core capital, with the Tier 1 ratio standing at 16.7%. The following tables depict the capital adequacy ratios posted by the banking cluster.

Banking cluster: Capital adequacy ratios

Capital adequacy	MCB Group		Banking cluster	
	Jun 25	Jun 26	Jun 25	Jun 26
Capital base	**Rs m**	**Rs m**	**Rs m**	**Rs m**
Ordinary shares (paid-up) capital	9,545	11,476	8,880	8,880
Retained earnings	102,647	115,702	81,971	97,961
Accumulated other comprehensive income and other disclosed reserves	6,266	7,154	11,062	11,488
Common Equity Tier 1 capital before regulatory adjustments	**118,458**	**134,332**	**101,913**	**118,328**
Regulatory adjustments				
Goodwill and other intangible assets	(3,494)	(3,730)	(3,050)	(3,302)
Deferred tax assets	(3,599)	(4,441)	(4,846)	(5,239)
Cash flow hedge reserve	110	(52)	11	(52)
Defined benefit pension fund assets	0	0	0	0
Common Equity Tier 1 capital (CET1)	**111,474**	**126,110**	**94,028**	**109,736**
Additional Tier 1 capital (AT1)	943	846	-	-
Tier 1 capital (T1 = CET1 + AT1)	**112,417**	**126,955**	**94,028**	**109,736**
Capital instruments	6,757	6,997	6,757	6,997
Provisions or loan-loss reserves	6,415	7,912	5,927	7,429
45% of surplus arising from revaluation of land and buildings	1,264	1,372	-	-
Tier 2 capital before regulatory adjustments	**14,436**	**16,281**	**12,684**	**14,426**
Regulatory adjustments	(583)	(639)	(580)	(639)
Tier 2 capital (T2)	**13,854**	**15,642**	**12,104**	**13,788**
Total capital (T1 + T2)	**126,271**	**142,597**	**106,132**	**123,524**

Risk-weighted assets	Rs m	Rs m	Rs m	Rs m
Weighted amount of on-balance sheet assets	458,126	567,873	419,907	529,907
Weighted amount of off-balance sheet exposures	55,106	65,057	54,290	64,420
Weighted risk assets for operational risk	55,428	63,111	53,096	60,992
Aggregate net open foreign exchange position	4,914	6,117	1,017	2,124
Total risk-weighted assets	**573,573**	**702,158**	**528,310**	**657,443**

Capital adequacy ratios (%)	Jun 25	Jun 26	Jun 25	Jun 26
Total capital adequacy ratio	**22.0**	**20.3**	**20.1**	**18.8**
of which Tier 1	***19.6***	***18.1***	***17.8***	***16.7***

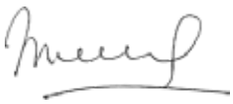
Notes: (i) Figures may not add up to totals due to rounding
(ii) Figures in the above table are audited

	MCB Ltd	MCB Seychelles	MCB Maldives	MCB Madagascar
	%	%	%	%
Capital adequacy ratio				
As at 30 June 2025	21.1	20.8	62.8	10.9
As at 30 June 2026	19.5	21.1	49.9	12.1
Tier 1 ratio				
As at 30 June 2025	18.6	17.9	52.6	8.8
As at 30 June 2026	17.3	18.7	40.5	12.1

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



Stephen DAVIDSON
Director
Chairperson Risk Monitoring Committee



Jean Michel NG TSEUNG
Group Chief Executive



FINANCIAL STATEMENTS

Independent auditor's report

To the Shareholders of MCB Group Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **MCB Group Limited** (the "Company" and the "Public Interest Entity") and its subsidiaries (the "Group") set out on pages 212 to 315, 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, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 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 ("IFRS Accounting Standards"), and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those Standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters described below relate to the consolidated financial statements and no key audit matter was identified on the separate financial statements.

Independent auditor's report

To the Shareholders of MCB Group 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	

IFRS 9 *Financial Instruments* ("IFRS 9") requires the Group to recognise expected credit losses ("ECL") on financial instruments, which involves significant judgements and estimates. The key areas where we identified greater levels of management judgements and estimates and therefore increased levels of audit focus in the application of IFRS 9 are:

- **Model estimations** – The Group has used the run-off triangle model to estimate ECL for the retail portfolio, which involves determining Probabilities of Default ('PD'), Loss Given Default ('LGD'), and Exposures at Default ('EAD'). For the wholesale portfolio, statistical models were employed for estimating the PD and LGD. The PD and LGD models used are the key drivers of the ECL results and are therefore the most significant areas of judgements and estimates used in the ECL modelling approach.
- **Significant Increase in Credit Risk ('SICR')** – Determining the criteria for SICR and identifying SICR– This can impact the ECL materially where facilities have maturity of greater than 12 months.
- Macro-economic forecasts – IFRS 9 requires the measurement of ECL on a forward-looking basis using the most appropriate macro-economic forecasts. The macro-economic forecasts are estimates of future economic conditions. Variables that were used to estimate future changes in the macro-economic environment are the credit index, the real gross domestic product and the consumer price index. Management has also used different forward-looking scenarios which were probability-weighted to determine the ECL.
- **Qualitative adjustments** – Adjustments to the model-driven ECL results are raised by management to address known impairment model limitations or emerging trends. Such adjustments are inherently uncertain which involve significant management judgement.

Due to the significance of the judgements and estimates involved in the overall determination of the allowances for ECL, this item is considered as a key audit matter.

The details of the policies and processes for the determination of the allowances for ECL are disclosed in Notes 1(j) and 3(b) to the consolidated and separate financial statements.

Our audit procedures included amongst others:

- Inspecting the minutes of the Board and its subcommittees to ensure that there are governance controls in place in relation to assessment of the ECL;
- Using specialist team in performing certain procedures:
  - Evaluating the appropriateness of the impairment methodologies applied by the Group against the requirements of IFRS 9;
  - Assessing the appropriateness of macro-economic forecasts used; and
  - Independently assessing assumptions underlying the PD, LGD and EAD.
- Reviewing a sample of the rating reports derived from the internal rating system;
- Reviewing the criteria for staging of credit exposures and ensuring these are in line with the requirements of IFRS 9 including any backstops used in the methodology;
- Testing the accuracy and completeness of ECL by reperformance; and
- Assessing whether the disclosures are in accordance with the requirements of IFRS Accounting Standards.

Independent auditor's report

To the Shareholders of MCB Group Limited (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Provision for expected credit losses – Loans and advances to customers which are credit impaired	

Provision for expected credit losses on credit-impaired loans and advances to customers involve the use of assumptions which are subjective due to the level of judgement applied by Management.

Changes in the assumptions and the methodology applied may have a major impact on the measurement of the provision for expected credit losses on credit-impaired loans and advances to customers.

For impaired credits, the most significant judgements are whether impairment events have occurred and the valuation of any underlying collaterals, along with the determination of the corresponding PD and LGD.

The details of the provisions for expected credit losses on credit-impaired loans and advances to customers are disclosed in Note 6(b)(iv) to the consolidated and separate financial statements.

Due to the significance of the judgements applied in the identification of credit-impaired facilities and determination of the provision for expected credit losses, this item is considered as a key audit matter.

Our audit procedures included amongst others:

- Obtaining audit evidence in respect of key controls over the processes for identification of impairment events for impaired assets and impairment assessment;
- Inspecting the minutes of the Board and its subcommittees to ensure that there are governance controls in place in relation to assessment of allowances for credit impairment;
- Challenging the methodologies applied by using our industry knowledge and experience;
- Obtaining audit evidence of management judgements and assumptions;
- Independently recalculating the ECL, on a sample basis, based on our assessment of the expected cash flows and recoverability of collateral at an individual counterparty level. Where collaterals were used, we assessed, on a sample basis, the reasonableness of the time taken into account to realise those collaterals and the objectivity and qualifications of the respective independent appraisers;
- Performing a risk-based test of loans and advances to customers to ensure timely identification of impairment and for impaired loans to ensure appropriate allowances for credit impairment; and
- Assessing whether the disclosures are in accordance with the requirements of IFRS Accounting Standards.

Independent auditor's report

To the Shareholders of MCB Group Limited (continued)

Other information

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

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

The other information does not include the consolidated and separate financial statements and our auditor's report thereon. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards, and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

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

Independent auditor's report

To the Shareholders of MCB Group Limited (continued)

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group's consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Independent auditor's report

To the Shareholders of MCB Group Limited (continued)

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company and its subsidiaries other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

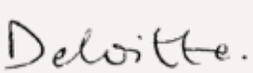
Financial Reporting Act 2004

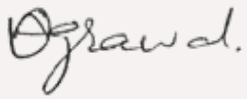
Corporate Governance Report

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("the Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Public Interest Entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Use of this report

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.





Deloitte
Chartered Accountants

Vishal Agrawal, FCA
Licensed by FRC

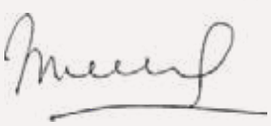
28 September 2026

Consolidated and Separate Statements of financial position

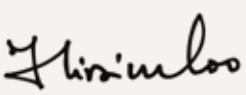
as at 30 June 2026

	Notes	GROUP 2026 RS'M	GROUP 2025 RS'M	COMPANY 2026 RS'M	COMPANY 2025 RS'M
ASSETS					
Cash and cash equivalents	4	**218,255**	136,864	**3,245**	1,103
Mandatory balances with Central Banks		**49,699**	45,926	**-**	-
Derivative financial instruments	5	**4,157**	3,748	**-**	-
Loans to and placements with banks	6(a)	**35,698**	30,508	**-**	-
Loans and advances to customers	6(b)	**499,667**	391,118	**-**	-
Investment securities	7	**426,154**	355,436	**4,682**	4,990
Investments in associates and joint venture	8	**13,960**	13,276	**154**	154
Investments in subsidiaries	9	**-**	-	**13,164**	13,510
Investment properties	10	**5,666**	5,552	**-**	-
Goodwill and other intangible assets	11	**3,662**	3,427	**-**	-
Property, plant and equipment	12	**8,297**	8,060	**262**	227
Deferred tax assets	13	**5,239**	4,845	**-**	-
Other assets	14	**12,959**	8,234	**150**	3,366
Total assets		**1,283,413**	1,006,994	**21,657**	23,350
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities					
Deposits from banks	15(a)	**40,410**	14,811	**-**	-
Deposits from customers	15(b)	**881,015**	725,562	**-**	-
Derivative financial instruments	5	**4,330**	4,071	**3**	-
Other borrowed funds	16	**146,151**	86,761	**-**	-
Debt securities	17	**36,935**	17,543	**4,494**	4,489
Subordinated liabilities	18	**6,997**	6,707	**-**	-
Preference shares	19	**846**	943	**846**	943
Current tax liabilities		**3,264**	2,751	**2**	-
Deferred tax liabilities	13	**798**	651	**5**	-
Post employment benefit liability	20	**757**	456	**-**	-
Other liabilities	21	**24,580**	25,484	**3,380**	3,568
Total liabilities		**1,146,083**	885,740	**8,730**	9,000
Shareholders' equity					
Stated capital	22	**11,476**	9,546	**11,476**	9,546
Retained earnings		**106,355**	93,116	**966**	4,445
Other components of equity		**15,783**	15,041	**485**	359
Equity attributable to the equity holders of the parent		**133,614**	117,703	**12,927**	14,350
Non-controlling interests		**3,716**	3,551	**-**	-
Total equity		**137,330**	121,254	**12,927**	14,350
Total equity and liabilities		**1,283,413**	1,006,994	**21,657**	23,350
CONTINGENT LIABILITIES (NET)	23	**310,280**	202,919		

These financial statements were approved by the Board of Directors and authorised for issue on 28 September 2026.



Jean Michel NG TSEUNG
Director
Group Chief Executive



Jayananda NIRSIMLOO
Director
Chairperson-Board of Directors



San T. SINGARAVELLOO
Director
Chairperson-Audit Committee

The notes on pages 222 to 315 form part of these financial statements.

Auditor's report on pages 206 to 211

Consolidated and Separate Statements of profit or loss

for the year ended 30 June 2026

	Notes	GROUP 2026 RS'M	GROUP 2025 RS'M	COMPANY 2026 RS'M	COMPANY 2025 RS'M
Interest income using the effective interest method	24	**54,804**	49,037	**62**	56
Interest expense	25	**(24,575)**	(21,985)	**(278)**	(285)
Net interest income		**30,229**	27,052	**(216)**	(229)
Fee and commission income	26	**12,937**	12,218	**-**	-
Fee and commission expense	27	**(4,074)**	(3,757)	**-**	-
Net fee and commission income		**8,863**	8,461	**-**	-
Net trading income	28	**6,719**	5,040	**66**	(94)
Net (loss)/gain from equity financial instruments carried at fair value through profit or loss		**(306)**	471	**-**	-
Dividend income	29	**199**	191	**3,922**	7,582
Other operating income		**1,348**	945	**6**	-
		7,960	6,647	**3,994**	7,488
Operating income		**47,052**	42,160	**3,778**	7,259
Non-interest expense					
Salaries and human resource costs	30(a)	**(9,846)**	(8,706)	**(72)**	(123)
Depreciation of property, plant and equipment	12	**(1,034)**	(935)	**(3)**	(2)
Amortisation of intangible assets	11	**(769)**	(701)	**-**	-
Other	30(c)	**(6,278)**	(5,405)	**(100)**	(103)
		(17,927)	(15,747)	**(175)**	(228)
Operating profit before impairment		**29,125**	26,413	**3,603**	7,031
Impairment charge	31	**(2,330)**	(3,505)	**(235)**	(319)
Operating profit		**26,795**	22,908	**3,368**	6,712
Share of profit of associates	8(e)	**798**	34	**-**	-
Profit before tax		**27,593**	22,942	**3,368**	6,712
Income tax expense	32	**(7,282)**	(4,932)	**(20)**	(6)
Profit for the year		**20,311**	18,010	**3,348**	6,706
Profit for the year attributable to:					
Ordinary equity holders of the parent		**20,114**	18,065	**3,348**	6,706
Non-controlling interests		**197**	(55)	**-**	-
		20,311	18,010	**3,348**	6,706
Earnings per share:					
Basic (Rs)	34(a)	**76.55**	70.15		
Diluted (Rs)	34(b)	**76.54**	70.13		

The notes on pages 222 to 315 form part of these financial statements.

Auditor's report on pages 206 to 211

Consolidated and Separate Statements of comprehensive income

for the year ended 30 June 2026

	Note	GROUP 2026 RS'M	GROUP 2025 RS'M	COMPANY 2026 RS'M	COMPANY 2025 RS'M
Profit for the year		**20,311**	18,010	**3,348**	6,706
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Net fair value gain on equity instruments		**136**	712	**112**	401
Remeasurement of defined benefit pension plan, net of deferred tax	32(b)	**(166)**	(1,085)	**-**	-
Share of other comprehensive income of associates		**269**	92	**-**	-
		239	(281)	**112**	401
Items that may be reclassified subsequently to profit or loss:					
Foreign exchange differences on translation of foreign operations		**659**	(91)	**-**	-
Reclassification adjustments on disposal of investments		**(68)**	-	**(7)**	-
Change in fair value of hedge instrument		**(75)**	(66)	**-**	-
Reclassification of effective portion of hedge		**34**	55	**-**	-
Net fair value gain/(loss) on debt instruments		**45**	128	**(2)**	(3)
		595	26	**(9)**	(3)
Other comprehensive income for the year		**834**	(255)	**103**	398
Total comprehensive income for the year		**21,145**	17,755	**3,451**	7,104
Total comprehensive income attributable to:					
Ordinary equity holders of the parent		**20,785**	17,920	**3,451**	7,104
Non-controlling interests		**360**	(165)	**-**	-
		21,145	17,755	**3,451**	7,104

The notes on pages 222 to 315 form part of these financial statements.

Auditor's report on pages 206 to 211

Consolidated Statement of changes in equity

for the year ended 30 June 2026

	Notes	GROUP									
		Attributable to equity holders of the parent								Non-Controlling Interests	Total Equity
		Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	Cash Flow Hedge	Equity Share based payment Reserve	Total		
		RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
At 1 July 2024		**6,975**	**82,170**	**2,667**	**2,477**	**8,970**	**-**	**-**	**103,259**	**3,756**	**107,015**
Profit/(loss) for the year		-	18,065	-	-	-	-	-	18,065	(55)	18,010
Other comprehensive income for the year		-	(1,128)	1,088	(94)	-	(11)	-	(145)	(110)	(255)
Total comprehensive income for the year		-	16,937	1,088	(94)	-	(11)	-	17,920	(165)	17,755
Dividends to ordinary shareholders	33	-	(6,174)	-	-	-	-	-	(6,174)	(40)	(6,214)
Issue of shares following conversion of preference shares into ordinary shares	22	678	-	-	-	-	-	-	678	-	678
Shares issued under the Scrip Dividend Scheme	22	1,691	-	-	-	-	-	-	1,691	-	1,691
Issue of shares following the exercise of Group Employee Share Options Scheme	22	202	-	-	-	-	-	-	202	-	202
Transactions with owners		2,571	(6,174)	-	-	-	-	-	(3,603)	(40)	(3,643)
Share of other movements in reserves of associate		-	207	(61)	-	-	-	-	146	-	146
Transfers and other movements		-	(24)	-	-	5	-	-	(19)	-	(19)
At 30 June 2025		**9,546**	**93,116**	**3,694**	**2,383**	**8,975**	**(11)**	**-**	**117,703**	**3,551**	**121,254**
Profit for the year		**-**	**20,114**	**-**	**-**	**-**	**-**	**-**	**20,114**	**197**	**20,311**
Other comprehensive income for the year		**-**	**(110)**	**163**	**659**	**-**	**(41)**	**-**	**671**	**163**	**834**
Total comprehensive income for the year		**-**	**20,004**	**163**	**659**	**-**	**(41)**	**-**	**20,785**	**360**	**21,145**
Dividends to ordinary shareholders	33	**-**	**(6,827)**	**-**	**-**	**-**	**-**	**-**	**(6,827)**	**(36)**	**(6,863)**
Share buy back and cancellation by subsidiary		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(159)**	**(159)**
Issue of shares following conversion of preference shares into ordinary shares	22	**97**	**-**	**-**	**-**	**-**	**-**	**-**	**97**	**-**	**97**
Long Term Incentive Plan		**-**	**-**	**-**	**-**	**-**	**-**	**23**	**23**	**-**	**23**
Shares issued under the Scrip Dividend Scheme	22	**1,748**	**-**	**-**	**-**	**-**	**-**	**-**	**1,748**	**-**	**1,748**
Issue of shares following the exercise of Group Employee Share Options Scheme	22	**85**	**-**	**-**	**-**	**-**	**-**	**-**	**85**	**-**	**85**
Transactions with owners		**1,930**	**(6,827)**	**-**	**-**	**-**	**-**	**23**	**(4,874)**	**(195)**	**(5,069)**
Share of other movements in reserves of associate		**-**	**4**	**(4)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers		**-**	**58**	**(64)**	**-**	**6**	**-**	**-**	**-**	**-**	**-**
At 30 June 2026		**11,476**	**106,355**	**3,789**	**3,042**	**8,981**	**(52)**	**23**	**133,614**	**3,716**	**137,330**

The notes on pages 222 to 315 form part of these financial statements.

Auditor's report on pages 206 to 211

Separate Statement of changes in equity

for the year ended 30 June 2026

	Notes	COMPANY				
		Stated Capital	Retained Earnings	Capital Reserve	Equity Share based payment Reserve	Total Equity
		RS'M	RS'M	RS'M	RS'M	RS'M
At 1 July 2024		6,975	3,913	(39)	-	10,849
Profit for the year		-	6,706	-	-	6,706
Other comprehensive income for the year		-	-	398	-	398
Total comprehensive income for the year		-	6,706	398	-	7,104
Dividends to ordinary shareholders	33	-	(6,174)	-	-	(6,174)
Issue of shares following conversion of preference shares into ordinary shares	22	678	-	-	-	678
Shares issued under the Scrip Dividend Scheme	22	1,691	-	-	-	1,691
Issue of shares following the exercise of Group Employee Share Options Scheme	22	202	-	-	-	202
Transactions with owners		2,571	(6,174)	-	-	(3,603)
At 30 June 2025		**9,546**	**4,445**	**359**	**-**	**14,350**
Profit for the year		**-**	**3,348**	**-**	**-**	**3,348**
Other comprehensive income for the year		**-**	**-**	**103**	**-**	**103**
Total comprehensive income for the year		**-**	**3,348**	**103**	**-**	**3,451**
Dividends to ordinary shareholders	33	**-**	**(6,827)**	**-**	**-**	**(6,827)**
Issue of shares following conversion of preference shares into ordinary shares	22	**97**	**-**	**-**	**-**	**97**
Long Term Incentive Plan		**-**	**-**	**-**	**23**	**23**
Shares issued under the Scrip Dividend Scheme	22	**1,748**	**-**	**-**	**-**	**1,748**
Issue of shares following the exercise of Group Employee Share Options Scheme	22	**85**	**-**	**-**	**-**	**85**
Transactions with owners		**1,930**	**(6,827)**	**-**	**23**	**(4,874)**
At 30 June 2026		**11,476**	**966**	**462**	**23**	**12,927**

The notes on pages 222 to 315 form part of these financial statements.

