ABC Banking

ANNUAL REPORT 2026

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Lakshmana Lutchmenarraidoo

Independent Chairperson

Dear Valued Shareholder,

On behalf of the Board of Directors, I am pleased to present the Chairman's Report of ABC Banking Corporation Ltd ("the bank") for the financial year ended 30 June 2026. The year under review was marked by continued growth in the bank's franchise, further strengthening of its balance sheet and sustained focus on strong, discipline and governance in a dynamic operating environment.

The bank entered the financial year following an important phase of corporate reorganisation and continued to operate with a clear mandate: to serve customers with professionalism, preserve financial soundness, and support sustainable growth while maintaining prudent risk management. Against this background, the results for the year ended 30 June 2026 demonstrate the strength of the bank's business model and the dedication of its people.

total assets increasing by 25% from MUR 33.5 billion to MUR 42.1 billion.

Financial Performance

During the year ended 30 June 2026, ABC Banking Corporation Ltd continued to expand its activities and consolidate the progress achieved in prior years. The bank's customer deposit base increased further, supported by the confidence of its clients and the continued development of its domestic and global banking activities. Loans and advances to customers also remained a key driver of balance sheet growth, reflecting the bank's ongoing role in supporting individuals, businesses and the wider economy.

Profitability remained supported by the bank's core banking activities, with operating income increasing by 26% from MUR 908.3 million in 2025, excluding the exceptional item (gain on disposal of properties), to MUR 1.15 billion in 2026. This performance was driven principally by stronger net interest income, which grew by 22% from MUR 709.7 million to MUR 864.0 million, reflecting disciplined balance sheet management and improved income generation from interest-earning assets. Profit for the year increased by 26% from MUR 234.1 million in 2025, excluding the exceptional item of MUR 146.5 million, to MUR 297.0 million in 2026, reflecting continued underlying profitability despite higher operating expenses and a higher income tax expense, including the impact of new fiscal measures. From a balance sheet perspective, the bank continued to record strong growth, with total assets increasing by 25% from MUR 33.5 billion to MUR 42.1 billion. This was mainly supported by a 27% increase in deposits from customers, from MUR 28.8 billion to MUR 36.6 billion, reflecting continued customer confidence and an expanded funding base. Loans and advances to customers also grew from MUR 18.0 billion to MUR 19.1 billion, demonstrating the bank's ongoing support to customers while maintaining a prudent credit approach.

The bank maintained strong liquidity and funding positions throughout the year. Its reflecting a conservative approach to liquidity management, capital planning and risk appetite. This remains particularly important in an environment where interest rate movements, global uncertainty and competitive pressures require banks to remain agile while safeguarding financial stability.

Strategic Progress and Business Development

FY2026 was a year of execution and consolidation. The bank continued to strengthen its presence across its main business pillars, including Retail Banking, Corporate Banking, Private Banking, Global Banking and Treasury. This diversified platform enables the bank to respond to changing customer needs, capture business opportunities and maintain a balanced revenue profile.

The bank also remained focused on operational resilience and service quality. In an increasingly digital and regulated banking environment, investment in processes, controls, technology and staff capabilities remains central to delivering a secure, efficient and customer-focused banking experience. The Board recognises that such investments may place pressure on short-term costs, but they are fundamental to building a stronger institution for the long term.

Risk Management and Governance

Sound governance and prudent risk management remain at the centre of the bank's operating philosophy. The Board continued to exercise oversight over strategy, financial performance, risk appetite, internal controls, regulatory compliance and stakeholder interests. The work of the Board and its committees remains essential in ensuring that growth is achieved responsibly and within an appropriate governance framework.

The bank's asset quality, capital adequacy and liquidity positions continued to be closely monitored during the year. In line with good practice and regulatory expectations, management maintained a disciplined approach to credit underwriting, portfolio monitoring, impairment assessment and stress testing. The Board will continue to support enhancements in data, risk analytics, reporting and internal control frameworks as the bank grows in scale and complexity.

Outlook

Looking ahead, the bank will continue to pursue sustainable growth, in line with its vision 2030, while remaining attentive to market conditions, regulatory developments, customer expectations and emerging risks. The Mauritian banking sector continues to evolve, and financial institutions must remain resilient, innovative and well-governed to succeed. ABC Banking Corporation Ltd is well positioned to build on its progress, supported by a growing customer base, diversified business lines, strong liquidity and a committed team.

The Board's priority remains clear: to protect the bank's financial strength, deliver responsible growth, enhance customer service and create long-term value for shareholders. We will continue to support management in executing the bank's strategy with discipline, integrity and a strong focus on risk management.

Appreciation

I wish to express my sincere appreciation to our shareholder for its continued confidence, to our customers for their loyalty, and to our regulators and stakeholders for their constructive engagement. I also extend my gratitude to my fellow Board members for their guidance, support and commitment throughout the year.

On behalf of the Board, I thank the Managing Director, management team and all employees of ABC Banking Corporation Ltd for their dedication, professionalism and contribution to the bank's continued progress. Their commitment remains the foundation on which the bank will continue to grow and serve its customers with confidence.

Lakshmana Lutchmenarraidoo
Independent Chairperson

CORPORATE PROFILE

Rooted in strong family values and guided by a legacy spanning more than nine decades, ABC Banking Corporation Ltd has evolved into one of Mauritius' leading financial institutions. Renowned for its integrity, customer-centric approach and innovative financial solutions, the bank continues to play a significant role in supporting the economic development of Mauritius and beyond.

The bank's growth trajectory reflects its resilience and strategic vision. From a deposit portfolio of MUR 2.0 billion in December 2010, customer deposits have expanded significantly to reach MUR 36.6 billion as at 30 June 2026. Over the same period, shareholders' equity increased to MUR 2.98 billion, underscoring the strength of the bank's balance sheet and sustained value creation for its stakeholders.

Headquartered in the heart of Port Louis, ABC Banking Corporation Ltd provides a comprehensive range of services through four main business segments: Personal, Corporate, Private and Global Banking. The bank's international footprint has progressively strengthened through the establishment of representative offices in Hong Kong and Dubai, reinforcing its ability to connect with clients in key financial and commercial markets across Asia, the Middle East and Africa.

The bank's development over the years has been marked by several milestones. Following its listing on the Development & Enterprise Market (DEM) of the Stock Exchange of Mauritius (SEM) in January 2016, the institution demonstrated sustained growth and enhanced market visibility. In March 2024, the bank successfully issued MUR 700 million of bonds, which were admitted to the Official List of the Stock Exchange of Mauritius. A significant transformation occurred in 2025 with the establishment of ABCB Holdings Limited as the holding company. The corporate reorganisation culminated in the delisting of ABC Banking Corporation Ltd from the Development & Enterprise Market, and the listing of ABCB Holdings Limited on the Main Board of the Stock Exchange of Mauritius. The new structure enables the Group to develop its non-banking activities more efficiently while allowing the bank to focus on its core business.

Over the past years, ABC Banking Corporation Ltd has received numerous awards and recognition for its performance and innovation. Awards such as Best Private Bank for Offshore Services from Euromoney, Best International Bank, Indian Ocean from Capital Finance International (CFI.co), and Fastest Growing Banking Brand in Mauritius from Global Brands Magazine reflect the dedication, excellence, and forward-looking vision of its Board of Directors, management and employees.

OUR ROLE

Offer an exclusive banking experience, with tailored solutions and attentive support.

OUR PURPOSE

Transform aspirations into prosperity.

OUR VALUES

Integrity - ABC Banking places integrity as the foundation of every action. Upholding honesty in all interactions, the Bank maintains strict governance and implements exemplary banking practices. The Bank's transparency ensures security and trust for its clients.

Tenacity - Attentive to, and aligned with global and local economic and financial environments, ABC Banking invests itself in evolving consistently to sustain its product and service excellence and create an exclusive and memorable banking experience for its customers.

Loyalty - ABC Banking puts the client at the heart of all its actions, ensuring every individual receives attentive support and proactive solutions. Focused on the continuous satisfaction of its clients, irrespective of their profile, ABC Banking always strives to fully and effectively support its clientele, earning their reciprocal loyalty.

Personalisation - The Bank develops and delivers tailored products and customised advisory services with a meticulous attention to detail. Meeting the precise needs of its diverse clientele, ABC Banking optimises client-satisfaction in their daily transactions as well as more complex needs.

Flexibility - ABC Banking is highly proactive and responsive to the evolving needs of its clients. The Bank's constantly updated market insights, agile organisation and fluid operational process enable the design of flexible and efficient banking solutions aligned with clients' life stages or business cycles, facilitating the achievement of their goals.

Innovation - Daring to challenge the status quo, ABC Banking adopts a bold, dynamic, and innovative approach to develop and propose solutions that are in tune with the times. By adapting to, and even anticipating rapid technological changes, the Bank continuously evolves to remain at the forefront of its sector.

CORPORATE INFORMATION

REGISTERED OFFICE, HEAD OFFICE & MAIN BRANCH
WEAL HOUSE
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11328 Port Louis
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BRN: C07018920

EXTERNAL AUDITORS
KPMG
KPMG Centre
31 Cybercity, Ebène
Mauritius

LEGAL SERVICES
Me. Dev Erriah
Me. Jean Christophe Oh-San Bellepeau
Me. Georgy Ng Wong Hing SA
Me. Michael King Fat SC
Me. Ghanshyam Bhanji Soni SC
Me. Roobesh Ramanjooloo

MAIN CORRESPONDENT BANKS
Abu Dhabi Commercial Bank
Bank of China Limited
Crown Agents Bank Limited
Mizuho Bank Ltd
Société Générale
Standard Chartered Bank
Standard Bank of South Africa Limited
Yes Bank Limited
Bank of China Mauritius Ltd

BOARD OF DIRECTORS FOR THE YEAR ENDED 30 JUNE 2026

CHAIRPERSON
Mr Lakshmana Lutchmenarraidoo (Also known as Kris Lutchmenarraidoo)

MANAGING DIRECTOR
Mr David Brian Ah-Chuen

EXECUTIVE DIRECTOR
Mr Michel Bruno Lalanne

MEMBERS
Prof. Donald Ah-Chuen, G.O.S.K
Mr Patrick Andrew Dean Ah-Chuen (Until 31 December 2025)
Ms Varuna Roy Bunwaree
Mr Max Danny Kim Shian Fon Sing
Ms Sareeta Goundan
Mr John Li How Cheong (Appointed on 10 March 2026)
Ms Laura Yee Min Wong Sun Thiong (Also known as Laura Yeung Sik Yuen)

COMPOSITION AS AT 30 JUNE 2026

BOARD CREDIT COMMITTEE
Mr Danny Fon Sing (Chairperson)
Mr Brian Ah-Chuen (Ceased to be a member on 16 July 2026)
Mr John Li How Cheong (Member as from 16 July 2026)
Mr Lakshmana Lutchmenarraidoo

AUDIT COMMITTEE
Ms Laura Wong Sun Thiong (Chairperson)
Ms Varuna Roy Bunwaree
Ms Sareeta Goundan

RISK MANAGEMENT COMMITTEE
Ms Sareeta Goundan (Chairperson)
Mr Brian Ah-Chuen
Mr Lakshmana Lutchmenarraidoo

GOVERNANCE, NOMINATIONS AND REMUNERATION COMMITTEE
Ms Varuna Roy Bunwaree (Member and Chairperson as from 25 September 2025)
Prof. Donald Ah-Chuen
Ms Laura Wong Sun Thiong

COMPANY SECRETARY & SHARE REGISTRY
Mr Mahesh Ittoo, ACG (Until 15 August 2026)
Ms Kétia Sénézan Poonisamy, ACG (Appointed on 15 August 2026)

The Company Secretary acts as Secretary to the Board and all Board committees

FINANCIAL HIGHLIGHTS

	2026	2025	2024
INCOME STATEMENT (MUR m)			
Net Interest Income	864.1	709.7	677.2
Operating Income	1,147.7	1,054.8	849.6
Profit before impairment	432.6	460.2	338.8
Profit before tax	402.6	440.1	298.1
Profit after tax	297.0	380.6	257.7
STATEMENT OF FINANCIAL POSITION (MUR m)			
Total assets	42,069.5	33,451.0	26,333.9
Net loans and advances portfolio	19,078.2	17,969.1	14,211.7
Total deposit	36,605.5	28,843.1	22,352.7
Shareholders' equity	2,980.7	2,793.8	2,476.2
Tier 1 Capital	2,567.9	2,489.5	2,400.9
Total net capital	3,521.3	3,442.8	3,272.1
Risk - Weighted assets	21,828.5	21,625.3	17,387.4
PERFORMANCE RATIOS (%)			
Return on average total assets**	0.8	1.3	1.0
Return on equity**	10.0	13.6	10.4
Non-interest income to operating income	24.7	32.7	20.3
Loans and advances to deposit ratio	52.6	62.9	64.3
Cost to income ratio	62.3	56.4	60.1
CAPITAL ADEQUACY RATIOS (%)			
Capital & Reserves/Total assets	7.1	8.3	9.4
Capital adequacy ratio	16.1	15.9	18.8
Tier 1 ratio	11.8	11.5	13.8
INVESTOR DATA			
Earnings per share (MUR)***	3.9	5.0	3.4

** *based on profit after tax*
*** *based on average number of shares*

Brian Ah-Chuen
Managing Director

Dear Esteemed Shareholder,

This year marked an important stage in ABC Banking Corporation Ltd's continued journey of growth, strong and strategic focus. It is with great pleasure that I share with you the Annual Report of ABC Banking Corporation Ltd for the financial year ended 30 June 2026, characterised by continued transformation, disciplined growth and a sustained focus on strengthening the bank's foundations. Following the implementation of the ABCB Holdings structure in the previous financial year, the Bank entered 2026 with a clearer strategic architecture, enabling management to focus on core banking activities, operational strength, customer experience and long-term value creation as set under its Strategic Vision of 2030.

Despite a challenging operating environment marked by global uncertainty, evolving interest-rate dynamics, competitive pressure and increasing regulatory expectations, the bank delivered a solid performance. It continued to grow its balance sheet prudently, reinforce liquidity and capital buffers and invest in the people, systems and controls required to support its growth and expansion.

Operating environment

The global economic landscape remained complex during the year, with inflation trends, monetary policy decisions, geopolitical developments and shifts in international trade continuing to influence markets and business confidence. According to the International Monetary Fund (IMF), global GDP growth is projected at approximately 3.0% in 2026, compared to an estimated 3.2–3.3% in 2025. For a small open economy such as Mauritius, these developments highlighted the importance of maintaining sound liquidity, diversified income streams and careful risk selection.

On the domestic front, economic activity continued to be supported by key sectors including tourism, construction, and financial services. At the same time, competition within the banking sector remained prominent, particularly in deposit garnering and selected lending markets. Against this backdrop, the bank remained focused on disciplined asset origination, effective cost-of-funds management and the preservation of strong prudential ratios. According to Statistics Mauritius, year-on-year inflation declined to 3.7% in June 2026, compared with 5.4% in June 2025, while headline inflation averaged 4.1% over the twelve months ended June 2026.

Financial performance

For the year ended 30 June 2026, the Bank recorded net interest income of MUR 864.0 million, compared with MUR 709.7 million as at 30 June 2025 representing a 22% growth. This improvement reflects the continued expansion of interest-earning assets, supported by growth in investment securities and loans and advances, while Management remained cautious to funding costs in a competitive deposit market.

Net fee and commission income stood at MUR 82.5 million, compared with MUR 74.2 million in 2024/2025 , representing an increase of 11%, Other income amounted to MUR 200.2 million, compared with MUR 124.4 million (excluding the exceptional item) in 2024/2025, representing a growth of 62%, with foreign exchange and treasury-related activities continuing to contribute meaningfully to earnings. Total operating income reached MUR 1.1 billion, compared with MUR 908.3 million (excluding exceptional item) in 2025, which is an increase of 26% and demonstrating the strength and broadening of the bank's income base.

Profit after tax amounted to MUR 297.0 million, compared with MUR 234.1 million (excluding exceptional item) in 2025, representing a growth of 26%. This strong improvement in profitability was achieved while maintaining prudent provisioning discipline. The results reflect the benefits of balance sheet growth, better income diversification and continued management focus on operational discipline.

Balance sheet growth and asset quality

Total assets increased to MUR 42.1 billion as at 30 June 2026, compared with MUR 33.5 billion at 30 June 2025, a solid increase of 26%. This growth was driven principally by higher cash and cash equivalents, investment securities and a continued expansion of the lending portfolio. Net loans and advances to customers amounted to MUR 19.1 billion, compared with MUR 18.0 billion in the previous year, reflecting selective and risk-conscious growth across customer segments.

The Bank maintained a diversified lending portfolio, with exposures across personal, corporate, financial and business services, construction, trade, tourism, transport and other sectors. While the operating environment required vigilance, the bank continued to apply prudent credit underwriting, portfolio monitoring and impairment governance. Non-performing loans decreased to MUR 278.2 million, compared with MUR 375.1 million in 2025, evidencing the bank's continued focus on asset quality and calculated risk framework.

Funding, liquidity and capital strength

A commendable increase in customer deposits of 27%, from MUR 28.8 billion as at 30 June 2025 to MUR 36.6 billion as at 30 June 2026 was recorded. This growth reflects continued customer confidence and loyalty to the bank and provides a strong funding base to support future business development. The bank also maintained access to interbank and other funding channels, contributing to funding diversification and balance sheet strength.

Capital and reserves stood at MUR 3.0 billion at year-end, compared with MUR 2.8 billion in 2025. The bank remains committed to maintaining capital and liquidity levels well above regulatory requirements, while ensuring that its growth ambitions are supported by strong governance and a sound risk appetite framework.

Business development and Strategic objectives

During the year, the bank continued to implement its Strategic Vision 2030, anchored on sustainable growth, stronger customer relationships, disciplined risk management and enhanced operational capability. The Bank's strategic priorities remained focused on its core pillars: Personal Banking, Corporate Banking, Private Banking and Global Banking. Each business line pursued growth in targeted segments while maintaining a prudent approach to asset origination, funding diversification and customer service quality.

During the year, the Personal Banking department was reorganised to strengthen operational focus, accountability and customer service delivery. This reorganisation established a clearer segregation between Personal Banking and Leasing activities, allowing each area to operate with more defined responsibilities, dedicated oversight and specialised service capabilities. The revised structure is expected to enhance efficiency, improve portfolio monitoring and support a more focused approach to meeting the distinct needs of personal banking and leasing customers.

The bank continued to place emphasis on widening customer access, strengthening relationship-led service and improving the relevance of its products to individual clients. The focus remained on providing simple, responsive and secure banking solutions while supporting responsible credit growth and deepening customer engagement across deposits, lending and transactional services.

In Corporate Banking, Management remained focused on supporting established businesses and growth-oriented enterprises through tailored financing whether for long or short term requirements and trade-related solutions. The bank continued to adopt a selective approach to lending, prioritising sectors and counterparties where it has clear risk appetite, relationship insight and repayment visibility. This disciplined stance enabled the bank to expand its portfolio while preserving asset quality and maintaining close monitoring of credit exposures.

Private Banking remained an important area of strategic development, with continued emphasis on personalised service, wealth preservation, investment solutions and intergenerational relationship management. The bank's aim is to strengthen its proposition for affluent and high-net-worth clients by combining solutions-led engagement with the stability, confidentiality and responsiveness expected from a trusted banking partner.

Treasury played a key role in supporting liquidity management, foreign exchange services and income diversification. Forex business performance was particularly commendable during the year, reflecting stronger client activity, effective market execution and the bank's ability to provide responsive foreign exchange solutions while maintaining prudent management of market and counterparty risks.

Global Banking also recorded meaningful progress, with a significant increase in its deposit base during the year. This growth strengthened the bank's funding profile, enhanced liquidity strength and provided greater capacity to support international and cross-border business opportunities. It also reflects continued confidence relationship management and the bank's expanding ability to offer international payments and tailored deposit solutions.

Digital transformation and operational efficiency also remained central to the Bank's strategic agenda. Management continued to prioritise investments in systems, process automation, data quality, cyber resilience and internal controls. During the year, the Bank also invested significantly in the Treasury module, with the objective of enhancing deliverables, improving operational efficiency and strengthening the overall treasury operating framework. This investment is expected to support better transaction processing, improved reporting capabilities, stronger control oversight and greater responsiveness in serving clients. These initiatives are intended to improve scalability, strengthen the customer experience, reduce operational friction and ensure that the bank can support future growth without compromising governance and service standards.

The year also allowed the bank to consolidate the benefits of the new ABCB Holdings structure. The separation of banking and non-banking activities provides greater strategic flexibility, improved visibility and a more robust platform for future growth. Management continued to progress workstreams relating to intercompany arrangements, shared services, governance alignment and the longer-term optimisation of the Group's operating framework. These priorities are expected to support clearer accountability, more efficient resource allocation and stronger alignment between the bank's medium to long term growth ambitions and the broader Group strategy.

Operational resilience, governance and people

Resilience remained a central theme throughout the year. The bank continued to invest in systems, controls, business continuity planning, cyber awareness and operational risk management. These initiatives are essential as banking becomes increasingly digital, data-driven and interconnected. Management also remained focused on strengthening oversight, embedding accountability and supporting compliance with evolving regulatory expectations.

Our people remain at the heart of the bank's progress. I wish to acknowledge the dedication, professionalism and adaptability of our colleagues, who continue to serve customers and support the bank's strategic priorities with dedication and commitment. Training, talent development and cross-functional collaboration will remain key focus areas as we build the capabilities required for the bank's next phase of growth.

Outlook

Looking ahead, the Bank will continue to pursue disciplined and sustainable growth. Our priorities will include deepening client relationships, growing quality assets, preserving liquidity strength, enhancing digital and operational capabilities, maintaining prudent capital ratios and implementing strong risk management practices. We shall also continue to support the broader strategic objectives of ABCB Holdings Limited, while ensuring that the bank remains focused on its core mandate and responsibilities as a licensed banking institution.

The coming year will no doubt present new challenges, but it will also present opportunities. The bank is well positioned to navigate this environment through its strong franchise, experienced team, growing customer base, sound liquidity and clear strategic direction. We will continue to act with prudence, agility and purpose as we advance our mission of protecting and growing our customers' wealth and supporting the economic development of Mauritius.

Appreciation

On behalf of Management, I extend my sincere appreciation to our Chairperson and Members of the Board for their guidance and support throughout the year. I also thank our valued customers, shareholders, regulators, business partners and other stakeholders for their continued trust and confidence in ABC Banking Corporation Ltd.

Together, we shall continue to build on the bank's achievements with ambition, discipline and responsibility, creating long-term value for all our stakeholders.

Brian Ah-Chuen
Managing Director

CORPORATE GOVERNANCE REPORT

The banking sector continues to operate in an increasingly dynamic and interconnected environment, characterised by evolving customer expectations, technological advancement, heightened regulatory scrutiny and changing global economic conditions. In such a landscape, effective corporate governance remains fundamental to preserving stakeholder confidence, managing risk responsibly and supporting sustainable growth. At ABC Banking Corporation Ltd, our Board of Directors recognises that good governance extends beyond regulatory compliance. It is a key driver of sound decision-making, organisational resilience and long-term value creation. The Board remains committed to maintaining the highest standards of integrity, accountability and ethical conduct, while ensuring that the bank's strategic objectives are achieved in a manner that balances the interests of customers, employees, shareholders, regulators and the wider community.

Our governance framework is founded on clear responsibilities, robust oversight and a strong culture of transparency. Through our comprehensive suite of governance documents including our Board Charter, policies, Code of Ethics, and accountability frameworks, the Board oversees the effective management of the bank while promoting prudent risk-taking and responsible business practices. These documents are reviewed regularly to ensure continued alignment with applicable laws, regulatory expectations, evolving governance standards and the bank's strategic priorities.

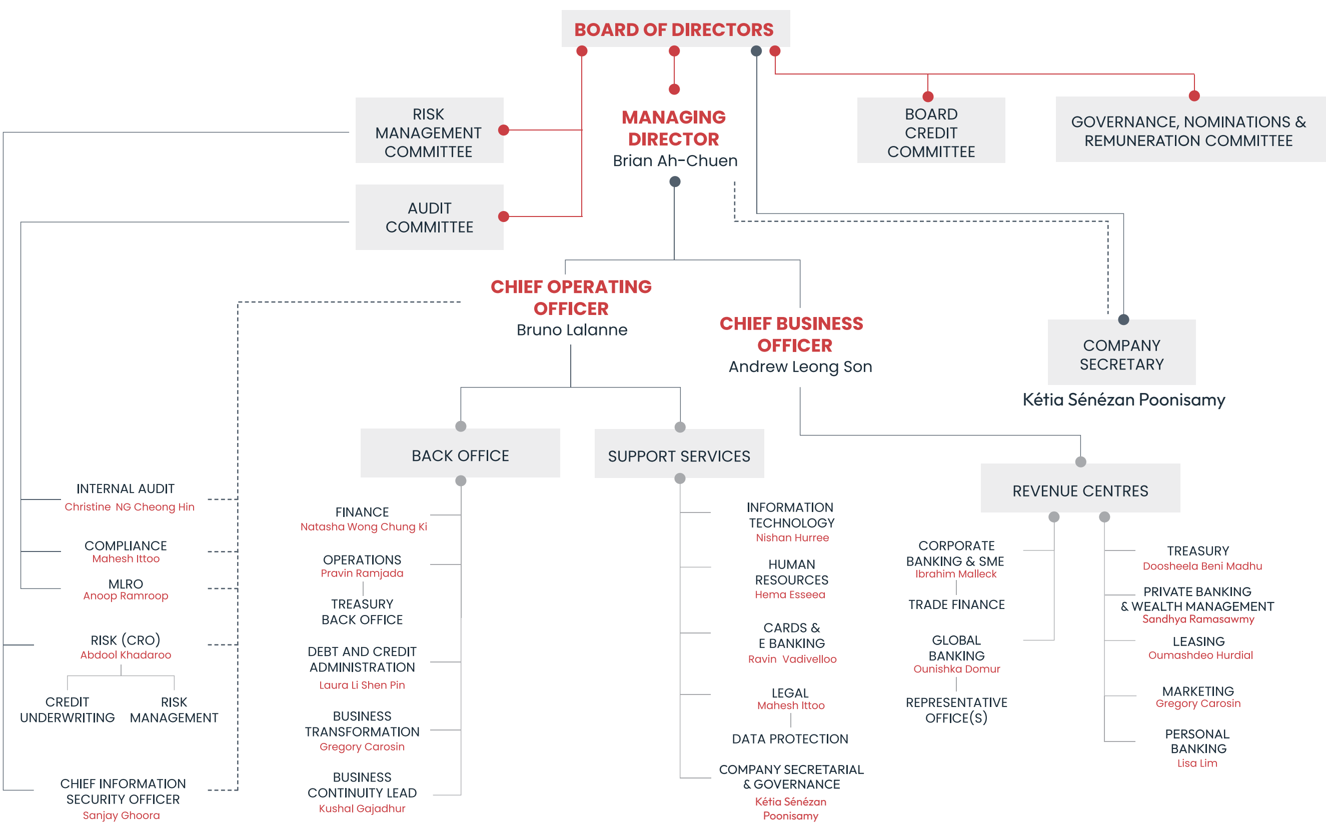
As ABC Banking Corporation Ltd continues its growth journey within the ABCB Holdings group structure, we remain steadfast in our commitment to sound governance practices that support innovation, resilience and responsible banking. Guided by our values and long-term vision, we seek to contribute positively to the development of Mauritius' financial sector while creating enduring value for all stakeholders.

OUR GOVERNANCE FRAMEWORK

Our governance framework operates as an integrated ecosystem that drives accountability, transparency, and stakeholder value creation across every dimension of our operations. Rather than viewing governance as a constraint, our Board positions it as the strategic enabler that transforms regulatory requirements into competitive advantages and operational excellence.