Auditor's report on pages 206 to 211

Consolidated and Separate Statements of cash flows

for the year ended 30 June 2026

	Notes	GROUP 2026 RS'M	GROUP 2025 RS'M	COMPANY 2026 RS'M	COMPANY 2025 RS'M
Cash flows from operating activities					
Operating profit		**26,795**	22,908	**3,368**	6,712
Adjustments for:					
Depreciation of property, plant and equipment	12	**1,034**	935	**3**	2
Amortisation of intangible assets	11	**769**	701	**-**	-
Loss on disposal of property, plant and equipment		**55**	106	**-**	-
Loss on scrapped intangible assets		**-**	1	**-**	-
Exchange profit/(loss)		**708**	(971)	**(17)**	7
Movement on employee benefits		**60**	(93)	**-**	-
Movement on residual retirement gratuities		**41**	(4)	**-**	-
Share-based payment expense		**23**	-	**-**	-
Charge/(release) for credit impairment		**2,806**	4,904	**(38)**	317
Fair value gain on investment property net of goodwill adjustment		**-**	(10)	**-**	-
Gain on bargain purchase of non-controlling interest by subsidiary		**(13)**	-	**-**	-
Impairment of investment in subsidiaries		**-**	-	**273**	2
		32,278	28,477	**3,589**	7,040
Changes in:					
Mandatory balances with Central Banks		**(3,773)**	(4,631)	**-**	-
Other assets		**(7,249)**	(3,435)	**3,227**	(834)
Other liabilities		**1,891**	4,810	**(337)**	(110)
Derivative financial instruments		**(194)**	404	**-**	-
Investment securities at fair value through profit or loss		**2,403**	(2,319)	**-**	-
Deposits		**177,350**	36,151	**-**	-
Loans and advances		**(114,779)**	(21,288)	**-**	1,233
		55,649	9,692	**2,890**	289
Purchase of investments at fair value through other comprehensive income		**(29,508)**	(23,813)	**(51)**	(3,987)
Proceeds from sale of investments at fair value through other comprehensive income		**29,260**	19,053	**471**	-
Dividends received from associates		**532**	343	**8**	4
Dividends paid to ordinary shareholders	33	**(4,898)**	(4,164)	**(4,898)**	(4,164)
Dividends paid to non-controlling interests in subsidiaries		**(36)**	(40)	**-**	-
Income tax paid		**(6,862)**	(5,441)	**(4)**	(9)
		(11,512)	(14,062)	**(4,474)**	(8,156)
Net cash flows from operating activities		**76,415**	24,107	**2,005**	(827)
Investing activities					
Purchase of property, plant and equipment		**(1,311)**	(1,364)	**(26)**	-
Purchase of intangible assets		**(1,001)**	(1,031)	**-**	-
Proceeds from sale of property, plant and equipment		**308**	7	**-**	-
Investment in subsidiary		**-**	-	**(16)**	(120)
Investment in joint venture		**(21)**	-	**-**	-
Net subordinated loan received from/(granted to) subsidiaries		**-**	-	**95**	(14)
Increase in investment securities at amortised cost		**(71,434)**	(3,187)	**-**	-
Net cash flows from investing activities		**(73,459)**	(5,575)	**53**	(134)
Financing activities					
Employee share options exercised	22	**85**	202	**85**	202
Share buy back by subsidiary		**(149)**	-	**-**	-
Issue of debt securities		**17,922**	-	**-**	-
Increase in other borrowed funds		**60,362**	24,015	**-**	-
Repayment of lease liabilities		**(205)**	(203)	**(1)**	-
Net cash flows from financing activities		**78,015**	24,014	**84**	202
Increase/(decrease) in cash and cash equivalents		**80,971**	42,546	**2,142**	(759)
Net cash and cash equivalents at the beginning of the year		**136,817**	94,377	**1,103**	1,862
Effect of foreign exchange rate changes		**537**	(106)	**-**	-
Net cash and cash equivalents at 30 June	4	**218,325**	136,817	**3,245**	1,103

The notes on pages 222 to 315 form part of these financial statements.

Auditor's report on pages 206 to 211

General information

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

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

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

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for the year ended 30 June 2026

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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 principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

The Group at the time of approving the financial statements is not aware of any uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis. The Directors further have a reasonable expectation that the Group has adequate resources to continue in operational existence in the foreseeable future.

Where necessary, comparative figures have been amended to conform with changes in presentation, or in accounting policies in the current year.

The financial statements include the consolidated financial statements of the parent company MCB Group Limited ("The Company") and its subsidiary companies ("The Group") and the separate financial statements of the parent company.

The financial statements have been prepared under the historical cost convention except for investment securities at fair value through other comprehensive income, financial assets and liabilities held at fair value through profit or loss, derivative contracts and defined benefit plan which are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36 Impairment of Assets.

New and amended standards adopted by the Group

The following relevant revised IFRS Accounting Standards have been applied in these financial statements. Their application has 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.

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.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

This new standard and amendments work alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

It will be effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.

IFRS 20 Regulatory Assets and Regulatory Liabilities

This is a new Accounting Standard for entities subject to a specific type of rate regulation. It aims to help investors better understand how that rate regulation affects an entity's financial performance, financial position and its prospects for future cash flows. It will be effective for annual periods beginning on or after 1 January 2029 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 financial statements.

(b) Basis of consolidation and equity accounting

(1) Subsidiaries

(i) Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(b) Basis of consolidation and equity accounting (continued)

(1) Subsidiaries (continued)

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.

(ii) Separate financial statements of the Company

In the separate financial statements of the Company, investments in subsidiary companies are carried at cost. In subsequent years, the carrying amount is reduced to recognise any impairment in the value of individual investments.

(iii) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests without loss of control are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(2) Associates and joint venture

An associate is an entity over which the Group has significant influence but no control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

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

Any excess of the cost of acquisition over the Group's share of the net fair value of the associate's or joint venture's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's or joint venture's profit or loss.

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

If there is objective evidence that the Group's net investment in an associate or joint venture is impaired, the requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

Notes to the Consolidated and Separate Financial Statements

for the year ended 30 June 2026

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(b) Basis of consolidation and equity accounting (continued)

(2) Associates and joint venture (continued)

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

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, appropriate adjustments are made to the financial statements of associates or joint venture to bring the accounting policies used in line with those adopted by the Group. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates or joint venture are recognised in profit or loss.

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

(c) Foreign currency translation

The foreign subsidiaries' 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 entity operates ("functional currency"). The consolidated and separate financial statements are presented in Mauritian Rupees ("Rs"), which is the Company's functional currency. All amounts are in million except as otherwise stated.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation when the items are remeasured.

Trading transactions denominated in foreign currencies are accounted for at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities expressed in foreign currencies are reported at the rate of exchange ruling at the end of the reporting date. Differences arising from reporting monetary items are dealt with through profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not subsequently retranslated.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(d) Derivative financial instruments

Derivatives are financial instruments that derive their value from the price of underlying items such as equities, interest rates, commodities or other indices. Derivatives are recognised initially at fair value and are subsequently measured at fair value through profit or loss. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative.

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(f) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- Purchased or originated credit-impaired ('POCI') financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

The Effective Interest Rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(g) Fees, commissions and other income

Fees and commission

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

The Group recognises fee and commission income charged for services provided by the Group as and when performance obligations are satisfied, for example, on completion of the underlying transaction. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight-line basis.

A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Fees and commission arising from negotiation of transactions with third parties or participating in the negotiation of a transaction for a third party is recognised on completion of the underlying transaction.

Other income

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

(h) Sale and repurchase agreements

Securities sold subject to linked repurchase agreements ("repos") are retained in the statement of financial position as Government securities and Treasury bills and the counterparty liability is included in amount due to other banks or deposits, as appropriate.

Securities purchased under agreements to resell ("reverse repos") are recorded as 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 entity recognises the differences as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Classification and subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Business model: the business model reflects how the Group manages the assets in order to generate cash flows, that is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

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.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Investments, other financial assets and financial liabilities (continued)

Debt instruments (continued)

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the "SPPI test"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL.

For assets measured at fair value, all gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held-for-trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost and
- those to be measured subsequently at fair value (either through OCI or through profit or loss).

Amortised cost and effective interest rate

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For 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 categorized as loans by the Group and are carried at amortised cost, which is defined as the fair value of cash consideration given to originate these loans as is determinable by reference to market prices at origination date. Third party expenses, such as legal fees, incurred in securing a loan are treated as part of the cost of the transaction.

FVOCI

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the fair value are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in net trading income. Interest income from these financial assets is included in interest income using the effective interest rate method. Foreign exchange gains and losses are presented in net trading income and impairment expenses are presented as separate line item in the statement of profit or loss.

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.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Investments, other financial assets and financial liabilities (continued)

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity instruments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as dividend income when the Group's right to receive payments is established.

Gains or losses on equity investments at FVPL are included in the "Net (loss)/gain from equity financial instruments carried at fair value through profit or loss' line in the statement of profit or loss.

Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new terms are substantially different from the original terms. The Group does this by considering, among others, the following factors:

(i) If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.

(ii) Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.

(iii) Significant extension of the loan term when the borrower is not in financial difficulty.

(iv) Significant change in the interest rate.

(v) Change in the currency the loan is denominated in.

(vi) Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the assets. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss in impairment charge.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-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 does not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. If a forborne loan is credit impaired due to the existence of evidence of credit impairment, the Group performs an ongoing assessment to ascertain if the problems of the exposure are cured, to determine if the loan is no longer credit impaired. The loss allowance on forborne loans will generally only be measured based on 12-months ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Investments, other financial assets and financial liabilities (continued)

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 periods, financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to 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 statement of profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Investments, other financial assets and financial liabilities (continued)

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

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

The Group applies the hedge accounting requirements of IFRS 9. Hedge accounting is a technique that modifies the normal basis for recognising gains and losses (or revenues and expenses) on associated hedging instruments and hedged items, so that both are recognised in profit or loss or other comprehensive income in the same accounting period. This is a matching concept that eliminates or reduces the volatility in the statement of comprehensive income that otherwise would arise if the hedged item and the hedging instrument were accounted separately under IFRS.

The Group has opted for a cash flow hedge strategy. The primary objective of this macro cash flow hedge is to mitigate the risk of fluctuating interest income due to anticipated declines in interest rates. The Group aims to protect its budgeted Net Interest Margin (NIM) by stabilizing interest cash flows from its floating rate assets, which are funded by non-interest bearing deposits.

The risk being hedged in a cash flow hedge is the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, an unrecognised firm commitment (currency risk only) or a highly probable forecast transaction and could affect profit or loss. Future cash flows might relate to existing assets and liabilities, such as future interest payments or receipts on floating-rate debt. Future cash flows can also relate to highly probable forecast sales or purchases in a foreign currency. Volatility in future cash flows might result from changes in interest rates, exchange rates, equity prices or commodity prices.

Provided the hedge is effective, changes in the fair value of the hedging instrument are initially recognised in other comprehensive income and taken to a separate component of equity. Any ineffective portion of the change in the fair value of the hedging instrument is recognised directly in profit or loss.

The amount recognised in the separate component of equity should be the lower of:

- the cumulative gain or loss on the hedging instrument from the inception of the hedge; and
- the cumulative change in the fair value (present value) of the expected cash flows on the hedged item from the inception of the hedge.

If the cumulative change in the hedging instrument exceeds the change in the hedged item (sometimes referred to as an ‘over-hedge’), ineffectiveness will be recognised in profit or loss for the excess. If the cumulative change in the hedging instrument is less than the change in the hedged item (sometimes referred to as an ‘under-hedge’), no ineffectiveness will be recognised. This is different from a fair value hedge, in which ineffectiveness is recognised on both over- and under-hedges.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Investments, other financial assets and financial liabilities (continued)

Hedge Accounting (continued)

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 profit or loss as a reclassification adjustment, as defined in IAS 1, in the same period or periods during which the hedged expected future cash flows affect profit or loss. This might be where interest income or expense is recognised or a forecast sale occurs.

Where there is a cumulative loss on the hedging instrument and it is no longer expected that the loss will be recovered, it must be immediately recognised in profit or loss.

(j) Impairment Charge

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts for future economic conditions.

Three-Stage approach to ECL

IFRS 9 requires entities to recognise ECL based on a Stage allocation methodology, with such categorisation informing the level of provisioning required. The financial assets recorded in each stage have the following characteristics:

Stage 1: These financial assets are unimpaired and without significant increase in credit risk on which a 12-month allowance for ECL is recognised.

Stage 2: A significant increase in credit risk has been experienced on these financial assets since initial recognition for which a lifetime ECL is recognised.

Stage 3: There is objective evidence of impairment, and the financial assets are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Definition of Default

The definition of default is critical to the determination of the ECL. It is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-months or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Group; or
- The borrower is unlikely to pay its credit obligations in full to the Group

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or accounts are overdrawn for more than 90 days. When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators such as breach of covenants and financial performance. The Group uses a variety of sources of information to assess defaults which are either developed internally or obtained from external sources such as regulatory guidelines.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(j) Impairment Charge (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-months ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Group employs experts who use external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

Measurement of ECL

The key inputs used for measuring ECL are:

- probability of default (PD)
- loss given default (LGD)
- exposure at default (EAD)

These figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

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.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(j) Impairment Charge (continued)

Measurement of ECL (continued)

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. The LGD models for secured assets consider forecasts of future collateral valuation taking into account sale discounts, time to realisation of collateral, cross collateralisation and seniority of claim, cost of realisation of collateral and cure rates (i.e. exit from non-performing status). LGD models for unsecured assets consider time of recovery, recovery rates and seniority of claims. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the loan.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities. The Group's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortisation profiles, early repayment or overpayment, changes in utilisation of undrawn commitments and credit mitigation actions taken before default. The Group uses EAD models that reflect the characteristics of the portfolios.

Write-off Policy

Financial assets are written off either partially or in its entirety when the Group has no reasonable expectations of recovering them. This occurs when the Group determines that the customer does not have the capacity to repay the amount due or the collateral given by the customer is not sufficient to cover the exposure. The write off does not mean that the Group has forfeited its legal right to claim the sums due. The Group retains the right to proceed with enforcement actions under the Group's recovery procedure and any recovery will be recognised in the statement of profit or loss under 'Impairment charge' as recoveries of advances written off.

(k) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Investment properties comprise hotel property that is occupied substantially for use by, or in the operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

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

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

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

(l) Goodwill

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

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

(m) Property, plant and equipment

Property, plant and equipment are carried at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(m) Property, plant and equipment (continued)

Depreciation is calculated to write down the cost of such assets to their residual values on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years
Computer and other equipment	5-10 years
Furniture, fittings and vehicles	5-15 years

Land and work in progress are not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with effect of any changes in estimate accounted for on a prospective basis.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposal of property, plant and equipment are determined by reference to their disposal proceeds and their carrying amounts and are recognised as income or expense in profit or loss. Repairs and renewals are charged to profit or loss when the expenditure is incurred.

(n) Intangible Assets

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly attributable to the design of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- The management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Expenditure that enhances or extends the benefits of computer software programmes beyond their original specifications and lives 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.

Customer relationship

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

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(o) Leases

The Group assesses whether a contract is, or contains, a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

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

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(o) Leases (continued)

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

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

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

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

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

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

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

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

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

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

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

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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

Finance leases

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

(i) Recognition and initial measurement

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

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

Finance leases (continued)

(i) Recognition and initial measurement (continued)

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

(ii) Subsequent measurement

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

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

Operating leases

Assets leased out under operating leases are included in plant and equipment in the statement of financial position. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Assets classified as operating leases are depreciated over their useful lives on a basis consistent with similar fixed assets.

(q) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise unrestricted cash and balances with Central Banks, treasury bills and amounts due to and from other banks which are short term, highly liquid with original maturities of 90 days or less, and borrowings of original maturities of 90 days or less that can fluctuate in value changing from an asset to a liability and vice versa across periods.

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(s) Deposits from banks and customers

Deposits from banks and customers are classified as financial liabilities at amortised cost. They are initially measured at fair value and subsequently carried at amortised cost.

(t) Employee benefits

The Group operates a number of defined benefit and defined contribution plans and provides for the requirements under the Workers' Rights Act (WRA) 2019. The defined benefit plan is fully funded. The assets of the funded plan are held independently and administered by The Mauritius Commercial Bank Limited Superannuation Fund.

(i) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the notes.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitles them to the contributions.

As from 1 July 2015, the Group has introduced a Defined Contribution Cash Balanced scheme (DCCB) for its employees.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(t) Employee benefits (continued)

With the introduction of DCCB, new employees automatically join the DCCB scheme, whilst existing employees had a one-time opportunity to choose from one of the options listed below:

Option A: To stay in the Defined Benefit (DB) scheme for all service.

Option B: To keep the accrued past pension benefits until 30 June 2015 in the DB scheme and join the DCCB scheme as from 1 July 2015.

Option C: To join the DCCB scheme as from 1 July 2015 and transfer the total accrued benefits as at 30 June 2015 from the DB scheme into the DCCB scheme.

(ii) Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The main assumptions made in the actuarial valuation of the pension fund are listed in note 20 to the financial statements.

The Group determines the net interest expense/income on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/asset, taking into account any changes in the net defined liability/asset during the period as a result of contributions and benefit payments. Net interest expense/income is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

(iii) Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Workers' Rights Act (WRA) 2019 is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

(iv) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(v) Vacation leave

The vacation leave 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.

(u) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period and includes the Corporate Social Responsibility charge, Corporate Climate Responsibility levy, 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.

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(u) Current and deferred income tax (continued)

(i) Current income tax (continued)

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.

(v) Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(w) Dividend declared and unpaid

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

(x) Acceptances

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers. Acceptances are disclosed as liabilities with corresponding contra-assets.

(y) Operating segments

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

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

(z) Stated capital

(i) Ordinary shares are classified as equity.

(ii) Share issue costs are incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(aa) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale.

Other borrowing costs are expensed.

(ab) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(ac) Share-based payments

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

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

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

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

(ii) Long-term incentive plan

The Group operates a Long-Term Incentive Plan (LTIP) for its senior management. The purpose of this LTIP is to:

a) attract, retain and motivate key talents that form part of the Senior Management, to drive business goals and to raise the level of capabilities and skills of MCB Group Senior Management; and

b) create a culture of "pay for performance" among the Senior Management to create a strong linkage between MCB Group long term performance and employee rewards to enhance their commitment to MCB Group.

Awards granted may vest based on continued employment and achievement of specified conditions. The cost of the employee services received in respect of the shares or share options granted is recognised in profit or loss over the period that employees provide services, generally the period from which the award is granted (or the employee notified) to the vesting date of the shares. The overall cost of the award is calculated using the number of shares expected to vest and the fair value of the shares at the date of grant.

The number of shares expected to vest takes into account the likelihood that performance and service conditions included in the terms of the awards will be met. The fair value of shares is the market price ruling on the grant date.

(ad) Earnings per share

Earnings per share are determined by dividing the profit or loss attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the reporting year.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

As part of the process of preparing the financial statements of the Group, management is called upon to make judgements, estimates and assumptions. These affect the reported amount of revenues, expenses, assets, liabilities and the disclosures. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates, assumptions and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(b) Significant increase in credit risk

As explained in Risk and capital management report, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(c) Pension benefits

The cost of the defined benefit pension plan and other post-employment benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(d) Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values should be first calculated with reference to observable inputs where these are available. Only where these are unavailable that the Group employs less observable inputs. Unobservable 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.

The management therefore makes estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(f) Deferred Tax

Deferred tax is recognised to the extent that it is probable that future taxable income will be available against which unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Recognition of deferred tax assets depends on management's intention of the Group to generate future taxable profits which will be used against temporary differences and to obtain tax benefit thereon. The outcome of their actual utilisation may be different.

(g) Provision and Contingencies

Provision is recognised in the financial statements when the Group has a present obligation as a result of a past event and it is probable that a transfer of economic benefits will be required to settle the obligation. A reliable estimate is required to be made. Management makes various assumptions in order to determine whether to recognise a provision and its amount thereafter. For potential litigation and claims, management relies on the advise 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 Group in above areas is set out in the Risk and Capital Management report.

(i) Significant influence in Banque Française Commerciale Ocean Indien

The Group holds 49.99% of Banque Française Commerciale Ocean Indien (BFCOI) and it is considered as an associate. The Directors consider that the Group only has significant influence over BFCOI since it does not have the practical ability to control the relevant activities of BFCOI.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(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

(k) Property valuation

In arriving at the fair value of the properties, which was determined on an income approach basis, the Directors in consultation with the independent valuers had to make assumptions and estimates that were mainly based on market conditions existing at 30 June 2026. Should these assumptions and estimates change, or not be met, the valuation as adopted in the financial statements will be affected.

(l) Impairment of goodwill

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

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 cards. Managing financial risk is a fundamental part of its business activity.

The main sources of financial risk that the Group faces arise from financial instruments, which are fundamental to the Group's business and constitute the core of its operations.

The Group has exposure to the following risks from financial instruments:

(i) Credit Risk

(ii) Liquidity Risk

(iii) Market risk (including interest rate and foreign currency risk)

The Group devotes considerable resources to measure, manage, mitigate and control each of these risks and ensures that its risk management systems and procedures are fitted to meet the needs of the business. The Group's risk management policies and processes are designed to identify and analyse these risks, set appropriate risk appetites, limits and controls and to constantly monitor the risks and adherence to limits.

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

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

Risk Management Strategy

The Bank applies hedge accounting to represent, to the maximum possible extent permitted under accounting standards, the economic effects of its interest and currency risk management strategies.

When derivatives, held for risk management purposes, meet the required criteria for documentation and hedge effectiveness, the Bank shall apply cash flow hedge accounting. The effectiveness of hedge relationships is assessed on an ongoing basis. The Bank evaluates whether an economic relationship exists between the hedged item and the hedging instrument, whether credit risk does not dominate the value changes arising from that relationship and whether the hedge ratio remains aligned to the Bank's risk management strategy. Quantitative and qualitative techniques, including the Dollar Offset Model where appropriate, are used as part of this assessment.

Cash flow hedge Accounting

Cash flow hedges are used by the Bank with the primary objective of protecting against cash flow variability arising from the Bank exposure to interest rate risk.

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

The effective portion of gains and losses on hedging instruments is recognised in other comprehensive income and the ineffective portion of the change in fair value of derivative hedging instruments that are part of a cash flow hedge relationship is recognised immediately in the profit or loss 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 profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is immediately reclassified to the income statement.

3 FINANCIAL RISK MANAGEMENT (continued)

(a) Financial risk management (continued)

Cash flow hedge Accounting (continued)

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 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 fulfil their contractual obligations. Credit Risk Management at the Bank is under the responsibility of the Credit Risk Business Unit (CRBU). The CRBU has the task of reviewing the Bank's credit policies and guidelines to ensure that best lending practices are upheld at all times. Risk assessments are carried out to assist in portfolio management decisions including exposure levels and the constitution of required provisions.

Credit related commitments

The main purpose of credit related commitments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank to pay a third party, on behalf of its customers up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

The Bank monitors the term to maturity of credit commitments because longer term commitments generally have a greater degree of credit risk than shorter term commitments.

3 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (Continued)

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

	GROUP			
	Stage 1 RS'M	Stage 2 RS'M	Stage 3 RS'M	Total RS'M
At 30 June 2026				
Loans to and placements with banks				
Performing	**36,158**	**-**	**-**	**36,158**
	36,158	**-**	**-**	**36,158**
Loans and advances to customers				
Performing	**477,791**	**-**	**-**	**477,791**
Under performing	**-**	**28,304**	**-**	**28,304**
Non-performing	**-**	**-**	**14,868**	**14,868**
	477,791	**28,304**	**14,868**	**520,963**
At 30 June 2025				
Loans to and placements with banks				
Performing	30,618	-	-	30,618
	30,618	**-**	**-**	**30,618**
Loans and advances to customers				
Performing	384,040	-	-	384,040
Under performing	-	11,802	-	11,802
Non-performing	-	-	17,222	17,222
	384,040	**11,802**	**17,222**	**413,064**

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality

The following tables set out the credit quality of exposures by different segments for the bank.

At 30 June 2026

	Stage 1			Stage 2			Stage 3			
	Gross exposure	12 months ECL	Net exposure	Gross exposure	Lifetime ECL (Not Credit-Impaired)	Net exposure	Gross exposure*	Lifetime ECL (Credit Impaired)	Interest in suspense	Net exposure
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Portfolio										
Retail	**83,972**	**570**	**83,402**	**758**	**185**	**573**	**1,375**	**616**	**177**	**759**
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**	**7,451**	**2,601**	**2,051**
Retail										
Housing loans	**57,457**	**117**	**57,340**	**444**	**23**	**421**	**627**	**194**	**33**	**433**
Small and medium enterprise	**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**	**616**	**177**	**759**
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**
Total	**1,312,430**	**5,489**	**1,306,941**	**26,185**	**4,178**	**22,007**	**8,127**	**6,835**	**2,424**	**1,292**

The value of collaterals for impaired exposures amounted to Rs 3,402M (2025: Rs 2,413M).

The Bank allocates each exposure to credit risk grade based on a variety of data that is determined to be predictive of risk of default and applying experienced credit judgement. For the wholesale portfolio, credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of the borrower. It involves assigning a rating to each counterparty according to an internal scale of 1 to 20 .

The following table presents the Bank's internal rating scale and the corresponding scale of Moody's Investors Service.

Internal Rating	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Moody's Equivalent Rating	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	D

*Excluding interest in suspense

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

An analysis of credit exposures using the Bank's grading system is given below:

At 30 June 2026

	Gross exposure			Expected credit loss			Net exposure		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Internal Rating									
Total Wholesale									
2	200,454	-	-	3	-	-	200,451	-	-
3	7,849	-	-	1	-	-	7,848	-	-
4	17,356	-	-	13	-	-	17,343	-	-
5	41,586	-	-	13	-	-	41,573	-	-
6	8,262	-	-	5	-	-	8,257	-	-
7	6,070	-	-	2	-	-	6,068	-	-
8	900	-	-	1	-	-	899	-	-
9	31,061	-	-	41	-	-	31,020	-	-
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	994	-
15	46,038	2,075	-	610	598	-	45,428	1,477	-
16	26,101	21,392	-	1,145	3,004	-	24,956	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)

At 30 June 2026

	Gross exposure			Expected credit loss			Net exposure		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Internal Rating									
Financial Institutions									
3	**7,849**	**-**	**-**	**1**	**-**	**-**	**7,848**	**-**	**-**
4	**1,626**	**-**	**-**	**-**	**-**	**-**	**1,626**	**-**	**-**
5	**30,657**	**-**	**-**	**12**	**-**	**-**	**30,645**	**-**	**-**
6	**8,262**	**-**	**-**	**5**	**-**	**-**	**8,257**	**-**	**-**
7	**6,070**	**-**	**-**	**2**	**-**	**-**	**6,068**	**-**	**-**
8	**900**	**-**	**-**	**1**	**-**	**-**	**899**	**-**	**-**
9	**268**	**-**	**-**	**-**	**-**	**-**	**268**	**-**	**-**
10	**12,489**	**-**	**-**	**2**	**-**	**-**	**12,487**	**-**	**-**
11	**11,026**	**-**	**-**	**6**	**-**	**-**	**11,020**	**-**	**-**
12	**14,819**	**-**	**-**	**12**	**-**	**-**	**14,807**	**-**	**-**
13	**2,860**	**-**	**-**	**10**	**-**	**-**	**2,850**	**-**	**-**
14	**6,646**	**-**	**-**	**17**	**-**	**-**	**6,629**	**-**	**-**
15	**1,155**	**-**	**-**	**-**	**-**	**-**	**1,155**	**-**	**-**
16	**12,838**	**-**	**-**	**197**	**-**	**-**	**12,641**	**-**	**-**
17	**12,969**	**-**	**-**	**274**	**-**	**-**	**12,695**	**-**	**-**
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		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Internal Rating									
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**	**-**

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

At 30 June 2026

	Gross exposure			Expected credit loss			Net exposure		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Internal Rating									
Corporate									
9	**3,827**	**-**	**-**	**1**	**-**	**-**	**3,826**	**-**	**-**
10	**4,965**	**-**	**-**	**7**	**-**	**-**	**4,958**	**-**	**-**
11	**33,632**	**-**	**-**	**99**	**-**	**-**	**33,533**	**-**	**-**
12	**82,775**	**15**	**-**	**402**	**-**	**-**	**82,373**	**15**	**-**
13	**89,152**	**5**	**-**	**834**	**2**	**-**	**88,318**	**3**	**-**
14	**53,515**	**1,100**	**-**	**708**	**106**	**-**	**52,807**	**994**	**-**
15	**8,314**	**2,075**	**-**	**201**	**598**	**-**	**8,113**	**1,477**	**-**
16	**5,333**	**1,406**	**-**	**575**	**396**	**-**	**4,758**	**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 by different segments for the bank.

At 30 June 2025

	Stage 1			Stage 2			Stage 3			
	Gross exposure	12 months ECL	Net exposure	Gross exposure	Lifetime ECL (Not Credit-Impaired)	Net exposure	Gross exposure *	Lifetime ECL (Credit Impaired)	Interest in suspense	Net exposure
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Portfolio										
Retail	70,739	489	70,250	841	158	683	1,235	509	146	726
Wholesale	979,014	5,012	974,002	9,982	2,570	7,412	10,674	9,938	2,465	736
Total	**1,049,753**	**5,501**	**1,044,252**	**10,823**	**2,728**	**8,095**	**11,909**	**10,447**	**2,611**	**1,462**
Retail										
Housing loans	48,064	156	47,908	511	40	471	512	159	27	353
Small and medium enterprise	8,886	89	8,797	73	21	52	338	190	41	148
Unsecured and revolving	8,865	196	8,669	139	73	66	167	123	18	44
Other secured loans	4,924	48	4,876	118	24	94	218	37	60	181
Total retail	**70,739**	**489**	**70,250**	**841**	**158**	**683**	**1,235**	**509**	**146**	**726**
Wholesale										
Sovereign	369,897	140	369,757	-	-	-	-	-	-	-
Financial institutions	116,355	178	116,177	-	-	-	-	-	-	-
Project finance	10,947	439	10,508	329	82	247	-	-	-	-
Energy & Commodities	245,849	1,580	244,269	1,397	564	833	1,670	1,670	208	-
Corporate	235,966	2,675	233,291	8,256	1,924	6,332	9,004	8,268	2,257	736
Total wholesale	**979,014**	**5,012**	**974,002**	**9,982**	**2,570**	**7,412**	**10,674**	**9,938**	**2,465**	**736**

*Excluding interest in suspense

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

An analysis of credit exposures using the Bank's grading system is given below:

At 30 June 2025

	Gross exposure			Expected credit loss			Net exposure		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Internal Rating									
Total Wholesale									
2	72,894	-	-	2	-	-	72,892	-	-
3	8,788	-	-	1	-	-	8,787	-	-
4	30,237	-	-	20	-	-	30,217	-	-
5	31,503	-	-	9	-	-	31,494	-	-
6	4,473	-	-	2	-	-	4,471	-	-
7	17,994	-	-	3	-	-	17,991	-	-
8	6,575	-	-	2	-	-	6,573	-	-
9	226	-	-	-	-	-	226	-	-
10	322,180	-	-	175	-	-	322,005	-	-
11	67,449	175	-	197	104	-	67,252	71	-
12	107,164	-	-	418	-	-	106,746	-	-
13	109,121	598	-	582	148	-	108,539	450	-
14	122,517	2,795	-	923	596	-	121,594	2,199	-
15	39,365	1,076	-	1,297	174	-	38,068	902	-
16	26,495	3,364	-	551	1,054	-	25,944	2,310	-
17	11,611	1,974	-	809	494	-	10,802	1,480	-
18	422	-	-	21	-	-	401	-	-
20	-	-	10,674	-	-	9,938	-	-	736
Total	**979,014**	**9,982**	**10,674**	**5,012**	**2,570**	**9,938**	**974,002**	**7,412**	**736**
Sovereign									
2	72,894	-	-	2	-	-	72,892	-	-
4	9,724	-	-	-	-	-	9,724	-	-
10	286,701	-	-	118	-	-	286,583	-	-
13	175	-	-	1	-	-	174	-	-
18	403	-	-	19	-	-	384	-	-
Total	**369,897**	**-**	**-**	**140**	**-**	**-**	**369,757**	**-**	**-**

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

At 30 June 2025

	Gross exposure			Expected credit loss			Net exposure		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Internal Rating									
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		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Internal Rating									
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)

Restructured financial assets

The Bank defines "rescheduling" as any amendment to restructuring or rescheduling of any exposure and includes concession, relaxation, forgiveness or postponement of any material term or condition of the original sanction. The underlying allowance for credit loss is realised wherever there is a material economic loss.

The following table provides information on financial assets which were restructured while they had a loss allowance measured at an amount equal to lifetime ECL.

	2026 RS'M	2025 RS'M
Amortised cost before restructure	**13**	25
Net modification gain or loss	**1**	3
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	**-**	-

Assets obtained by taking possession of collateral

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

	2026 RS'M	2025 RS'M
Property	**138**	103

Maximum exposure to credit risk - Financial instruments measured at fair value through profit or loss:

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e. fair value through profit or loss).

	GROUP	
	2026 RS'M	2025 RS'M
Derivative financial instruments	**4,157**	3,748
Investment securities	**8,179**	10,685

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

Collateral held and other credit enhancements

The Group`s potential credit losses are mitigated through a range of instruments including collaterals and credit protection such as cash, real estate, marketable securities, inventories, standby letters of credit and other physical and/or financial collateral.

Credit risk policies are in place to determine the eligibility of collateral to mitigate the credit risk assumed and appropriate haircuts are applied to the market value of collateral, reflecting the underlying nature, quality and liquidity of the collateral.

In the event of default, the Group has the ability to call on the different types of collaterals which in turn are driven by portfolio, product or counterparty type. The Group considers that it is sufficiently collaterised against its impaired book.

Fixed and floating charges on properties and other assets constitute the bulk of our collateral while cash and marketable securities are immaterial.

Long-term finance and lending to corporate entities are generally secured whilst revolving individual credit facilities are generally unsecured. When the borrower's credit worthiness is not sufficient to justify an extension of credit, corporate guarantees are required.

In extending credit facilities to small and medium sized enterprises, the Group often resorts to personal guarantees from the principal directors to ensure their commitment to repayment. Debt securities, treasury and other eligible bills are generally unsecured with the exception of asset-backed securities.

For derivatives, repurchase agreements with financial market counterparties, collateral arrangements are covered under market-standard documentation such as International Swaps and Derivatives Association Agreements (ISDA) and Master Repurchase Agreements.

The Group did not hold any financial instrument for which no loss allowance is recognised because of collateral. There was no change in the Group's collateral policy during the year.

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

Collateral held and other credit enhancements (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	
	2026 RS'M	2025 RS'M
Agriculture and fishing	**341**	355
Manufacturing	**7,600**	5,499
Tourism	**9,816**	3,072
Transport	**184**	206
Construction	**9,653**	7,949
Financial and business services	**42,545**	21,581
Traders	**180,435**	196,079
Global Business Licence holders	**1,492**	1,376
Others	**2,351**	985
	254,417	237,102

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

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk

The Group is exposed to market risks mainly at the level of MCB Ltd. 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 the 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 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 Unit (ALCM Unit). These units play a pivotal role in the ongoing monitoring and regulation of market risk activities.

The MRBU is devoted to ensuring the effective adherence to market risk policies and guidelines, as well as maintaining a vigilant watch over predetermined limits. Similarly, the ALCM Unit 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 Group designates a portion of its investments under the categories of Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVPL).

The table below summarises the impact of increases/decreases in fair value of the investments on the Group's equity. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	GROUP	
	2026 RS'M	2025 RS'M
Financial assets at fair value through other comprehensive income	**509**	447
Financial assets at fair value through profit or loss	**556**	677
	1,065	1,124

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk

The Group is exposed to currency risks mainly at the level of MCB Ltd. 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 ALCO.

Concentration of assets, liabilities and off-balance sheet items

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	5,441	178,537	5,005	17,700	11,646	218,329
Derivative financial instruments	80	3,179	-	898	-	4,157
Loans to and placements with banks	6,316	27,242	645	818	1,137	36,158
Loans and advances to customers	65,653	256,252	565	178,868	19,625	520,963
Investment securities	15,935	118,904	3,227	271,296	17,732	427,094
Other financial assets	3,983	13,376	581	38,345	5,196	61,481
	97,408	597,490	10,023	507,925	55,336	1,268,182
Less allowances for credit impairment						(22,796)
						1,245,386
Financial liabilities						
Deposits from banks	1,663	35,878	-	1,008	1,861	40,410
Deposits from customers	79,510	369,633	9,050	382,314	40,508	881,015
Derivative financial instruments	80	3,208	-	1,042	-	4,330
Other borrowed funds	13,317	132,227	162	229	216	146,151
Debt securities	425	33,142	-	3,368	-	36,935
Subordinated liabilities	-	6,997	-	-	-	6,997
Preference shares	-	-	-	846	-	846
Other financial liabilities	1,406	817	20	14,165	2,055	18,463
	96,401	581,902	9,232	402,972	44,640	1,135,147
Net on-balance sheet position	1,007	15,588	791	104,953	10,696	133,035
Less allowances for credit impairment						(22,796)
						110,239
Off balance sheet net notional position	44,472	71,017	8,732	-	15,248	139,469
Credit commitments	10,543	297,272	130	23,503	6,020	337,468

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

At 30 June 2026	COMPANY			
	EURO	USD	MUR	TOTAL
	RS'M	RS'M	RS'M	RS'M
Financial assets				
Cash and cash equivalents	**8**	**32**	**3,205**	**3,245**
Investment securities	**13**	**4,440**	**229**	**4,682**
Other financial assets	**-**	**-**	**530**	**530**
	21	**4,472**	**3,964**	**8,457**
Less allowances for credit impairment				**(380)**
				8,077
Financial liabilities				
Debt securities	**-**	**-**	**4,494**	**4,494**
Preference shares	**-**	**-**	**846**	**846**
Other financial liabilities	**-**	**-**	**3,207**	**3,207**
	-	**-**	**8,547**	**8,547**
Net on-balance sheet position	**21**	**4,472**	**(4,583)**	**(90)**
Less allowances for credit impairment				**(380)**
				(470)

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

	GROUP			
	Impact on the Group's profit and equity			
	EURO	USD	GBP	OTHER
	RS'M	RS'M	RS'M	RS'M
2026				
+5%	**(50)**	**(779)**	**(40)**	**(535)**
-5%	**50**	**779**	**40**	**535**
2025				
+5%	(145)	(369)	(18)	(360)
-5%	145	369	18	360

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

Concentration of assets, liabilities and off-balance sheet items

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	8,965	57,732	5,359	55,596	9,295	136,947
Derivative financial instruments	52	2,981	-	715	-	3,748
Loans to and placements with banks	7,260	19,555	3,220	583	-	30,618
Loans and advances to customers	45,116	197,975	213	152,134	17,626	413,064
Investment securities	12,852	92,963	88	238,569	12,129	356,601
Other financial assets	3,754	9,580	502	36,065	3,935	53,836
	77,999	380,786	9,382	483,662	42,985	994,814
Less allowances for credit impairment						(23,327)
						971,487
Financial liabilities						
Deposits from banks	460	11,095	9	760	2,487	14,811
Deposits from customers	70,109	257,162	7,985	358,337	31,969	725,562
Derivative financial instruments	52	2,983	-	1,036	-	4,071
Other borrowed funds	3,719	81,786	1,013	60	183	86,761
Debt securities	-	13,527	-	4,074	(58)	17,543
Subordinated liabilities	-	6,757	-	-	(50)	6,707
Preference shares	-	-	-	943	-	943
Other financial liabilities	758	91	21	8,974	1,254	11,098
	75,098	373,401	9,028	374,184	35,785	**867,496**
Net on-balance sheet position	2,901	7,385	354	109,478	7,200	127,318
Less allowances for credit impairment						(23,327)
						103,991
Off balance sheet net notional position	20,138	57,483	651	-	6,624	84,896
Credit commitments	7,767	200,633	141	21,420	4,241	234,202

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

Concentration of assets, liabilities and off-balance sheet items (Continued)

At 30 June 2025	COMPANY			
	EURO	USD	MUR	TOTAL
	RS'M	RS'M	RS'M	RS'M
Financial assets				
Cash and cash equivalents	239	812	52	1,103
Investment securities	14	4,773	203	4,990
Other financial assets	8	13	3,763	3,784
	261	5,598	4,018	9,877
Less allowances for credit impairment				(418)
				9,459
Financial liabilities				
Debt securities	-	-	4,489	4,489
Preference shares	-	-	943	943
Other financial liabilities	-	1	3,567	3,568
	-	1	8,999	**9,000**
Net on-balance sheet position	261	5,597	(4,981)	877
Less allowances for credit impairment				(418)
				459

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iii) Interest rate risk

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

Net interest income ("NII") sensitivity stands as a key metric, evaluating the anticipated changes in net interest income across diverse interest rate scenarios, while holding all other economic factors constant. ALCO oversees the fluctuations in net interest income sensitivity.

The calculations of NII sensitivity assume uniform interest rate movements across all maturities within the 'up-shock' scenario. In contrast, the 'down-shock' scenario assumes a floor at zero for rates, except when market rates are already negative, as seen in the Euro case.

The below table delineates the carrying amount of the Group's financial instruments, categorized by the earlier of contractual repricing or maturity dates.

Interest Rate Risk Earnings Impact Analysis

The Group is exposed to Interest Rate Risk ("IRR"), primarily manifested as repricing risk. To effectively measure and oversee this particular risk, the Group employs an interest rate risk gap analysis, illustrated below. One of the methodologies utilized involves the Bank of Mauritius ("BOM") framework, which incorporates a 200 basis point parallel shift in interest rates. This framework provides insights into estimating the potential one-year earnings impact based on a static balance sheet scenario.