This framework serves as our organizational backbone—a dynamic platform that supports adaptive management while ensuring unwavering compliance. It creates the infrastructure through which strategic initiatives, risk management, and stakeholder engagement seamlessly converge to deliver sustainable performance and lasting value.

The below diagram depicts the bank's structure chart as at date:



THE BOARD AND ITS ROLE

Our Board of Directors has established a governance framework specifically calibrated to drive our organisation towards achieving ambitious business objectives, strategic milestones, and meaningful societal impact. This comprehensive framework encompasses intelligent oversight mechanisms, robust control systems, and performance parameters that ensure management and staff operate with the highest standards of ethics and efficiency while maintaining strict adherence to all regulatory mandates.

The Directors maintain active oversight of evolving corporate governance standards and consistently validate that the bank not only meets but exceeds the requirements set forth in the National Code of Corporate Governance and Bank of Mauritius Guideline on Corporate Governance.

Our Constitution establishes Board composition between 6 and 10 Directors, strategically sized to balance diverse perspectives with operational efficiency. In alignment with the Banking Act 2004 provisions and Bank of Mauritius Guidelines, our Board comprised 8-9 Directors during the year ended 30 June 2026. Gender diversity represents a strategic priority, with the Board actively committed to maintaining strong female representation as we advance our inclusive leadership agenda. Director appointments are made by shareholders at our Annual Meeting, ensuring democratic accountability in our governance leadership.

This carefully curated composition delivers an optimal blend of experience, expertise, and competencies that enables effective, independent decision-making under the strategic guidance of Chairperson Mr. Lakshmana Lutchmenarraidoo. Our Executive Directors, Mr. Brian Ah-Chuen and Mr. Bruno Lalanne, serve as the critical bridge between Board-level strategy and operational execution, ensuring seamless implementation of approved policies and strategic initiatives throughout the organization.

The Board comprised 9 members during the year ended 30 June 2026. Their profiles can be viewed on pages 20 – 25.

DIRECTORS	CATEGORY
Mr Lakshmana Lutchmenarraidoo	Independent
Mr Brian Ah-Chuen	Executive (Managing Director)
Mr Bruno Lalanne	Executive
Prof. Donald Ah-Chuen	Non-Executive
Ms Varuna Roy Bunwaree	Independent
Mr Danny Fon Sing	Independent
Ms Sareeta Goundan	Independent
Mr John Li How Cheong	Independent
Ms Laura Wong Sun Thiong	Independent

All Directors of the bank as at 30 June 2026 were residents in Mauritius, except for Mr John Li How Cheong, a Mauritian citizen who is a resident in Luxembourg.

PROFILE OF DIRECTORS

MR LAKSHMANA LUTCHMENARRAIDOO (ALSO KNOWN AS KRIS LUTCHMENARRAIDOO)

INDEPENDENT DIRECTOR AND CHAIRPERSON

Mr Lakshmana (Kris) Lutchmenarraidoo holds a Banking Diploma from Finafrica Institute. He has worked for the State Bank of Mauritius between 1973 and 1986, during which period he occupied various managerial positions, including the position of Assistant General Manager during his last four years there. He then participated to the set up the Mauritius Leasing Company as General Manager before being later appointed as Managing Director in 1997 and promoted as President of the Financial Services arm of the British American Group in 1999.

In 2002, Mr Lutchmenarraidoo was appointed as the Executive Chairman of The Mauritius Post Ltd and he was subsequently appointed as Chief Executive Officer of the Mauritius Post and Cooperative Bank Ltd, which he set up in May 2003. He thereafter took assignments as General Manager of Mauritours Ltd in December 2005, and La Prudence (Mauricienne) Assurances Ltée as General Manager of the General Insurance Department in August 2007. He was appointed Group Chief Executive Officer of The Mauritius Union Assurance Cy. Ltd on 1 January 2011 and held this position till 31 December 2014. He was then appointed Group Managing Director of Phoenix East Africa Assurance Company Limited till June 2016, and Chief Executive Officer of La Prudence Leasing & Finance Co Ltd from 1 September 2016 to 14 January 2017.

Prior to joining the bank, he was the Chief Executive Officer of SBM (NBFC) Holdings Limited from 15 January 2017 to 30 June 2020. He has also been appointed as Independent Director of Afrexim Bank Insurance Management Services Ltd (AfrexInsure), a 100% subsidiary of Afrexim Bank, in July 2024. Afrexinsure is a GBC Company and is involved in the provision of Insurance Management Services. Mr Lutchmenarraidoo was appointed as Executive Director of Engen Petroleum (Mauritius) Ltd in November 2025, and he resigned as Director of Afrexinsure in April 2026.

MR DAVID BRIAN AH-CHUEN
MANAGING DIRECTOR

Mr Brian Ah-Chuen is the Managing Director of ABC Banking, banking arm of ABCB Holdings Limited, where he has spearheaded the bank's growth and diversification both locally and internationally. He holds a BBA Honours from the Schulich School of Business, York University, Toronto, Canada, and brings over three decades of leadership experience across multiple industries within the ABC Group of Companies.

Building on this extensive background, Mr Brian Ah-Chuen has played a central part in defining the strategic direction of ABC Banking Corporation Ltd. Under his leadership, the bank has established its international footprint with the opening of representative offices in Hong Kong and Dubai and accelerated the growth of the bank's portfolio with the launch of its Private Banking segment. The bank also achieved a major milestone in April 2025, with the listing of ABCB Holdings Limited on the Official Market of the Stock Exchange of Mauritius. By driving innovation and a client-first approach, he has positioned ABC Banking Corporation Ltd as a trusted and competitive player in the regional financial landscape.

Before taking on the role of Managing Director of the banking arm of the ABC Group, he held senior positions across the Automobile, FMCG, and Hospitality clusters. Among his boldest initiatives are the introduction of the Alfa Romeo and Fiat brands in Mauritius, the modernisation and relocation of ABC Foods (Chue Wing & Co Ltd) to Trianon, and the management of Marina Resort, a 4-star hotel formerly owned by the Group.

Beyond his executive role, Mr Brian Ah-Chuen has also contributed actively to the Mauritian business community, holding key positions notably as Deputy Chairperson of the Mauritius Bankers Association, Director of Mauritius Union Assurance Ltd and Board Member of Business Mauritius' Africa Strategy Committee.

Moreover, he has previously served as a Board Member of the Mauritius Chamber of Commerce & Industry. He is a Fellow member of the Mauritius Institute of Directors (MIoD).

MR MICHEL BRUNO LALANNE
EXECUTIVE DIRECTOR

Mr Bruno Lalanne joined ABC Banking Corporation Ltd as Chief Operating Officer in January 2024, bringing with him more than 30 years of experience in the banking sector. On 28 April 2025, he was appointed as Executive Director.

Mr Bruno Lalanne has an in-depth knowledge of Compliance (including AML/CFT) procedures, models and operations which he acquired during his extensive career at HSBC Mauritius. He held various positions including Head of Corporate Banking, Chief Operating Officer, Area Compliance Officer and Head of Financial Crime Compliance & Regulatory Compliance. Mr Lalanne has also spent 2 years in the Asia Pacific region as Senior Regulatory Compliance Assurance Manager in HSBC, Hong Kong, and Head of Regulatory Compliance in HSBC, Macau from 2018 to 2019.

He has a proven track record of designing and implementing risk management strategies, which will support the bank in its growth path.

PROFESSOR DONALD AH-CHUEN, G.O.S.K.
NON-EXECUTIVE DIRECTOR

Professor Donald Ah-Chuen holds an M.B.A (University of Strathclyde, UK). He is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of the Institute of Chartered Accountants of Australia and holds an M.C.I.P.D (Chartered Institute of Personnel & Development, UK).

Professor Donald's long career started with his appointment as the first Chief Internal Auditor of the Central Electricity Board of Mauritius followed by his promotion three years later to the position of Secretary and Head of Administration. His hard work, administrative skills and initiatives, especially in bringing stability in the company's state of Industrial Relations and securing a durable long-term Agreement on Wages and Conditions of Employment with the Workers' Union were greatly appreciated by the Board which then granted him a scholarship to undertake post-graduate studies in Management in the UK. Shortly after successful completion of his studies, he joined the University of Mauritius to head the Centre of Professional Studies and in 1975 he became the first Mauritian to be appointed Professor of Management and Head of the School of Administration of the University. He subsequently served as Pro-Vice Chancellor of the University before he decided to move to Australia.

Professor Donald worked for a period of 12 years in Sydney in important professional roles in both Academia & Industry, becoming the CEO of Graham Group of Companies and finishing with distinction as Chairman of the Association of Steel Galvanizing Enterprises of Australia and New Zealand. He returned to Mauritius in 1995 to contribute in the consolidation, diversification and further development of the family business which soon expanded to become the ABC Group of Companies.

Professor Donald is a director of the Stock Exchange of Mauritius Ltd (SEM) and was its Chairman in 2018. He is also a director of P.O.L.I.C.Y Limited and the Managing Director of ABCB Holdings Limited, both listed on the Official Market of SEM. He is a former Board Director of the Development Bank of Mauritius and the Bank of Mauritius, and former Chairman of the Standard Bank (Mauritius) Ltd of South Africa. His other previous responsibilities include the Presidency of the Mauritius Chamber of Commerce and Industry, the Chinese Chamber of Commerce, the Mauritian Institute of Management and the Association of Accountants of Mauritius. He was also Chairman of the Tertiary Education Commission of Mauritius, and of the Mauritius Broadcasting Corporation.

Professor Donald was called by the Authorities to serve as a member of the Commission of Inquiry on Education, the Committee of Inquiry on the Amcol Project of Domaine Les Pailles, and as Chairman of the Committee of Inquiry on the Industrial Disputes in the Public Hospitals Service.

Prior to his appointment as Managing Director of ABC Banking Corporation Ltd in January 2012, Professor Donald was the founding Chairman of the same bank which was originally set up by him as the ABC Finance & Leasing Company before its subsequent establishment 13 years later as a fully-fledged commercial bank.

Following the corporate reorganisation of ABC Banking Corporation Ltd, Prof. Donald moved to ABCB Holdings Limited as its Managing Director, but stays a Non-Executive Director of ABC Banking Corporation Ltd and continues to play a very active role in the further consolidation and development of the Group.

Finally, in 2009 he was conferred by Government the distinction of G.O.S.K (Grand Officer of the Order of the Star and Key of the Indian Ocean) in recognition of his valuable contributions to Commerce and Industry, Banking & Financial Services, and Tertiary Education.

MR PATRICK ANDREW DEAN AH-CHUEN
NON-EXECUTIVE DIRECTOR

Mr Dean Ah-Chuen holds a BA degree in Computer Science, from the University of Sydney (Australia) and holds an MBA in International Business from the University of Western Sydney.

Mr Dean Ah-Chuen worked for Westpac Banking Corporation (Australia) in the IT Division and for Clinton's Toyota before returning to Mauritius in 1994 where he joined ABC MOTORS COMPANY LIMITED as Business Development Manager. As at date, he is the Chief Executive Officer of ABC MOTORS COMPANY LIMITED, now listed on DEM with overall responsibility for the Automobile Cluster, and the Chief Executive Officer of the Freight & Logistics, Insurance & Properties clusters of the ABC Group of Companies.

He is currently an independent director on the Board of Harel Mallac & Co Ltd, a Board member of Lovebridge Ltd (a joint private / public project to assist low-income families) and a Benefactor of the Court of the University of Mauritius since May 2019.

Previously, he was a director of the Mauritius Post & Co-operative Bank Ltd, and he was also a Non-Executive Director of ABC Banking Corporation Ltd. He was appointed to the Board of ABC Banking Corporation Ltd in June 2002.

MS VARUNA ROY BUNWAREE
INDEPENDENT DIRECTOR

Ms. Varuna Roy Bunwaree is a practising litigation barrister at the Mauritian Bar. She was called to the Bar of England & Wales in 2001 and to the Mauritian Bar in October 2002. From 2007 to 2009, she took the position of Head of Legal and Corporate Affairs at Ciel Properties Ltd (now Alteo Properties Ltd). She subsequently joined ENSafrica (Mtius) Ltd as Senior Associate of the Litigation Department and was promoted Executive of the Litigation Department in March 2016.

Ms. Bunwaree resumed private practice since August 2018. Her practice focuses on employment, commercial and insurance law. Within the bank, she currently chairs the Governance, Nominations and Remuneration Committee and sits as a member of the Audit Committee.

Ms. Varuna Roy Bunwaree's extensive experience in litigation, corporate legal affairs and governance, coupled with her expertise in employment, environmental and land law, provides the Board with valuable perspectives on legal, regulatory and strategic matters.

MR MAX DANNY KIM SHIAN FON SING
INDEPENDENT DIRECTOR

Mr Danny Fon Sing holds a BA in Management Sciences from the London School of Economics and Political Science. He is qualified as Chartered Accountant from the Institute of Chartered Accountants in England since 1993.

Mr Danny Fon Sing is the CEO of MaxCity Group since 1994 and has more than 25 years of experience in Property Development and Property Funds, Real Estate Finance and Smart City development. Throughout his career, he has assumed several directorship positions and played an active role in setting up MaxCity Property Fund, which has over MUR 7 billion of property assets under management.

Mr Danny Fon Sing's experience and continuous self-driven pursuit of knowledge bring a fresh perspective to boardroom discussions.

MS SAREETA GOUNDAN
INDEPENDENT DIRECTOR

Ms Sareeta Goundan is a seasoned business and technology leader with over 25 years of experience spanning strategic leadership, technology, business transformation and complex IT environments. She brings to the Board extensive expertise in strategic transformation, technology governance, enterprise risk, digital innovation and organisational change.

Ms Goundan is the Founder and Director of SSL Consulting Services Ltd, where she leads strategic business and technology transformation initiatives across industries. She also held senior leadership positions including General Manager of Information Technology at IBL Group of Companies, as well as senior management roles at Ireland Blyth Limited.

Her professional expertise encompasses digital transformation and innovation, business and technology strategy, project and programme management, organisational change, information and cyber security, business continuity planning. Her experience in managing complex transformation initiatives enables her to provide a strategic perspective on the alignment of technology, business objectives, operational resilience and long-term value creation.

A strong advocate for the project management profession, Ms Goundan served a two-year tenure as President of the Project Management Institute (PMI) Mauritius Chapter, where she provided strategic leadership and contributed to advancing the profession, professional development and stakeholder engagement.

Ms Goundan holds an MBA from the University of Sunderland, UK, an MSc in Project Management from the University of Salford, Manchester, a Postgraduate Diploma in Business Studies from Edexcel, UK, and a Graduate Diploma in Computer Science. She is a Fellow of the Chartered Management Institute and a Member of the Project Management Institute (PMI). She is also a Certified Professional in Managing AI (PMI-CPMAI™) reflecting her continued commitment to emerging technologies and the responsible adoption and governance of artificial intelligence.
As an Independent Non-Executive Director of ABC Banking Corporation Ltd, Ms Goundan contributes her extensive experience in technology, transformation, risk and governance to the Board. Her multidisciplinary background enables her to provide independent and informed oversight of strategic, technology, operational and emerging risks, while contributing to the Bank's long-term resilience, sustainable growth and value creation.

MRS LAURA YEE MIN WONG SUN THIONG
INDEPENDENT DIRECTOR

Ms Laura Wong Sun Thiong is a Fellow Member of the Institute of Chartered Accountants in England and Wales (FCA) and holds a BSc (Hons) Business Studies from City University, London, United Kingdom. She trained and qualified as a Chartered Accountant and spent six years with KPMG in London before coming back to Mauritius and joining Deloitte.

She has more than 35 years of audit and advisory experience which includes 25 years as partner of Deloitte Mauritius. She was the lead client partner of some of the top listed companies and multinationals in Mauritius and has experience working with clients in a wide variety of sectors. During her career, she has held a number of leadership positions within the firm, including the roles of Talent Partner, Learning Partner, Director of Independence, and Ethics Leader. She served as Audit Leader, responsible for managing and leading the audit function with 6 audit partners and more than 200 professionals until her retirement in July 2022.

Ms Laura Wong Sun Thiong is a seasoned executive with extensive knowledge in auditing, financial reporting and internal controls and she has extensive experience working with boards and audit committees of listed and non- listed companies. She now brings these skill sets to the benefit of the Board of ABC Banking Corporation Ltd.

MR JOHN LI HOW CHEONG
INDEPENDENT DIRECTOR

Mr. John Li How Cheong is a Partner at The Directors' Office, an independent directors' practice based in Luxembourg. He trained and qualified as a Chartered Accountant in 1984 in London in the United Kingdom. He moved to Luxembourg in 1987 and during the last 40 years, Mr. Li How Cheong worked essentially in the financial sector auditing and advising banks, investment funds, insurance companies among others. Mr. Li How Cheong has extensive experience in dealing with global and international companies with Head offices based in the US, Japan and the EU. His experience includes audit, advisory, corporate finance and liquidation engagements.

Mr Li How Cheong was a Partner for more than 20 years with KPMG Luxembourg during which he served as Managing Partner from 2000 to 2008 and Chairman of the Supervisory Board from 2008 to 2011. He was also a member of the leadership team of KPMG's Global Investment Management Practice. Since 2011, Mr. Li How Cheong has held Independent Non-Executive Director positions across financial institutions.

Mr. Li How Cheong is a Fellow of the Institute of Chartered Accountants in England and Wales. He is currently involved in committees at the Institut Luxembourgeois des Administrateurs (ILA) focusing on governance matters. Previously, he was a member of professional bodies in Luxembourg, such as the Institut des Réviseurs d'Entreprises and Ordre des Experts Comptables and a member of the Board of ALFI, (Association Luxembourgeoise des Fonds d'Investissement).

Drawing on over four decades of international experience in financial services, audit, corporate finance and governance, Mr. John Li How Cheong brings valuable cross-border perspectives and extensive board leadership experience to the Board's deliberations.

MANAGEMENT

The day-to-day management and operation of the bank's business is delegated to the Senior Management Team.

The Senior Management Team comprises the Managing Director, the Chief Operating Officer and the Chief Business Officer. The departmental heads and managers are tasked to implement the strategies and policies approved by the Board and ensure that same are communicated to all relevant staff. They are also responsible for the design and monitoring of the internal control systems, ensuring there exists an adequate segregation of duties, with prevalence of dual control in all areas, where required.

The Senior Management Team ensures the Board is regularly provided with timely, relevant and complete information on the bank's affairs, enabling it to periodically review the bank's performance and making appropriate decisions for its future course of action and development.

Profile of Management Team

SENIOR MANAGEMENT	
Mr Brian Ah-Chuen	Managing Director
Mr Bruno Lalanne	Executive Director and Chief Operating Officer
Mr Andy Leong Son	Chief Business Officer

MANAGEMENT TEAM	
Mrs Natasha Wong	Finance
Mr Abdool Khadaroo	Risk
Mr Deenesh Ghurburrun	Compliance (Until 15 April 2026)
Mr Mahesh Ittoo	Legal and Governance (Until 15 April 2026); Legal and Compliance (As from 15 April 2026)
Mrs Christine Ng Cheong Hin	Internal Audit
Mrs Seema Bhayat	Private Banking & Wealth Management (Until 05 January 2026)
Mrs Sandhya Ramasawmy	Private Banking & Wealth Management (As from 05 May 2026)
Mrs Anju Beni Madhu	Treasury
Mr. Ibrahim Malleck	Corporate Banking (As from 15 August 2025)
Mrs Ounishka Seesurun-Domur	Global Banking
Mrs Laura Li Shen Pin	Debt & Credit Administration
Mr Pravin Ramjada	Operations
Mr Gregory Carosin	Business Transformation & Marketing
Mr Nishan Hurree	Information Technology
Mrs Lisa Lim	Personal Banking (As from 01 April 2026)
Mr Oumesh Hurdial	Leasing (As from 01 April 2026)

MR PATRICK ANDREW LEONG SON - CHIEF BUSINESS OFFICER

Mr Andy Leong Son has over 15 years of experience spanning banking, capital markets, and financial advisory. He currently serves as Chief Business Officer at ABC Banking Corporation Ltd in Mauritius, where he oversees strategic business development and growth initiatives. Prior to this, he held the role of Head of Finance at the same institution, playing a key role in strengthening financial governance and performance.

Mr Andy Leong Son's career includes senior roles at Perigeum Capital, Intercontinental Trust Ltd, and the British Business Bank in the UK, where he advised on capital market transactions and investment programmes. He began his career at KPMG, gaining a strong foundation in audit and financial advisory.

Mr Andy Leong Son is a Member of the Institute of Chartered Accountants in England and Wales, and holds a BSc in Computer and Business from the University of Warwick.

MRS NATASHA JADE WONG CHUNG KI - HEAD OF FINANCE

Mrs Natasha Wong has over 25 years of experience in the financial services sector, with a strong background in leasing, corporate finance and banking and strategic financial management. She joined the bank in 2015 and held the position of Head of Corporate Banking for over 10 years before moving to the Finance department. She plays a key role in strengthening the finance function, supporting executive decision-making and enhancing financial controls.

Prior to joining the bank, Mrs Natasha Wong served for more than 10 years as Executive Director at The Mauritian Eagle Leasing Company Limited, previously a member of the IBL Group, where she gained extensive experience in financial leadership, business operations, asset finance, stakeholder management, and corporate oversight. She also held professional roles at DTOS Ltd, a management company and Deloitte, further broadening her exposure to audit, accounting, compliance and corporate services across diverse sectors.

Mrs Natasha Wong is a Chartered Accountant and Fellow member of the ACCA. She holds an MBA in Finance from the University of Leicester, UK, and is also a member of the Mauritius Institute of Professional Accountants and the Mauritius Institute of Directors.

MR ABDOOL WAHAB KHADAROO – CHIEF RISK OFFICER

Mr Abdool Khadaroo has over 25 years' experience in the financial services industry. Before joining the bank in October 2016, he worked for 13 years in different departments (Corporate Credit Risk, International Banking, Internal Audit) across Barclays Bank Mauritius Ltd and acquired international exposure with ABSA Bank South Africa, within the Corporate & Investment Banking space, where he was seconded for duty in 2016. Mr Abdool Khadaroo also had 6 years exposure in external audit with Deloitte and PwC. He is qualified from the Association of Chartered Certified Accountants.

MR DEENESH GHURBURRUN – HEAD OF COMPLIANCE
(Until 15 April 2026)

Mr Deenesh Ghurburrun has over 43 years of experience in the banking sector. Before joining the bank in April 2021 as Regulatory Affairs Executive, he worked as the Head of Compliance and Money Laundering Reporting Officer at Banyan Tree Bank Limited. Mr Deenesh Ghurburrun was employed as Head of Compliance at the SBM Bank (Mauritius) Limited from May 2016 to February 2019. Between 1983 – 2016, he held various positions at the Bank of Mauritius.

Mr Deenesh Ghurburrun was appointed as Head of Compliance at the bank on February 2022. He is a Fellow of the Association of Chartered Certified Accountants (FCCA).

MR MAHESH ITTOO – HEAD OF LEGAL AND COMPLIANCE (As from 15 April 2026) (Previously HEAD OF LEGAL AND GOVERNANCE)

Mr Mahesh Ittoo is the Head of Legal and Compliance of ABC Banking Corporation Ltd. Since joining the ABC Group in 2016, he has held key leadership roles in governance, legal and compliance functions, contributing to the strengthening of the Bank's corporate governance framework and regulatory compliance culture. Following his tenure with ABC Professional & Corporate Secretarial Services Ltd, he was appointed Company Secretary of the Bank in September 2020 and currently leads the Legal and Compliance Department.

With extensive experience in the financial services and global business sectors, Mr Ittoo provides strategic oversight of legal risk, corporate governance, regulatory compliance, anti-money laundering and corporate secretarial matters. He holds a BA (Hons) Law and Management from the University of Mauritius and a Master of Laws in Banking and Financial Law from the University of London. He is an Associate of The Chartered Governance Institute and a Member of the Chartered Institute for Securities & Investment.

MRS MARIE ANGELE CHRISTINE KWEE LEEN NG CHEONG HIN – HEAD OF INTERNAL AUDIT

Mrs Christine Ng is a seasoned professional, with more than 25 years of work experience. She is the Head of Internal Audit of ABC Banking Corporation Ltd since June 2012. Prior to joining the bank, she worked at Ernst & Young Ltd (EY) and led EU financial audits and institutional assessments for global entities across Africa. In Mauritius, she led the internal audit of listed entities operating in the insurance, tourism, manufacturing, and banking sectors. She was also seconded for duty at EY South Africa in 2016 and 2017.

Mrs Christine Ng holds a BSc (Hons.) in Management Sciences from the University of Warwick in UK and an MSc. in Human Resource Studies from the University of Mauritius. She also holds several professional certifications including 'Certified Internal Auditor' from the Institute of Internal Auditors (USA), 'Certified Risk Based Auditor' from the London School of Business and Finance (UK) and 'Certified Lead Auditor' for ISO/IEC 27001:2022 Information Security Management Systems from the Professional Evaluation and Certification Board (Canada).

MRS SEEMA BHAYAT – HEAD OF PRIVATE BANKING & WEALTH MANAGEMENT (Until 05 January 2026)

Mrs Seema Bhayat is a seasoned private banking executive with over 25 years of international experience in Europe and Asia. She has held senior leadership roles at Lombard Odier in Luxembourg, Tokyo, and Singapore, driving business growth, operational excellence, and client satisfaction across diverse markets. Renowned for her expertise in serving High Net-Worth (HNW) and Ultra High Net-Worth (UHNW) clients, Mrs Seema Bhayat specialises in bespoke wealth planning, family governance, and cross-border structuring solutions.

At Lombard Odier, she successfully led multi-disciplinary teams, implemented digital transformation initiatives, and consistently delivered Assets Under Management (AUM) growth. Mrs Seema Bhayat's career began at Société Générale Private Banking, where she built a strong foundation in international wealth planning. She has also contributed to industry development through roles on professional boards such as STEP (Society of Trust and Estate Practitioners) Singapore and the Swiss Chamber of Commerce in Japan.

Mrs Seema Bhayat holds a master's degree in business management from EDHEC (École des Hautes Études Commerciales du Nord) Business School and has completed an executive program with Lombard Odier and a Board governance certificate at IMD (International Institute for Management Development). A dual Mauritian Swiss national, she brings a global perspective grounded in a deep understanding of local client needs.

MRS SANDHYA RAMASAWMY – HEAD OF PRIVATE BANKING & WEALTH MANAGEMENT

Mrs Sandhya Ramasawmy joined ABC Banking Corporation Ltd in May 2026 as Head of Private Banking and Wealth Management.

With 20 years of experience in the financial services industry, she has developed extensive expertise in serving corporate and institutional clients, high net worth individuals, and business introducers. Prior to joining the bank, she held relationship management roles within the Private Banking and Wealth Management segment at the Mauritius Commercial Bank, following previous experience with international banks operating in the Global Business sector.

Mrs Sandhya Ramasawmy holds a Master's degree in International Business from Curtin University, Australia, and professional certifications in Wealth Management.

MRS DOOSHEELA KUMARI BENI MADHU - HEAD OF TREASURY

Mrs Anju Beni Madhu is a seasoned treasury professional with over 15 years of experience and a proven track record in managing complex financial transactions, treasury operations, and strategic initiatives. She holds a Master's Degree in Financial Economics and a Bachelor of Science (Honours) in Finance with Law.

Her extensive expertise spans key areas of treasury management, including liquidity and cash management, foreign exchange, fixed income securities, derivatives, and financial risk management. In addition to her treasury expertise, she possesses strong sales and relationship management skills, with extensive experience in identifying business opportunities, developing client relationships, structuring treasury solutions, and driving revenue growth. Her ability to understand client needs and deliver tailored financial solutions has contributed to both customer satisfaction and business expansion.