	GROUP	
	2026 RS'M	2025 RS'M
Impact on Earnings	**860**	1,799

Notes to the Consolidated and Separate Financial Statements

for the year ended 30 June 2026

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iii) Interest rate risk

Interest sensitivity of assets and liabilities - repricing analysis

At 30 June 2026	GROUP							
	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	213,397	3,983	-	-	-	-	949	218,329
Derivative financial instruments	26	3	-	-	-	-	4,128	4,157
Loans to and placements with banks	9,738	8,707	11,931	4,056	802	-	924	36,158
Loans and advances to customers	325,146	66,747	48,012	22,232	23,760	32,719	2,347	520,963
Investment securities	29,548	49,757	41,295	57,204	75,110	156,848	17,332	427,094
Other financial assets	-	-	-	-	-	-	61,481	61,481
	577,855	129,197	101,238	83,492	99,672	189,567	87,161	1,268,182
Less allowances for credit impairment								(22,796)
								1,245,386
Financial liabilities								
Deposits from banks	23,954	7,905	917	3,038	288	-	4,308	40,410
Deposits from customers	489,598	47,851	29,821	34,688	9,993	679	268,385	881,015
Derivative financial instruments	18	27	-	-	-	-	4,285	4,330
Other borrowed funds	79,293	50,420	12,455	2,554	152	582	695	146,151
Debt securities	18,889	794	-	42	16,039	866	305	36,935
Subordinated liabilities	6,937	-	-	-	-	-	60	6,997
Preference shares	-	-	-	-	-	-	846	846
Other financial liabilities	-	-	-	-	-	-	18,463	18,463
	618,689	106,997	43,193	40,322	26,472	2,127	297,347	1,135,147
On balance sheet interest sensitivity gap	(40,834)	22,200	58,045	43,170	73,200	187,440	(210,186)	133,035
Less allowances for credit impairment								(22,796)
								110,239

At 30 June 2026	COMPANY							
	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	-	-	-	-	-	-	3,245	3,245
Investment securities	-	-	-	-	-	220	4,462	4,682
Other financial assets	-	-	-	-	-	-	530	530
		-	-	-	-	220	8,237	8,457
Less allowances for credit impairment								(380)
								8,077
Financial liabilities								
Debt securities	-	773	-	-	3,721	-	-	4,494
Preference shares	-	-	-	-	-	-	846	846
Other financial liabilities	-	-	-	-	-	-	3,207	3,207
	-	773	-	-	3,721	-	4,053	8,547
On balance sheet interest sensitivity gap	-	(773)	-	-	(3,721)	220	4,184	(90)
Less allowances for credit impairment								(380)
								(470)

* 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 2025	GROUP							
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-interest bearing*	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Financial assets								
Cash and cash equivalents	131,769	504	402	-	-	-	4,272	136,947
Derivative financial instruments	136	-	-	-	-	-	3,612	3,748
Loans to and placements with banks	407	941	5,646	22,949	256	27	392	30,618
Loans and advances to customers	254,777	46,041	49,024	23,642	6,952	20,650	11,978	413,064
Investment securities	17,082	44,324	40,247	60,500	78,247	100,192	16,009	356,601
Other financial assets	-	-	-	-	-	-	53,836	53,836
	404,171	91,810	95,319	107,091	85,455	120,869	90,099	994,814
Less allowances for credit impairment								(23,327)
								971,487
Financial liabilities								
Deposits from banks	9,738	3,964	736	247	3	-	123	14,811
Deposits from customers	368,805	38,260	21,231	20,392	10,147	3,384	263,343	725,562
Derivative financial instruments	-	633	-	-	-	-	3,438	4,071
Other borrowed funds	2,714	61,474	10,835	10,823	309	684	(78)	86,761
Debt securities	-	-	-	-	14,917	2,490	136	17,543
Subordinated liabilities	6,621	-	-	-	-	-	86	6,707
Preference shares	-	-	-	-	-	-	943	943
Other financial liabilities	-	-	-	-	-	-	11,098	11,098
	387,878	104,331	32,802	31,462	25,376	6,558	279,089	**867,496**
On balance sheet interest sensitivity gap	16,293	(12,521)	62,517	75,629	60,079	114,311	(188,990)	127,318
Less allowances for credit impairment								(23,327)
								103,991

At 30 June 2025	COMPANY							
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-interest bearing*	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Financial assets								
Cash and cash equivalents	1,103	-	-	-	-	-	-	1,103
Investment securities	188	2	4	7	28	-	4,761	4,990
Other financial assets	-	-	-	-	-	-	3,784	3,784
	1,291	2	4	7	28	-	8,545	9,877
Less allowances for credit impairment								(418)
								9,459
Financial liabilities								
Debt securities	-	-	-	-	2,000	2,489	-	4,489
Preference shares	-	-	-	-	-	-	943	943
Other financial liabilities	-	-	-	-	-	-	3,568	3,568
	-	-	-	-	2,000	2,489	4,511	**9,000**
On balance sheet interest sensitivity gap	1,291	2	4	7	(1,972)	(2,489)	4,034	877
Less allowances for credit impairment								(418)
								459

* Includes interest receivable

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iv) Liquidity risk

The Group is exposed to liquidity risks mainly at the level of MCB Ltd. 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 bank 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 bank 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 bank 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 bank'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 table are undiscounted.

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iv) Liquidity risk (continued)

Maturities of assets and liabilities

At 30 June 2026	GROUP							
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-maturity items	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Financial assets								
Cash and cash equivalents	215,538	1,390	-	-	-	-	1,425	218,353
Derivative financial instruments	30	-	-	-	-	-	4,127	4,157
Loans to and placements with banks	3,740	16,933	7,768	3,033	1,861	-	4,152	37,487
Loans and advances to customers	118,284	43,982	111,137	61,610	138,084	127,227	21,696	622,020
Investment securities	25,025	49,132	87,901	65,618	115,916	137,816	13,909	495,317
Other financial assets	5,810	19	35	80	1	1,017	54,519	61,481
	368,427	111,456	206,841	130,341	255,862	266,060	99,828	1,438,815
Less allowances for credit impairment								(22,796)
								1,416,019
Financial liabilities								
Deposits from banks	28,199	8,234	3,563	800	-	-	-	40,796
Deposits from customers	735,357	50,066	69,870	16,024	14,543	271	915	887,046
Derivative financial instruments	44	-	-	-	-	-	4,286	4,330
Other borrowed funds	5,592	2,413	58,164	19,172	62,074	7,847	614	155,876
Debt securities	11	794	2,283	16,490	24,238	866	445	45,127
Subordinated liabilities	-	-	-	-	5,479	-	1,518	6,997
Preference shares	-	-	-	-	-	-	846	846
Other financial liabilities	-	33	40	68	-	1,106	17,002	18,249
Lease liabilities	*-*	*33*	*40*	*68*	*-*	*1,106*	*-*	*1,247*
	769,203	61,540	133,920	52,554	106,334	10,090	25,626	1,159,267
Net liquidity gap	(400,776)	49,916	72,921	77,787	149,528	255,970	74,202	279,548
Less allowances for credit impairment								(22,796)
								256,752
Off balance sheet net notional position	54,422	58,959	12,019	53,482	139,320	6,711	-	324,913
Credit commitments	3,592	96	2,677	794	651	592,099	-	599,909

At 30 June 2026	COMPANY							
	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	-	-	-	-	-	-	3,245	3,245
Investment securities	-	-	-	-	-	20	4,662	4,682
Other financial assets	10	4	-	-	-	2	514	530
	10	4	-	-	-	22	8,421	8,457
Less allowances for credit impairment								(380)
								8,077
Financial liabilities								
Debt securities	-	773	-	-	3,721	-	-	4,494
Preference shares	-	-	-	-	-	-	846	846
Other financial liabilities	(1)	3,207	-	-	-	-	-	3,206
	(1)	3,980	-	-	3,721	-	846	8,546
Net liquidity gap	11	(3,976)	-	-	(3,721)	22	7,575	(89)
Less allowances for credit impairment								(380)
								(469)

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iv) Liquidity risk (continued)

Maturities of assets and liabilities

At 30 June 2025	GROUP							
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-maturity items	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Financial assets								
Cash and cash equivalents	127,123	5,164	402	-	-	-	1,400	134,089
Derivative financial instruments	-	-	-	-	103	-	1,234	1,337
Loans to and placements with banks	14,612	1,354	6,505	7,989	193	-	-	30,653
Loans and advances to customers	70,189	34,028	31,542	73,153	96,231	61,052	108,366	474,561
Investment securities	19,001	42,026	31,842	57,564	93,838	47,861	110,495	402,627
Other financial assets	-	-	-	-	-	-	56,847	56,847
	230,925	82,572	70,291	138,706	190,365	108,913	278,342	1,100,114
Less allowances for credit impairment								(23,327)
								1,076,787
Financial liabilities								
Deposits from banks	9,900	4,036	792	330	1	-	(2)	15,057
Deposits from customers	618,483	39,524	22,206	24,642	16,915	6,693	469	728,932
Derivative financial instruments	-	-	-	-	-	-	1,189	1,189
Other borrowed funds	2,113	1,428	19,453	24,740	9,828	8,782	8,647	74,991
Debt securities	4,509	58	573	652	15,711	21	(58)	21,466
Subordinated liabilities	-	-	-	-	6,685	-	(89)	6,596
Preference shares	-	-	-	-	-	-	943	943
Other financial liabilities	-	11	11	90	336	648	10,941	12,037
Lease liabilities	-	*11*	*11*	*90*	*336*	*648*	-	*1,096*
	635,005	45,057	43,035	50,454	49,476	16,144	22,040	**861,211**
Net liquidity gap	(404,080)	37,515	27,256	88,252	140,889	92,769	256,302	238,903
Less allowances for credit impairment								(23,327)
								215,576
Off balance sheet net notional position	37,763	43,693	7,808	51,017	73,111	8,082	-	221,474
Credit commitments	3,233	288	4,430	1,367	988	461,963	-	472,269

At 30 June 2025	COMPANY							
	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	1,103	-	-	-	-	-	-	1,103
Investment securities	188	2	4	7	28	-	4,761	4,990
Other financial assets	-	-	-	-	-	-	3,786	3,786
	1,291	2	4	7	28	-	8,547	9,879
Less allowances for credit impairment								(418)
								9,461
Financial liabilities								
Debt securities	4,509	58	39	115	461	22	-	5,204
Preference shares	-	-	-	-	-	-	943	943
Other financial liabilities	-	-	-	-	-	-	3,556	3,556
	4,509	58	39	115	461	22	4,499	**9,703**
Net liquidity gap	(3,218)	(56)	(35)	(108)	(433)	(22)	4,048	176
Less allowances for credit impairment								(418)
								(242)

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 cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using foreign exchange rates at the end of the reporting period, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

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

(e) Capital risk management

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

(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	**218,255**	**-**	**-**	**-**	**-**	**218,255**
Derivative financial instruments	**-**	**-**	**4,157**	**-**	**-**	**4,157**
Loans to and placements with banks	**35,698**	**-**	**-**	**-**	**-**	**35,698**
Loans and advances to customers	**499,667**	**-**	**-**	**-**	**-**	**499,667**
Investment securities	**404,870**	**11,110**	**-**	**2,808**	**7,366**	**426,154**
Other financial assets	**61,455**	**-**	**-**	**-**	**-**	**61,455**
Total	**1,219,945**	**11,110**	**4,157**	**2,808**	**7,366**	**1,245,386**
Financial liabilities						
Deposits from banks	**40,410**	**-**	**-**	**-**	**-**	**40,410**
Deposits from customers	**881,015**	**-**	**-**	**-**	**-**	**881,015**
Derivative financial instruments	**-**	**-**	**4,330**	**-**	**-**	**4,330**
Other borrowed funds	**146,151**	**-**	**-**	**-**	**-**	**146,151**
Debt securities	**36,935**	**-**	**-**	**-**	**-**	**36,935**
Subordinated liabilities	**6,997**	**-**	**-**	**-**	**-**	**6,997**
Preference shares	**846**	**-**	**-**	**-**	**-**	**846**
Other financial liabilities	**18,463**	**-**	**-**	**-**	**-**	**18,463**
Total	**1,130,817**	**-**	**4,330**	**-**	**-**	**1,135,147**
Net on-balance sheet position	**89,128**	**11,110**	**(173)**	**2,808**	**7,366**	**110,239**

3. FINANCIAL RISK MANAGEMENT (continued)

(f) Financial instruments by category (continued):

	COMPANY			
	Amortised cost	Fair value through other comprehensive income		Total
		Debt instrument	Equity instrument	
	RS'M	RS'M	RS'M	RS'M
At 30 June 2026				
Financial assets				
Cash and cash equivalents	**3,245**	**-**	**-**	**3,245**
Investment securities	**-**	**20**	**4,662**	**4,682**
Other financial assets	**150**	**-**	**-**	**150**
Total	**3,395**	**20**	**4,662**	**8,077**
Financial liabilities				
Debt securities	**4,494**	**-**	**-**	**4,494**
Preference shares	**846**	**-**	**-**	**846**
Other financial liabilities	**3,380**	**-**	**-**	**3,380**
Total	**8,720**	**-**	**-**	**8,720**
Net on-balance sheet position	**(5,325)**	**20**	**4,662**	**(643)**

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	
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
At 30 June 2025						
Financial assets						
Cash and cash equivalents	136,864	-	-	-	-	136,864
Derivative financial instruments	-	-	3,748	-	-	3,748
Loans to and placements with banks	30,508	-	-	-	-	30,508
Loans and advances to customers	391,118	-	-	-	-	391,118
Investment securities	332,963	13,531	-	1,526	7,416	355,436
Other financial assets	53,813	-	-	-	-	53,813
Total	**945,266**	**13,531**	**3,748**	**1,526**	**7,416**	**971,487**
Financial liabilities						
Deposits from banks	14,811	-	-	-	-	14,811
Deposits from customers	725,562	-	-	-	-	725,562
Derivative financial instruments	-	-	4,071	-	-	4,071
Other borrowed funds	86,761	-	-	-	-	86,761
Debt securities	17,543	-	-	-	-	17,543
Subordinated liabilities	6,707	-	-	-	-	6,707
Preference shares	943	-	-	-	-	943
Other financial liabilities	11,098	-	-	-	-	11,098
Total	**863,425**	**-**	**4,071**	**-**	**-**	**867,496**
Net on-balance sheet position	**81,841**	**13,531**	**(323)**	**1,526**	**7,416**	**103,991**

	COMPANY			
	Amortised cost	Fair value through other comprehensive income		Total
		Debt instrument	Equity instrument	
	RS'M	RS'M	RS'M	RS'M
At 30 June 2025				
Financial assets				
Cash and cash equivalents	1,103	-	-	1,103
Investment securities	-	402	4,588	4,990
Other financial assets	3,366	-	-	3,366
Total	**4,469**	**402**	**4,588**	**9,459**
Financial liabilities				
Debt securities	4,489	-	-	4,489
Preference shares	943	-	-	943
Other financial liabilities	3,568	-	-	3,568
Total	**9,000**	**-**	**-**	**9,000**
Net on-balance sheet position	**(4,531)**	**402**	**4,588**	**459**

3. FINANCIAL RISK MANAGEMENT (continued)

(g) Fair values of financial assets and liabilities

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

(i) Loans and advances to banks and to customers

Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(ii) Deposits at amortised cost

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.

The estimated fair value of fixed interest-bearing deposits and debt securities issued and not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

(iii) Debt securities in issue

Fair values of other debt securities in issue are based on quoted prices where available, or where the instruments are short dated, the carrying amount approximates their fair value.

(iv) Subordinated liabilities

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

4. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
Cash in hand	**4,754**	4,036	**3,245**	1,103
Foreign currency notes and coins	**338**	365	**-**	-
Unrestricted balances with Central Banks**	**4,896**	2,779	**-**	-
Balances due in clearing	**310**	468	**-**	-
Treasury bills	**107,058**	1,220	**-**	-
Money market placements with banks	**51,923**	80,142	**-**	-
Balances with banks abroad	**41,469**	40,679	**-**	-
Balances with local bank and interbank loans*	**7,581**	7,258	**-**	-
	218,329	136,947	**3,245**	1,103
Allowances for credit impairment (12 months expected credit loss)	**(74)**	(83)	**-**	-
	218,255	136,864	**3,245**	1,103
* Of which reverse repo	**7,111**	901	**-**	-

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

Money market placements with banks, balances with banks abroad and balances with local bank and interbank loans represent loans to and placements with banks with original maturity less than three months.

The elements within cash and cash equivalents are classified as current assets.

(i) Allowances for credit impairment

	GROUP
	Stage 1 RS'M
At 1 July 2025	**83**
Provision for credit impairment for the year	**35**
Provision released during the year	**(34)**
Financial assets that have been derecognised	**(13)**
Changes in models/risk parameters	**3**
At 30 June 2026	**74**
At 1 July 2024	38
Provision for credit impairment for the year	30
Provision released during the year	(3)
Financial assets that have been derecognised	(3)
Changes in models/risk parameters	21
At 30 June 2025	83

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

	GROUP		COMPANY	
	2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
Cash and cash equivalents as per above	**218,329**	136,947	**3,245**	1,103
Other borrowed funds (note 16)	**(4)**	(130)	**-**	-
Net cash and cash equivalents	**218,325**	136,817	**3,245**	1,103
Change in year	**81,508**	42,440	**2,142**	(759)
Effect of foreign exchange rate changes	**(537)**	106	**-**	-
Increase/(decrease) in cash and cash equivalents as per the statements of cash flows	**80,971**	42,546	**2,142**	(759)

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 obligations. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

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

Commodity options provide the buyer, for a premium, the right, but not the obligation, either to purchase or sell a fixed quantity of a certain commodity at a specified price on or before a future date. All commodity contracts are fully back-to-back transactions such that the Group is not exposed to market risks.

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

	GROUP		
	Contractual/ Nominal Amount	Fair value assets	Fair value liabilities
	RS'M	RS'M	RS'M
(a) 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	**27,220**	**133**	**201**
Commodities	**81,418**	**2,922**	**2,900**
Others	**9,880**	**343**	**313**
	241,921	**4,157**	**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
Warrants	230	3	3
Commodities	106,266	2,247	2,238
Others	12,750	299	136
	225,699	3,748	4,071

*Refer to definition of Level 2 in note 7

**Includes cash flow hedge instrument as disclosed in note 5(c)

The derivative financial instruments are classified as non-current assets or non-current liabilities.

(b) During the year, the Company entered into a currency swap with The Mauritius Commercial Bank Limited having a contractual amount of Rs 1,704M and fair value liabilities at 30 June 2026 of Rs 3M.

5. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(c) Hedge accounting

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

		GROUP			
			Nominal Amount	Carrying Amount	
Hedge Type	Risk category	Year		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 Group assesses whether the hedging relationship meets the hedge-effectiveness requirements of IFRS 9, including whether an economic relationship exists between the hedged item and the hedging instrument, whether credit risk does not dominate the resulting value changes, and whether the designated hedge ratio is consistent with the Group's risk management strategy. The Dollar Offset Model is used as part of this assessment.

The effect on profit or loss and other comprehensive income of recycling amounts in respect of cash flow hedge is set out below:

		GROUP	
		Amount recycled from other comprehensive income due to hedge item affecting profit or loss	Amount recycled from other comprehensive income due to cash flow not expected to occur
Description of hedged relationship and hedged risk	Year		
		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

	GROUP	
	Cash flow hedge reserve	
	2026 Rs' M	2025 Rs' M
At 1 July	**(11)**	-
Hedging loss	**(75)**	(66)
Amount reclassified in relation to cash flow affecting the profit or loss	**34**	55
At 30 June	**(52)**	(11)

6. LOANS

(a) Loans to and placements with banks*

	GROUP	
	2026 RS'M	2025 RS'M
(i) Loans to and placements with banks		
in Mauritius	**53,882**	65,383
outside Mauritius	**83,249**	92,413
	137,131	157,796
Less:		
Loans and placements with original maturity less than 3 months and included in cash and cash equivalents	**(100,973)**	(127,178)
	36,158	30,618
Less:		
Allowances for credit impairment	**(460)**	(110)
	35,698	30,508
*Of which reverse repo	**9,776**	6,756
(ii) Remaining term to maturity		
Up to 3 months	**19,038**	11,840
Over 3 months and up to 6 months	**8,401**	6,302
Over 6 months and up to 1 year	**4,124**	12,244
Over 1 year and up to 5 years	**4,595**	230
Over 5 years	**-**	2
	36,158	30,618

(iii) Reconciliation of gross carrying amount

	GROUP		
	Stage 1 RS'M	Stage 3 RS'M	Total RS'M
At 1 July 2025	**30,618**	**-**	**30,618**
New loans and placements with banks, originated or purchased	**39,571**	**-**	**39,571**
Loans and placements with banks derecognised or repaid	**(34,382)**	**-**	**(34,382)**
Changes in models/risk parameters	**351**	**-**	**351**
At 30 June 2026	**36,158**	**-**	**36,158**
At 1 July 2024	13,076	-	13,076
New loans and placements with banks, originated or purchased	34,054	3	34,057
Loans and placements with banks derecognised or repaid	(16,244)	-	(16,244)
Write off	-	(3)	(3)
Changes in models/risk parameters	(268)	-	(268)
At 30 June 2025	30,618	-	30,618

(iv) Allowances for credit impairment

	GROUP
	Stage 1 RS'M
At 1 July 2025	**110**
Provision for credit impairment for the year	**478**
Provision released during the year	**(6)**
Financial assets that have been derecognised	**(103)**
Changes in models/risk parameters	**(19)**
At 30 June 2026	**460**
At 1 July 2024	334
Provision for credit impairment for the year	75
Provision released during the year	(27)
Financial assets that have been derecognised	(298)
Changes in models/risk parameters	26
At 30 June 2025	110

6. LOANS (continued)

(b) Loans and advances to customers

	GROUP	
	2026 RS'M	2025 RS'M
(i) Loans and advances to customers		
Retail customers:		
Credit cards	**1,516**	1,167
Mortgages	**60,844**	50,885
Other retail loans	**19,420**	16,567
Corporate customers	**170,447**	155,646
Governments	**1,266**	1,164
Entities outside Mauritius	**267,470**	187,635
	520,963	413,064
Less:		
Allowances for credit impairment	**(21,296)**	(21,946)
	499,667	391,118

Finance lease receivable included in Group loans amounts to Rs 5,489M (2025:Rs 4,410M) net of unearned future finance income on finance leases of Rs 954M (2025:Rs 739M).