Throughout her career, Mrs Anju Beni Madhu has successfully led high-performing teams and strategic projects focused on optimising liquidity, enhancing operational efficiency, reducing costs, increasing profitability, and creating sustainable value. Combining strong technical expertise, commercial acumen, and strategic leadership, she has consistently delivered results while fostering long-term relationships with clients and stakeholders.

MR IBRAHIM MALLECK – HEAD OF CORPORATE BANKING

Mr Ibrahim Malleck brings over 25 years of experience in the banking industry, with a strong background across both local and international markets. He has a proven track record in driving strategic initiatives, improving operational efficiency, and leading high-performing teams within complex banking environments.

Throughout his career, Mr Ibrahim Malleck has held senior leadership roles at prominent financial institutions including HSBC, MCB, Standard Bank, and SBM. His expertise spans Corporate Banking, Trade Finance, and Financial Institutions (FI) Trade, where he has successfully led client-facing teams and delivered sustainable business growth.

With his extensive experience and global perspective, Mr Ibrahim Malleck is well positioned to lead the Corporate Banking division.

MRS OUNISHKA SEESURUN-DOMUR – HEAD OF INTERNATIONAL BANKING

Mrs Ounishka Seesurun-Domur is a senior international banking professional with over 20 years of experience across global and international banking.

She joined ABC Banking Corporation in April 2024 as Head of Global Banking, leading teams across Mauritius, Dubai (DIFC), and Hong Kong. She is responsible for driving cross-border banking strategy and growth across Deposits, Cash Management, Transaction Banking and Trade Finance, while delivering tailored solutions to international and global business clients across the Middle East, Asia, Africa and Europe.

Prior to joining ABC Banking Corporation, she held key roles at HSBC Bank (Mauritius) Limited, Deutsche Bank (Mauritius) Limited, and Bank One, managing international corporate portfolios and building strong client relationships.

A bold and client-focused leader, Mrs Seesurun-Domur is passionate about building high-performing teams, fostering a culture of excellence and compliance, and simplifying complex cross-border banking solutions.

She is a member of the Chartered Banker Institute (UK).

MRS LAURA LI SHEN PIN – HEAD OF DEBT AND CREDIT ADMINISTRATION

Mrs Laura Li Shen Pin has more than 20 years of experience in the banking sector. She previously held the post of Accountant at the MCB Group for 7 years where she acquired significant experience in the finance department.

Mrs Laura Li Shen Pin joined the bank in July 2011 as Accountant and was appointed as Senior Recovery Manager in February 2014. She was promoted to Head of Recovery in June 2016 and as Head of Debt & Credit Administration in October 2022.

Mrs Laura Li Shen Pin is a Fellow member of the Association of Chartered Certified Accountants (ACCA).

MR PRAVIN RAMJADA – HEAD OF OPERATIONS

Mr Pravin Ramjada joined ABC Banking Corporation Ltd in May 2024, after a career spanning over 30 years with HSBC Mauritius.

He was appointed Head of Operations at HSBC Mauritius in 2014, where he was responsible for leading the operations of both HSBC entities in Mauritius, including the branch and the local subsidiary. He managed a team of 45 individuals in Mauritius and was accountable for the delivery of a team in Global Services Centres located across India, Sri Lanka, and China, supporting HSBC Mauritius. He successfully led various transformation projects, drove digital adoption and straight-through processing initiatives. He also held key roles in retail banking and treasury operations. During his career with HSBC Mauritius, Mr Ramjada had the opportunity to do short-term assignments with HSBC offices in India, Thailand, Macau and Hong Kong.

Mr Pravin Ramjada is a Certified Anti-Money Laundering Specialist with an impeccable track record of delivering the best solutions for the stakeholders and customers across multiple businesses at HSBC Mauritius.

MR GREGORY CAROSIN – HEAD OF BUSINESS TRANSFORMATION AND MARKETING

Mr Gregory Carosin has over 15 years of international experience across France, China, Hong Kong, and Mauritius in banking, business transformation, marketing, communications, and entrepreneurship. He joined ABC Banking in the International Banking Division and previously served as the Bank's Chief Representative in Hong Kong.

Prior to banking, he began his career with the Accor Group in Shanghai before joining ABC Group as Group Communications Manager in Mauritius. He subsequently founded a technology start-up in Shanghai and later became Head of Marketing for 247 Tickets in Shanghai and Hong Kong.

Mr Gregory Carosin studied at Shanghai Jiao Tong University and holds a Master's Degree in Management from ISC Paris Business School and a Bachelor's Degree in Law, Economics and Management from the Université de Poitiers, France.

MR NISHAN HURREE – HEAD OF IT

Mr Nishan Hurree joined the Bank in March 2025 as Head of Information Technology, bringing over 25 years of experience in the banking and financial services sector. He holds a BSc (Hons) in Information Systems and a Master of Business Administration, and is also professionally certified in information security management through the Certified Information Security Manager (CISM) credential from ISACA.

Over the past 15 years, Mr Nishan Hurree has held senior leadership roles across technology, business solutions, project delivery, innovation, information security and digital implementation. He has led a range of strategic transformation initiatives, including robotic process automation, workflow automation, mobile-first customer onboarding and online lending platforms.

Adopting a design-thinking approach, Mr Nishan Hurree has delivered initiatives that have received international recognition in the emerging technologies and API-led innovation categories. Since joining the bank, he has contributed to strengthening and reshaping the technology infrastructure to support the bank's growth ambitions and long-term strategic objectives.

MRS LISA LIM TIAM VEE - HEAD OF PERSONAL BANKING

Mrs Lisa Lim is a seasoned banking professional with over 22 years of experience across retail banking, risk management, relationship management and branch leadership. She began her career at HSBC Bank (Mauritius) in May 2004, where she developed a strong foundation in the Retail and Risk departments, gaining valuable exposure to customer service, credit assessment, operational controls and risk governance.

In August 2010, Mrs Lisa Lim joined the bank as a Relationship Manager in the Retail Department. She subsequently transitioned to the Corporate Department as Relationship Manager, further broadening her expertise in client relationship management, credit solutions and business development. In recognition of her performance, she was promoted to Senior Relationship Manager in 2017. Mrs Lisa Lim was further promoted to Branch Manager in July 2020, a role in which she oversaw branch operations, customer experience and team development. In April 2026, she was appointed Head of Personal Banking, reflecting her extensive industry experience.

Mrs Lisa Lim holds a BSc (Hons) in Financial Services from the University of Mauritius and a Master of Business Administration from Arden University in England.

MR OUMESH HURDIAL – HEAD OF LEASING

Mr Oumesh Hurdial has built a distinguished career in the banking industry, with over 16 years of experience spanning retail banking, sales management, and leasing operations. He joined the bank in April 2017 as Manager – Retail Banking Sales, where he successfully drove business growth and strengthened customer relationships. In April 2026, he was appointed Head of Leasing, bringing with him extensive expertise in dealer relationship management, corporate leasing, and strategic product development.

Prior to joining the bank, Mr Oumesh Hurdial held several senior positions at HSBC Mauritius, including Executive Branch Manager, Branch Manager, and Head of Direct Sales, where he consistently delivered strong results and built high-performing teams. His career progression from Teller to senior leadership roles reflects his determination, resilience, and commitment to excellence.

Mr Oumesh Hurdial holds dual MBAs from the National Institute of Business Management, India — one specializing in Strategic Management (2020) and another in Retail Banking & Leadership Management (2018). He also earned a Certificate in Investment & Wealth Management from CISI in 2016. He is recognised for introducing innovative leasing strategies that have strengthened the bank's offerings and market position. His leadership continues to drive the bank's growth through expanded outreach in leasing.

BOARD STRUCTURE AND ITS CONDUCT OF AFFAIRS

Our corporate governance framework provides that a unitary Board of Directors shall be entrusted with the relevant powers to direct and supervise the management of the bank's business and affairs in an ethical and responsible manner, in line with the guidelines of the Bank of Mauritius and the National Code of Corporate Governance.

While some of the responsibilities are discharged directly by the full Board of Directors, others are delegated to Board committees to ensure appropriate attention is given at granular level. A summary of such discussions and action points is reported by the chairpersons of the respective committees at the subsequent meeting of the Board of Directors.

Board Committees

The Board has set up 4 committees to facilitate the effective and efficient discharge of its duties and responsibilities, namely the Board Credit Committee, the Audit Committee, the Risk Management Committee, and the Governance, Nominations and Remuneration Committee. The Company Secretary acts as secretary for all meetings of the Board of Directors and its Committees. The terms of reference and composition of the Board Committees are summarised below.

The organisation of the Board is depicted on page 11.

BOARD CREDIT COMMITTEE

The Board Credit Committee ("BCC") has been established by the Board of Directors of the bank and has been delegated the responsibility of considering and approving credit facilities, including placement limits with banks and financial institutions, in conformity with the provisions of the Credit Policy approved by the Board.

Since the discontinuation of the Conduct Review Committee on 29 November 2024, the BCC has also been delegated the responsibility of considering and approving credit facilities of related parties as provided for in the Guideline on Related Party Transactions.

Members of the BCC:

- Mr Danny Fon Sing (Chairperson)
- Mr John Li How Cheong (Member as from 16 July 2026)
- Mr Lakshmana Lutchmenarraidoo

The Chief Operating Officer, the Chief Business Officer and the Chief Risk Officer are in attendance at all Committee meetings.

AUDIT COMMITTEE

The Audit Committee assists the Board of Directors in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reports and statements, in compliance with all applicable legal requirements and accounting standards. The responsibilities of the Audit Committee are defined in its terms of reference. They include but are not limited to:

- reviewing the bank's audited financial statements and quarterly results before they are approved by the Board of Directors;
- ensuring management implements and maintains appropriate accounting, internal control and financial disclosure procedures, and reviews, evaluates and approves such procedures;
- reviewing such transactions as could adversely affect the bank's sound financial condition;
- reviewing and approving the audit scope and frequency;
- receiving audit reports and ensuring management is taking appropriate corrective actions in a timely manner, to address and control weaknesses and identified areas of non-compliance;
- ensuring accounting principles, policies and practices are adequate to guarantee resources are safeguarded, laws followed, reliable data disclosed and internal control systems adequate.

AUDIT COMMITTEE (CONT'D)

Members of the Audit Committee:

- Ms Laura Wong Sun Thiong (Chairperson)
- Ms Varuna Bunwaree
- Ms Sareeta Goundan

The Managing Director, Head of Internal Audit, Chief Operating Officer and Head of Finance are in attendance at all Committee meetings, and the external auditor is requested to attend the meetings as and when required. The Head of Legal & Compliance and the Money Laundering Reporting Officer also report to the Committee on a quarterly basis.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee assists the Board of Directors in the discharge of its duties relating to corporate accountability and the associated risks in terms of management, assurance and reporting. The responsibilities of the Risk Management Committee are defined in its terms of reference. They include but are not limited to:

- reviewing the principal risks and formulating and making recommendations to the Board in respect of risk management issues;
- reviewing and approving discussions and risk disclosure;
- reviewing the Assets and Liabilities Committee's (ALCO) reports.

Since the discontinuation of the Conduct Review Committee, the functions of the Committee which relate to transactions with related parties other than credit facilities have been transferred under the aegis of the Risk Management Committee.

Members of the Risk Management Committee:

- Ms Sareeta Goundan (Chairperson)
- Mr David Brian Ah-Chuen
- Mr Lakshmana Lutchmenarraidoo

The Chief Risk Officer is in attendance at all Committee meetings.

GOVERNANCE, NOMINATIONS AND REMUNERATION COMMITTEE

The Governance, Nominations & Remuneration Committee has been established by the Board of Directors to make recommendations to the Board on all Corporate Governance provisions to be adopted so that the Company remains effective and complies with prevailing corporate governance principles. The Committee shall be constituted to ensure that the reporting requirements regarding corporate governance, whether in the annual report or on an ongoing basis, are in accordance with the principles set out by the Bank of Mauritius and the Code of Corporate Governance.

The Committee has also been delegated the responsibility of making recommendations to the Board on all new Board appointments. To ensure that the Board remains effective and focused, the Committee will regularly review the balance and effectiveness of the Board, identify the skills needed and those individuals who might best be seen to be providing such skills in a fair and thorough manner.

The Board of Directors, recognising the need to establish a formal and transparent procedure for developing a fair remuneration policy, has delegated this task to the Committee. It should be highlighted that, for reasons of self-interest, the Committee's function in relation to the remuneration of non-executives is limited to making recommendations to the full Board.

Members of the Governance, Nominations and Remuneration Committee:

- Ms Varuna Roy Bunwaree (Chairperson)
- Prof. Donald Ah-Chuen
- Ms Laura Wong Sun Thiong

Company Secretary

Mr Mahesh Ittoo, Head of Legal and Compliance (previously Head of Legal and Governance), was the Company Secretary of the bank till 15 August 2026.

The Board has appointed Ms. Kétia Sénézan Poonisamy as Company Secretary, effective 15 August 2026, to carry out the management of company secretarial and governance affairs of the bank.

Ms. Kétia Sénézan Poonisamy has over 10 years' experience across financial services, banking and corporate administration sectors. She holds a BSc (Hons) in International Business Management from the University of Mauritius and is an Associate of the Chartered Governance Institute (ex-ICSA). She is also a Member of the Mauritius Institute of Directors.

Ms. Kétia Sénézan Poonisamy joined ABC Banking Corporation Ltd in September 2019. She worked as Assistant Relationship Manager in the International Banking Department before progressing to roles of increasing responsibility within the bank's Legal and Governance Department. Prior to joining the bank, Ms. Kétia Sénézan Poonisamy held various corporate administration positions at Intercontinental Trust Ltd.

The Company Secretary is responsible for the organisation of Board and Committee meetings, and acts as a bridge between executive management and non-executive board members. The Company Secretary also oversees all governance matters at the bank, acting as the link between the bank, its shareholder, and business stakeholders.

Key activities of the Board

STRATEGIC PLANNING AND MONITORING

The Board of Directors is responsible for setting the bank's ultimate direction. Like all large organisations, at the bank the initial strategy is developed at executive level, following an assessment of the issues, opportunities and risks that drive performance in the current market, and in line with the bank's risk tolerance, capacity and appetite.

The role of the Board in the strategic planning process englobes the identification of priorities, establishment of goals and objectives, finding resources and allocating funds to support the decisions that need to be made around strategic planning. The Board is also responsible for monitoring the execution of the strategic plan. This requires the Board to oversee the implementation of the strategic plan and consider whether there is a need to revisit the allocation of funds as well as the applicability of certain projects, as the plan progresses.

At the bank, strategic management is a dynamic and continuous exercise. While the executive team is responsible for the implementation of the strategic plan, the Board has the responsibility to oversee and monitor such implementation yearly. On a quarterly basis, the Board as a whole, questions, challenges and clarifies the plan submitted by management, to ensure it is well thought out, realistic, market-appropriate and compatible with the organisation's mission, vision and values.

SUCCESSION PLANNING

Succession plan is of high importance at the bank, as it is the component of the governance framework which helps avoid any disruption in case of unplanned departure of any director or senior officer. The Governance, Nominations and Remuneration Committee has been delegated the task by the Board to regularly assess the situation at Board and Management levels, and to ensure appropriate coverage action can be taken at all times to fill any gap regarding all key positions at the bank.

The succession plan is reviewed at least on a quarterly basis, and any update to same is tabled at the Governance, Nominations and Remuneration Committee as and when required.

APPOINTMENT OF NEW DIRECTORS AND SENIOR OFFICERS

Over and above the requirements identified by the Succession Plan, the Governance, Nominations and Remuneration Committee continuously assesses the balance of skills and experience required at Board level. Whenever the need for a new/additional member arises, the following process is rigorously followed:

- A profile of the best candidate is prepared, specifying the necessary skills and experience required for the position.
- Prospective candidates are identified.
- Should there be more than one candidate, the profiles of prospective candidates are transparently vetted by the Committee and each shortlisted candidate is interviewed by the members of the Committee or an appointed panel.

- Once a prospective candidate has been selected, his/her appointment will be put forward to the Board of Directors for appointment. In the case of a Director, the appointment shall be up to the next Annual Meeting of Shareholders, whereby he/she shall present for election. Appointment of any Director or senior officer at the bank is subject to approval by the Bank of Mauritius. In accordance with the Financial Services Commission ("FSC") licences obtained by the bank, the approval of the Financial Services Commission is also required for the appointment of a director.

Once a prospective Non-Executive Director has accepted a seat on the Board, he/she is requested to sign a letter of appointment which carefully outlines the terms of appointment, the duties and responsibilities expected by him/her.

All new Directors are, upon their appointment, invited to participate in an induction session, whereby the Managing Director and Company Secretary shall introduce the bank to the new Director. The incoming Director is provided with all necessary information he/ she needs to fulfil his/her role and duties as a Director of the bank.

All Directors of the bank have participated in an induction session upon appointment to acquaint them of their legal duties and facilitate their understanding of the bank's business strategy, governance, and operations.

CONTINUOUS DEVELOPMENT PROGRAMME

The development of directors is deemed essential for the maintenance of a highly engaged, well-informed and effective Board. A continuous development programme and training plan for directors has therefore been established and facilitated by both internal and external subject matter experts. A training log is maintained for each director by the Human Resource Department. During the financial year ended 30 June 2026, the Directors have participated in the below workshops, and in-house courses:

- Virtual Assets
- AML/CFT/PF Refresher
- Liquidity Risk Management

BOARD EVALUATION AND REMUNERATION

In line with the National Code of Corporate Governance and Bank of Mauritius' Guideline on Corporate Governance, the Board has established a mechanism to evaluate the Board's performance, as well as that of its committees and members. The review and evaluation include an assessment of the Board's composition and independence, performance and effectiveness, as well as the maintenance and implementation of the Board's governance and relationship with management, with the addition of an evaluation of the sub committees.

The Governance, Nominations and Remuneration Committee was delegated the task of conducting such appraisal to identify additional competencies and resources as appropriate and enable the Board to discharge its responsibilities more efficiently and effectively. Such a process also aids the Board to identify and deal with issues that impede its effectiveness. The "fit and proper person" criteria of Board members are also reviewed periodically to ensure they are up to date.

The Governance, Nominations and Remuneration Committee was also delegated the task of conducting periodic reviews of the above process to ensure same is always in line with the applicable legislations and regulations.

APPROVAL OF REMUNERATION POLICY

In compliance with the National Code of Corporate Governance and Bank of Mauritius Guideline on Corporate Governance, the Board has established a Remuneration Policy to establish clear and guiding principles for decisions around employee and executive remuneration, to ensure fair, competitive, and appropriate pay for the market on which the bank operates. The bank's goal is to ensure that the mix and balance of remuneration is appropriate to attract, motivate, retain and reward employees fairly and is consistent with the National Code of Corporate Governance.

CORPORATE GOVERNANCE REPORT

Attendance at Committee and Board Meetings Year ended 30 June 2026

	Board Meeting	Audit Committee	Risk Management Committee	Board Credit Committee	Governance, Nominations and Remuneration Committee
AH-CHUEN David Brian	6	-	7	11	-
AH-CHUEN Donald	5	-	-	-	7
AH-CHUEN Patrick Andrew Dean	4	-	-	-	-
LALANNE Michel Bruno	6	-	-	-	-
LUTCHMENARRAIDOO Lakshmana	6	-	7	11	-
WONG SUN THIONG Laura Yee Min	6	5	-	-	7
FONG SING Max Danny Kim Shian	5	-	-	11	-
GOUNDAN Sareeta	5	5	7	-	-
BUNWAREE Varuna Roy	6	5	-	-	6
LI HOW CHEONG John	1	-	-	-	-
Total Number of Meetings	6	5	7	11	7

DIRECTORS' REMUNERATION

Directors' remuneration is annually reviewed by the Governance, Nominations and Remuneration Committee, to ensure the remunerations are commensurate with the size of the bank, the time commitment required by the Directors to carry out their duties and the market rates for such services.

Any change in remuneration is recommended by the Governance, Nominations and Remuneration Committee to the Board for consideration. The Board shall review the proposal and table same at the next Annual Meeting of Shareholders for approval.

With respect to remuneration, the Board has determined that the non-executive directors shall be entitled to a fixed fee and attendance fees for attendance at Board and Committee meetings. Non-Executive Directors are not subjected to any other sort of remuneration or long-term incentive plans.

Executive Directors are remunerated with monthly emoluments and are subjected to an annual discretionary bonus should the bank achieve or exceed its targets.

The bank does not have any long-term incentive plan in place.

RISK GOVERNANCE AND INTERNAL CONTROL

Risk management refers to the process by which the bank monitors and mitigates its exposure to risk. At the bank, risk management is not viewed as an exercise seeking to identify and eliminate all risks, but as involving a comprehensive approach consisting of the identification and assessment of all potential risks in the banking business, the development and execution of an action plan to deal with and manage these activities that incur potential losses, and the continuous review and reporting of the risk management practices after implementation. All these need to be carried out within a risk appetite framework.

The Board has established a risk appetite framework where its business objectives are articulated in contrast with the level of risk it is willing to assume to achieve its targets. The framework offers a platform for the Board of Directors to be actively engaged in the improvement of risk governance and discussion of risk from a strategic point of view. The clear definition of risk tolerance and desired risk profiles helps cascade the risk strategy approved by the Board to individual business unit levels.

While the Board is responsible for the overall risk management and internal control systems, oversight of the bank's risk management process has been delegated to the Risk Management Committee. The Risk Management Committee in turn appoints a Chief Risk Officer who is responsible for overseeing the risk management and internal control functions on a daily basis, reporting to the Risk

Management Committee on a quarterly basis on key risk matters for discussion. Material matters are then reported to the Board by the Chairperson of the Risk Management Committee.

The risk management framework, including policies and systems in place, ensures a systematic and continuous identification and evaluation of risks and actions to terminate, transfer, accept or mitigate each risk, to achieve a prudential balance between the risks and potential returns to shareholders. Identification of key risk areas and internal control systems in place are also addressed.

INFORMATION TECHNOLOGY SECURITY AND DATA PROTECTION

Bank operations now rely heavily on information technology and such reliance is expected to grow. A more digitized environment also presents many challenges to the security of the operations of the bank and of the data it holds. Such challenges are at the heart of a multi-pronged response instituted by the bank.

The Board has set up an Information Security Policy to encompass all aspects of information governance. The Internal Audit Department has also been mandated to carry out regular reviews to ensure compliance and to report on the results thereof to the Audit Committee on a regular basis. The Risk Management Committee has also instructed the Risk Department to monitor and report on the IT risks.

Data protection is given utmost importance. The confidentiality, integrity and availability are protected by physical and logical access controls put in place and the sensitization of the staff of importance of such controls.

REPORTING WITH INTEGRITY

The Board acknowledges that the banking business is built on trust and same goes in line with the highest degree of integrity. As such, the Board recognises its responsibility to ensure the accounts are prepared in a way that fairly present the bank's state of affairs.

The accounts are prepared by the Finance Department and are regularly reviewed by management. Interim financial statements are tabled and discussed at the Audit Committee and Board meetings on a quarterly basis. The bank's external auditors, KPMG, ensure that the financial statements adhere to all International Financial Reporting Standards and that any deviation from same is disclosed, explained and quantified in the bank's audit report and financial statements.

CORPORATE SOCIAL RESPONSIBILITY

Established in 2013 and named after the founder of ABC Group, the Sir J.E. Moilin Ah-Chuen Foundation leads the Group's corporate social responsibility and sustainability initiatives. For a small island nation, corporate social responsibility and sustainability are not an abstraction: supporting educational development, addressing health needs and responding to mounting environmental pressures are important priorities for building resilient communities. Rooted in Mauritius and being one of the leading conglomerates in the country, ABC Group has a responsibility in developing the resilience of the communities and ecosystems on which the country's long-term success depends.

For the financial year ended June 2026, the Foundation aligned every supported initiative with the United Nations Sustainable Development Goals (SDGs). While the work is still organised around four internal pillars: Education, Community Empowerment, Environment and Health and Sports; the SDGs provide a recognised global reference framework, helping strengthen transparency and accountability.

SUSTAINABLE DEVELOPMENT GOALS

Rs 4.52M Social contribution	21 Organisations & projects in Mauritius & Rodrigues	10 SDGs advanced

In FYE 2026, the Sir J.E. Moilin Ah-Chuen Foundation allocated Rs 4.52 million to 21 organisations and projects across Mauritius and Rodrigues, contributing directly to key Sustainable Development Goals.

Education: the foundation of social mobility

Education remains at the heart of our mission. Through partners such as Mahebourg Espoir, Mo'Zar, TIPA, Collège Technique St Gabriel and the ABC Group Scholarship Scheme, we help build pathways from early-childhood learning to vocational and higher education. In the year ended 30 June 2026, this support provided scholarships for disadvantaged students, arts-based skills development and specialised facilities for children with special educational needs — supporting Quality Education (SDG 4).

Reducing poverty, hunger and inequality

We continue to strengthen the systems that protect vulnerable families. Lovebridge extends parental and psychological well-being support, while Safire, Caritas Île Maurice, the Mouvement pour le Progrès de Roche Bois and First Act is to Help (FAITH) deliver literacy, feeding and reintegration programmes for children and households facing hardship. Together these initiatives contribute to the achievement of the following SDGs: No Poverty (SDG 1), Zero Hunger (SDG 2) and Reduced Inequalities (SDG 10).

Health, inclusion and dignity

Through Magic Club and the Association pour la Promotion de la Santé (APSA), we support para-sport, disability inclusion and diabetes prevention contributing to Good Health & Well-being (SDG 3). Our partnership with M-Kids Association promotes menstrual dignity, rights awareness and livelihood pathways for girls and women, supporting Gender Equality (SDG 5).

Protecting the island's ecosystems

Mauritius' future is inseparable from the health of its ecosystems. With the Mauritian Wildlife Foundation and the Marine Megafauna Conservation Organisation, we support biodiversity conservation in Rodrigues and awareness of marine ecosystems, while We-Recycle and Action for Environment Protection promote recycling and environmental education. These efforts contribute to Responsible Consumption (SDG 12), Climate Action (SDG 13), Life Below Water (SDG 14) and Life on Land (SDG 15).

CSR Pillar	SDG Goal	Key partners supported	Impact delivered
Education	SDG 4 Quality Education	· Collège Technique St Gabriel · ABC Group Scholarship Scheme · TIPA · Mo'Zar · Mahebourg Espoir · Fondation Cours Jeanne D'Arc · A.P.E.I.M.	Scholarships for underprivileged students, arts-based learning, vocational training, and dedicated support for children with special educational needs.
Community Empowerment	SDG 1 & 10 No Poverty · Reduced Inequalities	· Lovebridge · Safire · Mouvement pour le Progrès de Roche Bois · First Act is to Help (FAITH)	Family support, literacy programmes and social and educational reintegration for households facing hardship.
Community Empowerment/ Education	SDG 2 Zero Hunger	Caritas Île Maurice	A daily breakfast programme sustaining vulnerable primary-school children.
Health & Sports	SDG 3 Good Health & Well-being	· Association pour la Promotion de la Santé (APSA) · Magic Club	Diabetes prevention, access to foot-care services, and para-sport and disability inclusion.
Community Empowerment	SDG 5 Gender Equality	M-Kids Association	Menstrual dignity, rights awareness and livelihood pathways for girls and women.
Environment	SDG 12 to 15 Environment & Climate	· Mauritian Wildlife Foundation · MMCO · We-Recycle · Action for Environment Protection	Biodiversity conservation in Rodrigues, marine ecosystem awareness, recycling and community environmental education.

Our contribution this year reflects the Group's conviction that lasting value is created not only through business performance, but through stronger communities and healthier ecosystems. By anchoring its community contribution to the United Nations Sustainable Development Goals, the Foundation has adopted a globally recognised framework that strengthens transparency, accountability and impact measurement.

As it moves forward, the Foundation remains committed to working with its partners to build a more inclusive, resilient and sustainable future for our country.

Health and sports are not just about physical well-being they are about confidence and resilience. We are proud to support Noemi Alphonse, a world champion in para-athletics, through the Magic Club Quatre-Bornes. Noemi Alphonse is a Para- athlete but also a national inspiration, her strength, resilience and dedication have placed Mauritius on the world's stage.

Environment

We are committed to protecting our planet for future generations. This year, we continued our support for the Rodrigues Environmental Education Project, led by the Mauritian Wildlife Foundation, which works tirelessly to preserve the island's unique flora and fauna.

We also partner with We-Cycle, an NGO dedicated to reducing plastic waste through the recycling of PET bottles as every small action contributes to a cleaner, greener Mauritius.

AUDIT AND REPORTING

Internal audit

The Board recognises the importance of having a robust internal audit function at the bank to provide assurance, through continuous, independent and internally organised detailed checks and assessment, that the bank's risk management, governance and internal control processes, are operating effectively. The Internal Audit Department has been set up accordingly comprising auditors with a mix of banking and auditing experience, who are able to assess the current state of affairs and provide management with valuable recommendations.

The internal audit function provides assurance to the Board on the overall effectiveness of the governance, risk management and internal control framework of the bank. In line with the National Code of Corporate Governance for Mauritius (2016), the Board delegates oversight of the internal audit function and responsibility for receiving internal audit reports to the Audit Committee. Internal audit reports are considered at Audit Committee meetings, which are held on a quarterly basis, and the Head of Internal Audit has ready and regular access to the Chairperson of the Audit Committee. The Audit Committee also approves the Audit Plan at the beginning of each new financial year, to ensure proper coverage of the bank's key risk areas/activities by internal audit. The Head of Internal Audit adopts a systematic and disciplined approach to review all areas of activity of the bank - operations, internal controls, risk management systems and governance process - and makes recommendations to management accordingly. Internal audit reports highlighting the methodology, findings, recommendations and management responses, are tabled on a quarterly basis at Audit Committee meetings. The scope of action of the internal audit function has no restriction to any aspect of the bank.

The Audit Committee is also responsible for providing ongoing feedback and guidance to internal audit, to help provide the assurance service that it needs. Reviewing internal audit reports helps the Audit Committee to assess the quality of internal audit's work during the course of the year. As part of an annual review by the Audit Committee, feedback may also be obtained from senior management, management and external auditors.

To ensure the independence of the internal audit function, the Head of Internal Audit is appointed by the Audit Committee and directly reports to the latter, while reporting only administratively to the Chief Operating Officer.

External audit

External audit provides assurance to stakeholders that the accounts have been prepared as per International Financial Reporting Standards and gives a true and fair view of the bank's financial position as presented in the financial statements.

In line with the provisions of the Banking Act 2004, the bank was required to rotate its external auditors after EY Mauritius acted in this capacity for 7 years. A tender exercise was carried out amongst well-established audit firms in Mauritius. Upon review of their proposals, KPMG was selected by a committee consisting of the members of the Audit Committee and those of the management team. KPMG was recommended by the Audit Committee, for approval by the Board. The Board subsequently appointed KPMG as external auditors following the approval of the Bank of Mauritius.

External auditors meet the Audit Committee at least twice a year to discuss the audit plan, prior to the statutory external audit exercise, and to present the audit findings and report at the end of same.

The Audit Committee evaluates external auditors annually, to make an informed recommendation to the Board for their re-appointment. The evaluation includes an assessment of auditors' qualifications and performance, the quality and fairness of their communication with the Audit Committee, and their independence, objectivity, professional scepticism and judgement.

To preserve the external auditors' independence, any team member of KPMG providing non-audit services, such as tax compliance services, will not be part of the external audit team at KPMG. The bank also ensures that it does not assign non-audit engagements to its external auditors that may impair its independence. Moreover, with different teams involved, KPMG shall retain its independence and objectivity with regard to their statutory obligations.

RELATIONS WITH SHAREHOLDERS AND OTHER

KEY STAKEHOLDERS

The Board is fully aware of its fiduciary duties towards the bank's shareholders, but it also acknowledges the bank is accountable to a wider range of stakeholders, namely its clients, employees, regulators and the public at large. Stakeholders are cognisant of the bank's performance and outlook through different forums including social media, website and annual reports.

Shareholders

The bank forms part of the ABC Group of Companies and, as at 30 June 2026, its sole shareholder was ABCB Holdings Limited.

SHARE OPTION PLANS

The bank has no share option plan.

SHAREHOLDERS' AGREEMENT

The bank has not entered into any shareholder agreement with ABCB Holdings Limited.

MANAGEMENT AGREEMENT

The bank has not entered into any management agreement with third parties.

DIVIDEND POLICY

Payment of dividends is subject to the bank's profitability, cash flow and capital expenditure requirements.

Stakeholders

REGULATORS

The bank's main regulator is the Bank of Mauritius (BOM). The bank's officers regularly take part in the BOM's forums and working groups. The Trilateral Meeting, between the bank, the BOM and the bank's external auditors, is held on a yearly basis to discuss on the bank's state of affairs, conduct and progress.

The bank is also accountable to the Stock Exchange of Mauritius (SEM) by virtue of its bonds listed on the Official Market, and to the Financial Services Commission. The bank is required to strictly comply with the listing rules and to submit reports to the FSC on a regular basis.

The bank maintains an open channel of communication with all its regulators, to whom it always assures its cooperation.

CUSTOMERS

Without customers, there would be no business. The bank thus recognises their vital importance. Customers are central to every management decision, and management and staff must endeavour to achieve customer satisfaction.

EMPLOYEES

Human capital is one of the key drivers for the achievement of the bank's objectives, growth, development and competitiveness. The management team and members of the Board have always laid emphasis on the empowerment and engagement of employees, along with their wellbeing.

The bank aims to develop excellence by creating a supportive environment within which all employees are given the opportunity to learn, develop and grow, to achieve their full potential. The learning and development programme for the year ended 30 June 2026 represents 5,405 man-hours. These include induction courses, regular training and team building activities. Internal newsletters and electronic communication are regularly circulated to staff to keep them abreast of the bank's performance, outlook and its #CountOnUs strategy.

The bank is committed to ensure and maintain the highest standards of health & safety for its employees and other stakeholders. Identifying hazards and controlling risks is of utmost importance. Thus, to meet these commitments, the bank complies with the Occupational Safety and Health Act 2005. Employees have been trained as first aiders and fire wardens. Fire drills are being organised as stipulated under relevant regulations.

The bank is an equal opportunity employer and supports the principle of equal employment opportunity for all staff, at all levels of employment. It is committed to providing a working environment which is free from discrimination and striving for equal treatment and respect of all employees at the workplace. The bank employs 255 employees with a balanced gender distribution.

LEGAL DUTIES

All Directors of the bank are fully apprised of their fiduciary duties, as laid out in the Mauritius Companies Act 2001, during the induction session. They also have access to the advice and services of the Company Secretary, who provides guidance to Directors regarding their duties and responsibilities.

All Directors also have access to senior executives, to obtain information on any item to be discussed at Board or Board Committee meetings or any other relevant area they deem appropriate. The Board and committees also have the authority to obtain such outside or other independent professional advice as they consider necessary to carry out their duties.

ETHICAL CONDUCT

The bank is committed to the highest standards of business integrity, transparency and professionalism, and ensures all its activities are managed responsibly and ethically, while seeking to enhance business value for all stakeholders.

In line with this objective, the bank has put in place a Code of Conduct and Ethics which clearly reveals its core values and the standard of dealings that the public at large can uncompromisingly expect. This code is designed to help employees at all levels to understand their responsibilities and carry out their duties with due diligence, honesty and integrity, which are fundamental to the bank's reputation and success.

The bank also has in place an anti-fraud policy to encourage employees to freely communicate concerns about illegal, unethical or questionable practices, to senior management or the Head of Internal Audit, without fear of reprisal.

A whistleblowing policy is also in place, providing an effective method to address bona fide concerns that employees might have. The policy reflects the bank's commitment to ensure concerns of potential breaches of laws, rules, regulations, policies and procedures, irregularities, unacceptable/unethical practices or misconduct, raised in good faith, are addressed in an appropriate manner. Matters of concern are addressed to the Head of Internal Audit. The bank also has an Anti-Fraud and Anti-Bribery Policy which is directed at cases of suspected fraud, theft and abuse.

Other bank policies are also in place to protect against improper use of the bank's property and/or information, unfair dealing with customers/clients, employees and other stakeholders.

All staff were apprised of the contents of the Code of Ethics and the consequences of its non-compliance. The document has also been published on the bank's website.

DIRECTORS' INTERESTS AND DEALINGS IN SHARES

In accordance with the Mauritius Companies Act 2001 and the Banking Act 2004, an interest register is maintained by the Company Secretary to ensure the interests of every Director in the bank's affairs be recorded and referred to whenever required.

The following table shows Directors' interests in the bank's share capital as at 30 June 2026:

Directors	No. of shares acquired	No. of shares sold	Direct holding	Indirect holding
AH-CHUEN Brian	-	-	-	0.57%
AH-CHUEN Donald	-	-	-	5.74%
AH-CHUEN Dean	-	-	-	1.35%
BUNWAREE Varuna Roy	-	-	-	NIL
FON SING Danny	-	-	-	1.96%
GOUNDAN Sareeta	-	-	-	NIL
LALANNE Bruno	-	-	-	NIL
LI HOW CHEONG John	-	-	-	0.30%
LUTCHMENARRAIDOO Lakshmana	-	-	-	0.16%
WONG SUN THIONG Laura	-	-	-	NIL

Pursuant to section 48 of the Banking Act 2004, the bank has a rigorous procedure for the management of conflicts of interest. All Directors are required to disclose any interest they may have in any activity of the bank.

Whenever there is any situation of conflict, the item is discussed at Board level and the member of the Board shall be asked to leave the meeting while the Board determines whether the situation amounts to a conflict of interest or whether the transaction is being done at arm's length basis.

Should the Board determine, after deliberation, that there is indeed a conflict of interest, the transaction is recorded as such in the Board minutes and in the interest register. Any decision relating to a proposed transaction in which a Director is conflicted is reached in the absence of that Director.

Related party transactions are carried by the bank in accordance with the BOM's Guideline on Related Party Transactions. The Board has established a Related Party Transaction Policy to set up the framework for the bank to deal with transactions with related parties. Such transactions are reviewed and approved by the Board Credit Committee and ratified by the Board at quarterly Board meetings.

All situations of conflicts of interest and related party transactions during the year ended 30 June 2026 have been conducted in accordance with the above guidelines and the bank's Code of Ethics.

CAUTIONARY NOTE

This report contains several forward-looking statements with respect to the financial position and business strategy of ABC Banking Corporation Ltd. By their very nature, forward-looking statements are based on a number of assumptions and management's current views and are thus subject to inherent risks and uncertainties. Hence, there is a significant risk that the statements contained herein may not prove to be accurate.

Readers of this report are thus cautioned not to place undue reliance on the forward-looking statements as numerous factors could cause future results and actions to differ materially from the declarations of future expectations expressed herein. A number of factors ranging from the evolution of the economic and political landscape to technological headway, regulatory developments, interest rate and currency value fluctuations, management actions, level of competition in the local and global industry, are bound to influence the future outcomes that relate to forward-looking statements.

ABC Banking Corporation Ltd does not undertake to update any forward-looking statement that may be made from time to time by the organisation or on its behalf.

STATEMENT OF COMPLIANCE

(Section 75 (3) of the Financial Reporting Act 2004)

NAME OF PUBLIC INTEREST ENTITY: ABC BANKING CORPORATION LTD

Reporting Period: 30 June 2026

Throughout the year ended 30 June 2026, to the best of the Board's knowledge, ABC Banking Corporation Ltd (the "bank") has complied with the National Code of Corporate Governance for Mauritius (2016) (the "Code"). The bank has applied all the principles set out in the Code and explained how these principles have been applied.

22 September 2026

Lakshmana Lutchmenarraidoo
Chairperson of the Board

David Brian Ah-Chuen
Managing Director

OTHER STATUTORY DISCLOSURES

(Pursuant to section 221 of the Mauritius Companies Act 2001)

Principal Activity

ABC Banking Corporation Ltd (the "bank") is the holder of a banking licence from the Bank of Mauritius and provides the full range of banking products to the public at large.

Directors & Interests

The directors of the bank as at 30 June 2026 were as follows:

Mr Lakshmana Lutchmenarraidoo

Mr David Brian Ah-Chuen

Prof. Donald Ah-Chuen

Ms Varuna Roy Bunwaree

Mr Max Danny Kim Shian Fon Sing

Ms Sareeta Goundan

Mr Michel Bruno Lalanne

Mr John Li How Cheong

Ms Laura Yee Min Wong Sun Thiong

Directors' interests in shares in the bank are set out on page 43 of the annual report. No directors have any service contract with the bank.

DIRECTORS' EMOLUMENTS

During the financial year ended 30 June 2026, the executive directors have received emoluments amounting to MUR 19,709,100 (2025: MUR 29,766,304) and non-executive directors have received MUR 4,358,475 (2025: MUR 5,968,333).

In line with section 221(1)(e)(iii) of the Mauritius Companies Act 2001, the remuneration received by each director individually are as follows: :

Director	Remuneration (MUR)
Mr Lakshmana Lutchmenarraidoo	1,030,750
Prof. Donald Ah-Chuen	393,975
Mr David Brian Ah-Chuen	12,235,000
Mr Patrick Andrew Dean Ah-Chuen	393,500
Ms Varuna Roy Bunwaree	563,500
Mr Max Danny Kim Shian Fon Sing	607,500
Ms Sareeta Goundan	574,500
Mr Michel Bruno Lalanne	7,474,100
Ms Laura Yee Min Wong Sun Thiong	588,500

OTHER STATUTORY DISCLOSURES

Directors' Service Contract

There were no service contracts between the bank and its directors during the financial year under review.

Directors and Officers Liability Insurance

The bank has arranged for appropriate insurance cover in respect of legal actions against its directors and officers.

Donations

Donations made during the year were as follows:

	2026 MUR	2025 MUR	2024 MUR
Donations	175,000	5,000	51,250
Political donations	-	1,700,000	-
	175,000	1,705,000	51,250

Auditors

The fees payable to the auditors, Messrs. KPMG, for audit and other services during financial year 2026 were:

	2026 MUR	2025 MUR	2024 MUR
Audit Services	7,006,950	5,550,000	5,000,000
Other Services*	664,000	640,000	125,000
	7,670,950	6,190,000	5,125,000

*Other Services include tax compliance review services

Date: 22 September 2026

Lakshmana Lutchmenarraidoo
Chairperson of the Board

David Brian Ah-Chuen
Managing Director

SECRETARY'S CERTIFICATE

We certify that, to the best of our knowledge and belief, ABC Banking Corporation Ltd (the "bank") has filed with the Registrar of Companies, in respect of the financial year ended 30 June 2026, all such returns as are required of the bank under the Companies Act 2001 in terms of section 166(d).

K.S. Poonisamy

Kétia Sénézan Poonisamy, ACG
Company Secretary
22 September 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of financial statements which give a true and fair view of the financial position, financial performance and cash flows of the bank and which comply with the Mauritius Companies Act 2001, the Banking Act 2004, the Financial Reporting Act 2004 and International Financial Reporting Standards.

- In preparing those financial statements, the directors are required to:
- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the bank will continue in business
- Adhere to the provisions of the National Code of Corporate Governance

They are also responsible for safeguarding of the assets of the bank and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the above requirements in preparing the annual report and financial statements. The Board of Directors acknowledges its responsibility for ensuring the preparation of the financial statements in accordance with International Financial Reporting Standards and the responsibility of external auditors to report on these financial statements. The Board also acknowledges its responsibility for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management.

The Board of Directors considers that the bank has complied in all material aspects with the provisions of the National Code of Corporate Governance for the year ended 30 June 2026.

Approved by the Board of Directors on 22 September 2026 and signed on its behalf by

Lakshmana Lutchmenarraidoo
Chairperson of the Board

Laura Yee Min Wong Sun Thiong
Chairperson Audit Committee

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The global economy remained resilient during the first half of 2026 despite an increasingly challenging geopolitical and macroeconomic landscape. After navigating elevated trade tensions and policy uncertainty in 2025, global growth momentum moderated during 2026 as renewed geopolitical tensions in the Middle East, volatility in commodity markets and tighter financial conditions weighed on economic activity.

According to the International Monetary Fund (IMF), global GDP growth is projected at approximately 3.1% in 2026, compared to an estimated 3.2–3.3% in 2025, reflecting a modest slowdown in economic activity. Inflationary pressures, which had eased significantly during 2024 and early 2025, re-emerged in several jurisdictions due to higher energy prices and supply chain disruptions arising from geopolitical developments. Global headline inflation is expected to remain above central bank targets in many economies before gradually moderating in 2027.

Central banks across advanced and emerging economies adopted a cautious approach to monetary policy. While inflation generally remained on a downward trajectory compared with the post-pandemic peaks, policymakers balanced the need to contain inflationary risks against supporting economic growth. Against this backdrop, risks to the global outlook remained on the high side, including persistent geopolitical tensions, elevated public debt levels, trade fragmentation, commodity price volatility and the potential for tighter global financial conditions. Nevertheless, continued technological innovation, particularly in artificial intelligence and digital transformation, provided support for medium-term global growth prospects.

LOCAL ECONOMY

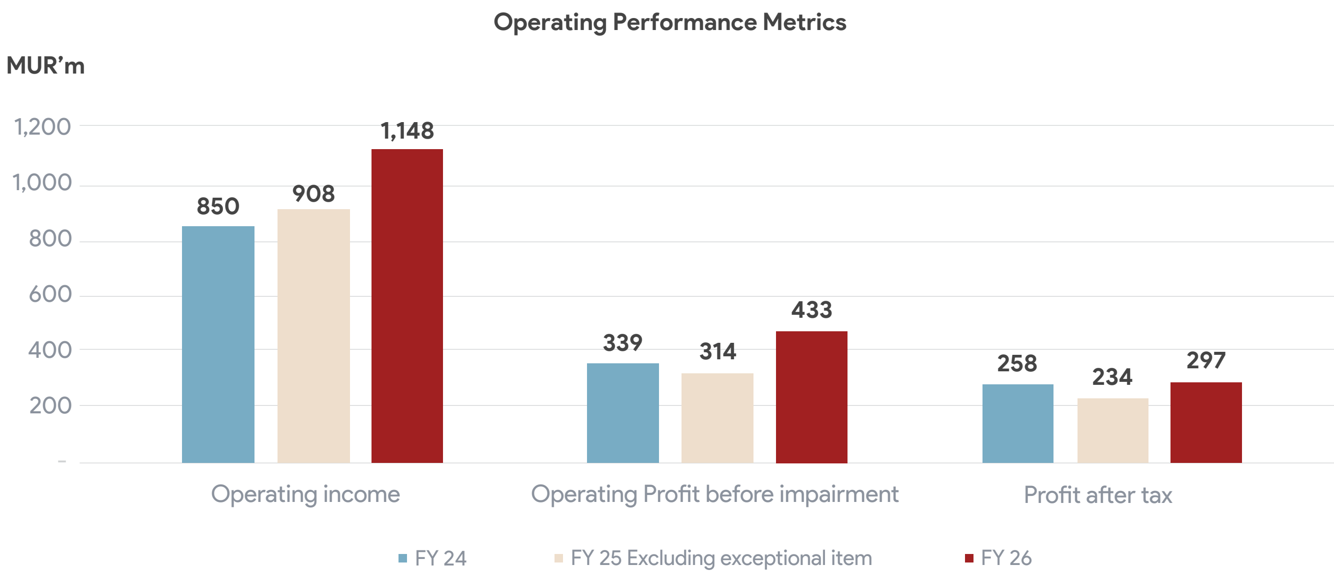
The Mauritian economy continued to expand during 2026, although at a more moderate pace compared with previous years. Economic activity remained supported by robust performance in financial services, information and communication technology (ICT), tourism and transport-related sectors, while construction and manufacturing activities faced more challenging conditions.

According to Statistics Mauritius, the economy is forecast to grow by approximately 3.0% in 2026, following growth of 3.2% in 2025 and 4.9% in 2024. This reflects both softer global economic conditions and the impact of higher imported inflation arising from elevated fuel and energy prices. Inflationary pressures eased considerably during the year. According to Statistics Mauritius, year-on-year inflation declined to 3.7% in June 2026, compared with 5.4% in June 2025, while headline inflation averaged 4.1% over the twelve months ended June 2026. This was primarily attributable to softer food price inflation and stabilisation in certain imported commodity prices, although core inflation remained elevated.

FINANCIAL REVIEW

OVERVIEW

The bank reported a Profit after Tax of MUR 297.0 million for the year ended 30 June 2026, representing a growth of 26.8% compared with the prior year, after excluding the exceptional gain on disposal of properties of MUR 146.5 million recognised in the prior year. Underlying performance remained resilient, with operating income increasing by 26.4%, supported by continued expansion of the bank's balance sheet. Operating profit before impairment increased by 37.9%, reflecting higher operating income particularly non-interest income generated from the bank's continued investment in strategic growth areas. The financial performance of the bank is shown below:



PERFORMANCE AGAINST OBJECTIVES

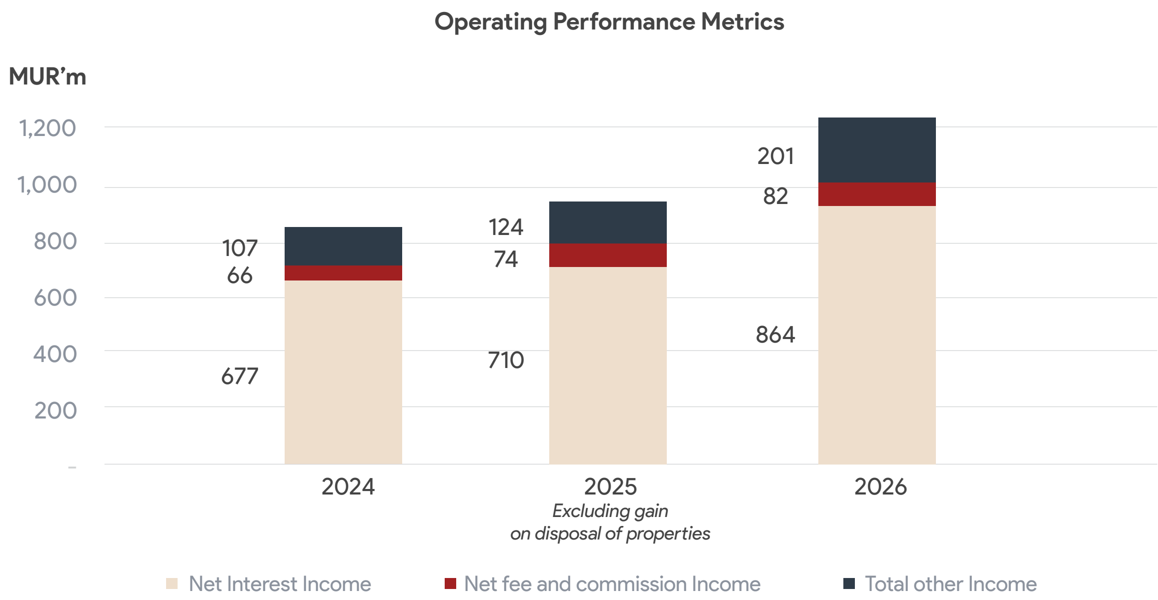
AREA OF PERFORMANCE	OBJECTIVES FOR FY 2025/26	ACTUAL FOR FY 2025/26	OBJECTIVES FOR FY 2026/27
Net Interest Income	Net interest income was expected to increase in line with the new strategy.	Net interest income grew by 21.8% on account of the growth of the loan and advances portfolio.	In line with vision 2030, net interest income is expected to increase from various objectives.
Non-Interest Expenses	Non-Interest expenses were expected to increase as the bank continues to invest in the core areas of technology and human capital.	Non-Interest expenses increased by 20.3% as compared to FY 2025. The Bank continued to invest in human capital, software and technology to support business growth.	Non-Interest expenses are expected to increase as the bank continues to invest in the core areas of technology and human capital. However, there is a cost monitoring process in place to ensure controlled costs.
Productivity (Non- interest expense as a % of the sum of operating income before impairment)	Cost to income ratio expected to remain above 50% due to the key investment expected to be done by the bank, although process improvement gains will continue to be recorded.	Cost to income ratio improved from 65.5% to 62.3% compared to previous year due to ongoing digital transformation.	The cost to income ratio is expected to remain above 50% due to the key investments to be made by the bank, although process improvement gains will continue to be recorded.
Return on Equity (Net profit/ Equity)	ROE targeted to be above 10%.	ROE stood at 10.0% as at 30 June 2026.	The bank expects a minimum ROE of 10%.
Return on Average Total Assets	ROA anticipated to be 1.2%.	ROA remained stable at 0.8% as at 30 June 2026.	The bank aims to achieve ROA of 1.1%.
Portfolio Quality	Lower NPL ratio for the bank in line with the robust approach towards credit risk .	The NPL ratio decreased to 1.4% compared to 2.1% last year.	To maintain a low NPL ratio for the bank in line with the robust approach towards credit risk.
Deposit from Customers	Growth in Deposit base focused on International Banking Customers.	Deposits increased by 26.9% from MUR 28.8 billion to MUR 36.6 billion at 30 June 2026.	Continued growth in the deposit base with a focus on Global Banking Customers.
Loans and other Advances portfolio	Loans and advances portfolio projected to grow by 14%.	Loans and advances grew by 5.8% from Mur 18.0 billion to Mur 19.1 billion at 30 June 2026.	The bank targets to grow at double-digit level.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF CORE FINANCIAL PERFORMANCE

OPERATING INCOME

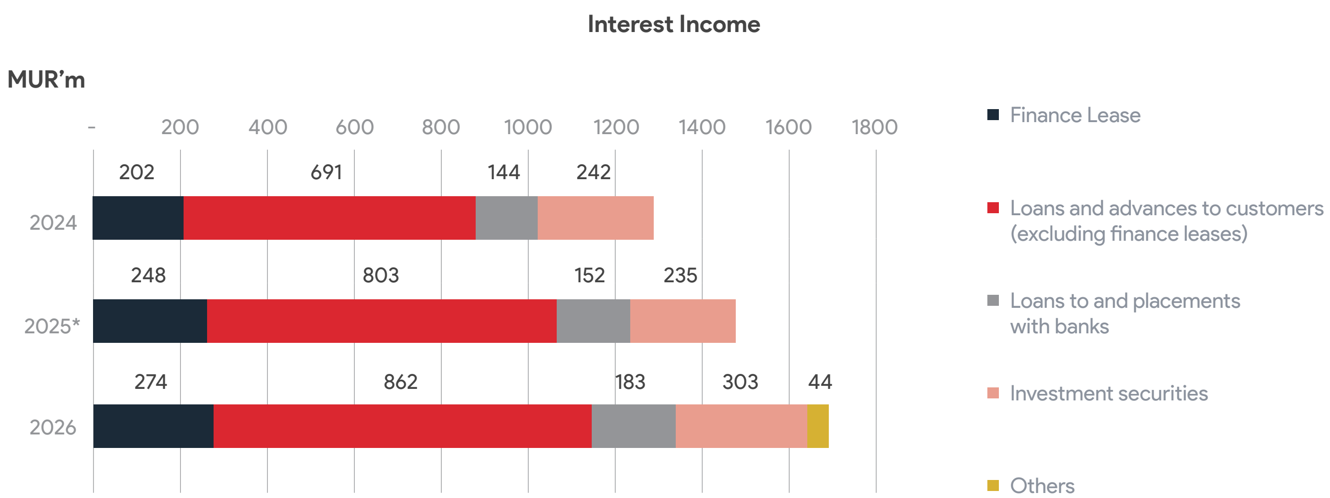
The increase in operating income from MUR 908.3 million (excluding one off gain on disposal of properties) to MUR 1,147.6 million (+26.4%) for the year ended 30 June 2026 is primarily due to an increase of 21.8% in net interest income as a result of the growth in the balance sheet and a commendable net trading income of MUR 194.9 million for the year under review.