(ii) Remaining term to maturity		
Up to 3 months	**187,605**	139,442
Over 3 months and up to 6 months	**28,435**	16,892
Over 6 months and up to 1 year	**11,736**	26,528
Over 1 year and up to 5 years	**148,751**	114,216
Over 5 years	**144,436**	115,986
	520,963	413,064

(iii) Reconciliation of gross carrying amount

	GROUP			
	Gross carrying amount subject to:			
	Stage 1 RS'M	Stage 2 RS'M	Stage 3 RS'M	Total RS'M
At 1 July 2025	**384,040**	**11,802**	**17,222**	**413,064**
Exchange adjustment	**833**	**58**	**58**	**949**
Transfer to Stage 1	**1,435**	**(1,264)**	**(171)**	**-**
Transfer to Stage 2	**(2,822)**	**2,978**	**(156)**	**-**
Transfer to Stage 3	**(1,498)**	**(1,805)**	**3,303**	**-**
New loans and advances to customers, originated or purchased	**313,003**	**20,086**	**2,838**	**335,927**
Loans and advances to customers derecognised or repaid (excluding write off)	**(217,200)**	**(3,551)**	**(3,209)**	**(223,960)**
Write offs	**-**	**-**	**(5,017)**	**(5,017)**
At 30 June 2026	**477,791**	**28,304**	**14,868**	**520,963**
At 1 July 2024	390,613	10,134	17,092	417,839
Exchange adjustment	(980)	(26)	(70)	(1,076)
Transfer to Stage 1	1,230	(1,044)	(186)	-
Transfer to Stage 2	(6,891)	7,174	(283)	-
Transfer to Stage 3	(1,683)	(1,644)	3,327	-
New loans and advances to customers, originated or purchased	218,905	3,006	3,196	225,107
Loans and advances to customers derecognised or repaid (excluding write off)	(217,154)	(5,798)	(4,208)	(227,160)
Write offs	-	-	(1,646)	(1,646)
At 30 June 2025	384,040	11,802	17,222	413,064

6. LOANS (continued)

(b) Loans and advances to customers (continued)

(iv) Allowances for credit impairment

	GROUP			
	Allowances for credit impairment			
	Stage 1	Stage 2	Stage 3	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2025	**3,929**	**2,812**	**11,600**	**18,341**
Exchange adjustment	**17**	**5**	**408**	**430**
Transfer to Stage 1	**190**	**(99)**	**(91)**	**-**
Transfer to Stage 2	**(36)**	**95**	**(59)**	**-**
Transfer to Stage 3	**(32)**	**(366)**	**398**	**-**
Provision for credit impairment for the year	**2,978**	**3,042**	**3,495**	**9,515**
Provision released during the year	**(987)**	**(196)**	**(2,839)**	**(4,022)**
Financial assets that have been derecognised	**(1,283)**	**(411)**	**(335)**	**(2,029)**
Write offs	**-**	**-**	**(3,858)**	**(3,858)**
Changes in models/risk parameters	**(359)**	**(342)**	**-**	**(701)**
At 30 June 2026	**4,417**	**4,540**	**8,719**	**17,676**
Interest in suspense	**-**	**-**	**3,620**	**3,620**
Provision and interest in suspense at 30 June 2026	**4,417**	**4,540**	**12,339**	**21,296**
At 1 July 2024	3,426	2,248	9,984	15,658
Exchange adjustment	(9)	(5)	(434)	(448)
Transfer to Stage 1	227	(180)	(47)	-
Transfer to Stage 2	(71)	114	(43)	-
Transfer to Stage 3	(19)	(339)	358	-
Provision for credit impairment for the year	2,157	2,211	5,758	10,126
Provision released during the year	(1,587)	(468)	(1,041)	(3,096)
Financial assets that have been derecognised	(1,095)	(958)	(1,831)	(3,884)
Write offs	-	-	(1,104)	(1,104)
Changes in models/risk parameters	900	189	-	1,089
At 30 June 2025	3,929	2,812	11,600	18,341
Interest in suspense	-	-	3,605	3,605
Provision and interest in suspense at 30 June 2025	3,929	2,812	15,205	21,946

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	**6,793**	**460**	**34**	**13**	**281**	**328**
Manufacturing	**43,612**	**1,628**	**376**	**178**	**1,233**	**1,787**
Tourism	**20,218**	**354**	**89**	**221**	**176**	**486**
Transport	**6,462**	**241**	**42**	**569**	**219**	**830**
Construction	**18,381**	**635**	**131**	**235**	**683**	**1,049**
Financial and business services	**92,834**	**854**	**1,100**	**1,587**	**705**	**3,392**
Traders	**177,485**	**2,657**	**1,448**	**1,130**	**3,173**	**5,751**
Personal	**80,275**	**1,207**	**409**	**181**	**684**	**1,274**
of which credit cards	***1,502***	***67***	***27***	***6***	***59***	***92***
of which housing	***60,636***	***655***	***68***	***32***	***232***	***332***
Professional	**552**	**5**	**16**	**1**	**3**	**20**
Global Business Licence holders	**47,867**	**2,970**	**33**	**149**	**4,767**	**4,949**
Others	**26,484**	**366**	**739**	**276**	**415**	**1,430**
	520,963	**11,377**	**4,417**	**4,540**	**12,339**	**21,296**

*The Gross amount of loans figures include the following exposures:

Oil & Gas	**161,118**
Power & Infrastructure	**33,071**
Metals & Minerals	**9,747**

	GROUP 2025					
	Gross amount of loans*	Non performing loans**	Stage 1	Stage 2	Stage 3	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	6,172	445	16	18	292	326
Manufacturing	27,963	427	266	361	463	1,090
Tourism	22,471	3,379	129	227	3,857	4,213
Transport	6,472	286	94	584	441	1,119
Construction	16,987	666	115	184	619	918
Financial and business services	76,403	1,363	1,162	29	1,330	2,521
Traders	131,526	2,653	1,189	914	3,067	5,170
Personal	67,107	1,003	343	141	526	1,010
of which credit cards	*1,155*	*50*	*15*	*3*	*45*	*63*
of which housing	*50,885*	*536*	*103*	*43*	*191*	*337*
Professional	729	11	7	3	6	16
Global Business Licence holders	31,921	3,033	73	240	4,341	4,654
Others	25,313	351	535	111	263	909
	413,064	13,617	3,929	2,812	15,205	21,946

*The Gross amount of loans figures include the following exposures:

Oil & Gas	122,397
Power & Infrastructure	25,716
Metals & Minerals	2,139

**Non performing loans excludes interest in suspense.

Notes to the Consolidated and Separate Financial Statements

for the year ended 30 June 2026

7. INVESTMENT SECURITIES

	GROUP		COMPANY	
(a) Investment securities	2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
Investment in debt securities at amortised cost	**405,810**	334,128	**-**	-
Less:				
Allowances for credit impairment on investment in debt securities at amortised cost	**(940)**	(1,165)	**-**	-
	404,870	332,963	**-**	-
Investment in debt and equity securities measured at fair value through other comprehensive income	**10,174**	8,942	**4,682**	4,990
Investment in debt and equity securities measured at fair value through profit or loss	**11,110**	13,531	**-**	-
	426,154	355,436	**4,682**	4,990

As at 30 June 2026 credit impaired investments fair valued through other comprehensive income amounts to Rs 1M (2025: Rs 1M).

Investment securities can be classified as:				
Current	**153,895**	140,629	**-**	-
Non-current	**273,199**	215,972	**4,682**	4,990

	GROUP	
(b) Investment in debt securities at amortised cost (Gross)	2026 RS'M	2025 RS'M
Government of Mauritius and Bank of Mauritius bonds	**157,352**	147,977
Treasury bills	**79,594**	51,421
Foreign bonds*	**127,094**	93,934
Notes	**41,558**	40,400
Index linked note	**212**	396
	405,810	334,128
*The foreign bonds include the following exposures:		
Oil & Gas	**2,510**	719
Power & Infrastructure	**1,693**	1,616
	4,203	2,335

(i) Remaining term to maturity

	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**	**67,581**	**157,352**
Treasury bills	**51,994**	**14,874**	**8,943**	**3,783**	**-**	**79,594**
Foreign bonds	**11,541**	**8,556**	**21,457**	**63,720**	**21,820**	**127,094**
Notes	**867**	**959**	**2,860**	**20,735**	**16,137**	**41,558**
Index linked note	**-**	**2**	**-**	**25**	**185**	**212**
	71,437	**28,935**	**46,824**	**152,891**	**105,723**	**405,810**

	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	50,894	147,977
Treasury bills	27,176	10,459	11,010	2,776	-	51,421
Foreign bonds	12,437	7,356	15,907	39,751	18,483	93,934
Notes	180	1,309	1,583	22,404	14,924	40,400
Index linked note	-	208	-	14	174	396
	55,990	28,220	46,972	118,471	84,475	334,128

7. INVESTMENT SECURITIES (continued)

(b) Investment in debt securities at amortised cost (continued)

(ii) Reconciliation of gross carrying amount

	GROUP		
	Gross carrying amount subject to:		
	Stage 1	Stage 3	Total
	RS'M	RS'M	RS'M
At 1 July 2025	**333,737**	**391**	**334,128**
Investments originated or purchased	**193,858**	**22**	**193,880**
Investments derecognised or repaid (excluding write off)	**(123,204)**	**-**	**(123,204)**
Exchange adjustment	**1,006**	**-**	**1,006**
At 30 June 2026	**405,397**	**413**	**405,810**
At 1 July 2024	331,293	376	331,669
Investments originated or purchased	134,991	15	135,006
Investments derecognised or repaid (excluding write off)	(131,436)	-	(131,436)
Exchange adjustment	(1,111)	-	(1,111)
At 30 June 2025	333,737	391	334,128

(iii) Allowances for credit impairment

	GROUP		
	Allowances for credit impairment		
	Stage 1	Stage 3	Total
	RS'M	RS'M	RS'M
At 1 July 2025	**775**	**369**	**1,144**
Exchange adjustment	**7**	**-**	**7**
Provision for credit impairment for the year	**197**	**10**	**207**
Provision released during the year	**(89)**	**-**	**(89)**
Financial assets that have been derecognised	**(451)**	**-**	**(451)**
Changes in models/risk parameters	**88**	**-**	**88**
At 30 June 2026	**527**	**379**	**906**
Interest in suspense	**-**	**34**	**34**
Provision and interest in suspense at 30 June 2026	**527**	**413**	**940**
At 1 July 2024	550	362	912
Provision for credit impairment for the year	265	12	277
Provision released during the year	(436)	(5)	(441)
Financial assets that have been derecognised	(32)	-	(32)
Changes in models/risk parameters	428	-	428
At 30 June 2025	775	369	1,144
Interest in suspense	-	21	21
Provision and interest in suspense at 30 June 2025	775	390	1,165

7. INVESTMENT SECURITIES (continued)

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

	GROUP		COMPANY	
	2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
Quoted - Level 1				
Official list: shares (equity instrument)	**1,102**	1,174	**-**	-
Bonds (debt instrument)	**2,140**	662	**-**	187
Foreign shares	**5,164**	5,072	**4,441**	4,371
	8,406	6,908	**4,441**	4,558
Unquoted - Level 2				
Notes	**13**	12	**-**	-
Investment fund (debt instrument)	**635**	852	**-**	215
Bonds	**20**	-	**20**	-
Shares (equity instrument)	**-**	207	**-**	-
	668	1,071	**20**	215
Unquoted - Level 3				
Preference shares (equity instrument)	**-**	-	**200**	200
Shares (equity instrument)	**1,100**	963	**21**	17
	1,100	963	**221**	217
	10,174	8,942	**4,682**	4,990

7. INVESTMENT SECURITIES (continued)

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

Reconciliation of level 3 fair value measurements

	GROUP		COMPANY	
	2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
At 1 July	**963**	873	**217**	222
Additions	**25**	-	**6**	-
Movement in fair value	**124**	78	**(2)**	(5)
Exchange adjustments	**(12)**	12	**-**	-
At 30 June	**1,100**	963	**221**	217

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

	GROUP	
	2026 RS'M	2025 RS'M
Quoted - Level 1		
Local bonds	**293**	31
Local shares	**1,094**	725
	1,387	756
Unquoted - Level 2		
Government of Mauritius & Bank of Mauritius bonds	**691**	777
Treasury bills	**6,008**	8,670
Investment funds	**258**	304
	6,957	9,751
Unquoted - Level 3		
Local shares	**1,055**	1,211
Foreign shares	**782**	910
Debt	**929**	903
	2,766	3,024
	11,110	13,531
Reconciliation of level 3 fair value measurement		
At 1 July	**3,024**	3,115
Additions	**53**	35
Disposals	**(26)**	(43)
Movement in fair value	**(285)**	(83)
At 30 June	**2,766**	3,024

7. INVESTMENT SECURITIES (continued)

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

Fair value hierarchy

The Group uses a hierarchy of valuation techniques based on whether the inputs to these valuation techniques are observable or unobservable.

Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions.

These two types of inputs have created the following fair value hierarchy:

Level 1 : Quoted prices (unadjusted) for identical assets. This level includes listed equity securities.

Level 2 : Inputs other than quoted prices that are observable for the assets.

Level 3 : Inputs for the assets that are not based on observable market data.

Unquoted shares

The Group holds shares in several investments where the fair value is determined as a percentage of the net asset value using latest available audited accounts and in some cases latest available management accounts. There are also some investments which are fair valued using the latest available share prices which were available upon recent events, e.g. rights issue.

Valuation techniques used to estimate the fair values of unquoted equity securities include models based on earnings/dividend growth, discounted cash flows and net asset values, whichever is considered to be appropriate. The Group has made certain assumptions for inputs in the models, including earnings before interest, depreciation, tax and amortisation (EBIDTA), risk free rate, risk premium, dividend growth rate, weighted average cost of capital, appropriate discounts for lack of liquidity and expected cash flows which may be different from actual. As such, fair value estimates may differ given the subjectivity of underlying assumptions used as model inputs. Inputs were based on information available at the reporting date.

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

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

	Nature of business	Principal place of business	Country of incorporation	Holding %	
				Direct	Indirect
2026					
Banque Française Commerciale Ocean Indien	**Banking & financial services**	**Réunion**	**Réunion**	**-**	**49.99**
Promotion and Development Limited (PaD)	**Investment and property development**	**Mauritius**	**Republic of Mauritius**	**1.98**	**44.07**
Credit Guarantee Insurance Co Ltd	**Insurance services**	**Mauritius**	**Republic of Mauritius**	**40.00**	**-**
Kudos Pensions Ltd (Joint Venture)	**Pension administration**	**Mauritius**	**Republic of Mauritius**	**-**	**50.00**
Omni PV 1 Ltd (Joint Venture)	**Renewable energy**	**Mauritius**	**Republic of Mauritius**	**-**	**45.00**
2025					
Banque Française Commerciale Ocean Indien	Banking & financial services	Réunion	Réunion	-	49.99
Promotion and Development Limited (PaD)	Investment and property development	Mauritius	Republic of Mauritius	1.98	44.07
Credit Guarantee Insurance Co Ltd	Insurance services	Mauritius	Republic of Mauritius	40.00	-
Kudos Pensions Ltd (Joint Venture)	Pension administration	Mauritius	Republic of Mauritius	-	50.00

(i) The above associates and joint venture are accounted for using the equity method.
(ii) Except for Credit Guarantee Insurance Co Ltd, the other above associates and joint venture are held mainly through subsidiaries.
(iii) The fair value of the Group's interest in PaD which is listed on the Stock Exchange of Mauritius was Rs 1,638M (2025: Rs 1,763M).
(iv) Banque Française Commerciale Ocean Indien, Kudos Pensions Ltd, and Credit Guarantee Co Ltd are unquoted.

	GROUP	
	2026 RS'M	2025 RS'M
Group's share of net assets	**13,300**	12,627
Goodwill	**68**	68
Subordinated loans to associate	**592**	581
	13,960	13,276

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

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

Banque Française Commerciale Ocean Indien

(i) Summarised statement of financial position:

Current assets	**23,059**	21,431
Non current assets	**86,706**	87,851
Current liabilities	**25,466**	25,896
Non current liabilities	**74,010**	73,197
Equity attributable to owners	**10,289**	10,189

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

Revenue	**6,280**	6,185
Profit	**743**	588
Other comprehensive income	**-**	(76)
Total comprehensive income	**743**	512

(iii) Dividend received during the year **428** 249

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (continued)

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

Promotion and Development Limited

	GROUP	
	2026 RS'M	2025 RS'M
(i) Summarised statement of financial position:		
Current assets	**381**	307
Non current assets	**18,638**	17,353
Current liabilities	**280**	297
Non current liabilities	**1,570**	1,467
Non-controlling interest	**3**	4
(ii) Summarised statement of profit or loss and other comprehensive income:		
Revenue	**1,321**	890
Profit/(loss)	**890**	(593)
Other comprehensive income	**584**	297
Total comprehensive income	**1,474**	(296)
(iii) Dividend received during the year	**104**	86

(c) Reconciliation of summarised financial information

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

	Opening net assets	Profit /(Loss)	Other comprehensive income	Other movements in reserves	Dividend	Closing net assets	Ownership interest	Interest in associates	Goodwill	Subordinated loans	Carrying value
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	%	RS'M	RS'M	RS'M	RS'M
2026											
Banque Française Commerciale Ocean Indien	**10,189**	**743**	**-**	**213**	**(856)**	**10,289**	**49.99%**	**5,143**	**68**	**592**	**5,803**
Promotion and Development Limited	**15,892**	**890**	**584**	**-**	**(200)**	**17,166**	**46.05%**	**7,905**	**-**	**-**	**7,905**
2025											
Banque Française Commerciale Ocean Indien	9,744	588	(76)	431	(498)	10,189	49.99%	5,093	68	581	5,742
Promotion and Development Limited	15,063	(593)	297	1,352	(227)	15,892	46.05%	7,318	-	-	7,318

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

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (continued)

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

	GROUP	
	2026 RS'M	2025 RS'M
Carrying amount of interests	**252**	218
Share of profit	**17**	15
Share of other comprehensive income	**-**	(7)

AT COST

	COMPANY	
	2026 RS'M	2025 RS'M
At 30 June	**154**	154

(e) Movement in investment in associates and joint venture

	GROUP	
	2026 RS'M	2025 RS'M
At 1 July	**13,276**	13,102
Additions through subsidiary	**21**	-
Share of profits	**798**	34
Share of other comprehensive income	**269**	92
Dividends	**(532)**	(343)
Exchange and other movements	**128**	391
At 30 June	**13,960**	13,276

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

Notes to the Consolidated and Separate Financial Statements

for the year ended 30 June 2026

9. INVESTMENTS IN SUBSIDIARIES

(a) The Group has the following subsidiaries:

	Country of incorporation/ operation	Principal activities	Stated capital		Effective Holding	Proportion of ownership interests held by non-controlling interests	Effective Holding	Proportion of ownership interests held by non-controlling interests	Cost of Investment COMPANY	
					2026 %	2026 %	2025 %	2025 %	2026 RS'M	2025 RS'M
BANKING										
Direct										
MCB Investment Holding Ltd	Republic of Mauritius	Activities of holding companies, without managing	RS'M	8,880	100.00	-	100.00	-	8,880	8,880
Indirect										
The Mauritius Commercial Bank Limited	Republic of Mauritius	Banking & Financial services	RS'M	8,880	100.00	-	100.00	-	-	-
The Mauritius Commercial Bank (Seychelles) Limited	Seychelles	Banking & Financial services	SRS'M	20	100.00	-	100.00	-	-	-
The Mauritius Commercial Bank Limited (Madagascar) S.A	Madagascar	Banking & Financial services	MGA'BN	14	90.00	10.00	90.00	10.00	-	-
MCB (Maldives) Private Ltd	Republic of Maldives	Banking & Financial services	MVR'M	150	100.00	-	100.00	-	-	-
The Mauritius Commercial Bank Representative Office (Nigeria) Limited	Republic of Nigeria	Financial services	NGN'M	100	100.00	-	100.00	-	-	-
NON-BANKING FINANCIAL										
Direct										
MCB Equity Fund Ltd	Republic of Mauritius	Private Equity Fund	RS'M	2,084	100.00	-	100.00	-	2,084	2,084
MCB Capital Markets Ltd	Republic of Mauritius	Investment Holding Company	RS'M	73	100.00	-	100.00	-	73	73
MCB Factors Ltd	Republic of Mauritius	Factoring	RS'M	50	100.00	-	100.00	-	50	50
MCB Microfinance Ltd	Republic of Mauritius	Credit Finance	RS'M	225	100.00	-	100.00	-	225	225
MCB Real Assets Ltd*	Republic of Mauritius	Investment Holding Company	RS'M	-	100.00	-	100.00	-	-	-
MCB Trade Services S.A*	Luxembourg	Commercial advisory & collection services	USD	-	100.00	-	100.00	-	2	2
Indirect										
MCB Financial Advisers	Republic of Mauritius	Investment Advisory	Rs'M	2	100.00	-	100.00	-	-	-
MCB Registry and Securities Ltd	Republic of Mauritius	Share and Unit Registrar services	Rs'M	12	100.00	-	100.00	-	-	-
MCB Investment Management Co. Ltd	Republic of Mauritius	Investment Advisory and CIS Manager	Rs'M	5	100.00	-	100.00	-	-	-
MCB Capital Partners Ltd	Republic of Mauritius	Asset Management	Rs'M	1	100.00	-	100.00	-	-	-
MCB Securities Ltd	Republic of Mauritius	Investment Dealer	Rs'M	1	100.00	-	100.00	-	-	-
MCB Investment Services Ltd	Republic of Mauritius	Shared Services	Rs'M	20	100.00	-	100.00	-	-	-
MCB Investment Services (Rwanda) Ltd	Rwanda	Investment Advisory	RWF'M	5	100.00	-	100.00	-	-	-

9. INVESTMENTS IN SUBSIDIARIES (continued)

(a) The Group has the following subsidiaries (continued):

	Country of incorporation/ operation	Principal activities	Stated capital		Effective Holding	Proportion of ownership interests held by non-controlling interests	Effective Holding	Proportion of ownership interests held by non-controlling interests	Cost of Investment COMPANY	
					2026 %	2026 %	2025 %	2025 %	2026 RS'M	2025 RS'M
NON-BANKING FINANCIAL (continued)										
Indirect (continued)										
MCB Structured Solutions Ltd*	Republic of Mauritius	Investment Product Structuring	Rs'M	-	**100.00**	**-**	100.00	-	**-**	-
CM Structured Products (1) Ltd	Republic of Mauritius	Investment Product Structuring	Rs'M	**135**	**100.00**	**-**	100.00	-	**-**	-
CM Structured Products (2) Ltd	Republic of Mauritius	Investment Product Structuring	Rs'M	**56**	**100.00**	**-**	100.00	-	**-**	-
CM Structured Finance (1) Ltd	Republic of Mauritius	Investment Product Structuring	Rs'M	**69**	**100.00**	**-**	100.00	-	**-**	-
CM Structured Finance (2) Ltd*	Republic of Mauritius	Investment Product Structuring	Rs'M	-	**100.00**	**-**	100.00	-	**-**	-
CM Diversified Credit Ltd	Republic of Mauritius	Investment Product Structuring	Rs'M	**241**	**100.00**	**-**	100.00	-	**-**	-
CM Special Opportunities Ltd	Republic of Mauritius	Investment Holding Company	Rs'M	**166**	**100.00**	**-**	100.00	-	**-**	-
CM Securities Holdings Ltd*	Republic of Mauritius	Investment Holding Company	Rs'M	-	**100.00**	**-**	100.00	-	**-**	-
CM Equity Linked Products Ltd*	Republic of Mauritius	Investment Product Structuring	Rs'M	-	**100.00**	**-**	100.00	-	**-**	-
MCBCM Africa Ltd*	Republic of Mauritius	Investment Holding Company	Rs'M	-	**100.00**	**-**	100.00	-	**-**	-
MCB Leasing Limited	Republic of Mauritius	Leasing	Rs'M	**200**	**57.73**	**42.27**	57.73	42.27	**-**	-
OTHER INVESTMENTS										
Direct										
Fincorp Investment Ltd	Republic of Mauritius	Investment Company	Rs'M	**103**	**57.73**	**42.27**	57.73	42.27	**29**	29
MCB Properties Ltd*	Republic of Mauritius	Property ownership & development	Rs'M	**15**	**100.00**	**-**	100.00	-	**15**	15
Blue Penny Museum	Republic of Mauritius	Philatelic museum	Rs'M	**34**	**99.63**	**0.37**	99.63	0.37	**33**	33
MCB Group Corporate Services Ltd	Republic of Mauritius	Company secretarial services	Rs'M	**2**	**100.00**	**-**	100.00	-	**2**	2
MCB Consulting Services Ltd**	Republic of Mauritius	Consulting, advisory, support and maintenance services	USD'M	**2**	**100.00**	**-**	100.00	-	**50**	50
MCB Institute of Finance**	Republic of Mauritius	To develop the financial know-how of professionals and students	Rs'M	**20**	**80.00**	**20.00**	80.00	20.00	**16**	16
Mascareignes Properties Ltd*	Seychelles	Property rental	SRS'M	-	**100.00**	**-**	100.00	-	**-**	-
MCB International Services Ltd*	Seychelles	Financial services	SRS'M	-	**100.00**	**-**	100.00	-	**-**	-
MCB Shared Services Ltd	Republic of Mauritius	Investment Company	Rs'M	**16**	**100.00**	**-**	-	-	**16**	-
Indirect										
Compagnie des Villages de Vacances de l'Isle de France ("COVIFRA")	Republic of Mauritius	Real Estate Activities	Rs'M	**825**	**100.00**	**-**	93.39	6.61	**-**	-

9. INVESTMENTS IN SUBSIDIARIES (continued)

(a) The Group has the following subsidiaries (continued):

	Country of incorporation/ operation	Principal activities	Stated capital		Effective Holding	Proportion of ownership interests held by non-controlling interests	Effective Holding	Proportion of ownership interests held by non-controlling interests	Cost of Investment COMPANY	
					2026 %	2026 %	2025 %	2025 %	2026 RS'M	2025 RS'M
OTHER INVESTMENTS (continued)										
Indirect (continued)										
EF Property Ltd*	Republic of Mauritius	Real Estate Activities	Rs'M	-	**100.00**	-	100.00	-	-	-
MCB Shared Services (Madagascar) S.A**	Madagascar	IT support	MGA'M	1,500	**100.00**	-	-	-	-	-
									11,475	11,459
Subordinated loans to subsidiaries									**2,102**	2,191
Impairment charge									**(413)**	(140)
									13,164	13,510

Except for Fincorp Investment Ltd which is quoted, the other above companies are unquoted.
*The stated capital or the cost of investment is below Rs 1M.
**The Group intends to cease operations in these entities in the foreseeable future.

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

	Profit/(Loss) attributable to non-controlling interests	Net assets attributable to non-controlling interests
	RS'M	RS'M
GROUP		
2026	**183**	**3,671**
2025	(85)	3,357

(c) Summarised financial information of Fincorp Investment Limited

	GROUP	
	2026 RS'M	2025 RS'M
(i) Summarised statement of financial position:		
Total assets	**16,247**	14,539
Total liabilities	**7,562**	6,597
Total equity	**8,685**	7,942
(ii) Summarised statement of profit or loss and statement of comprehensive income:		
Profit/(Loss)	**432**	(202)
Other comprehensive income	**394**	164
Total comprehensive income	**826**	(38)
(iii) Summarised statement of cash flows:		
Net cash flows from operating activities	**20**	340
Investing activities	**121**	(172)
Financing activities	**(86)**	(90)
Taxation	**-**	8
Net increase in cash and cash equivalents	**55**	86

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

Investments in subsidiaries are classified as non-current assets.

10. INVESTMENT PROPERTIES

	GROUP	
	2026 RS'M	2025 RS'M
At 1 July	**5,552**	5,305
Exchange adjustment	**114**	179
Fair value adjustment	**-**	45
Modification of lease	**-**	23
Fair value of land and buildings at 30 June	**5,666**	5,552
Rental income	**458**	457

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

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

Valuation Process

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

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

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

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

No independent valuer was appointed for the current year.

The Directors have reassessed the fair value of the investment property as at 30 June 2026 based on the following criteria:

- Consideration of current market conditions;
- Rolling forward the discounted cash flows used by the independent valuer JLL.

Based on the above considerations, the Directors are of the opinion that the fair value of the investment property is reasonably stated.

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

Direct operating expenses from the investment property that generated rental income during the year amounted to EUR 375,444 (2025: EUR 349,832). The expenses are reimbursable as they are recharged by the Company to Holiday Villages Management Services (Mauritius) Ltd (HVMS). The investment property has been classified within level 3 of the fair value hierarchy based on the following information:

			Sensitivity	
	Valuation Technique	Significant Unobservable Inputs	2026	2025
Hotel located in Pointe aux Canonniers	- Income Approach	- Rent growth p.a.	**1% - 1.5%**	1.5% - 2%
	- Discounted Cash Flow	- Discount Rate	**9.53%**	9.50%
		- Terminal Yield	**7.26%**	7.25%

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

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

11. GOODWILL AND OTHER INTANGIBLE ASSETS

(a) Goodwill

	GROUP	
	2026 RS'M	2025 RS'M
At 1 July	**368**	403
Impairment	**-**	(35)
At 30 June	**368**	368

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

Goodwill is attributable to the following cash generating units:

	2026 RS'M	2025 RS'M
Investment properties		
At 30 June	**351**	351

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

The management have reviewed the carrying values of goodwill at 30 June 2026 with no impairment recognised (2025: Rs35M).

The recoverable amount of the above cash-generating unit (CGU) has been determined based on fair value less cost to sell, on the basis of a reassessment of the independent valuation performed by Jones Lang LaSalle (Pty) Ltd in June 2025 as detailed in Note 10, and its value in use calculations.

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

(i) Cash flows are based on financial forecast approved by management covering a period of at least 5 years.

(ii) The discount rates used are based on the Group's weighted average cost of capital, adjusted to reflect a risk premium specific to each business. The pre-tax discount rates applied are 9.28% (2025: 9.30%); and

(iii) The nominal long-term growth rates, which are based on historical growth rates and the growth prospects for businesses, do not exceed 2%.

The Directors are satisfied that the carrying amount of goodwill is not in excess of the recoverable amount of the CGU.

11. GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

(b) Other intangible assets

	GROUP			
	Computer software	Customer Relationship	Work in progress	Total
	RS'M	RS'M	RS'M	RS'M
Cost				
At 1 July 2024	**6,394**	**8**	**255**	**6,657**
Additions	20	-	1,011	1,031
Scrap/Impairment	(406)	-	-	(406)
Transfer	763	-	(763)	-
Exchange adjustment	(42)	-	(1)	(43)
At 30 June 2025	**6,729**	**8**	**502**	**7,239**
Additions	**49**	**-**	**952**	**1,001**
Scrap/Impairment	**(20)**	**-**	**-**	**(20)**
Transfer	**995**	**-**	**(995)**	**-**
Exchange adjustment	**66**	**-**	**-**	**66**
At 30 June 2026	**7,819**	**8**	**459**	**8,286**
Accumulated amortisation				
At 1 July 2024	**3,914**	**2**	**-**	**3,916**
Scrap/Impairment	(405)	-	-	(405)
Charge for the year	697	2	2	701
Exchange adjustment	(32)	-	-	(32)
At 30 June 2025	**4,174**	**4**	**2**	**4,180**
Scrap/Impairment	**(20)**	**-**	**-**	**(20)**
Charge for the year	**767**	**-**	**2**	**769**
Exchange adjustment	**63**	**-**	**-**	**63**
At 30 June 2026	**4,984**	**4**	**4**	**4,992**
Net book value				
At 30 June 2026	**2,835**	**4**	**455**	**3,294**
At 30 June 2025	2,555	4	500	3,059
Total				
At 30 June 2026				**3,662**
At 30 June 2025				3,427

Intangible assets are classified as non-current assets.

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for the year ended 30 June 2026

12. PROPERTY, PLANT AND EQUIPMENT

	GROUP						
	Land and buildings	Computer and other equipment	Furniture, fittings and vehicles*	Work in progress	Right-of-Use assets		Total
					Land and Buildings	Equipment	
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cost							
At 1 July 2024	**5,808**	**4,552**	**3,333**	**294**	**1,032**	**-**	**15,019**
Additions	16	342	709	297	206	6	1,576
Scrap/Disposals	-	(353)	(269)	-	(34)	-	(656)
Adjustment on remeasurement	-	-	-	-	4	-	4
Transfer	25	72	58	(156)	-	-	(1)
Exchange adjustment	(34)	(25)	(27)	(5)	(48)	-	(139)
At 30 June 2025	**5,815**	**4,588**	**3,804**	**430**	**1,160**	**6**	**15,803**
Additions	**42**	**277**	**711**	**281**	**209**	**-**	**1,520**
Scrap/Disposals	**-**	**(218)**	**(596)**	**(51)**	**(17)**	**-**	**(882)**
Adjustment on remeasurement	**-**	**-**	**-**	**-**	**28**	**-**	**28**
Transfer	**8**	**258**	**11**	**(277)**	**-**	**-**	**-**
Exchange adjustment	**59**	**13**	**43**	**2**	**74**	**-**	**191**
At 30 June 2026	**5,924**	**4,918**	**3,973**	**385**	**1,454**	**6**	**16,660**
Accumulated depreciation							
At 1 July 2024	**1,355**	**3,852**	**1,650**	**-**	**551**	**-**	**7,408**
Charge for the year	81	321	347	-	184	2	935
Scrap/Disposal adjustment	(327)	(30)	(151)	-	(11)	-	(519)
Exchange adjustment	(16)	(25)	(14)	-	(26)	-	(81)
At 30 June 2025	**1,093**	**4,118**	**1,832**	**-**	**698**	**2**	**7,743**
Charge for the year	**109**	**343**	**396**	**-**	**186**	**-**	**1,034**
Scrap/Disposal adjustment	**-**	**(214)**	**(288)**	**-**	**(17)**	**-**	**(519)**
Exchange adjustment	**22**	**29**	**25**	**-**	**29**	**-**	**105**
At 30 June 2026	**1,224**	**4,276**	**1,965**	**-**	**896**	**2**	**8,363**
Net book value							
At 30 June 2026	**4,700**	**642**	**2,008**	**385**	**558**	**4**	**8,297**
At 30 June 2025	4,722	470	1,972	430	462	4	8,060

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	COMPANY						
	Land and buildings	Computer and other equipment	Furniture, fittings and vehicles*	Work in progress	Right-of-Use assets		Total
					Land and Buildings	Equipment	
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cost							
At 30 June 2024 and 2025	**222**	**-**	**26**	**-**	**-**	**-**	**248**
Additions**	**-**	**-**	**-**		**38**	**-**	**38**
At 30 June 2026	**222**	**-**	**26**	**-**	**38**	**-**	**286**
Accumulated depreciation							
At 1 July 2024	**-**	**-**	**19**	**-**	**-**	**-**	**19**
Charge for the year	-	-	2	-	-	-	2
At 30 June 2025	**-**	**-**	**21**	**-**	**-**	**-**	**21**
Charge for the year	**-**	**-**	**2**	**-**	**1**	**-**	**3**
At 30 June 2026	**-**	**-**	**23**	**-**	**1**	**-**	**24**
Net book value							
At 30 June 2026	**222**	**-**	**3**	**-**	**37**	**-**	**262**
At 30 June 2025	222	-	5	-	-	-	227

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.

*Includes assets under operating lease with NBV of Rs 1,495M (2025: Rs 1,447M).

** Additions to Right-of-use Asset include cash consideration to acquire leasehold rights of Rs 26M.

13. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP					
	Balance as at 1 July	Effect of change in tax rate	Exchange adjustments	Recognised in profit or loss	Recognised in Other comprehensive income	Balance as at 30 June
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
At 30 June 2026						
Deferred tax assets:						
Post retirement benefits	**595**	**-**	**-**	**(7)**	**34**	**622**
Provisions for credit impairment	**4,859**	**43**	**37**	**337**	**2**	**5,278**
Tax losses carried forward	**10**	**-**	**-**	**-**	**-**	**10**
Leases	**13**	**-**	**1**	**2**	**-**	**16**
Accelerated tax depreciation	**(632)**	**-**	**(1)**	**8**	**-**	**(625)**
Other Provisions	**-**	**-**	**-**	**(62)**	**-**	**(62)**
	4,845	**43**	**37**	**278**	**36**	**5,239**
Deferred tax liabilities:						
Accelerated tax depreciation	**(829)**	**-**	**(19)**	**(105)**	**-**	**(953)**
Provisions for credit impairment	**11**	**-**	**-**	**2**	**-**	**13**
Tax losses carried forward	**133**	**-**	**(3)**	**(28)**	**-**	**102**
Leases	**34**	**-**	**1**	**5**	**-**	**40**
	(651)	**-**	**(21)**	**(126)**	**-**	**(798)**
At 30 June 2025						
Deferred tax assets:						
Post retirement benefits	398	-	-	(25)	222	595
Provisions for credit impairment	4,188	-	(28)	699	-	4,859
Tax losses carried forward	11	-	(1)	-	-	10
Leases	10	-	1	2	-	13
Accelerated tax depreciation	(489)	-	1	(144)	-	(632)
	4,118	**-**	**(27)**	**532**	**222**	**4,845**
Deferred tax liabilities:						
Accelerated tax depreciation	(757)	-	(23)	(49)	**-**	(829)
Provisions for credit impairment	9	-	-	2	**-**	11
Tax losses carried forward	169	-	4	(40)	**-**	133
Leases	31	-	1	2	**-**	34
	(548)	**-**	**(18)**	**(85)**	**-**	**(651)**

The applied deferred tax rate is in the range of 17% to 33% (2025: from 17% to 33%)

Deferred tax assets are classified as non-current assets.

At Company level, a deferred tax liability of Rs 5M was recognised arising from leases (2025: Nil).

14. OTHER ASSETS

	GROUP		COMPANY	
	2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
Prepayments and other receivables	**3,069**	2,222	**530**	3,784
Credit Card Clearing	**647**	620	**-**	-
Non-banking assets acquired in satisfaction of debts*	**138**	103	**-**	-
Impersonal and other accounts	**9,131**	5,312	**-**	-
	12,985	8,257	**530**	3,784
Less allowances for credit impairment	**(26)**	(23)	**(380)**	(418)
	12,959	8,234	**150**	3,366

* The Group's policy is to dispose of such assets as soon as the market permits.

All elements under other assets are classified as current assets except 'Non-banking assets acquired in satisfaction of debts' and Impersonal and other accounts'.

Allowances for credit impairment

	GROUP			
	Allowances for credit impairment			
	Stage 1 RS'M	Stage 2 RS'M	Stage 3 RS'M	Total RS'M
At 1 July 2025	**5**	**15**	**3**	**23**
Exchange adjustment	**-**	**1**	**-**	**1**
Provision for credit impairment for the year	**2**	**-**	**1**	**3**
Provision released during the year	**(1)**	**-**	**-**	**(1)**
At 30 June 2026	**6**	**16**	**4**	**26**
At 1 July 2024	4	106	7	117
Exchange adjustment	-	(94)	-	(94)
Provision for credit impairment for the year	2	3	-	5
Provision released during the year	(1)	-	-	(1)
Financial assets that have been derecognised	-	-	(4)	(4)
At 30 June 2025	**5**	**15**	**3**	**23**

At Company level, impairment of Rs 380M pertains to receivable from subsidiary (2025: Rs 418M)

15. DEPOSITS

		GROUP	
		2026 RS'M	2025 RS'M
(a)	**Deposits from banks**		
	Demand deposits	**16,287**	9,786
	Money market deposits with remaining term to maturity:		
	Up to 3 months	**21,987**	3,968
	Over 3 months and up to 6 months	**923**	765
	Over 6 months and up to 1 year	**905**	275
	Over 1 year and up to 5 years	**308**	17
		24,123	5,025
	Total deposits from banks	**40,410**	14,811
	Deposits from banks can be classified as:		
	Current	**40,102**	14,794
	Non-current	**308**	17

15. DEPOSITS (continued)

	GROUP	
	2026 RS'M	2025 RS'M
(b) Deposits from customers		
(i) Retail customers		
Demand deposits	**66,969**	64,675
Savings deposits	**286,576**	265,824
Time deposits with remaining term to maturity:		
Up to 3 months	**18,308**	17,302
Over 3 months and up to 6 months	**8,043**	7,000
Over 6 months and up to 1 year	**11,725**	8,854
Over 1 year and up to 5 years	**19,270**	17,751
Over 5 years	**27**	25
	57,373	50,932
	410,918	381,431
(ii) Corporate customers		
Demand deposits	**262,879**	237,630
Savings deposits	**9,392**	7,131
Time deposits with remaining term to maturity:		
Up to 3 months	**142,542**	65,550
Over 3 months and up to 6 months	**22,736**	14,841
Over 6 months and up to 1 year	**26,938**	13,988
Over 1 year and up to 5 years	**4,696**	3,962
	196,912	98,341
	469,183	343,102
(iii) Government		
Demand deposits	**671**	569
Savings deposits	**130**	-
Time deposits with remaining term to maturity:		
Up to 3 months	**8**	456
Over 3 months and up to 6 months	**100**	4
Over 1 year and up to 5 years	**5**	-
	113	460
	914	1,029
Total deposits from customers	**881,015**	725,562
Deposits from customers can be classified as:		
Current	**857,017**	703,824
Non-current	**23,998**	21,738

The carrying amounts of deposits are not materially different from their fair values.