NET INTEREST INCOME

The bank's interest income of MUR 1,664.7 million for the year increased by 15.7% compared to the previous year's figure of MUR 1,439.2 million. The increase in the loan book and the investments in securities and placements contributed to a stronger yield-generating asset base. Interest expenses increased by 9.8% to MUR 800.6 million from MUR 729.5 million. The bank witnessed an increase in net interest income, growing to MUR 864.1 million compared to MUR 709.7 million the previous year.

The chart below shows the yearly progress of Interest Income over the last 3 years:

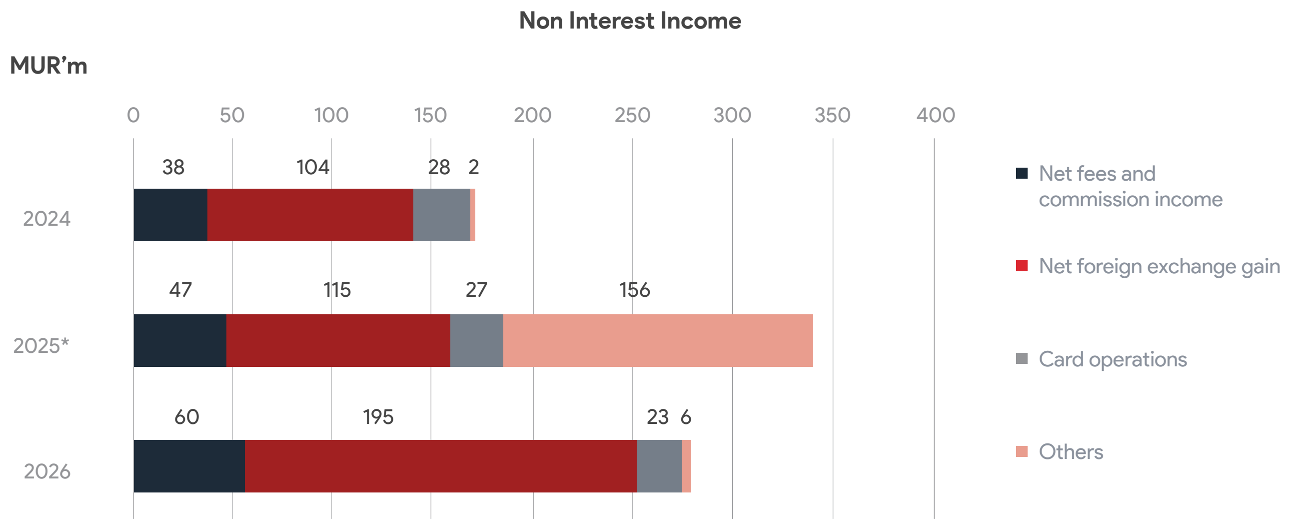


*Excluding exceptional item

MANAGEMENT DISCUSSION AND ANALYSIS

NON-INTEREST INCOME

Non-Interest Income increased to MUR 283.6 million, with the main contributor being net foreign exchange gain driven by higher trading volumes and some exceptional deals.

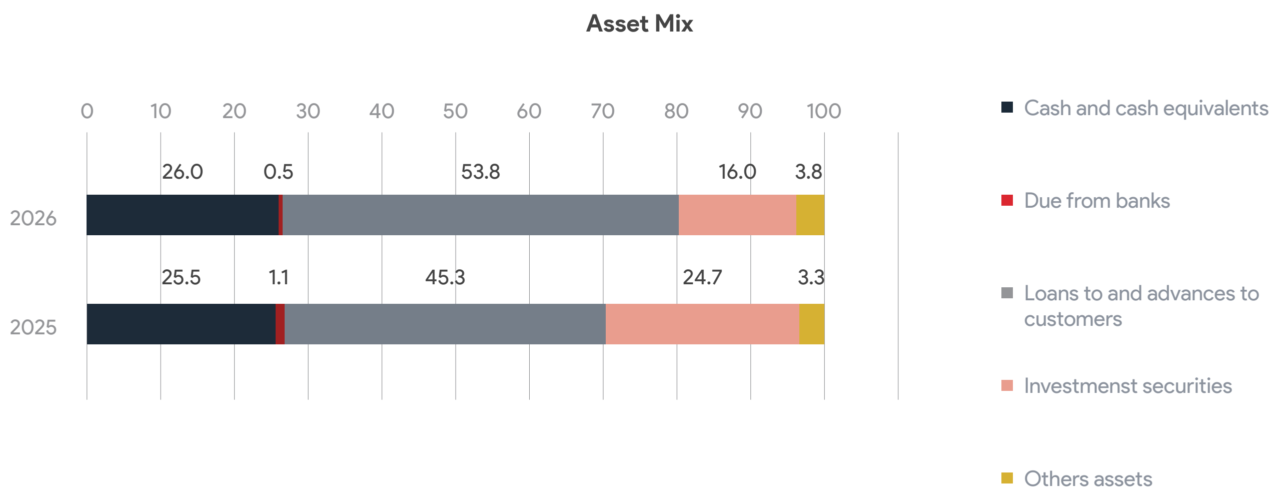


*Excluding exceptional item

ASSET MIX

The bank's total assets grew by 25.5% from MUR 33.5 billion as at 30 June 2025 to MUR 42.1 billion as at 30 June 2026 mainly driven by an increase in investment securities and loans and advances to customers. The loans and advances portfolio and investment securities represented 45.3% and 24.7% respectively of the bank's asset as at 30 June 2026.

The following chart represents the bank's asset mix as at 30 June 2026 and 30 June 2025:



INVESTMENT SECURITIES

The bank's investment portfolio stood at MUR 10.4 billion as at 30 June 2026 representing an exceptional increase of 94.4% compared to 30 June 2025 (MUR 5.4 billion) driven by higher investments in debt instruments measured at FVOCI as part of the Bank's liquidity deployment strategy.

CREDIT EXPOSURE

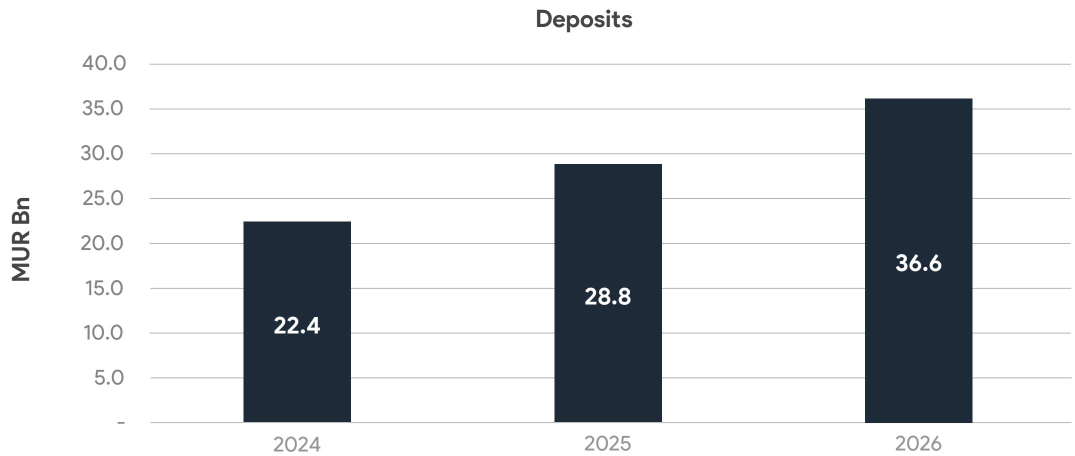
The bank's loan portfolio increased by 6.2% to reach MUR 19.1 billion as at 30 June 2026 compared to last year's MUR 18.0 billion. The bank continued to follow its strategy of having a diversified portfolio to mitigate any level of credit concentration risk across different economic sectors.

PROVISIONING AND ASSET QUALITY

Despite the growth in the bank's exposure, the percentage of performing loans, i.e. exposures under stage 1, represented 96.2% of the loan portfolio as of 30 June 2026 (2025: 94%) reflecting the good quality of the book. The bank's non-performing loan ratio improved to 1.4% this year compared to 2.1% the previous year.

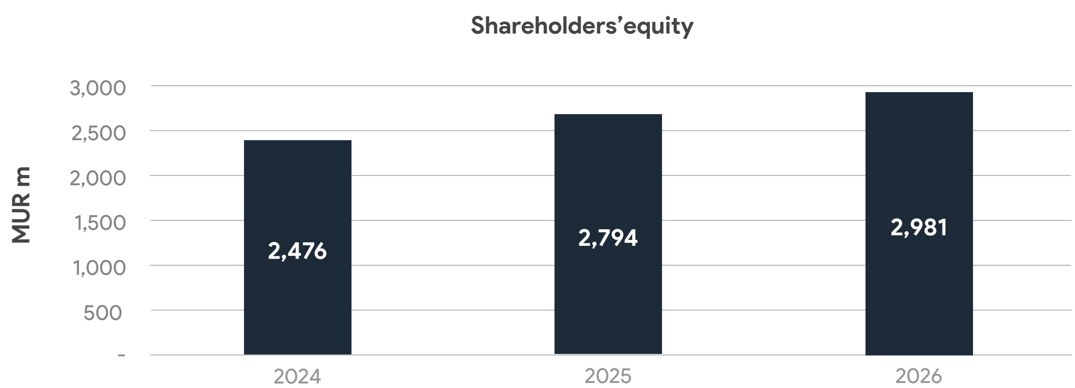
DEPOSITS

The bank's deposit base increased by 26.9% to reach MUR 36.6 billion as at 30 June 2026 (2025: MUR 28.8 billion). The increase was primarily due to new deposits from Global Banking customers.



CAPITAL RESOURCES

As at 30 June 2026, the bank's shareholders' equity stood at MUR 2,980.7 million (2025: MUR 2,793.8 million). With a Tier 1 Capital of MUR 2,567.9 million and Total Capital base of MUR 3,521.3 million coupled with total risk weighted assets of MUR 21,828.5 million, the bank achieved a satisfactory total capital adequacy ratio of 16.1% which is above the regulatory requirement of 12.5%. tory requirement of 12.5%.



RISK REPORT

RISK MANAGEMENT FRAMEWORK

Risks exist when a decision or action has an uncertain outcome that could impact our performance. The risk framework aims to manage rather than eliminate the risk of failure in order to achieve the business objectives. It can provide reasonable but not absolute assurance against material misstatement or loss. The bank seeks to ensure that the expected returns compensate for the risks taken and appropriate measures are put in place to mitigate any identified weaknesses in the control environment. The risk management framework sets a balanced risk appetite that takes into account the operating environment and our strategy. It is essential that business plans are supported by an effective risk management framework to allow us to grow sustainably and responsibly.

1ST LINE
Process and control owners in customer facing segments and banking functions which are responsible for managing end-to-end risks and controls in their businesses.

2ND LINE
Independent risk, compliance, legal and control functions which formulate risk and control policies, and review the first line's adherence to these.

3RD LINE
Internal audit function test and review controls to determine that the first and second lines execute their responsibilities effectively and consistently.

1. RISK RATIOS AT A GLANCE

LCR Consolidated: 385%
MUR: 237%
USD: 507%
EUR: 201%

NSFR Consolidated: 190%
MUR: 152%
USD: 273%
EUR: 168%

CAR 16.1%
Tier 1 Capital 11.8%

NPL 1.4%

RISK REPORT

	SN.	Risk Category	Risk Description	Residual Risk*
FINANCIAL RISK	1.	Funding and Liquidity Risk	Funding risk refers to the risk that a bank does not maintain sufficiently stable, diversified and cost-effective sources of funding. Liquidity Risk is defined as the potential loss arising from either the inability to meet its obligations when they fall due or to fund increases in assets without incurring unacceptable cost or losses. Liquidity risk comprises of both funding liquidity risk and market liquidity risk.	Low
	2.	Market Risk	Market Risk refers to the risk of loss arising from adverse movements in interest rates, foreign exchange rates, equity prices, commodity prices and other market changes.	Low
	3.	Country Risk	Country risk refers to the risk attributable to events in a specific country, including transfer risk, sovereign risk, currency risk and contagion risk. It is the risk of loss associated with lending, pre-settlement, money market and investment transactions in any given country.	Low
	4.	Credit Risk	Credit risk is the risk of financial loss resulting from failure of the parties, with whom the bank has contracted, to meet their obligations (both on and off-balance sheet).	Medium
	5.	Climate-Related and Environmental Risk	Climate-related risks refer to financial risks posed by the exposure of the bank to physical or transition risks caused by or related to climate change. Environmental risks refer to financial risks posed by the exposure of the bank to activities that may potentially cause or be affected by environmental degradation and the loss of ecosystem services.	Low
NON-FINANCIAL RISK	6.	Cyber Risk	Cyber Risk is defined as the potential threats occurring from failures in digital technologies, electronic systems, technological networks, devices and media.	Low
	7.	Artificial Intelligence (AI) Risk	Risks arising from the use of artificial intelligence, including model errors, inappropriate outcomes, bias, data quality issues and governance weaknesses.	Low
	8.	Operational Risk	Operational Risk refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.	Low
	9.	Third-Party Risk	Risks arising from reliance on external service providers, outsourcing arrangements and other third-party relationships.	Low
	10.	Compliance Risk	Compliance Risk is exposure to legal penalties, financial forfeiture and material loss the bank may face as a result of failure to comply with laws and regulations, internal policies and prescribed best practices.	Low
	11.	Information Risk	Information Risk related to risks associated with regards to data protection, system performance, service delivery and time to market new products.	Low
TRANSVERSAL RISK	12.	Business Strategic Risk	Strategic Risk refers to the risk to earnings and/or capital arising from adverse effects of business decisions, failure to meet the business development targets, improper implementation of business decisions/projects, failure to react to unexpected external events which can impact on the business.	Low
	13.	Reputational Risk	Reputational Risk refers to the risk of loss arising from the adverse perception of the image of the bank by customers, counterparties and stakeholders.	Low

*Residual risk is the risk that remains after mitigating controls have been put in place by management.

Low   Medium

RISK REPORT

Highlights for financial year ended June 2026.

Asset quality

The bank's asset quality improved during the financial year, with non-performing loans decreasing to MUR 278.2 million as at June 2026 from MUR 375.1 million as at June 2025. This was primarily driven by the full settlement of facilities by some non-performing customers during the year. The NPL ratio improved from 2.1% as at June 2025 to 1.4% as at June 2026, driven by a fall in the absolute amount of non-performing loans coupled with the growth in the loan and advances book, from MUR 18.2 billion to MUR 19.3 billion over the corresponding period.

Specific loan provision as a percentage of total non-performing loans stood at 38.1% as at June 2026 (June 2025: 24.5%). This increase is mainly attributable to additional provisions maintained for one corporate group and a reduction in the total non-performing loans. Specific provision increased to MUR 105.9m as at June 2026 compared to MUR 92.0m as at June 2025.

The watchlist portfolio has decreased from MUR 442.1 million as at June 2025 to MUR 437.1 million as at June 2026. The reduction is explained mainly by the normal repayment of facilities as per schedule and no material addition to the portfolio during the year under review.

Watchlist exposures are reviewed on a case-to-case basis against their latest financial performance and account conduct of counterparty. The bank remains committed to maintaining a resilient credit portfolio through disciplined underwriting standards, active portfolio oversight and timely identification of emerging risks, while taking proactive measures to navigate through the volatile macroeconomic environment.

Sovereign risk

Exposure to local and foreign sovereign counterparties stood at MUR 14.4 billion as at June 2026 (June 2025: MUR 7.5 billion). The increase was primarily driven by additional placements with the Bank of Mauritius as part of the bank's liquidity management strategy. The bank continues to maintain a well-diversified sovereign portfolio while strengthening its liquidity buffers through investment in High-Quality Liquid Assets (HQLAs).

Amid ongoing geopolitical and economic uncertainties, the sovereign portfolio continues to largely include investment grade securities, reflecting the bank's prudent risk appetite and commitment to preserving asset quality.

Country risk

Domestic exposure as a percentage of total exposure decreased to 79.8% as at June 2026 (June 2025: 89.3%), while overseas exposures are well diversified in line with the bank's country risk management framework.

The bank continues to adopt a prudent and selective approach to cross-border lending, consistent with its board approved risk appetite framework. In assessing international lending opportunities, due consideration is given to prevailing macroeconomic conditions, geopolitical developments, and the evolving risk landscape. This disciplined approach supports the maintenance of a well-diversified portfolio while ensuring that overseas exposures remain aligned with the bank's tolerance and strategic objectives.

Banking counterparty risk

In line with the bank's FI strategy, exposure to banking counterparties increased from MUR 8.1 billion as at June 2025 to MUR 10.7 billion as at June 2026. This growth was driven by the expansion of lending activities and money market placements with both existing and newly established banking counterparties.

Sector concentration

The top 4 sectors namely Financial & Business Services, Personal, Traders and Tourism, make up 72.4% of total credit exposures. The weightage of the bank's credit exposure stood at 32.0% for Financial & Business Services, 25.3% for Personal, 9.9% for Traders and 5.1% for the Tourism sector, reflecting a well-diversified portfolio.

Funding mix

The split between MUR and foreign currency deposits stood at 38.2% and 61.8% respectively as at June 2026.

To support its expansion and diversification objectives, the bank remains determined to sustainably grow its sources of stable funds while optimising its funding mix to manage the funding and maturity profile of its balance sheet.

Operational risk

No material operational loss was reported for the financial year ended June 2026, which is testimony of the robustness of the internal controls in place at the bank.

RISK REPORT

1. Risk Governance Structure

The bank's risk governance structure is designed to ensure clear oversight, accountability and escalation of risks across the organisation. It supports the identification, assessment, monitoring and mitigation of key risks within the limits approved by the Board and in line with the bank's risk appetite framework.

The risk management process comprises the following steps:

Risk Identification
Identification of risk which may affect our performance and ability to meet set objectives

Risk Assessment
Use of tools, models and methodologies to undertake quantitative and qualitative assessments of the risks identified

Risk Control
Setting appropriate controls to avoid, transfer, mitigate or accept the risk

Risk Monitoring
Monitoring of the risks identified and the action plans adopted to manage those risks

Risk Reporting
Reporting of information to management and on relevant committees

The process seeks to ensure that risk exposures are adequately managed through approved policies, limits, controls and governance forums. While the framework cannot eliminate risk, it provides reasonable assurance that risks are identified, monitored and mitigated in a timely manner.

LIMIT STRUCTURE

The bank maintains a comprehensive limit framework to ensure that risks are managed within its approved risk appetite and regulatory requirements. The framework comprises regulatory limits prescribed by the Bank of Mauritius and board-approved internal limits that provide additional risk management discipline and early warning indicators. Risk exposures are monitored on an ongoing basis, with regular reporting to relevant committees.

Regulatory Limits

Regulatory Limits

- Liquidity Coverage Ratio (LCR)
- Net Stable Funding Ratio (NSFR)
- Capital Adequacy Ratio (CAR)
- Credit Concentration
- Related Party Transactions
- Cash Reserve Ratio (CRR)

Internal Limits

In addition to the regulatory limits, the bank has also established internal risk limits to ensure effective risk management throughout all of its operations. Some of these limits are detailed below.

Internal Limits Credit Risk

- Sectorwise Concentration
- Country Exposure
- Group and Single Exposure Concentration
- Related Party Transactions
- Bank Exposure

Internal Limits Liquidity Risk

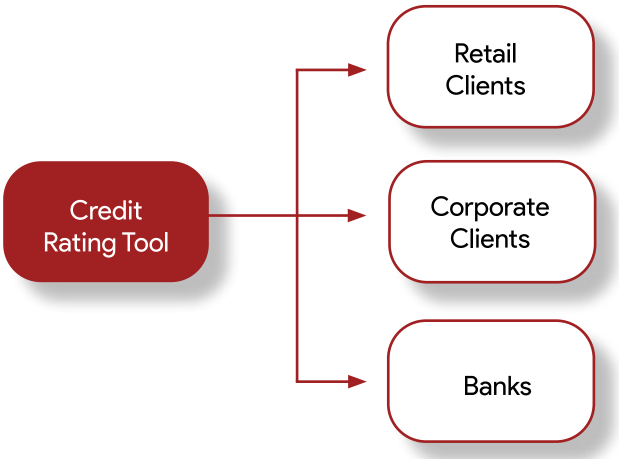
- Liquidity Coverage Ratio (LCR)
- Net Stable Funding Ratio (NSFR)
- Limit Cumulative Liquidity Gap
- Top Depositor
- Top 20 Depositors
- Top Group Depositor

Internal Limits Market Risk

- RSA/ RSL
- Interest Rate Gap (MUR)
- Interest Rate Gap (FCY)
- FX Risk Exposure
- Single Currency Exposure

** RSA/RSL: Rate Sensitive Assets/Rate Sensitive Liabilities*

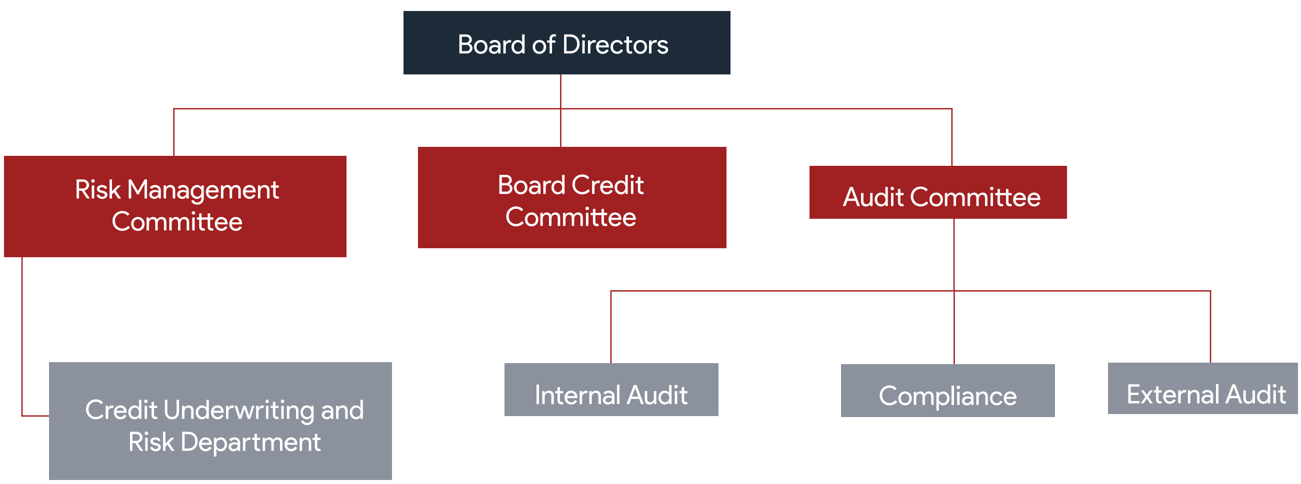
CREDIT RATING TOOL



The bank has developed internal credit rating models in place for different categories of counterparties, including corporates, retail customers and banking counterparties. Each model assesses the creditworthiness of customers by incorporating both qualitative and quantitative factors, resulting in an internal credit rating that supports risk-based decision making.

The models are reviewed and recalibrated on a regular basis to ensure their continued effectiveness and to reflect changes in economic conditions, portfolio performance, market developments and emerging risk factors.

2. Risk Governance Framework



2.1 Board Oversight and Management of Risks and Internal Control

The Board is responsible for determining the level of risk the bank is willing to accept in pursuit of its strategic objectives. Given the bank's domestic and international operations, the Board ensures that risk considerations are appropriately integrated into strategic decision-making.

The Board has the responsibility of ensuring that management maintains an effective system of Risk Management and Internal Control and for reviewing its effectiveness.

The Board is principally responsible for:

- Establishing risk appetite and risk tolerance levels,
- Approving risk management policies and key risk frameworks.
- Overseeing compliance with approved policies and regulatory requirements.
- Monitoring the effectiveness of the bank's risk management, governance, and internal control framework.
- Reviewing the bank's risk profile and significant risk exposures.
- Ensuring that management takes appropriate action to address material risk issues and control weaknesses.

2.2 Risk Management Committee

The Risk Management Committee is responsible for assisting the Board in fulfilling its oversight responsibilities relating to risk governance, risk management, risk assurance and risk reporting. The committee provides oversight of the bank's risk profile and supports the board in ensuring that risks are managed within the approved risk appetite framework.

Responsibilities include:

- Reviewing, recommending and monitoring risk appetite and tolerance levels to the board,
- Reviewing the effectiveness and integrity of the bank's risk management and internal control framework,
- Reviewing key risk policies, frameworks and methodologies and recommending changes where necessary,
- Assessing material and emerging risks and the adequacy of mitigation measures,
- Monitoring compliance with regulatory requirements and applicable Bank of Mauritius guidelines,
- Reviewing material incidents, breaches and risk events, and monitoring corrective actions,
- Reviewing the Internal Capital Adequacy Assessment Process (ICAAP) and recommending it to the Board for approval,
- Monitoring the results of stress testing and assessing their implications for capital, liquidity and risk management.

a. Board Credit Committee

The Board Credit Committee has been established by the Board of Directors of the bank and has been delegated the responsibility of reviewing and approving credit facilities, in accordance with the Board approved Credit Policy. The Committee also oversees credit exposures to related parties and ensures compliance with the Bank of Mauritius Guideline on Related Party Transactions.

The responsibilities of the Board Credit Committee with respect to Related Parties shall be as specified in the Guideline on Related Party Transactions, and shall include the following:

- Review and approve each credit exposure to related parties in accordance with the Credit Policy,
- Ensure that all transactions with related parties are carried out on terms and conditions that are at least as favorable to the Bank as market terms and conditions,
- Grant credit facilities to staff which are not in the prevailing market terms and conditions, provided that these terms and conditions are within the terms and conditions of employment contracts and have been approved by the Board,
- Review the practices of the Bank to ensure that any transaction with related parties that may have a material effect on the stability and solvency of the Bank is identified and dealt with in a timely manner.

Any write-off of related party credit exposures shall be subject to the prior approval of the Board.

b. Assets and Liabilities Committee (ALCO)

The ALCO comprises the following members or shall be as determined by the Risk Management Committee:

- Managing Director
- Chief Operating Officer
- Chief Business Officer
- Chief Risk Officer
- Head of Finance
- Head of Treasury

Other employees, including the Head of Internal Audit may be invited to attend depending on the agenda to be discussed.

The Committee meets every month. The Chairman of ALCO may also convene a special meeting of the Committee in the event an issue arises that cannot wait until the next regularly scheduled meeting, and the issue cannot be adequately dealt with via a quorum of ALCO members or the rapid response protocol.

ALCO is responsible for assisting the Risk Management Committee in overseeing the management of the bank's balance sheet and monitoring risks arising from capital, funding, liquidity and interest-sensitive exposures. The Committee reviews the bank's balance sheet profile and recommends strategies to ensure that risks remain within the approved risk appetite and regulatory requirements.

Funding and Liquidity Risk

- Reviewing the bank's funding and liquidity positions against approved risk appetite and regulatory requirements.
- Reviewing the diversification, concentration and maturity profile of funding sources.
- Monitoring compliance with Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) requirements.
- Reviewing liquidity and funding stress-testing results and recommending mitigating actions where required.
- Overseeing contingency funding arrangements and liquidity risk management measures.

Interest Rate Risk in the Banking Book (IRRBB)

- Reviewing the bank's interest rate risk profile and earnings sensitivity.
- Monitoring repricing gaps and net interest income sensitivity.
- Reviewing interest rate forecasts and recommending mitigating actions where necessary.
- Assessing the impact of interest rate movements on earnings and capital.

Balance Sheet and Capital Management

- Reviewing the bank's capital structure and capital adequacy position.
- Monitoring structural balance sheet exposures and their impact on earnings and capital.
- Assessing the effect of changes in market conditions and customer behaviour on the bank's balance sheet.
- Reviewing stress-testing outcomes relevant to balance sheet management and recommending appropriate actions.

Through regular reviews of balance sheet risks and market developments, ALCO supports informed decision-making and promotes a proactive approach to managing funding, liquidity, capital and interest rate risks. Key matters and recommendations arising from ALCO deliberations are escalated to the Risk Management Committee for consideration and oversight.

C. AUDIT COMMITTEE

The Audit Committee is responsible for assisting the Board in fulfilling its oversight responsibilities by monitoring management's approach with respect to financial reporting, internal control, accounting, regulatory compliance, and by reviewing the Risk control framework and compliance. Major roles of the Audit Committee with respect to Risk Management include:

- Reviewing the effectiveness of the bank's internal controls.
- Monitoring the adequacy of policies designed to ensure compliance with legal, regulatory and governance requirements.
- Reviewing the scope of internal audit, the annual audit plan and significant matters reported by Internal Audit department.
- Reviewing the scope of compliance, its work plan and significant matters reported by Compliance department.
- Reviewing the scope of external audit, its work plan and significant matters reported by External Auditors as part of their financial year-end audit.

The Audit Committee is also responsible for recommending the appointment/ reappointment of external auditors to the shareholders, through the Board of Directors.

d. Three Lines of defence

The bank adopts the three Lines of defence model to support effective risk management, internal control and governance across the organisation. The model promotes clear accountability for risk ownership, independent oversight and assurance over the effectiveness of controls.

First Line of Defence

Business units and process owners are responsible for identifying, assessing, managing and monitoring risks arising from their activities, and for maintaining effective controls.

Second Line of Defence

The Risk and Compliance departments provide independent oversight, establish policies and frameworks, monitor adherence to risk appetite and challenge risk-taking activities where necessary.

Third Line of Defence

Internal Audit provides independent assurance on the effectiveness of the bank's governance, risk management and internal control framework and reports its findings to the Audit Committee.

e. Risk Function

The Risk function develops methodologies to identify, measure, mitigate and monitor risks bank that the bank is exposed to. It reports to the Risk Management Committee and ultimately to the Board in a structured manner on credit, liquidity, market and operational, climate-related risk matters. The risk function is responsible for:

- Developing and maintaining risk management frameworks, policies, methodologies and risk measurement tools.
- Monitoring the bank's risk profile and ensuring that risk exposures are within approved risk appetite limits and regulatory requirements.
- Making sure that remedial measures are implemented by the departments concerned to address any identified control gaps and vulnerabilities.
- Identifying emerging risks and recommending appropriate mitigating actions.
- Overseeing the Risk Control Self-Assessment process and monitoring remediation of identified control weaknesses.
- Performing stress testing to assess the impact of adverse scenarios on the bank's financial position and risk profile.
- Embedding a strong risk culture within the bank by arranging for training staff and promoting risk awareness.
- Providing independent challenges to business decisions when required in its second line of defence capacity.

3. Risk Appetite Framework

The Risk Appetite Framework (RAF) is approved by the Board and establishes the level and types of risk that the bank is willing to accept in pursuit of its strategic objectives. The framework provides a structured approach for managing risks within defined qualitative and quantitative boundaries and supports sound decision-making across the organisation.

The RAF is supported by a suite of risk appetite statements, metrics, limits and trigger thresholds that are monitored on an ongoing basis. These measures help ensure that risk exposure remains aligned with the bank's strategic objectives, capital resources and regulatory requirements.

The framework promotes a strong risk culture by embedding risk considerations into business planning, performance management and day-to-day decision-making. The RAF is reviewed periodically to reflect changes in the operating environment, strategic priorities and emerging risks.

4. Credit Risk

Credit risk is the risk of financial loss resulting from the failure of a borrower, counterparty, issuer, guarantor or other obligor to meet its contractual obligations when due, or from a deterioration in its creditworthiness that results in a decline in the value or quality of the bank's exposures (both on and off-balance sheet).

4.1 Credit Risk Management Approach

The Credit Underwriting Function is segregated from origination and sales function. Credit granting and approval authority is in compliance with the delegation of authority as set out in the credit policies.

The Credit Risk Management process at the bank can be summarised as follows:

- Establishment and use of limits including individual obligor/group limits, concentration limits to control concentration within countries and industry sectors to avoid any undue concentrations.
- Consistent assessment of the creditworthiness of counterparties and clients.
- Active use of credit mitigation tools.
- Dual signoff and approval.
- Escalation to the next level of approval authority for non-standard lending.
- Monitoring compliance with limits, policies and guidelines.
- Continuous monitoring of advances and identification of potential risky advances.
- Systematic approach to recognise credit impairment.
- Reporting to the Risk Management Committee on risk-related matters.

4.2 Credit Policies

The credit policies set the standards on credit origination and credit risk assessment, concentration risk, credit risk mitigation, credit monitoring, collection and recovery. In addition, it incorporates the delegated powers of approval authorities, as approved by the Risk Management Committee. Approval authorities are tiered based on the lines of business and the aggregate credit facilities to the related customer group.

Credit policies are reviewed at least annually. More frequent reviews are undertaken in response to changes in the economic environment or strategies to ensure that the policies reflect the risk appetite of the bank accordingly.

Credit Approval Process

1

FRONT OFFICE

SALES TEAM

- In contact with customer
- Collect all relevant documents and information
- First evaluation of the deal
- Submit credit proposal to underwriting team

2

CREDIT UNDERWRITING

CREDIT ASSESSMENT

- Ensure compliance with guidelines and the bank's policy
- Independent assessment of risks
- Approve or provide recommendation to appropriate approval authority

3

APPROVAL PROCESS

CREDIT APPROVAL

Approval by relevant party:

- Credit Underwriting Team (CUT) or
- Chief Risk Officer (CRO) or
- Management Credit Authority (MCA) or
- Executive Credit Committee (ECC) or
- Board Credit Committee (BCC), Depending on the nature of credit facility and deal amount

4.3 Credit Concentration Risk and Credit Risk Profile

Credit concentration risk refers to the risk of loss arising from an excessive concentration of exposure to single borrower/groups of closely related customers, counterparties, industry, geography or collateral.

4.3.1 Sovereign Risk

Sovereign Risk is a specific category of credit risk arising from exposure to governments and central banks. As at June 2026, the bank's total sovereign exposure, comprising both local and foreign sovereign exposures, amounted to MUR 14.4 billion, representing 31.0% of the total exposure. Local sovereign exposure stood at MUR 9.5 billion while foreign sovereign exposure totalled MUR 4.9 billion as at June 2026. Exposure in total local sovereign investments stood at MUR 3.9 billion as at June 2026 (June 2025: MUR 2.7 billion).

The investment portfolio was split between local and foreign investments at MUR 5.5 billion and MUR 5.0 billion respectively. Investment in foreign government securities amounting to MUR 4.9 billion accounts for the bulk of foreign investment carrying sovereign risk, while investment in foreign corporates stood at MUR 46.7 million.

On the domestic front, investment in corporates amounted to MUR 1.6 billion while investment in Government of Mauritius and Bank of Mauritius securities totalled MUR 3.9 billion reflecting an acceptable risk profile of the portfolio.

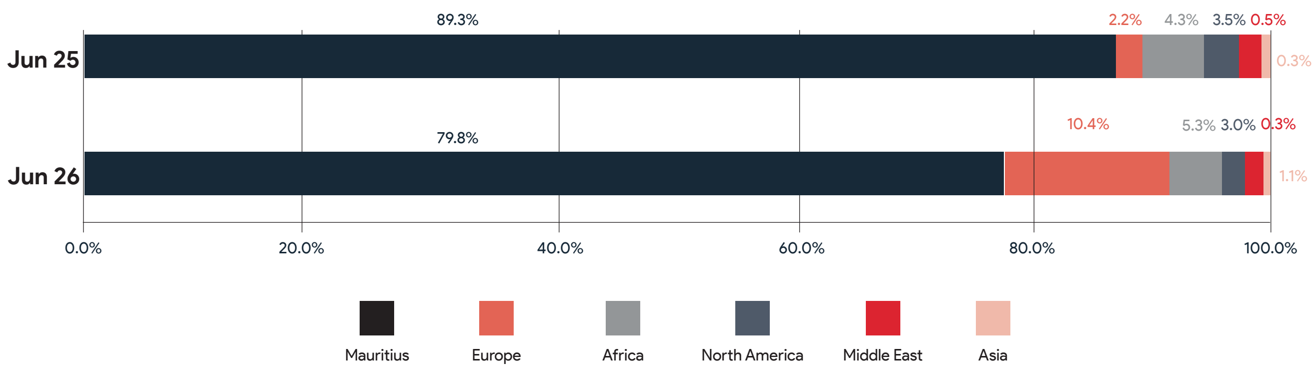
4.3.2 Country Risk

Country risk refers to the risk attributable to events in a specific country taking the form of transfer risk, sovereign risk, currency risk and contagion risk. Country risk can lead to losses arising from lending, pre-settlement, money market and investment transactions in any given country. The occurrence of a country risk event may prevent all counterparties in a country from making timely payments, despite their willingness to meet contractual debt obligations.

The bank manages country risk through a board-approved Country Risk Management Framework. The bank uses Moody's, Standard & Poor's and/or Fitch ratings. The bank has subscribed to Moody's services and monitors country risk profile on a real-time basis. Country limits are worked out based on the country risk ratings and the bank's Tier 1 capital.

The following chart shows the distribution of exposure by region.

Country Risk Exposure



Domestic exposure as a percentage of total exposure decreased to 79.8% as at June 2026 (June 2025: 89.3%), since the overall year-on-year increase in exposure was predominantly driven by growth in foreign exposures, which includes among other factors additional investment in US sovereign securities and new limits approved for countries in Africa.

Overseas exposures are well diversified in line with the bank's country risk management framework.

An increase in exposure in North America is noted from 2.2% to 10.4% due to additional investment in US Sovereign Securities.

Exposure to Africa also increased during the year, reflecting the expansion of lending activities and money market placements.

Exposure to Europe increased from MUR 1.3bn as at June 2025 to MUR 1.4bn as at June 2026, primarily due to new term loans granted to two banks based in the continent during the year. However, relative to total exposure, European exposure decreased by 0.5% year-on-year since growth in total exposure was driven mainly by new credit to America and Africa.

The increase in exposure to Middle East relates to money market placements to new counterparty.

The exposure in Asia remained stable compared to last year.

Country Limit

The bank monitors its country exposures against board-approved limits on an ongoing basis to ensure strict adherence with the risk appetite statement.

Limits to exposure for each country are set based on the following:

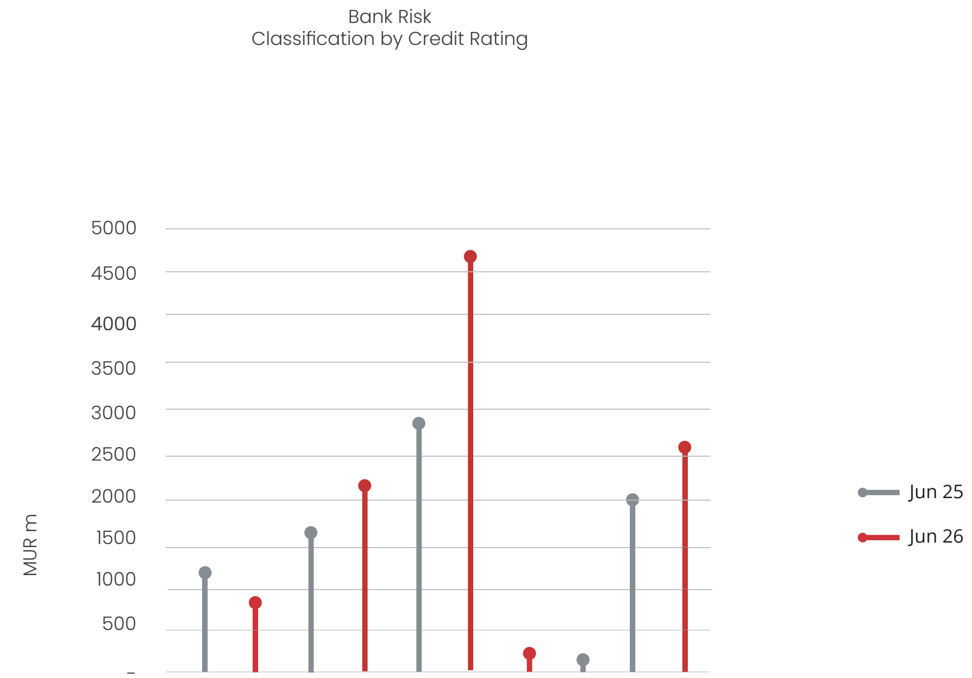
- The strategic intent of the bank
- The Country's Risk Rating
- Macro economic indicators
- Business opportunities available in the Country
- Exposure to the bank's Tier 1 Capital

4.3.3 Banking Counterparty Risk

Banking counterparty risk refers to the risk of financial loss arising from the default or deterioration in the creditworthiness of a banking institution with which the bank has exposure through placements, lending, treasury or other financial transactions.

Surplus funds are invested in government securities or placed with other approved banking counterparties. Moody's, Standard & Poor's and/or Fitch ratings are used to assess the counterparty risk related to financial institutions while the internal bank scoring model is used for banks that are not externally rated. Bank limits are worked out based on the ratings of the banking counterparties and ABC Banking's strategy, risk appetite and Tier 1 capital.

Exposure to banks by rating are reflected below.



	A1-A3	Baa1-Baa3	Ba1-Ba3	Below Ba3	Unrated	Grand Total
Jun 25	1,261	1,626	2,974	225	2,023	8,109
Jun 26	920	2,148	4,788	189	2,635	10,680

SECTOR	Exposure June 25					
	Segment A		Segment B		TOTAL	
	(MUR m)	% of Total SEG A Exposure	(MUR m Equiv.)	% of Total SEG B Exposure	(MUR m Equiv.)	% of Total Exposure
Agriculture and Fishing	222.0	1.6%	-	0.0%	222.0	1.0%
Manufacturing	1,307.9	6.9%	-	0.0%	1,307.9	5.8%
Tourism	1,095.0	4.8%	184.7	3.8%	1,279.7	5.7%
Transport	647.1	3.6%	0.2	0.0%	647.2	2.9%
Construction	850.9	5.9%	-	0.0%	850.9	3.8%
Global Business Licence Holders	-	0.0%	658.0	13.9%	658.0	2.9%
Traders	2,066.3	11.4%	-	0.0%	2,066.3	9.2%
Information Communication and Technology	161.7	0.8%	-	0.0%	161.7	0.7%
Financial and Business Services	4,150.6	23.7%	1,788.2	51.6%	5,938.8	26.4%
Infrastructure	71.5	0.4%	-	0.0%	71.5	0.3%
Professional	442.1	3.1%	-	0.0%	442.1	2.0%
Health Development Certificate Holders	630.4	3.4%	-	0.0%	630.4	2.8%
Education	10.4	0.1%	-	0.0%	10.4	0.0%
Media, Entertainment and Recreational Activities	34.4	0.3%	-	0.0%	34.4	0.2%
Other	1,755.0	6.4%	-	0.0%	1,755.0	7.8%
Personal	5,085.0	27.5%	1,410.1	30.8%	6,495.1	28.9%
of which Housing	2,447.9	12.8%	1,050.1	22.0%	3,498.0	15.5%
of which Leasing	1,864.8	10.6%	1.9	0.0%	1,866.7	8.3%
of which other personal	772.4	4.1%	358.1	8.8%	1,130.5	5.0%
Less: Deferred Income	**-**	**0.0%**	**-**	**0.0%**	**72.5**	**0.3%**
Total	**18,530.2**	**100.0%**	**4,041.2**	**100.0%**	**22,499.0**	**100%**

Table 1: Sector-wise distribution

72.4% of total exposures were concentrated in 4 top sectors, namely Financial & Business Services, Personal, Traders and Tourism.

Exposures to Segment B stood at MUR 4.7 billion as at 30 June 2026.

Exposure Jun 26						Prudential limits	Concentration Direction (% of total exposure)	Actual Real GDP Growth by Sectors
Segment A		Segment B		TOTAL				
(MUR m)	% of Total SEG A Exposure	(MUR m Equiv.)	% of Total SEG B Exposure	(MUR m Equiv.)	% of Total Exposure			
293.8	**1.5%**	**-**	**0.0%**	**293.8**	**1.2%**	15.0%	↑	+8.6%
853.5	**4.4%**	**-**	**0.0%**	**853.5**	**3.5%**	16.5%	↓	+1.4%
1,080.7	**5.5%**	**151.0**	**3.2%**	**1,231.7**	**5.1%**	25.0%	↓	+4.8%
674.8	**3.5%**	**2.0**	**0.0%**	**676.9**	**2.8%**	10.0%	↓	+5.0%
1,175.1	**6.0%**	**-**	**0.0%**	**1,175.1**	**4.9%**	10.0%	↑	-2.1%
-	**0.0%**	**606.7**	**13.0%**	**606.7**	**2.5%**	10.0%	↓	+3.6%
2,249.7	**11.5%**	**128.5**	**2.7%**	**2,378.2**	**9.9%**	30.0%	↑	+3.2%
135.8	**0.7%**	**-**	**0.0%**	**135.8**	**0.6%**	10.0%	↓	+4.5%
5,126.6	**26.3%**	**2,594.1**	**55.5%**	**7,720.8**	**32.0%**	50.0%	↑	+5.0%
76.1	**0.4%**	**-**	**0.0%**	**76.1**	**0.3%**	15.0%	↓	
292.5	**1.5%**	**-**	**0.0%**	**292.5**	**1.2%**	5.0%	↓	+3.8%
593.0	**3.0%**	**-**	**0.0%**	**593.0**	**2.5%**	5.0%	↓	+2.7%
12.5	*0.1%*	*-*	*0.0%*	*12.5*	*0.1%*	*10.0%*	↑	*+3.9%*
44.8	*0.2%*	*-*	*0.0%*	*44.8*	*0.2%*	*5.0%*	↑	*+5.0%*
1,985.7	*10.2%*	*0.9*	*0.0%*	*1,986.6*	*8.2%*	*15.0%*	↑	*+2.0%*
4,916.8	25.2%	1,191.4	25.5%	6,108.1	25.3%	40.0%	↓	
2,310.4	11.8%	955.6	20.4%	3,266.0	13.6%		↓	
1,983.2	10.2%	0.7	0.0%	1,984.0	8.2%		↓	
623.1	3.2%	235.1	5.0%	858.2	3.6%		↓	
-	**0.0%**	**-**	**0.0%**	**85.5**	**0.4%**		↑	
19,511.5	**100.0%**	**4,674.7**	**100.0%**	**24,100.7**	**100%**			

4.3.5 Credit Concentration Risk for large exposures

Credit concentration risk refers to the risk of loss arising from excessive exposure to a single borrower, group of connected counterparties, industry sector, geographic region or other common risk factor. Default of a large counterparty may lead to significant increases in impairment charges and/or decreases in capital that could affect the bank's continued viable existence.

To mitigate credit concentration risk, the bank complies with the Bank of Mauritius Guideline on Credit Concentration Risk, by setting internal limits which are stricter than regulatory limits.

In addition, the bank continuously monitors credit concentration risk on an ongoing basis through a robust governance framework. Exposures are monitored against both internal and regulatory limits, with escalation procedures in place for cases where exposures approach internal limits.

Details of large exposures are reported to the Board on a quarterly basis. The bank ensures that credit facilities granted to any single customer or group of connected counterparties remain within the regulatory limit stipulated in the Guideline.

Concentration of exposures

Credit concentration limits (% of the bank's Tier 1 capital)	Regulatory requirement	% of Tier 1 capital
Largest credit exposure to a single customer	Not exceeding 25%	20.3%
Largest credit exposure to a group of connected counterparties	Not exceeding 40%	29.9%
Aggregate large credit exposures* to all customers and groups of connected counterparties	Not exceeding 800%	452.1%

**Exposures exceeding 10% of the bank's Tier 1 capital*

The table below provides a breakdown of the bank's large credit exposures (group and single).

Group and Single Exposure	Exposure incl commitments at 30.06.25 (MUR M)	Exposure incl commitments as a % of Tier 1 Capital
1	767.1	29.9%
2	728.6	28.4%
3	659.9	25.7%
4	593.5	23.1%
5	569.7	22.2%
6	562.6	21.9%
7	521.4	20.3%
8	520.4	20.3%
9	506.9	19.7%
10	505.8	19.7%
11	478.4	18.6%
12	471.9	18.4%
13	435.6	17.0%
14	433.6	16.9%
15	425.1	16.6%
16	407.6	15.9%
17	382.9	14.9%
18	374.3	14.6%
19	358.2	13.9%
20	354.2	13.8%
21	340.4	13.3%
22	330.5	12.9%
23	326.8	12.7%
24	297.6	11.6%
25	258.0	10.0%
Total	**11,611.0**	**452.1%**

Table 2: Credit Concentration - Single/Group of Connected Counterparties

As at 30 June 2026, 14 groups of connected counterparties and 11 single customers had exposures exceeding 10% of the bank's Tier 1 Capital. The aggregate of the exposures stood at 452.1%, which is well within the regulatory limit of 800% of bank's Tier 1 Capital.

4.3.6 Related Party Transactions

The bank adheres to the Bank of Mauritius Guideline on Related Party Transactions and maintains a robust governance framework to ensure that related party exposures are identified, monitored and managed appropriately. Credit exposures to related parties are subject to enhanced oversight and are reviewed and approved by the Board Credit Committee.

As at 30 June 2026, the bank's exposure to related parties in Category 1 and Category 2 represented 37.0% of Tier 1 Capital, which is well within the regulatory limits of 150% of Tier 1 Capital.

The bank's Category 1 related party exposures aggregated to MUR 897.4 million (34.9% of Tier 1 Capital) as at June 2026, which was within the regulatory limit of 60% set by the Bank of Mauritius. The top 6 exposures to Category 1 related parties aggregated to MUR 663.0 million (25.8% of Tier 1 Capital) as at 30 June 2026 which is within the regulatory limit of 60%.

Top 6 Exposure to Related Parties - Category 1	Exposure incl commitments at 30.06.26 (MUR M)	% of Tier 1 Capital
1	331.6	12.9%
2	119.1	4.6%
3	80.8	3.1%
4	72.4	2.8%
5	30.0	1.2%
6	29.1	1.1%
Total	663.0	25.8%

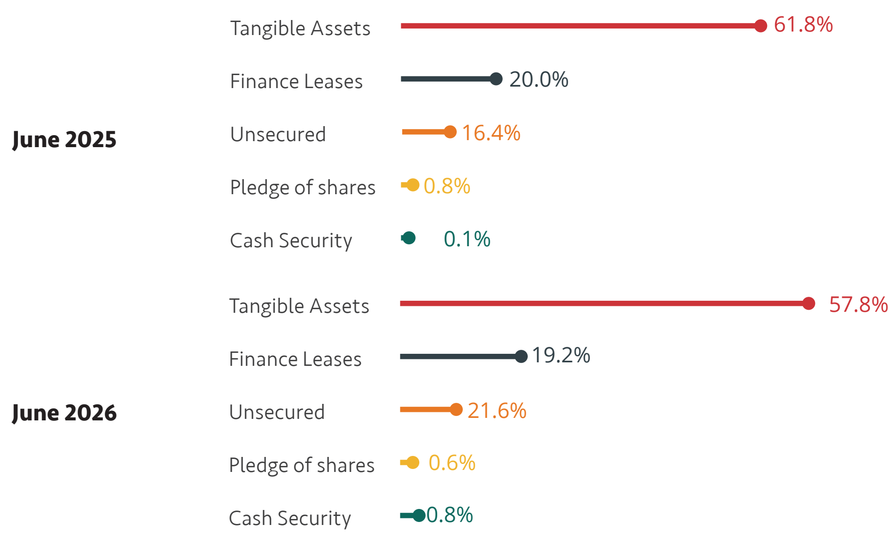
Table 3: Top 6 Exposures to Category 1 related parties

None of the facilities granted to related parties were impaired.

4.3.7 Credit Risk Mitigation

Potential credit losses are mitigated through a combination of collateral guarantees, covenants and ongoing monitoring of counterparties. The extent of risk mitigation provided by collateral depends on the number of charges, type and quality of collateral taken. Policies and guidelines are in place regarding the types of collateral acceptable to the bank, their strengths as credit risk mitigation and the valuation frequencies. Physical collaterals are insured against all risks. Obtaining collateral does not replace a rigorous assessment of the borrower's ability to meet its obligations. For Corporate transactions, legal opinions are sought and documentation is reviewed by legal advisors where required.

The breakdown of loans and advances by security types is given below.



As at 30 June 2026, 57.8% of total exposure were secured by fixed/floating charges. Finance lease as a percentage of total exposure dropped to 19.2% from 20.0% (June 2025). Unsecured facilities rose to 21.6% as at 30 June 2026 mainly drive by new funding extended to large international banks during the financial year.

4.4 Account Monitoring and Recovery

Credit facilities and borrowers are monitored on an ongoing basis to ensure early identification of potential credit deterioration. Monitoring activities include the review of financial performance, account conduct, covenant compliance, collateral values and early warning indicators.

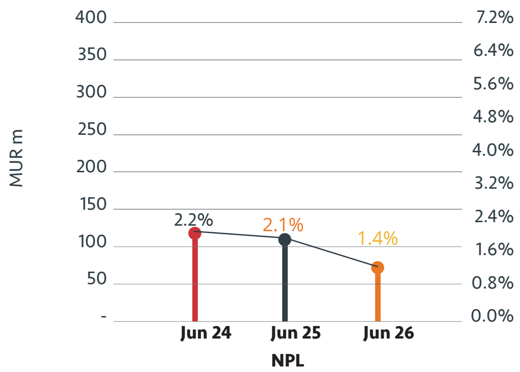
Restructuring of facilities is considered on a case-to-case basis, taking into account the borrower's repayment capacity, account conduct and overall creditworthiness.

Key Indicators of Credit Quality

Ratio	As at 30Jun 2024	As at 30 Jun 2025	As at 30 Jun 2026
Non-Performing Loans (NPLs)/Gross loans and advances	2.2%	2.1%	1.4%

Table 4: Key Indicators of asset quality

The bank's non-performing loan has decreased from MUR 375.1 million as at June 2025 to MUR 278.2 million as at June 2026. The NPL ratio improved to 1.4% as at June 2026 when compared with June 2025, supported by a reduction in non-performing loans and growth in loan and advances from MUR 18.2 billion to MUR 19.3 billion over the same period.



Specific provision as a percentage of total non-performing loans stood at 38.1% as at June 2026 (June 2025: 24.5%).

The performance of the Recovery team is reviewed monthly by Portfolio Committee, with a focus on timely recovery of assets and close monitoring of accounts showing signs of deterioration.