16. OTHER BORROWED FUNDS

(a) Other borrowed funds comprise the following:

	GROUP	
	2026 RS'M	2025 RS'M
Borrowings from banks*:		
in Mauritius	**1,019**	7,749
abroad	**145,132**	79,012
	146,151	86,761
Other borrowed funds include borrowings with original maturity of less than 3 months as shown in note 4	**4**	130
*Of which repo	**83,772**	16,666

The carrying amounts of other borrowed funds are not materially different from their fair values.

(b) Remaining term to maturity:

On demand or within a period not exceeding 1 year	**63,332**	61,637
Within a period of more than 1 year but not exceeding 2 years	**63,142**	9,073
Within a period of more than 3 years	**19,677**	16,051
	146,151	86,761
Other borrowed funds can be classified as:		
Current	**63,332**	61,637
Non-current	**82,819**	25,124

17. DEBT SECURITIES

Floating rate senior unsecured notes (Level 1)

		GROUP		COMPANY	
		2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
Rs 2.0 billion notes maturing in June 2028 at an average rate of 5.38% (2025:5.35%)*	(i)	**1,779**	1,702	**2,000**	2,000
Rs 0.8 billion notes maturing in August 2026 at an average rate of 4.88% (2025:4.85%)*	(i)	**771**	769	**773**	771
Rs 1.7 billion notes maturing in August 2028 at an average rate of 5.03% (2025: 5.00%)*	(i)	**1,606**	1,603	**1,721**	1,718
USD 300 million 5-year senior unsecured notes maturing in 2028 at a fixed coupon rate of 7.95%	(ii)	**13,649**	14,134	**-**	-
USD 400 million 5-year senior unsecured notes maturing in 2031 at a fixed coupon rate of 6.15%*	(iii)	**17,922**	-	**-**	-
Exchange adjustments and others		**1,208**	(665)	**-**	-
		36,935	17,543	**4,494**	4,489

Debt securities are classified as non-current liabilities.

(i) These notes are quoted on the Official Market of the Stock Exchange of Mauritius Ltd.

(ii) The Mauritius Commercial Bank Limited launched a Global Medium Term Note Programme, which enables the bank to tap into the international bond market for up to USD 3 billion. This programme has earned a Baa3 rating from Moody's and was registered on the International Securities Market of the London Stock Exchange in October 2022. It aims at diversifying the funding sources of the bank and support its overall growth strategy.

Under this programme, the bank issued its first bond for a notional value of USD 300 million on 26 April 2023.

(iii) 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 proceed will enable the bank to further support the expansion of its asset base in Mauritius and across Africa.

*Net of adjustment at Group level

17. DEBT SECURITIES (continued)

	GROUP		COMPANY	
	2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
Opening balance	**17,543**	18,342	**4,489**	4,485
Net issuance	**17,922**	-	**-**	-
Movement in accrued interest and others	**1,470**	(799)	**5**	4
Closing balance	**36,935**	17,543	**4,494**	4,489

18. SUBORDINATED LIABILITIES

	GROUP	
	2026 RS'M	2025 RS'M
Opening balance	**6,707**	7,057
Exchange adjustments and others	**290**	(350)
	6,997	6,707

The subordinated liabilities are classified as non-current.

The carrying amount of the subordinated liabilities is not materially different from its fair value.

On 31 March 2023, The Mauritius Commercial Bank Limited successfully concluded its inaugural Basel III compliant Tier 2 bond issuance, amounting to USD 147 million maturing on 30 March 2033 at an average interest rate of 7.40% (2025: 7.95%). This bond was issued under the umbrella of a private placement agreement with the African Development Bank. With an original maturity span of 10 years, it features semi-annual amortization, which comes into play starting from the sixth year. This bond helps consolidate the capital of the Bank and provides the necessary buffer to support its growth strategy.

19. PREFERENCE SHARES

	Number of shares	RS'M
At 1 July 2024	**162,036,488**	**1,621**
Conversion of preference shares	(67,765,331)	(678)
At 30 June 2025	**94,271,157**	**943**
Conversion of preference shares	**(9,750,235)**	**(97)**
At 30 June 2026	**84,520,922**	**846**

During the year ended 30 June 2020, 339,622,500 convertible redeemable non-voting preference shares of no par value were issued at an issue price of Rs 10 each. Subject to a non-conversion period of two years, starting on the issue date and upon receipt of a conversion notice, the eligible preference shareholders have the option of converting some or all of their preference shares into ordinary shares of the Company based on the conversion price at the specified conversion date. The preference shares rank junior to all secured and unsecured creditors of the Group but ahead of the ordinary shares. Redemption is at the option of the Company after the tenth anniversary of the Issue Date. Subject to the number of preference shares in issue being less than fifty million, and all applicable laws, the Company may, by serving a Redemption Notice, redeem on a Redemption Date, all (but not part of) the preference shares.

Preference dividend

Subject to dividends being declared by the Board and to the applicable laws, the preference shareholders, at the close of the preference dividend record date, are entitled to a fixed annual non-cumulative dividend of MUR 0.47 per share. During the non-conversion period, dividends to preference shareholders have been recognised in the statement of changes in equity. Since 1 July 2022, dividend is recognised as interest expense.

Conversion of preference shares into ordinary shares

In July 2026, MCB Group Limited has received requests from holders of Preference Shares to convert an aggregate of 4,759,053 Preference Shares into Ordinary Shares. In this context, the Board has approved the issue of 119,322 Ordinary Shares of the Company for a total consideration of Rs 48M.

20. POST EMPLOYMENT BENEFIT LIABILITY

	GROUP	
	2026 RS'M	2025 RS'M
Post employment benefits liability:		
(a) Staff superannuation fund (defined benefit section)	**289**	34
(b) Residual retirement gratuities	**468**	422
	757	456
(a) Staff superannuation fund (defined benefit section)		
Reconciliation of net defined benefit liability		
Opening balance	**34**	(1,001)
Amount recognised in profit or loss (Note 30(a))	**384**	239
Amount recognised in other comprehensive income	**195**	1,128
Less employer contributions	**(324)**	(332)
Closing balance	**289**	34
Reconciliation of fair value of plan assets		
Opening balance	**11,945**	11,224
Interest income	**717**	613
Employer contributions	**324**	332
Benefits paid	**(538)**	(510)
Return on plan assets above interest income	**389**	286
Closing balance	**12,837**	11,945
Reconciliation of present value of defined benefit obligation		
Opening balance	**11,979**	10,223
Current service cost	**357**	303
Interest expense	**744**	549
Benefits paid	**(538)**	(510)
Liability experience loss	**1,187**	1,411
Liability (gain)/loss due to change in financial assumptions	**(603)**	3
Closing balance	**13,126**	11,979
Components of amount recognised in profit or loss		
Current service cost	**357**	303
Net interest on net defined benefit liability/(asset)	**27**	(64)
Total	**384**	239
Components of amount recognised in other comprehensive income		
Return on plan assets above interest income	**(389)**	(286)
Liability experience loss	**1,187**	1,411
Liability (gain)/loss due to change in financial assumptions	**(603)**	3
Total	**195**	1,128

20. POST EMPLOYMENT BENEFIT LIABILITY (continued)

(a) Staff superannuation fund (defined benefit section) (continued)

	GROUP	
	2026 %	2025 %
Allocation of plan assets at end of year		
Equity - Local quoted	**29**	32
Equity - Local unquoted	**1**	1
Debt - Overseas quoted	**2**	2
Debt - Local quoted	**18**	18
Debt - Local unquoted	**5**	6
Property - Local	**4**	4
Investment funds	**40**	35
Cash and other	**1**	2
Total	**100**	100
Allocation of plan assets at end of year	**%**	%
Reporting entity's own transferable financial instruments	**13**	13
Property occupied by reporting entity	**4**	4
Other assets used by reporting entity	**1**	1
Principal assumptions used at end of year		
Discount rate	**5.9%**	6.0%
Rate of salary increases	**4.7%**	4.7%
Rate of pension increases	**2.5%**	3.2%
Average retirement age (ARA)	**63**	63
Average life expectancy for:		
Male at ARA	**17.3 years**	17.3 years
Female at ARA	**21.7 years**	21.7 years

	2026 RS'M	2025 RS'M
Sensitivity analysis on defined benefit obligation at end of year		
Increase due to 1% decrease in discount rate	**2,295**	2,109
Decrease due to 1% increase in discount rate	**1,810**	1,666
Increase due to 1% increase in salary increase rate	**957**	887
Decrease due to 1 % decrease in salary increase rate	**926**	767
Increase due to 1% increase in pension increase rate	**1,245**	1,126
Decrease due to 1 % decrease in pension increase rate	**1,066**	970

20. POST EMPLOYMENT BENEFIT LIABILITY (continued)

(a) Staff superannuation fund (defined benefit section) (continued)

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).

The liability experience loss of 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.

Future cash flows

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries:

Expected employer contribution for the next year:	**Rs 337M**
Weighted average duration of the defined benefit obligation:	**16 years**

Defined Contribution Cash Balance (DCCB)

As from 1 July 2015, The Group has introduced a Defined Contribution Cash Balanced Scheme "DCCB" for its employees.

Consequently, all employees joining the Group as from that date are automatically enrolled in the new scheme. Existing employees had the choice of either remaining in the Defined Benefit Scheme or to join the new scheme.

20. POST EMPLOYMENT BENEFIT LIABILITY (continued)

(b) Residual retirement gratuities

Amounts recognised in the financial statements at end of year

	GROUP	
	2026 RS'M	2025 RS'M
Reconciliation of net defined benefit liability		
Opening balance	**422**	247
Amount recognised in profit or loss (Note 30(a))	**76**	55
Amount recognised in other comprehensive income	**5**	179
Employer contribution	**(35)**	(59)
Closing balance	**468**	422
Reconciliation of present value of defined benefit obligation		
Opening balance	**422**	247
Current service cost	**50**	43
Interest expense	**26**	12
Other benefits paid	**(35)**	(59)
Liability experience loss	**5**	178
Liability loss due to change in financial assumptions	**-**	1
Closing balance	**468**	422
Components of amount recognised in profit or loss		
Current service cost	**50**	43
Net interest on net defined benefit liability	**26**	12
Total	**76**	55
Components of amount recognised in other comprehensive income		
Liability experience loss	**5**	178
Liability loss due to change in financial assumptions	**-**	1
Total	**5**	179
Principal assumptions used at end of year		
Discount rate	**5.9%**	6.0%
Rate of salary increases	**4.7%**	4.7%
Rate of pension increases	**2.5%**	3.2%
Average retirement age (ARA)	**63**	63

	2026 RS'M	2025 RS'M
Sensitivity analysis on defined benefit obligation at end of year		
Increase due to 1% decrease in discount rate	**161**	142
Decrease due to 1% increase in discount rate	**129**	114
Increase due to 1% increase in salary increase rate	**139**	125
Decrease due to 1% decrease in salary increase rate	**111**	99
Increase due to 1% increase in pension increase rate	**20**	16
Decrease due to 1% decrease in pension increase rate	**22**	18

The Group has also recognised a net defined benefit liability of Rs 468M as at 30 June 2026 (2025: Rs 422M) 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.

20. POST EMPLOYMENT BENEFIT LIABILITY (continued)

(b) Residual retirement gratuities (continued)

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 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 employment benefit liability is classified as non-current liability.

21. OTHER LIABILITIES

	GROUP		COMPANY	
	2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
Impersonal, other accounts and deferred income	**12,725**	13,543	**475**	844
Structured products notes*	**6,126**	6,056	**-**	-
Proposed dividend (note 33)	**2,905**	2,724	**2,905**	2,724
Lease liabilities	**1,247**	1,096	**-**	-
Allowances for credit impairment on off-balance sheet exposures	**879**	934	**-**	-
Others	**698**	1,131	**-**	-
	24,580	25,484	**3,380**	3,568

*These structured products notes were issued at the level of our subsidiaries.
All elements under other liabilities are classified as current liabilities except 'Impersonal, other accounts and deferred income' and 'lease liabilities' (amounts over 1 year).

(i) The lease liabilities can be analysed as follows:

	GROUP	
	2026 RS'M	2025 RS'M
Up to 3 months	**33**	11
Over 3 months and up to 6 months	**40**	11
Over 6 months and up to 1 year	**68**	90
Over 1 year and up to 5 years	**424**	336
Over 5 years	**682**	648
	1,247	1,096

(ii) Allowances for credit impairment on off-balance sheet exposures

	GROUP
	Allowances for credit impairment
	Stage 1
	RS'M
At 1 July 2025	**934**
Exchange adjustment	**1**
Provision for credit impairment for the year	**610**
Provision released during the year	**(539)**
Changes in models/risk parameters	**(127)**
At 30 June 2026	**879**
At 1 July 2024	319
Provision for credit impairment for the year	635
Provision released during the year	(20)
At 30 June 2025	**934**

22. STATED CAPITAL AND RESERVES

(a) STATED CAPITAL

	Number of shares	RS'M
At 1 July 2024	253,125,928	6,975
Issue of shares following the exercise of Group Employee Share Options Scheme (Note 30b)	460,014	202
Conversion of preference shares	1,640,551	678
Issue of shares following the Scrip Dividend Scheme (Non-cash)	4,197,378	1,691
At 30 June 2025	**259,423,871**	**9,546**
Issue of shares following the exercise of Group Employee Share Options Scheme (Note 30b)	**190,135**	**85**
Conversion of preference shares	**221,316**	**97**
Issue of shares following the Scrip Dividend Scheme (Non-cash)	**4,094,616**	**1,748**
At 30 June 2026	**263,929,938**	**11,476**

Fully paid ordinary shares carry one vote per share and the right to dividend.

The shares have no par value and rank 'pari passu' in all respects with the existing ordinary shares of the Company.

Scrip Dividend Scheme

The Board has approved a Scrip Dividend Scheme whereby Ordinary Shareholders have the option of receiving dividends, or part thereof, by way of Ordinary Shares of the Company.

The Scrip Price of a Scrip Share is calculated as the five-day volume-weighted average of the traded price of the Company's ordinary share on the market, beginning with the first ex-dividend date, less a discount of 3%, as described in the terms governing the Scrip Dividend Scheme.

(b) RESERVES

(i) Capital reserve

The capital reserve represents the cumulative net change in:

(a) the fair value of investment securities until the securities are derecognised or impaired.

(b) revaluation surplus on land and buildings where applicable, until it is derecognised.

(ii) Translation reserve

The translation reserve represents all foreign currency differences arising from the translation of the results and financial position of foreign operations.

(iii) Statutory reserve

Statutory reserve represents accumulated transfers from retained earnings in accordance with relevant local banking legislations. These reserves are not distributable.

(iv) Cash flow hedge reserve

Cash flow hedge reserve, which comprises the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

(v) Equity share-based payment reserve

Equity share-based payment reserve represents the cumulative fair value of equity-settled share-based payment awards granted (under LTIP) that has been recognised in equity and is transferred within equity upon vesting, exercise, expiry, or lapse of the awards.

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23. CONTINGENT LIABILITIES

	GROUP	
	2026 RS'M	2025 RS'M
(a) Instruments*		
Acceptances on account of customers	**355**	250
Guarantees on account of customers	**74,976**	70,116
Letters of credit and other obligations on account of customers (net)	**196,132**	108,297
Other contingent items (net)	**22,166**	6,224
	293,629	184,887
(b) Commitments		
Loans and other facilities, including undrawn credit facilities	**16,651**	18,032
	310,280	202,919
*The above contingent liabilities figures include the following exposures:		
Oil & Gas	**192,675**	117,026
Power & Infrastructure	**576**	1,359
Metals & Minerals	**8,941**	2,703
	202,192	121,088

	GROUP		COMPANY	
	2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
24. INTEREST INCOME USING THE EFFECTIVE INTEREST METHOD				
Loans to and placements with banks	**6,173**	4,240	-	-
Loans and advances to customers	**32,376**	30,313	**11**	13
Investments at amortised cost	**15,760**	14,230	-	-
Investments at fair value through other comprehensive income	**495**	254	**14**	18
Other	**-**	-	**37**	25
	54,804	**49,037**	**62**	**56**
25. INTEREST EXPENSE				
Deposits from banks	**653**	952	**-**	-
Deposits from customers	**16,410**	15,155	**-**	-
Other borrowed funds	**5,272**	3,846	**-**	-
Debt securities	**1,607**	1,319	**236**	228
Subordinated liabilities	**533**	600	**-**	-
Preference shares	**61**	67	**41**	57
Lease liabilities	**39**	46	**1**	-
	24,575	**21,985**	**278**	**285**

26. FEE AND COMMISSION INCOME

The Group generates fee and commission income primarily from cards and payment services, trade finance activities, transaction banking services, guarantees and other financial services provided to retail, corporate and institutional customers.

Cards and other related fees	**5,112**	4,931	**-**	-
Trade finance fees	**2,127**	2,245	**-**	-
Transaction fees	**1,824**	1,684	**-**	-
Guarantee fees	**1,194**	1,183	**-**	-
Loan related fees	**1,066**	679	**-**	-
Private banking and wealth management fees	**838**	611	**-**	-
Others	**776**	885	**-**	-
	12,937	**12,218**	**-**	**-**

	GROUP		COMPANY	
	2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
27. FEE AND COMMISSION EXPENSE				
Cards and other related fees	**3,292**	3,030	**-**	-
Loan related and trade finance fees	**521**	499	**-**	-
Transaction fees	**164**	171	**-**	-
Others	**97**	57	**-**	-
	4,074	3,757	**-**	-
28. NET TRADING INCOME				
Profit/(loss) arising from dealing in foreign currencies	**5,444**	4,185	**66**	(94)
Net gain from derivative financial instruments fair valued through profit or loss	**152**	146	**-**	-
Net gain from investment securities fair valued through profit or loss	**1,156**	759	**-**	-
Cash flow hedge	**(34)**	(55)	**-**	-
Net gain from other investment securities	**1**	5	**-**	-
	6,719	5,040	**66**	(94)
29. DIVIDEND INCOME				
Quoted investments FVOCI	**112**	101	**56**	33
Quoted investments FVPL	**11**	30	**-**	-
Unquoted investments FVOCI	**55**	52	**-**	-
Unquoted investments FVPL	**21**	8	**-**	-
Subsidiaries	**-**	-	**3,858**	7,543
Associates	**-**	-	**8**	6
	199	191	**3,922**	7,582

30. NON-INTEREST EXPENSE

(a) Salaries and human resource costs

	GROUP		COMPANY	
	2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
Wages and salaries	**6,724**	5,746	**65**	114
Defined benefit plan	**384**	239	**-**	-
Residual retirement gratuities	**76**	55	**-**	-
Defined contribution plan	**492**	334	**-**	-
Compulsory social security obligations	**321**	274	**-**	-
Equity settled share-based payments	**28**	30	**-**	-
Other personnel expenses	**1,821**	2,028	**7**	9
	9,846	8,706	**72**	123

(b) Share-based payments

(i) The Group has a share incentive scheme known as the Group Employee Share Scheme (GESS) which comprises of the Group Employee Share Option Scheme (GESOS) and the Long-Term Incentive Plan (LTIP).

GESOS

	GROUP			
	2026		2025	
	Weighted avg exercise price	Number of options	Weighted avg exercise price	Number of options
	RS		RS	
Outstanding and exercisable at 1 July	**384.87**	**650,754**	299.32	794,674
Expired during the year	**383.85**	**(583,402)**	297.57	(606,382)
Granted during the year	**429.76**	**882,729**	385.07	922,476
Exercised during the year	**412.28**	**(190,135)**	352.57	(460,014)
Outstanding and exercisable at 30 June		**759,946**		650,754

The options outstanding at 30 June 2026 under GESOS have an exercise price in the range of Rs 430.00 to Rs 481.50 and a weighted average contractual life of 3½ months.
The weighted average share price at the date the share options were exercised under GESOS was Rs 447.41 (2025: Rs 433.99).
The fair value of services in return for share options granted is based on the fair value of the share options granted measured by the average market price of the share of the last three months, as may be adjusted by the Board of Directors of MCB Group Limited. The average market price of the shares under option at measurement date is Rs 469.25 (2025: Rs 420.25).