5. Market Risk Management

Market risk management encompasses the identification, measurement, monitoring and control of market, liquidity and funding risks arising from the bank's banking, treasury and investment activities. The objective is to ensure that these risks remain within the bank's approved risk appetite while supporting sustainable earnings, protecting capital and maintaining adequate liquidity under both normal and stressed market conditions.

The bank manages these risks through a comprehensive framework of board-approved policies, limits and governance structures. The Market Risk Policy establishes the framework for the management of interest rate risk, foreign exchange risk and price risk, whilst the Liquidity Risk Policy sets out the principles for the management of liquidity and funding risks. Risk exposures are monitored against approved limits and regulatory requirements, with regular reporting to senior management and the Board.

Oversight is provided by the Assets and Liabilities Committee (ALCO) and the Risk Management Committee which regularly review risk exposures, stress-testing results and emerging market developments on a regular basis.

In response to ongoing global macroeconomic uncertainty, elevated geopolitical risks and changing interest rate expectations, the bank continues to monitor concentrations, market volatility and liquidity conditions across its significant currencies and investment portfolios. The bank maintains a prudent market risk profile and regularly reviews risk limits to ensure they remain aligned with prevailing market conditions.

RISK REPORT

5.1 Market Risk

Market risk is the risk of loss arising from adverse movements in interest rates, foreign exchange rates and market prices. Market risk measurement is supported by a combination of repricing gap analysis, Earnings-at-Risk ("EaR"), Value-at-Risk ("VaR"), sensitivity analysis and stress testing.

Repricing Gap Analysis

Repricing gap analysis measures mismatches between interest rate-sensitive assets and liabilities that reprice or mature within specified time bands. The analysis provides an indication of the potential impact of changes in market interest rates on the Bank's earnings.

The bank monitors repricing gaps across significant currencies and uses the results to support balance sheet management and interest rate risk mitigation strategies.

The tables below provide an analysis of the interest rate risk exposure for the bank. As at 30 June 2026, currencies accounting for 5% or more of total assets or liabilities included MUR, USD and EUR. The up to 3 months column includes assets and liabilities bearing floating rates of interest that do not reprice at set dates but reprice whenever the underlying interest rate changes.

REPRICING GAP – BANK

As at June 2026

	Up to 3 months	3-6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Non interest sensitive	Total
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR	MUR
Assets	27,776.9	965.1	986.8	3,916.0	1,803.7	1,169.5	5,704.7	42,322.7
Liabilities	12,845.1	1,968.5	2,808.7	1,859.2	1,449.9	697.0	17,460.5	39,088.8
On Balance sheet interest rate repricing gap	14,931.7	(1,003.4)	(1,821.8)	2,056.8	353.9	472.6	(11,755.8)	3,233.9
Cumulative repricing gap	14,931.7	13,928.3	12,106.5	14,163.3	14,517.2	14,989.7	3,233.9	
As a % of total assets	35.5%	33.1%	28.8%	33.7%	34.5%	35.6%	7.7%	

REPRICING GAP – BANK

As at June 2025

	Up to 3 months	3-6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Non interest sensitive	Total
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR	MUR
Assets	23,463.1	466.8	596.0	1,280.2	1,729.3	1,268.1	4,944.8	33,748.4
Liabilities	10,506.8	1,286.9	2,450.2	1,461.1	2,783.3	695.8	11,545.5	30,729.7
On Balance sheet interest rate repricing gap	12,956.2	(820.1)	(1,854.1)	(180.9)	(1,054.0)	572.3	(6,600.7)	3,018.7
Cumulative repricing gap	12,956.2	12,136.1	10,282.0	10,101.1	9,047.1	9,619.4	3,018.7	
As a % of total assets	38.6%	36.2%	30.7%	30.1%	27.0%	28.7%	9.0%	

REPRICING GAP – MUR

As at June 2026

	Up to 3 months	3-6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Non interest sensitive	Total
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR	MUR
Assets	12,755.5	81.4	743.6	725.4	1,060.5	1,104.0	2,621.7	19,092.1
Liabilities	9,478.5	374.8	482.2	1,746.8	1,438.7	697.0	1,547.8	15,765.8
On Balance sheet interest rate repricing gap	3,276.9	(293.4)	261.3	(1,021.4)	(378.2)	407.1	1,073.9	3,326.2
Cumulative repricing gap	3,276.9	2,983.5	3,244.9	2,223.5	1,845.3	2,252.3	3,326.2	
As a % of total MUR assets	17.2%	15.6%	17.0%	11.6%	9.7%	11.8%	17.4%	

REPRICING GAP – EUR

As at June 2026

	Up to 3 months	3-6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Non interest sensitive	Total
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR	MUR
Assets	4,641.5	-	-	-	-	-	397.3	5,038.8
Liabilities	1,644.3	403.0	64.4	55.2	5.7	-	2,600.0	4,772.6
On Balance sheet interest rate repricing gap	2,997.2	(403.0)	(64.4)	(55.2)	(5.7)	0.0	(2,202.7)	266.2
Cumulative repricing gap	2,997.2	2,594.2	2,529.8	2,474.6	2,468.9	2,468.9	266.2	
As a % of total EUR assets	59.5%	51.5%	50.2%	49.1%	49.0%	49.0%	5.3%	

REPRICING GAP – USD

As at June 2026

	Up to 3 months	3-6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Non interest sensitive	Total
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR	MUR
Assets	9,824.2	883.7	243.3	3,190.6	743.3	65.5	1,634.2	16,584.7
Liabilities	1,469.4	1,125.6	2,239.4	57.2	2.8	-	11,879.5	16,773.9
On Balance sheet interest rate repricing gap	8,354.8	(241.9)	(1,996.1)	3,133.4	740.4	65.5	(10,245.3)	(189.2)
Cumulative repricing gap	8,354.8	8,112.9	6,116.8	9,250.2	9,990.7	10,056.2	(189.2)	
As a % of total USD assets	50.4%	48.9%	36.9%	55.8%	60.2%	60.6%	-1.1%	

Tables 5: Repricing gap

The ALM department tracks and reviews the gap to recommend strategies to reduce the repricing mismatches and manage the interest rate risk. Interest rate risk management is a central topic of the bank's ALCO meetings, which are held at least monthly.

Earnings-at-risk (EAR)

The bank evaluates its structural interest rate risk exposure through earnings-at-risk, which measures the extent to which changes in interest rates will affect the bank's net interest income and certain interest rate-sensitive fees.

Interest Rate Sensitivity Analysis

The bank assesses interest rate risk in the banking book through interest rate sensitivity analysis, which measures the potential impact of changes in market interest rates on earnings. The analysis considers the impact of various interest rate shocks on net interest income, based on a static balance sheet assumption.

An assessment of the impact of a 50-basis point parallel shift in the yield curve on interest-earning assets and interest-bearing liabilities was performed across the respective currencies, as presented below.

The table further shows that a 100-basis point movement in MUR interest rates would have a total impact of MUR 24.1 million as at 30 June 2026, compared to MUR 16.3 million as at 30 June 2025. The increase in Earnings at Risk reflects balance sheet growth and higher interest rate sensitivity across both the MUR and foreign currency books during the period.

Change in Basis Points		Sensitivity of					
		Profit or Loss	Equity	Profit or Loss	Equity	Profit or Loss	Equity
		Actual (June 2024)		Actual (June 2025)		Actual (June 2026)	
MUR	50	4.0	3.7	4.8	3.4	0.3	11.7
	100	8.1	7.2	9.6	6.7	0.6	23.5
EUR	50	9.6	0.7	12.3	-	12.3	-
USD	50	15.6	1.2	23.9	2.9	25.6	24.7

5.2 Value at Risk (VaR)

VaR is a statistical risk measure used to estimate the potential loss from adverse market moves in a normal market environment and within a specified confidence level and holding period.

The bank uses VaR as one of the tools for monitoring market risk exposures and assessing the potential impact of movements in market variables on its positions. VaR is complemented by stress testing and sensitivity analysis to provide a broader assessment of market risk exposures under different market scenarios.

The bank's VaR amounted to MUR 334.1k as at 30 June 2026 compared to MUR 386.0k as at 30 June 2025.

5.3 Foreign Exchange Risk

Foreign exchange risk refers to the risk that the bank may suffer a loss as a result of adverse exchange rate movement during which period it has an open position, either spot or forward, or both in the same foreign currency. There is also settlement risk arising out of default of the counterparty and time lag in settlement of currencies due to different time zones.

The Bank manages foreign exchange risk through a framework of Board-approved limits, including open position, daylight, overnight and stop-loss limits. Foreign currency positions are monitored daily against internal and regulatory requirements to ensure that risk exposures remain within approved levels. The regulatory daily overall foreign exchange limit is 15% of the bank's Tier 1 capital.

The tables below provide an analysis of the interest rate risk exposure for the bank. As at 30 June 2025, currencies accounting for 5% or more of total assets or liabilities included MUR, EUR and USD. The up to 3 months column includes assets and liabilities bearing floating rates of interest that do not reprice at set dates, but reprice whenever the underlying interest rate changes.

5.4 Price Risk

Price risk refers to the risk of loss arising from changes in the market value of financial instruments held by the bank.

The bank's exposure to price risk arises primarily from its investment securities portfolio. Price risk is managed through approved investment limits, diversification of exposures, issuer concentration limits and regular portfolio reviews. Investment portfolios are also subjected to stress testing and sensitivity analysis to assess resilience under adverse market conditions.

Investment in securities amounted to MUR 10.5 billion as at June 2026 compared to MUR 5.4 billion as at June 2025.

5.5 Liquidity risk

Liquidity risk is the risk that the bank may be unable to meet its financial obligations when they fall without incurring unacceptable cost or losses.

Liquidity risk may arise from unexpected deposit withdrawals, loan drawdowns, market disruptions or reduced access to funding sources. The bank seeks to maintain adequate liquidity buffers and access to diversified funding sources to meet expected and unexpected cash flow requirements under both normal and stressed conditions.

Liquidity risk comprises funding liquidity risk and market liquidity risk.

5.5.1 Liquidity Risk Management

The bank manages liquidity risk in accordance with the Guideline on Liquidity Risk Management and within approved liquidity risk appetite and tolerance of the bank for liquidity risk. The Liquidity Risk Policy of the bank sets out the framework within which the liquidity of the bank is managed and monitored.

The primary objective of liquidity risk management is to ensure that sufficient liquid resources are available to meet obligations as they fall due and to support business growth without compromising financial resilience.

Liquidity risk is managed through ongoing monitoring of cash flows, liquidity gap analysis, stress testing, early warning indicators and maintenance of contingency funding arrangements. Liquidity positions are reviewed regularly by ALCO and reported to the Risk Management Committee. Liquidity stress testing is conducted periodically to assess the Bank's ability to withstand institution-specific and market-wide stress events.

Liquidity Risk Management	Contingency Liquidity Risk Management
• Manage intra-day liquidity positions • Monitor Interbank Outstanding Balances • Monitor daily cash flow requirements • Manage short term/long term cash flows • Manage daily foreign currency liquidity • Identify and manage structural liquidity mismatches • Preserve a diversified funding base • Monitoring of the ratios against limits set	• Monitor and manage early warning liquidity indicators • Maintain contingency funding plans

Limits are reviewed at least annually or more frequently if required to ensure that they remain relevant in the context of prevailing market conditions and business strategy. Some of the liquidity risk management tools include monitoring the level of funding sources diversification in terms of concentration by depositors, geography, type of funding and maturity profiles. Excesses above limits are ratified at the Risk Management Committee.

Liquidity Gap Analysis

Liquidity gap analysis is the primary tool used by the Bank to measure liquidity risk. It assesses the mismatch between expected cash inflows and outflows across various maturity buckets and enables management to identify potential funding requirements and liquidity shortfalls. The analysis is regularly reviewed to ensure that sufficient liquidity is maintained to support operational requirements and regulatory obligations.

Liquidity Coverage Ratio (LCR)

The objective of the LCR is to ensure that a bank has an adequate inventory of unencumbered High-Quality Liquid Assets (HQLA) that consist of cash or assets convertible into cash at little or no loss of value in market, to meet its liquidity requirements for a 30 days' liquidity stress period, by which time, management will be able to take appropriate corrective action to resolve the stress situation in an orderly manner. The LCR stood comfortably at 385% on a consolidated basis as at 30 June 2026 (June 2025: 290%) which is well above the regulatory limit of 100%.

5.5.2 Funding Risk

Funding risk refers to the risk that the bank may be unable to obtain stable and diversified funding to support its assets and business activities, or that funding may only be obtainable at increased cost.

Deposits, in the form of savings, call deposits and term deposits, from retail and corporate clients constitute the primary source of funding for the bank. Deposits (including accrued interest) stood at MUR 36.6 billion as at June 2026. Foreign currency deposits (excluding accrued interest) increased from 53.6% as at June 2025 to 61.8% as at June 2026, whilst MUR deposits (excluding accrued interest) decreased from 46.4% to 38.2% over the same period.

Net Loan-to-deposit ratio decreased from 62.8% as at June 2025 to 52.4% as at June 2026.

40.7% of deposits (including accrued interest) were individual customer deposits as at June 2026. Although savings accounts and call deposits are repayable on demand, analysis of historical run-off rates has demonstrated that such sources of funds are fairly stable at the bank.

The bank seeks to maintain a diversified and sustainable funding base through an appropriate mix of customer deposits and other sources of funding. Funding concentrations and maturity profiles are monitored regularly to reduce refinancing risk and strengthen resilience during periods of market stress.

5.6 Net Stable Funding Ratio (NSFR)

As per the Guideline on Net Stable Funding Ratio, banks are required to maintain NSFR of 100% for all significant currencies at all times.

	Regulatory Limit	NSFR as at June 2025	NSFR as at June 2026
Consolidated	100%	169%	190%
MUR	100%	147%	152%
USD	100%	287%	273%
EUR	100%	110%	168%

5.7 Contingent Funding Risk

Contingent funding risk arises from off-balance-sheet commitments, including undrawn credit facilities and trade finance obligations that could increase funding requirements during periods of financial stress.

The bank incorporates these potential obligations into its liquidity and funding stress-testing framework to ensure that sufficient liquidity and funding resources are maintained under adverse scenarios. Contingency funding plans are reviewed periodically to ensure preparedness for both institution-specific and market-wide stress events.

6. Operational Risk Management

Operational Risk refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The definition includes legal risk but excludes strategic and reputational risk.

While it is not possible to eliminate all operational risks, the bank has established a robust operational risk management framework designed to identify, assess, monitor and mitigate operational risks, thereby reducing the likelihood and potential impact of material operational loss events.

6.1 Key types of Operational Risk

- Processing Risk
- People Risk
- Workplace Safety Risk
- Legal and Compliance Risk (including AML/CFT)
- Technology, Cyber-Security and Artificial Intelligence (AI) Risk
- Business Continuity Risk
- Fraud Risk
- Outsourcing Risk

6.2 Management of Operational Risk

The bank adopts a proactive and structured approach to the management of operational risk, supported by strong governance practices, effective control mechanisms and promotes a culture of risk awareness and accountability.

Key elements of the bank's operational risk management framework include:

- Promoting a strong risk culture where all employees of the bank embed risk management in their day-to-day processes.
- The bank has in place a robust three lines of defence model which ensures that all activities of the bank are within the regulatory framework.
- Board and Management oversight of the bank's operational risk profile through regular review of significant incidents, Key Risk Indicators (KRIs), emerging risks and mitigation strategies.
- Reporting by Business Units on specific operational risks inherent within their business activities on both regular and event-driven basis.
- Ongoing monitoring of KRIs, which serves as early warning signals of potential risk exposures. The KRIs are reported to the Risk Management Committee on a quarterly basis.
- Timely escalation of incident reports where there is any material operational issue, disruption or near misses events to facilitate prompt remediation and minimise recurrence.
- Maintenance of an effective whistleblowing framework that enables employees to report suspected illegal, unethical or inappropriate conduct.

Primary responsibility for managing operational risk and maintaining effective controls rests with the business and functional units where the risk originates. This is supported by independent oversight from the Risk Management functions.

To mitigate the impact of some operational risks, the bank employs a range of preventive and corrective measures, including:

- Effective complaints management processes and timely resolution of customer issues.
- Sound capital management practices.
- Comprehensive disaster recovery and business continuity plans to ensure continuity of critical business operations.
- Policies, procedures and controls designed to ensure compliance with evolving legal and regulatory requirements.
- Regular Risk Control Self-Assessments (RCSAs) to identify control weaknesses and enhance effectiveness.
- Ongoing staff training and awareness to ensure employees stay abreast of changes in the risk landscape.

No material operational loss was reported for the financial year ended June 2026. This reflects the effectiveness of the operational risk management framework and the robustness of the internal controls in place at the bank.

7. Information Technology Risk

During FY 2025/26, the bank maintained a strong focus on Information Technology (IT) and cyber risk management, recognising their critical role in safeguarding operational resilience, information assets and customer trust. In response to the evolving cyber threat landscape and increasing regulatory expectations, the bank continued to strengthen its IT governance and security framework through the review and enhancement of key policies, including the Information Security Policy.

Regular cybersecurity awareness and training programmes were delivered to employees to promote a strong security culture across the organisation. In addition, business continuity and disaster recovery arrangements were reviewed and tested to validate the bank's readiness to respond effectively to operational disruptions and cyber incidents.

The bank also invested in enhanced threat detection and monitoring capabilities and conducted regular security assessments of its technology infrastructure to identify, monitor and mitigate emerging risks. Recognising the increasing adoption of Artificial Intelligence (AI) and the associated operational risks, the bank remained vigilant and continued to strengthen its control environment through appropriate oversight, risk management and security measures.

These initiatives remain aligned with applicable regulatory requirements and industry best practices, reflecting the Bank's ongoing commitment to maintaining a secure, resilient and well-controlled technology environment.

8. Business Continuity Risk

General Approach and Objectives

The bank adopts a robust Business Continuity Management (BCM) Framework to ensure operational resilience and continuity of critical products and services during disruptive events. The bank is committed to maintaining essential business functions at predefined acceptable service levels in the face of operational disruptions, emergencies, or crises.

The objectives of the BCM Framework seek to:

- Protect the safety and wellbeing of employees, customers, and other stakeholders.
- Minimise operational, financial, legal, and reputational impacts arising from disruptive events.
- Maintain the availability of critical systems, processes, and services.
- Ensure compliance with applicable regulatory requirements and industry standards.
- Strengthen organisational resilience through effective preparedness, response, recovery, and continuous improvement processes.

The bank recognises that business continuity risks may arise from a range of internal and external events, including technology failures, cyber threats, natural disasters, pandemics, climate-related events, infrastructure disruptions, and third-party service provider failures.

Mitigation and Management

The BCM Framework forms an integral component of the bank's overall risk management strategy and is governed by the Business Continuity Management Policy. The Policy establishes the governance structure, accountability framework, recovery methodologies, and resilience objectives required to effectively manage business disruptions.

The Board of Directors and Senior Management provide oversight of the bank's business continuity and resilience programme. During crisis situations, the Business Continuity Management Committee oversees strategic decision-making, incident coordination, stakeholder communication, and escalation management. Business Continuity Coordinators and departmental representatives are responsible for maintaining, reviewing, and testing recovery plans within their respective functions.

The bank maintains documented Business Continuity and Disaster Recovery Plans covering critical business processes, facilities, personnel, technology infrastructure, and key third-party dependencies. These plans are reviewed and updated periodically to ensure alignment with evolving business requirements, risk exposures, and regulatory expectations.

The bank reinforces its resilience through a structured programme of training, awareness initiatives, scenario-based exercises, and testing activities conducted regularly to ensure the effectiveness of its BCM Framework.

During the year, the bank undertook several resilience testing and simulation exercises, including:

- **Enterprise Resilience and Crisis Management Exercise**

The bank conducted a comprehensive tabletop exercise involving Senior Management, crisis management teams, and key business stakeholders. The exercise simulated a series of escalating events, ranging from climate-related disruptions, including severe weather conditions affecting business operations, to major system outages impacting critical banking services.

The exercise assessed the effectiveness of the bank's crisis management capabilities, decision-making processes, communication protocols, and coordination across business functions under evolving and complex scenarios. The outcomes confirmed the effectiveness of the bank's crisis response framework while identifying opportunities for further enhancing operational resilience and crisis preparedness.

- **Disaster Recovery Testing**

The bank conducted scheduled Disaster Recovery (DR) tests to validate the readiness of its alternate processing environment. These exercises confirmed the bank's ability to recover critical applications, preserve data integrity, and restore essential services within approved recovery objectives in the event of significant technology disruption.

- **Continuous Improvement**

The outcomes of all business continuity exercises, simulations, and actual incidents are formally evaluated to identify lessons learned and opportunities for enhancement. Action plans arising from these reviews are monitored through to completion to enhance the effectiveness of the BCM Framework and support the long-term operational resilience.

Through ongoing investment in resilience capabilities, regular testing, and continuous improvement initiatives, the bank remains committed to ensuring the continuity of critical services and maintaining the confidence of its customers, employees, regulators, and other stakeholders.

9. Strategic Risk

Strategic Risk refers to the potential adverse impact on the bank's earnings, capital, reputation, or long-term sustainability arising from inappropriate business decisions, failure to achieve business development targets, ineffective implementation of strategic initiatives, or inability to respond to unexpected external events which can impact on the business.

The bank pursues its strategic plan in line with its Vision 2030, supported by a five-year strategic roadmap that is reviewed annually as part of the budgetary process. The review ensures that strategic initiatives remain on track and that any recalibration of strategies, where applicable, are identified in a timely manner. Performance against the strategic plan, budgets and key projects is monitored on an ongoing basis, with action plans implemented where gaps arise to support the achievement of strategic objectives and mitigate associated risks.

10. Reputational Risk

The bank adopts the Basel II definition of reputational risk. The Basel Committee defines reputational risk as the "*risk arising from negative perception on the part of customers, counterparties, shareholders, investors, debtholders, market analysts, other relevant parties or regulators that can adversely affect a bank's ability to maintain existing, or establish new, business relationships and continued access to sources of funding*".

The bank currently maintains a minimal reputational risk profile, as its activities are largely conventional in nature.

To strengthen oversight of reputational risk, the bank has established a Reputational Risk Committee (RRC), which convenes on an ad-hoc basis to assess and address events that may adversely affect the bank's reputation. The Head of Legal and Compliance serves as the Committee's Secretary.

The RRC plays a key role in formulating timely and appropriate responses to significant reputational risk events and in recommending best practices and preventive measures to safeguard the bank's reputation. Reputational risk is further managed through the use of standardized industry documentation and by seeking appropriate legal advice where required. Customer complaints and stakeholder concerns are monitored, investigated, and addressed in a timely manner to ensure effective resolution and continuous improvement of service standards. The bank is of the view that the Operational risk capital charge encompasses potential reputational issues.

11. Pension Obligation Risk

Pension Obligation Risk is the risk that a firm's obligations towards an employee pension scheme may increase because of a deterioration in the scheme position.

The bank launched its pension scheme since July 2014. The pension plan is a Defined Contribution (DC) Pension Plan. The pension scheme administrator is MUA Pension Ltd. The investment manager is Orange Eight Ltd.

Under a DC Pension Plan, the bank will pay fixed contributions or contribute based on the contribution of the employee. Pension plan benefits at retirement are determined by the contribution paid into the plan and the investment returns generated by these assets over time.

12. Compliance, Anti-Money Laundering and Sanctions

Compliance Risk refers to the risk of legal or regulatory sanctions, material financial loss, or reputational damage arising from the bank's failure to comply with applicable laws, regulations, rules, industry standards and internal codes of conduct.

The Compliance Department, headed by the Head of Legal and Compliance, is appointed by the Board and reports to the Audit Committee on a quarterly basis. The department is structured into three dedicated units: Regulatory Compliance, Financial Crime Compliance and Monitoring and Testing. This segregation of responsibilities enhances the ability of the department in the identification, assessment and monitoring of compliance risks, facilitates the timely remediation of compliance deficiencies, and promotes a strong culture of compliance throughout the bank. Regular training programmes are also conducted to ensure that employees remain informed of regulatory developments and fully aware of the bank's compliance obligations.

To ensure a structured and risk-based approach to compliance oversight, an Annual Compliance Plan is prepared by the department and approved by the Audit Committee. Progress against the plan is monitored throughout the year, with each unit producing quarterly reports detailing activities performed, key findings and the status of corrective actions. These reports are consolidated and submitted to the Audit Committee on a quarterly basis, thereby supporting effective governance, oversight and the continuous enhancement of the bank's compliance framework.

13. Internal Audit

The Head of Internal Audit, in line with the Code of Corporate Governance, reports directly to the Audit Committee and administratively to the Chief Operating Officer. The scope of work of Internal Audit is defined in an annual Risk-Based Internal Audit Plan. This Plan is approved by the Audit Committee at the beginning of each financial year. The Plan covers different types of audits including operational audits, AML/CFT audits, IT audits and other specific audits.

To accomplish its duties, the Internal Audit function has unrestricted access to the bank's records and employees. For each audit, an independent risk assessment exercise is done to identify the key risks and the key controls in place to mitigate these. Following this initial exercise, internal audit performs a walkthrough to check the design effectiveness of controls and thereafter proceeds with testing the operating effectiveness of the key controls through sample-based testing. At the end of each assignment, the internal audit findings are risk rated and are discussed with the Head of the relevant Business Unit during a closing meeting. The draft internal audit report is then circulated to the Head of BU for final management comments. Upon finalisation, the internal audit report is released to the Managing Director, Chief Operating Officer and to all Audit Committee members.

Key responsibilities of the Internal Audit function include:

- Evaluating the overall governance, risk management and internal control framework;
- Conducting audits as defined in our Risk-Based Internal Audit Plan;
- Carrying out any ad-hoc assignments requested by Senior Management and approved by the Audit Committee;
- Assessing the means for safeguarding assets and verifying the existence of the bank's assets including cash counts at branch and ATMs, stock counts of repossessed assets, and external site visits;
- Evaluating the reliability and integrity of financial information through review of accounting records;
- Providing continuous feedback to Business Units upon the setting up of new or amended bank policies and procedures during key bank projects; and
- Following up on internal audit recommendations, external auditors' and Bank of Mauritius recommendations and providing a regular status to the Audit Committee.

As of date, Internal Audit has successfully completed its Risk-Based Internal Audit Plan for the financial year ended 30 June 2026.

14. Capital Adequacy and Management

The bank aims to maintain a strong and adequate capital base to support its strategic objectives, absorb unexpected losses, support business development and meet regulatory capital requirements.

Regulatory capital adequacy is measured through the Capital Adequacy Ratio (CAR). This ratio measures the capital supply relative to capital demand as measured by Risk Weighted Assets.

Risk Weighted Assets

Risk Weighted Assets are worked out by applying risk weights from prescribed risk parameters. The bank complies with the Guideline on Standardised Approach to Credit Risk for the computation of its Credit Risk Weighted Assets.

The bank has adopted the Standardised Measurement Approach for calculating its market risk capital charge. The bank complies with the Guideline on Measurement and Management of Market Risk issued by the Bank of Mauritius.

For calculating the operational risk capital charge, the bank uses the Basic Indicator Approach (BIA). Under the BIA, the capital charge of the bank is calculated as 15% of the average annual positive gross income over the previous three years.