(ii) LTIP

During the year, Senior Management were awarded shares under the LTIP scheme. Under the Plan Rules, the Board will have the discretion of issuing awards to senior members of MCB Group Ltd Senior Management which, upon achievement of specific performance or other conditions, shall vest and entitle such members to receive shares of MCB Group Ltd.

Eligibility and granting of awards

- Only selected employees of MCB Group Ltd Senior Management that have been confirmed in their position shall be eligible.
- Awards are granted at the discretion of the Board, based on criteria such as merit, grade, conduct, criticality and performance.
- Minimum performance standards are required for eligibility in each cycle.

Vesting Conditions

- Awards granted may vest based on continued employment and achievement of specified conditions (performance, retention).
- Disciplinary actions or failure to meet conditions can result in non-vesting or cancellation of awards.
- Vesting conditions are detailed in individual grant letters.

Allotment of Shares

- Shares are allotted upon vesting, provided employment continues and conditions are met.
- New employees joining mid-cycle may receive prorated awards, subject to a minimum 24 months' employment before vesting.
- Special provisions apply for "Good Leaver" (such as death, disability, retirement) and "Bad Leaver" (such as resignation, abandonment of work, dismissal) scenarios.

The LTIP awards granted on 14 May 2026 may result in the vesting of between 110,086 and 220,186 ordinary shares of MCB Group Ltd, depending on the level of performance achieved over the vesting period. No awards vest where the minimum performance threshold is not achieved.

The grant-date fair value of the awards was determined at Rs 435 per share.

The LTIP is accounted for as an equity-settled share-based payment arrangement in accordance with IFRS 2 Share-based Payment. The cost of the awards is recognised over the vesting period, based on the grant-date fair value of the awards and management's estimate of the number of awards expected to vest.

Further information on the LTIP, including the eligibility criteria, performance measures, vesting arrangements and leaver provisions, is disclosed in the Corporate Governance Report.

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30. NON-INTEREST EXPENSE (continued)

(c) Other non-interest expense

	GROUP		COMPANY	
	2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
Legal and professional fees	**1,454**	1,158	**27**	68
Rent, repairs, maintenance and security costs	**682**	634	**-**	-
Software licensing and other information technology costs	**1,846**	1,549	**-**	-
Electricity, water and telephone charges	**599**	561	**-**	-
Advertising, marketing costs and sponsoring	**381**	318	**1**	1
Postage, courier and stationery costs	**288**	264	**-**	-
Insurance costs	**738**	467	**-**	-
Others	**290**	454	**72**	34
of which short term leases	***26***	*21*	**-**	-
	6,278	5,405	**100**	103

31. IMPAIRMENT CHARGE

	GROUP		COMPANY	
	2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
Net allowance for credit impairment:				
Cash and cash equivalents	**(9)**	45	**-**	-
Loan and advances				
Loans to and placements with banks	**350**	(224)	**-**	-
Loans and advances to customers	**2,763**	4,235	**-**	-
Investment securities:				
Amortised cost	**(245)**	232	**-**	-
Fair value through other comprehensive income	**1**	1	**-**	-
Other assets - receivables	**2**	-	**(38)**	317
Off-balance sheet exposures	**(56)**	615	**-**	-
	2,806	4,904	**(38)**	317
Recoveries of advances previously written off	**(476)**	(1,399)	**-**	-
	2,330	3,505	**(38)**	317
Other impairment:				
Investment in subsidiary	**-**	-	**273**	2
	2,330	3,505	**235**	319

32. INCOME TAX EXPENSE

(a) The tax charge related to statements of profit or loss is as follows:

	GROUP		COMPANY	
	2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
Income tax based on the adjusted profit	**4,371**	4,032	**4**	4
Deferred tax	**(152)**	(447)	**5**	-
Corporate climate responsibility levy	**518**	484	**-**	-
Special levy on banks	**1,297**	808	**-**	-
Corporate Social Responsibility contribution	**215**	191	**-**	-
Fair Share Contribution	**1,298**	-	**1**	-
Additional Fair Share Contribution	**239**	-	**-**	-
Cap of 35%	**(473)**	-	**-**	-
Alternative Minimum Tax (AMT)	**32**	-	**-**	-
Tax credit	**(119)**	(135)	**-**	(2)
Under/(Over) provision in previous years	**21**	(18)	**-**	-
Foreign tax	**35**	17	**10**	4
Charge for the year	**7,282**	4,932	**20**	6

The tax on the profits differs from the theoretical amount that would arise using the basic tax rate as follows:

Profit before tax	**27,593**	22,942	**3,368**	6,712
Less share of profit of associates	**(798)**	(34)	**-**	-
	26,795	22,908	**3,368**	6,712
Tax calculated at applicable rates (5%-33%)	**4,231**	3,492	**541**	1,007
Impact of:				
Income not subject to tax	**(1,716)**	(2,431)	**(606)**	(1,142)
Expenses not deductible for tax purposes	**1,704**	2,524	**74**	139
Corporate climate responsibility levy	**518**	484	**-**	-
Special levy on banks	**1,297**	808	**-**	-
Corporate Social Responsibility contribution	**215**	191	**-**	-
Fair Share Contribution	**1,298**	-	**1**	-
Additional Fair Share Contribution	**239**	-	**-**	-
Cap of 35%	**(473)**	-	**-**	-
Alternative Minimum Tax (AMT)	**32**	-	**-**	-
Tax credits	**(119)**	(135)	**-**	(2)
Under/(Over) provision in previous years	**21**	(18)	**-**	-
Foreign tax	**35**	17	**10**	4
Tax charge	**7,282**	4,932	**20**	6

Applicable Tax Rates

The applicable tax rate for the Mauritius Commercial Bank Limited is as follows:

- First Rs 1.5 billion of chargeable income at 5%
- Remainder at 15%

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 Group is entitled, via its local subsidiaries, to allocate a percentage of its chargeable income of the preceding year to a CSR programme approved by the National Social Inclusion Foundation (formerly known as National CSR Foundation) and the remaining to the Mauritius Revenue Authority.

32. INCOME TAX EXPENSE (continued)

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.

Alternative Minimum Tax (AMT)

In accordance with the Income Tax Act of Mauritius, the Group is subject to Alternative Minimum Tax ("AMT") where applicable. AMT is computed at 10% of adjusted book profit when the income tax payable under the normal basis, after eligible deductions and before tax credits, is lower than the prescribed AMT threshold. The AMT charge for the year has been recognised within income tax expense.

Pillar Two

In October 2021, the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) agreed on a two-pillar solution to address tax challenges arising from the digitalisation of the economy. Pillar Two introduces a global minimum effective tax rate of 15% for multinational enterprise (MNE) groups with consolidated revenue of at least EUR 750 million. Mauritius, as a member of the Inclusive Framework, has enacted legislation to implement a Qualified Domestic Minimum Top-up Tax (QDMTT) through the Finance Act 2025, effective for year of assessment commencing on 1 July 2025.

Under the legislation, the Group qualifies as an MNE for QDMTT purpose and is liable to pay a top-up tax for the difference between the combined effective tax rate of the Group in Mauritius and the 15% minimum rate. Following a preliminary assessment, the Group has determined that the combined effective tax rate for covered persons of MCB Group in Mauritius exceeds 15%. Accordingly, no top-up tax is expected to arise under the Pillar Two framework based on the current structure and prevailing tax rates.

The Group will continue to monitor developments and assess the potential implications of the Pillar Two income taxes legislation on its future financial performance.

(b) The tax credit related to statements of comprehensive income is as follows:

	GROUP	
	2026 RS'M	2025 RS'M
Remeasurement of defined benefit pension plan and retirement residual gratuities	**(200)**	(1,307)
Deferred tax credit	**34**	222
Remeasurement of defined benefit pension plan and retirement residual gratuities, net of deferred tax	**(166)**	(1,085)

33. DIVIDENDS

	GROUP & COMPANY	
	2026 RS'M	2025 RS'M
Ordinary shares		
Opening dividends payable	**2,724**	2,405
Declared during the year	**6,827**	6,174
Paid during the year	**(4,898)**	(4,164)
Scrip dividend	**(1,748)**	(1,691)
Closing dividend payable	**2,905**	2,724

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34. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	GROUP	
	2026	2025
Profit attributable to the ordinary equity holders of the parent (Rs' 000)	**20,114,000**	18,065,000
Weighted average number of ordinary shares (thousands)	**262,769**	257,508
Basic earnings per share (Rs)	**76.55**	70.15

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year after adjustment for the effects of all dilutive potential ordinary shares.

The Company has two categories of dilutive potential ordinary shares.

For share options, the proceeds from these instruments shall be regarded as having been received from the issue of ordinary shares at the average market price of ordinary shares during the period. The difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at the average market price of ordinary shares during the period is treated as an issue of ordinary shares for no consideration.

	GROUP	
	2026	2025
Profit attributable to the ordinary equity holders of the parent (Rs' 000)	**20,114,000**	18,065,000
Weighted average number of ordinary shares - basic (thousands)	**262,769**	257,508
Effect of share options in issue (thousands)*	**11**	69
Weighted average number of ordinary shares - diluted (thousands) at year end	**262,780**	257,577
Diluted earnings per share (Rs)	**76.54**	70.13

*Excludes LTIP

35. COMMITMENTS

(a) Capital commitments

	GROUP	
	2026 RS'M	2025 RS'M
Expenditure contracted for but not incurred	**170**	138
Expenditure approved by the Board but not contracted for	**145**	131

(b) Securities pledged

The Group 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	
	2026 RS'M	2025 RS'M
Government of Mauritius & Bank of Mauritius bonds with other financial institutions	**108,067**	11,893

(c) The Company has pledged to invest EUR 5M in a carbon-impact fund.

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36. OPERATING SEGMENTS

Operating segments are reported in accordance with the internal reporting provided to the Supervisory and Monitoring Committee, whose responsibility is to allocate capital and resources to the reportable segments and assessing their performance.

All operating segments used by the Group meet the definition of a reportable segment under IFRS 8.

The Group's income, expenses, assets and liabilities are derived mainly through its Mauritian operations.

Year ended 30 June 2026

	GROUP				
	Total	Banking	Non-Banking Financial	Other Investments	Eliminations
	RS'M	RS'M	RS'M	RS'M	RS'M
Income:					
External gross income	**75,701**	**74,341**	**2,265**	**227**	**(1,132)**
Expenses	**(46,576)**	**(45,967)**	**(1,610)**	**(145)**	**1,146**
Operating profit before impairment	**29,125**	**28,374**	**655**	**82**	**14**
Impairment charge	**(2,330)**	**(2,313)**	**(16)**	**(1)**	**-**
Operating profit	**26,795**	**26,061**	**639**	**81**	**14**
Share of profit of associates	**798**	**371**	**17**	**410**	**-**
Profit before tax	**27,593**	**26,432**	**656**	**491**	**14**
Income tax expense	**(7,282)**				
Profit for the year	**20,311**				
Other segment items:					
Segment assets	**1,260,552**	**1,250,352**	**29,924**	**1,937**	**(21,661)**
Investments in associates	**13,960**	**5,803**	**118**	**8,039**	**-**
Goodwill and other intangible assets	**3,662**				
Deferred tax assets	**5,239**				
Total assets	**1,283,413**				
Segment liabilities	**1,094,338**	**1,095,476**	**17,863**	**1,363**	**(20,364)**
Unallocated liabilities	**51,745**				
Total liabilities	**1,146,083**				

36. OPERATING SEGMENTS (continued)

Year ended 30 June 2025

	GROUP				
	Total	Banking	Non-Banking Financial	Other Investments	Eliminations
	RS'M	RS'M	RS'M	RS'M	RS'M
Income:					
External gross income	**67,902**	66,559	2,160	153	(970)
Expenses	**(41,489)**	(40,806)	(1,378)	(287)	982
Operating profit before impairment	**26,413**	25,753	782	(134)	12
Impairment charge	**(3,505)**	(3,415)	(88)	(2)	-
Operating profit	**22,908**	22,338	694	(136)	12
Share of profits/(losses) of associates	**34**	294	18	(278)	-
Profit before tax	**22,942**	22,632	712	(414)	12
Income tax expense	**(4,932)**				
Profit for the year	**18,010**				
Other segment items:					
Segment assets	**985,446**	972,169	26,459	1,732	(14,914)
Investments in associates	**13,276**	5,742	83	7,451	-
Goodwill and other intangible assets	**3,427**				
Deferred tax assets	**4,845**				
Total assets	**1,006,994**				
Segment liabilities	**854,421**	851,239	16,941	1,758	(15,517)
Unallocated liabilities	**31,319**				
Total liabilities	**885,740**				

36. OPERATING SEGMENTS (continued)

Year ended 30 June 2026

	GROUP				
	Total	Net interest income/ (expense)	Net fee and commission income	Dividend income	Forex profit and others
	RS'M	RS'M	RS'M	RS'M	RS'M
Operating income:					
Banking	**46,498**	**29,944**	**8,293**	**995**	**7,266**
Non-Banking Financial	**1,700**	**272**	**724**	**33**	**671**
Other Investments	**188**	**(37)**	**25**	**41**	**159**
Eliminations	**(1,334)**	**50**	**(179)**	**(870)**	**(335)**
	47,052	**30,229**	**8,863**	**199**	**7,761**
Segment assets	**1,066,575**	**1,056,278**	**-**	**10,297**	**-**
Investments in associates	**13,960**				
Goodwill and other intangible assets	**3,662**				
Deferred tax assets	**5,239**				
Unallocated assets	**193,977**				
Total assets	**1,283,413**				

Year ended 30 June 2025

	GROUP				
	Total	Net interest income/ (expense)	Net fee and commission income	Dividend income	Forex profit and others
	RS'M	RS'M	RS'M	RS'M	RS'M
Operating income:					
Banking	**41,448**	26,833	7,921	871	5,823
Non-Banking Financial	**1,734**	226	697	38	773
Other Investments	**129**	(22)	25	49	77
Eliminations	**(1,151)**	15	(182)	(767)	(217)
	42,160	27,052	8,461	191	6,456
Segment assets	**907,905**	897,643	-	10,262	-
Investments in associates	**13,276**				
Goodwill and other intangible assets	**3,427**				
Deferred tax assets	**4,845**				
Unallocated assets	**77,541**				
Total assets	**1,006,994**				

37. RELATED PARTY TRANSACTIONS

(a) The Group

	Associated companies	Directors and Key Management Personnel*	Enterprises in which Directors and Key Management Personnel have significant interest*	Defined benefit plan
	RS'M	RS'M	RS'M	RS'M
Cash equivalents, Loans and Advances				
Balance at year end:				
30 June 26	**1,953**	**293**	**119**	**-**
30 June 25	1,320	232	135	-
Deposits				
Balance at year end:				
30 June 26	**152**	**465**	**203**	**291**
30 June 25	77	372	317	319
Amounts due from/(to)				
Balance at year end:				
30 June 26	**(851)**	**-**	**-**	**-**
30 June 25	(1,053)	-	-	-
Off Balance sheet items				
Balance at year end:				
30 June 26	**-**	**-**	**67**	**-**
30 June 25	3	-	41	-
Interest income				
For the year ended:				
30 June 26	**93**	**9**	**9**	**-**
30 June 25	94	6	9	-
Interest expense				
For the year ended:				
30 June 26	**2**	**11**	**-**	**2**
30 June 25	2	12	-	3
Fees and commissions and Other income				
For the year ended:				
30 June 26	**2**	**1**	**2**	**8**
30 June 25	5	2	2	6

The related party transactions were carried out under market terms and conditions with the exception of loans to Key Management Personnel who benefited from preferential rates as applicable to staff.

Credit facilities granted to related parties are secured except for credit cards, money market lines and facilities provided to related financial institution counterparties in accordance with our policy and are settled from the underlying obligor's operating cash flows.

* Directors and Key Management Personnel also include other key members of the Leadership team.

37. RELATED PARTY TRANSACTIONS (continued)

(a) The Group (continued)

"Fees and commissions and Other income" from Associated Companies includes an annual amount in respect of management fees charged to Banque Francaise Commerciale Ocean Indien ('BFCOI').

During the year, 24,936 share options were exercised under the Group Employee Share Option scheme by Key Management Personnel, including Executive Directors amounting to Rs 11M (2025: 120,826 share options for Rs 44M).

The share-based payment expense recognised in relation to these share options amounted to Rs 1M (2025: Rs 7M).

(b) The Company

In addition to the amounts disclosed in (a) above, the following information relates to subsidiaries and associates of the Company:

(i) Balances as at 30 June :

	Amount owed by	Amount owed to
	RS'M	RS'M
Subsidiaries		
2026	**3,458**	**271**
2025	4,785	707

(ii) Income and expenses for the year ended 30 June:

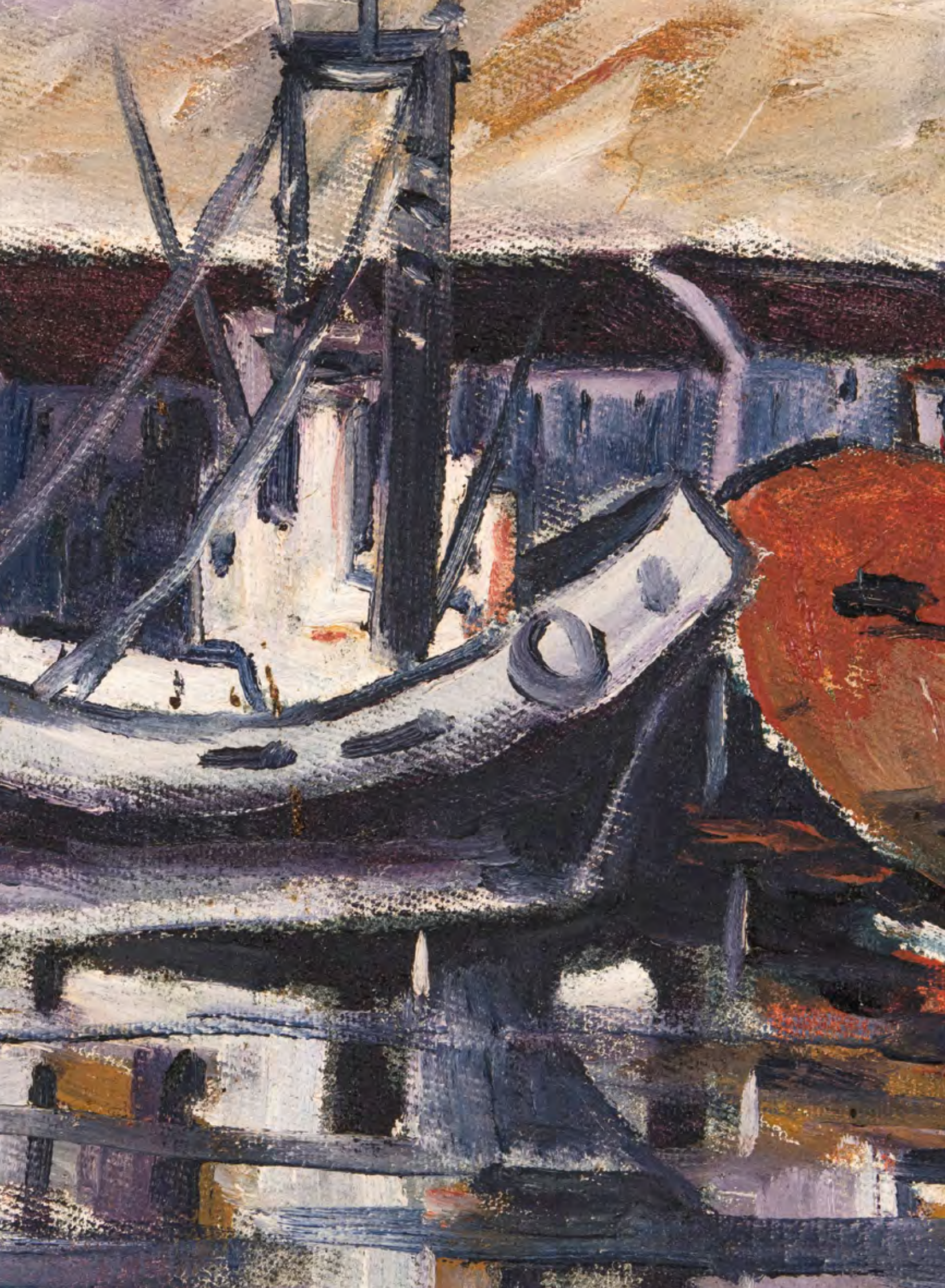
	Dividend income	Interest Income	Other expense
	RS'M	RS'M	RS'M
Subsidiaries			
2026	**3,858**	**44**	**38**
2025	7,543	53	29

(c) Key Management Personnel compensation

	GROUP		COMPANY	
	2026 RS'M	2025 RS'M	2026 RS'M	2025 RS'M
Remuneration and other benefits relating to members of Group Executive Strategy Committee and Directors, were as follows:				
Salaries and short term employee benefits	**366**	314	**98**	80
Post employment benefits	**31**	26	**7**	6
	397	340	**105**	86

38 EVENT AFTER REPORTING DATE

Subsequent to the reporting date, 4,759,053 preference shares held in the Company were converted into ordinary shares. Refer to Note 19 for further details.



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Our Sustainability Report is available here:
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