Capital Ratios

The Tier 1 and the Eligible Capital Adequacy Ratios are provided below:

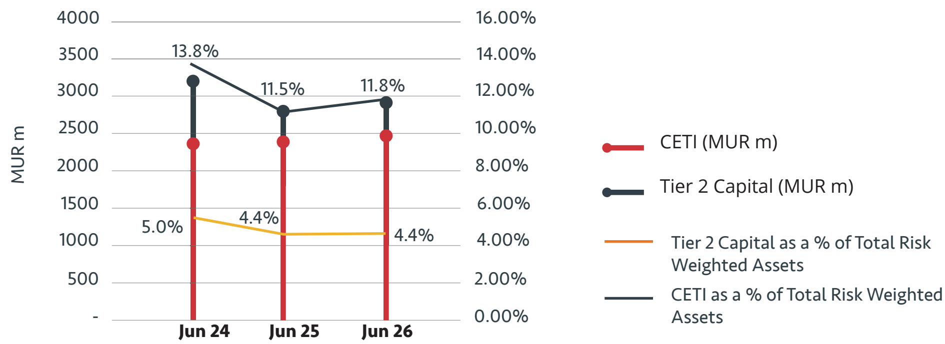
Capital Ratios(%)	As at June 2024	As at June 2025	As at June 2026
Capital Base	MUR m	MUR m	MUR m
Tier 1 Capital	2,400.9	2,489.5	2,568.0
Tier 2 Capital	871.3	953.3	953.3
Total Capital Base	3,272.2	3,442.8	3,521.3
Total Risk Weighted Assets	17,387.4	21,625.3	21,828.5
CET1 CAR	13.8%	11.5%	11.8%
Tier 1 CAR	13.8%	11.5%	11.8%
CAR	18.8%	15.9%	16.1%
Buffer			MUR m
Tier 1 Buffer			821.7
Total Capital Buffer			1,338.5
Total Capital Buffer with Minimum Capital Conservation Buffer			792.7

Table 6: Capital Ratios

RISK REPORT

Tier 1 CAR and CAR were within the regulatory limits as at end of June 2026.

At least 8% of risk weighted assets need to be covered by Tier 1 as from January 2016.



Monitoring

Capital adequacy is monitored on an ongoing basis through regular capital planning, forecasting, stress testing and risk assessments conducted under Internal Capital Adequacy Assessment Process (ICAAP). Capital levels are reviewed against regulatory requirements, business growth projections, and the bank's board approved risk appetite to ensure sufficient financial resilience under both normal and stressed conditions.

Stress Testing

Stress testing forms an integral component of the bank ICAAP and broader risk management framework. The objective is to assess the potential impact of adverse but plausible scenarios on the bank's financial position, capital adequacy, liquidity profile and overall resilience. The process enables the bank to identify, measure, and evaluate vulnerabilities arising from changes in internal and external risk factors and to determine the effectiveness of existing risk mitigation strategies.

Forecasts are made over a 1-year horizon, providing an assessment of the credit, operational, concentration, liquidity, market, climate-related and environmental financial risks, Liquidity Coverage Ratio and Net Stable Funding Ratio.

The ICAAP report serves the following main purposes:

- It documents and informs the Board of Directors as to how the bank conducts its risk assessment and the measures put in place to mitigate those risks;
- It sets out a forward-looking capital planning and forecasting of capital requirements; and
- It sets out a stress testing framework to determine the capital buffer above the minimum regulatory levels.

Three-year forecasts of the bank's capital position are produced annually to inform the Board on the capital strategy of the bank.

The table below shows the capital adequacy ratios and the breakdown of the capital base.

	Jun-26	Jun-25	Jun-24
	MUR M	MUR M	MUR M
Common Equity Tier 1 capital: instruments and reserves			
Ordinary shares capital	762.7	762.7	762.7
Share premium	177.8	177.8	177.8
Retained earnings	1,104.4	920.6	1,263.7
Accumulated other comprehensive income and other disclosed reserves	349.5	327.2	272.0
Current year's interim profits (subject to certification by the bank's external auditors)	297.0	380.6	-
Common Equity Tier 1 capital before regulatory adjustments	**2,691.3**	**2,568.9**	**2,476.2**
Common Equity Tier 1 capital: regulatory adjustments			
Other intangible assets	(91.3)	(64.0)	(69.0)
Deferred tax assets	(32.1)	(15.4)	(6.3)
Total regulatory adjustments to Common Equity Tier 1 capital	**(123.4)**	**(79.4)**	**(75.3)**
Common Equity Tier 1 capital (CET1)	**2,568.0**	**2,489.5**	**2,400.9**
Tier 1 capital (T1 = CET1 + AT1)	**2,568.0**	**2,489.5**	**2,400.9**
Instruments issued by the bank that meet the criteria for inclusion in Tier 2 capital	700.0	700.0	800.0
Provisions or loan-loss reserves	253.3	253.3	71.3
Tier 2 capital before regulatory adjustments	**953.3**	**953.3**	**871.3**
Tier 2 capital (T2)	953.3	953.3	871.3
Total Capital (capital base)	**3,521.3**	**3,442.8**	**3,272.1**
Risk Weighted Assets			
Total on-balance sheet risk-weighted credit exposures	19,560.3	19,720.6	15,654.2
Total non-market-related off-balance sheet risk-weighted credit exposures	693.5	530.5	569.9
Total market-related off-balance sheet risk-weighted credit exposures	13.5	14.2	15.9
Risk weighted assets for operational risk	1,526.0	1,340.5	1,122.3
Aggregate net open foreign exchange position	35.2	19.5	25.2
Total risk weighted assets	**21,828.5**	**21,625.3**	**17,387.4**
Capital ratios (as a percentage of risk weighted assets)			
CET1 capital ratio	11.8%	11.5%	13.8%
Tier 1 capital ratio	11.8%	11.5%	13.8%
Total capital ratio	16.1%	15.9%	18.8%

RISK REPORT

Risk Weighted Assets		Jun 26		Jun 25	Jun 24
Risk weighted of On-Balance Sheet assets	Amount	Weight Amount	Weight Amount	Weight Amount	Weight Amount
	MUR M	%	MUR M	MUR M	MUR M
Cash items	24.3	0-20	-	-	-
Claims on sovereigns	6,961.3	0-100	-	140.3	193.4
Claims on central banks	9,222.6	0-100	-	-	-
Claims on banks	6,569.0	20-100	3,466.4	3,060.2	700.0
Claims on corporates	6,145.0	100.0	5,441.9	4,857.3	5,298.4
Claims on regulatory retail	3,422.7	75.0	2,567.0	2,493.1	1,994.4
Claims secured by residential property and commercial estate	7,115.8	35-125	5,747.3	6,920.4	5,216.1
Past due claims	138.5	50-150	181.2	204.5	276.6
Others	2,156.5	100.0	2,156.5	2,044.8	1,975.3
Total On-Balance Sheet	**41,755.8**		**19,560.3**	**19,720.6**	**15,654.2**

			Jun-26			Jun-25	Jun-24
Risk weighted of Off- Balance Sheet assets	Amount	Credit conversion factor	Credit equivalent amount	Weight	Weighted amount	Weighted amount	Weighted amount
	MUR M	%	MUR M	%	MUR M	MUR M	MUR M
Trade related contingencies	181.7	0.2	87.5	20-100	87.5	57.2	9.0
Outstanding commitments	2,557.1	0.2	511.4	100.0	511.4	473.2	560.9
Total Off-Balance Sheet	**2,738.8**		**599.0**		**599.0**	**530.5**	**569.9**

Risk Weighted Assets for Operational Risk	Jun-26	Jun-25	Jun-24
	MUR M	MUR M	MUR M
Average gross income for last 3 years	1,017.4	893.7	748.2
Capital Charge	152.6	134.0	112.2
Risk weighted assets for operational risk	**1,526.0**	**1,340.5**	**1,122.3**

LIQUIDITY COVERAGE RATIO FOR THE QUARTER ENDED June 2026

LCR common disclosure template			
		TOTAL UNWEIGHTED VALUE (quarterly average of bi-monthly observations) (MUR.M)	TOTAL WEIGHTED VALUE (quarterly average of bi-monthly observations) (MUR.M)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)	**12,581**	**12,581**
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:		
3	*Stable deposits*	-	-
4	*Less stable deposits*	15,858	825
5	Unsecured wholesale funding, of which:		
6	*Operational deposits (all counterparties)*	12,207	3,052
7	*Non-operational deposits (all counterparties)*	1,969	262
8	*Unsecured debt*	-	-
9	Secured wholesale funding	-	-
10	Additional requirements, of which:		
11	*Outflows related to derivative exposures and other collateral requirements*	1,313	1,313
12	*Outflows related to loss of funding on debt products*	-	-
13	*Credit and liquidity facilities*	2,177	491
14	Other contractual funding obligations	209	209
15	Other contingent funding obligations	514	26
16	**TOTAL CASH OUTFLOWS**	**34,247**	**6,178**
CASH INFLOWS			
17	Secured funding (e.g., reverse repos)	-	-
18	Inflows from fully performing exposures	2,789	2,467
19	Other cash inflows	1,313	1,313
20	**TOTAL CASH INFLOWS**	**4,102**	**3,780**
			TOTAL ADJUSTED VALUE (MUR.M)
21	**TOTAL HQLA**		**12,581**
22	**TOTAL NET CASH OUTFLOWS**		**2,459**
23	**LIQUIDITY COVERAGE RATIO (%)**		**512%**
24	**QUARTERLY AVERAGE OF DAILY HQLA**		**11,650**

Notes:

1. The reported values for quarterly average bi-monthly observations are based on the 15 Apr, 30 Apr, 15 May, 31 May, 15 Jun and 30 Jun 2026 figures. The number of data points used for the calculations is 6.
   The reported values for 'quarterly average of daily HQLA' are based on end of daily figures over the 01 April 2026 to 30 June 2026 period. The number of data points used for the calculations is 91.

As of 30 June 2026, the Bank reported an LCR of 385%, with a quarterly average of 512%, reflecting a disciplined approach to liquidity management. High-Quality Liquid Assets—primarily sovereign and central bank securities—totaled MUR 14.7 billion at period-end, with a quarterly average of MUR 11.7 billion. Strategic oversight, stress testing, and funding diversification continue to reinforce compliance and financial resilience.

Net Stable Funding Ratio (NSFR) As of 30 June 2026					
Reporting bank name: ABC BANKING CORPORATION LTD Reporting Period: 30 June 2026		**Unweighted value by residual maturity**			
	(Reporting currency: MUR' m)	< 6 months	≥ 6 months to < 1 year	≥ 1yr	Weighted value
SN	**ASF Item**				
1	**Capital: (SN 2+SN 3)**	-	-	**3,645**	**3,645**
2	Regulatory capital	-	-	3,645	**3,645**
3	Other capital instruments	-	-	-	-
4	**Retail deposits and deposits from small business customers: (SN 5+ SN 6)**	**8,080**	**4,317**	**22,091**	**33,248**
5	Stable deposits	-	-	-	-
6	Less stable deposits	8,080	4,317	22,091	33,248
7	**Wholesale funding (SN 8+ SN 9)**	**429**	**162**	**1,202**	**1,497**
8	Operational deposits	154	60	714	821
9	Other wholesale funding	275	102	488	676
10	**Other liabilities: (SN 11+ SN 12)**	**1,693**	**216**	**235**	**343**
11	NSFR derivative liabilities	-	-	-	-
12	All other liabilities and equity not included in the above categories	1,693	216	235	343
13	**Total ASF (SN 1+SN 4+ SN 7+SN 10)**	-	-	-	38,733
	RSF Item				
14	**Total NSFR High Quality Liquid Assets (HQLA)**	-	-	-	**441**
15	**Deposits held at financial institutions for operational purposes**	**3,594**	-	-	**1,797**
16	**Performing loans and securities: (SN 17+ SN 18+ SN 19+ SN 21+ SN 23)**	**3,781**	**1,703**	**15,107**	**15,306**
17	Performing loans to financial institutions secured by HQLA 1	-	-	-	-
18	Performing loans to financial institutions secured by non HQLA 1 and unsecured performing loans to financial institutions	875	82	2,371	2,548
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	2,742	1,462	8,439	9,285
20	*With a risk weight of less than or equal to 35% under the Guideline on Standardised Approach to Credit Risk*	4	3	39	26
21	Performing residential mortgages, of which:	82	75	2,997	2,284
22	*With a risk weight of 35% under the the Guideline on Standardised Approach to Credit Risk*	38	34	1,545	1,006
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	82	84	1,301	1,189
24	**Other assets: (SN 25+SN 26+ SN 27+ SN 28+ SN 29)**	**1,121**	**201**	**1,387**	**2,709**
25	Physical traded commodities, including gold	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of a Central Counterparty (CCP)	-	-	-	-
27	NSFR derivative assets	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-
29	All other assets not included in the above categories	1,121	201	1,387	2,709
30	**Off-balance sheet items**	**2,928**	-	-	**115**
31	Total RSF (SN 14+ SN 15+ SN 16+ SN 24+SN 30)	-	-	-	20,368
32	**Net Stable Funding Ratio (%) (SN 13/ SN 31)**	**-**	**-**	**-**	**190%**

Notes:

1. The ratio refers to the amount of available stable funding relative to the amount of required stable funding and aims to ensure a resilient and stable balance sheet funding structure.
2. As of 30 June 2026, the bank's NSFR closed at 190% (June 2025: 168%), above the regulatory requirements.
3. The MUR, USD and EUR NSFR stood at 152%, 273% and 168% respectively as of 30 June 2026.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The financial statements for the bank's operations in Mauritius presented in this annual report have been prepared by management, which is responsible for their integrity, consistency, objectivity and reliability. International Accounting Standards / International Financial Reporting Standards as well as the requirements of the Banking Act 2004 and the guidelines issued thereunder have been applied and management has exercised its judgement and made best estimates where deemed necessary.

The bank has designed and maintained its accounting systems, related internal controls and supporting procedures, to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorised use or disposal. These supporting procedures include careful selection and training of qualified staff, the implementation of organisation and governance structures providing a well-defined division of responsibilities, authorisation levels and accountability for performance, and the communication of the bank's policies, procedures manuals and guidelines of the Bank of Mauritius throughout the bank.

The bank's Board of Directors, acting in part through the Audit Committee, Risk Management Committee and Conduct Review Committee, which comprise of independent directors, oversees management's responsibility for financial reporting, internal controls, assessment and control of major risk areas, and assessment of significant and related party transactions.

The bank's Internal Auditor, who has full and free access to the Audit Committee, conducts a well-designed program of internal audits in coordination with the bank's external auditors. In addition, the bank's compliance function maintains policies, procedures and programmes directed at ensuring compliance with regulatory requirements.

Pursuant to the provisions of the Banking Act 2004, the Bank of Mauritius makes such examination and inquiry into the operations and affairs of the bank as it deems necessary.

The bank's external auditor, KPMG Mauritius, has full and free access to the Board of Directors and its committees to discuss the audit and matters arising therefrom, such as their observations on the fairness of financial reporting and the adequacy of internal controls.

Lakshmana Lutchmenarraidoo Chairperson of the Board	**David Brian Ah-Chuen** Managing Director	**Laura Yee Min Wong Sun Thiong** Chairperson Audit Committee

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF ABC BANKING CORPORATION LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ABC Banking Corporation Ltd (the Bank), which comprise the statement of financial position as at 30 June 2026 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, comprising material accounting policies and other explanatory information, as set out on pages 97 to 177.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ABC Banking Corporation Ltd as at 30 June 2026, and of its 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 in compliance with the requirements of the Mauritius Companies Act 2001, the Financial Reporting Act 2004, the Banking Act 2004 and the guidelines and guidance notes as issued by the Bank of Mauritius.

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 *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of the financial statements of public interest entities. We have also 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF ABC BANKING CORPORATION LTD

Report on the Audit of the Financial Statements (Continued)

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><td colspan="2">Expected credit losses (ECL) on loans and advances to customers

Refer to the following notes to financial statements:

Note 5.4 - Summary of material accounting policies - Financial assets and liabilities - Due from banks and loans and advances to customers
Note 5.7 - Summary of material accounting policies - Impairment of financial assets
Note 6.1 - Significant accounting judgements, estimates and assumptions - Impairment losses on financial assets
Note 11 - Loans and advances to customers
Note 28 - Allowance for credit impairment on financial assets
Note 41(b) - Risk management - Credit risk</td></tr>
<tr><td>Key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>As at 30 June 2026, the Bank's net loans and advances to customers amounted to MUR 19.1 billion, after deducting expected credit loss allowances of approximately MUR 169.5 million and deferred income of approximately MUR 85.5 million.

Gross credit-impaired loans and advances classified in Stage 3 amounted to approximately MUR 278.2 million, against which the Bank recognised Stage 3 expected credit loss allowances of approximately MUR 105.9 million, resulting in a net Stage 3 balance of approximately MUR 172.2 million.
Loans and advances to customers are measured at amortised cost using the effective interest rate method, less expected credit loss allowances.

The determination of expected credit losses requires significant judgement and the use of complex models and assumptions. The Bank calculates expected credit losses using probability of default (PD), loss given default (LGD) and exposure at default (EAD), and applies a three-stage impairment approach:</td><td>Our audit procedures included the following:

• We obtained an understanding of the Bank's credit risk management and expected credit loss processes and evaluated the design, implementation and, where relevant, operating effectiveness of key controls over credit origination, credit monitoring, staging, expected credit loss calculations, model governance and the approval of forward-looking macroeconomic information.

• We assessed whether the Bank's accounting policies and expected credit loss methodologies were appropriate and consistent with the requirements of IFRS 9, Financial Instruments (IFRS 9).

• We involved our information technology specialists to evaluate relevant information technology controls supporting the completeness and accuracy of data used in the expected credit loss calculation, including automated days-past-due information used in staging.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF ABC BANKING CORPORATION LTD

Report on the Audit of the Financial Statements (Continued)

Key Audit Matter (continued)

Expected credit losses (ECL) on loans and advances to customers

Refer to the following notes to financial statements:

Note 5.4 - Summary of material accounting policies - Financial assets and liabilities - Due from banks and loans and advances to customers
Note 5.7 - Summary of material accounting policies - Impairment of financial assets
Note 6.1 - Significant accounting judgements, estimates and assumptions - Impairment losses on financial assets
Note 11 - Loans and advances to customers
Note 28 - Allowance for credit impairment on financial assets
Note 41(b) - Risk management - Credit risk

Key audit matter	How the matter was addressed in our audit
• **Stage 1:** 12-month expected credit losses; • **Stage 2:** lifetime expected credit losses for exposures that have experienced a significant increase in credit risk but are not credit-impaired; and • **Stage 3:** lifetime expected credit losses for credit-impaired exposures. For Stage 1 and Stage 2 exposures, significant judgement is applied in determining whether there has been a significant increase in credit risk, estimating the PD, LGD and EAD, and incorporating probability-weighted forward-looking macroeconomic information. For Stage 3 exposures, significant judgement is applied in identifying credit-impaired loans, estimating expected future cash flows and assessing the value and recoverability of collateral. Due to the significance of loans and advances to the financial statements, together with the complexity of the expected credit loss models and the significant judgements and estimation uncertainty involved, this was considered a key audit matter.	**Stage 1 and Stage 2 exposures** • We evaluated the completeness and accuracy of data used in the expected credit loss models. This included reconciling the population of loans and advances subject to expected credit losses to the Bank's underlying records and, for a sample of exposures, agreeing relevant data inputs to supporting documentation. With the assistance of our credit risk specialists, we have performed the following procedures: • Assessed the appropriateness of the expected credit loss models and the PD, LGD and EAD parameters by reference to the requirements of IFRS 9, the Bank's methodology and relevant available external information. • Assessed the reasonableness of significant assumptions, including the criteria used to identify significant increases in credit risk, the selection and weighting of forward-looking macroeconomic scenarios and the macroeconomic variables incorporated into the expected credit loss models. This included consideration of historical default trends, benchmark data and back-testing of expected credit loss assumptions and outcomes.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF ABC BANKING CORPORATION LTD

Report on the Audit of the Financial Statements (Continued)

Key Audit Matter (continued)

Expected credit losses (ECL) on loans and advances to customers

Refer to the following notes to financial statements:

Note 5.4 - Summary of material accounting policies - Financial assets and liabilities - Due from banks and loans and advances to customers
Note 5.7 - Summary of material accounting policies - Impairment of financial assets
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Note 11 - Loans and advances to customers
Note 28 - Allowance for credit impairment on financial assets
Note 41(b) - Risk management - Credit risk

Key audit matter	How the matter was addressed in our audit
	• Reperformed selected expected credit loss calculations and compared the results with the amounts calculated by the Bank. • For a sample of loans and advances, assessed whether exposures had been allocated to the appropriate IFRS 9 stage. **Stage 3 exposures** • For a sample of Stage 3 loans and advances, we assessed whether the exposures had been appropriately identified as credit-impaired by considering relevant impairment indicators and the available supporting evidence. • We evaluated the expected future cash flows used by management and assessed the recoverability and valuation of collateral. For selected collateral, we inspected supporting valuation reports and compared significant valuation inputs with relevant available market information.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF ABC BANKING CORPORATION LTD

Report on the Audit of the Financial Statements (Continued)

Key Audit Matter (continued)

Expected credit losses (ECL) on loans and advances to customers Refer to the following notes to financial statements: Note 5.4 - Summary of material accounting policies - Financial assets and liabilities - Due from banks and loans and advances to customers Note 5.7 - Summary of material accounting policies - Impairment of financial assets Note 6.1 - Significant accounting judgements, estimates and assumptions - Impairment losses on financial assets Note 11 - Loans and advances to customers Note 28 - Allowance for credit impairment on financial assets Note 41(b) - Risk management - Credit risk	
Key audit matter	**How the matter was addressed in our audit**
	• Where management used experts to value collateral, we evaluated the competence, capabilities and objectivity of management's experts with reference to their qualifications and industry experience. In addition, we assessed the appropriateness of the valuation techniques and significant assumptions applied against the Bank's policy, industry standards and the requirements of IFRS 9 and IFRS 13. • We independently developed an expected credit loss estimate for selected Stage 3 exposures and compared our estimate with the amount recognised by the Bank. • We assessed whether the expected credit loss disclosures in the financial statements were appropriate in accordance with IFRS 7, *Financial Instruments: Disclosures* and IFRS 9.

Emphasis of Matter - Comparative Information

We draw attention to note 43 to the financial statements which indicates that the comparative information presented as at and for the years ended 30 June 2025 and 30 June 2024, have been restated. Our opinion is not modified in respect of this matter.

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF ABC BANKING CORPORATION LTD

Report on the Audit of the Financial Statements (Continued)

Other Information

The directors are responsible for the other information. The other information comprises the Chairperson's Letter, Corporate Profile, Corporate Information, Board of Directors, Financial Highlights, Managing Director's Report, Corporate Governance Report, Statement of Compliance, Other Statutory Disclosures, Secretary's Certificate, Statement of Directors' Responsibilities, Management Discussion and Analysis, Risk Report and Statement of Directors' Responsibilities for Financial Reporting but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in compliance with the requirements of the Mauritius Companies Act 2001, the Financial Reporting Act 2004, the Banking Act 2004 and the guidelines and guidance notes as issued by the Bank of Mauritius, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF ABC BANKING CORPORATION LTD

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the 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 Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 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 Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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 the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law 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.

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF ABC BANKING CORPORATION LTD

Report on the Audit of the Financial Statements (Continued)

Use of our Report

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

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Bank other than in our capacity as auditors and tax advisors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Bank as far as it appears from our examination of those records.

Banking Act

In our opinion, the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the Banking Act and the regulations and guidelines of the Bank of Mauritius.

The explanations or information called for or given to us by the officers or agents of the Bank were satisfactory.

Financial Reporting Act

Our responsibility under the Financial Reporting Act 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 Bank has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

Initial

KPMG

Signed by:

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KPMG
Ebène, Mauritius

Valerie Wong Choi Wah
Licensed by FRC

Date: 25 September 2026

ABC BANKING CORPORATION LTD
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Notes	2026	2025*	2024*
		MUR	MUR	MUR
ASSETS				
Cash and cash equivalents	8	**10,737,863,096**	8,709,698,556	4,596,690,444
Due from banks	9	**474,460,324**	159,523,736	-
Derivative financial assets	10	**15,097,950**	8,490,206	9,989,650
Loans and advances to customers	11	**19,078,187,880**	*17,969,089,117	*14,211,736,694
Investment securities	12	**10,407,153,888**	5,355,140,930	6,653,592,914
Property, equipment and right-of-use assets	14	**141,187,047**	170,463,900	534,051,564
Intangible assets	15	**91,300,101**	64,026,904	68,968,713
Deferred tax assets	16	**32,088,076**	15,420,198	6,328,716
Other assets	13	**1,092,138,202**	999,189,914	252,583,289
Total assets		**42,069,476,564**	33,451,043,461	26,333,941,984
LIABILITIES				
Deposits from customers	17	**36,605,484,518**	28,843,057,342	22,352,726,759
Derivative financial liabilities	10	**15,693,337**	24,816,450	4,981,376
Due to banks	18	**816,089,048**	625,715,576	-
Subordinated debts	19	**707,296,410**	706,076,724	1,210,599,154
Current tax liabilities		**76,109,275**	48,729,319	29,563,378
Other liabilities	21	**868,122,665**	*408,866,226	*259,902,047
Total liabilities		**39,088,795,253**	30,657,261,637	23,857,772,714
Shareholders' Equity				
Issued capital	22	**940,495,472**	940,495,472	940,495,472
Retained earnings		**1,401,347,328**	1,301,261,907	1,263,720,032
Other reserves	23	**638,838,511**	552,024,445	271,953,766
Capital and reserves		**2,980,681,311**	2,793,781,824	2,476,169,270
Total liabilities and equity		**42,069,476,564**	33,451,043,461	26,333,941,984

These financial statements have been approved and authorised for issue by the Board of Directors on 22 September 2026.

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335).
Refer to Note 43 (a).

Lakshmana Lutchmenarraidoo
Chairperson of the Board

David Brian Ah-Chuen
Managing Director

Laura Yeung Sik Yuen
Chairperson Audit Committee

The notes set out on pages 101 to 177 form part of these financial statements.
Auditor's report on pages 89 to 96.

ABC BANKING CORPORATION LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026	2025	2024
		MUR	MUR	MUR
Interest income		**1,664,749,238**	1,439,197,389	1,281,335,946
Interest expense		**(800,695,307)**	(729,524,627)	(604,113,506)
Net interest income	24	**864,053,931**	709,672,762	677,222,440
Fee and commission income		**142,971,536**	136,673,950	119,485,955
Fee and commission expense		**(60,510,431)**	(62,460,414)	(53,739,902)
Net fee and commission income	25	**82,461,105**	74,213,536	65,746,053
Net trading income	26	**194,895,870**	115,080,299	104,349,278
Other operating income	27	**6,254,599**	155,850,125	2,271,615
Total other income		**201,150,469**	270,930,424	106,620,893
Operating income		**1,147,665,505**	1,054,816,722	849,589,386
Personnel expenses	29	**(375,736,855)**	(334,607,646)	(299,613,040)
Depreciation and amortisation	14,15	**(71,057,529)**	(54,082,561)	(49,934,985)
Other operating expenses	30	**(268,271,358)**	(205,932,384)	(161,280,546)
Non-interest expenses		**(715,065,742)**	(594,622,591)	(510,828,571)
Operating profit before impairment		**432,599,763**	460,194,131	338,760,815
Allowance for credit impairment on financial assets	28	**(30,009,843)**	(20,102,578)	(40,619,484)
Operating profit before tax		**402,589,920**	440,091,553	298,141,331
Income tax expense	20	**(105,631,580)**	(59,458,765)	(40,468,556)
Profit for the year		**296,958,340**	380,632,788	257,672,775
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss, net of tax:				
Net loss on investments in equity instruments designated at fair value through other comprehensive income	23	**(10,688,046)**	(6,671,622)	(19,593,708)
Remeasurement of retirement benefit obligation	36	**(122,974)**	7,486,817	(8,061,476)
Total of items that will not be reclassified subsequently to profit or loss, net of tax		**(10,811,020)**	815,195	(27,655,184)
Items that may be reclassified subsequently to profit or loss, net of tax:				
Reversal of/(allowance for) expected credit loss relating to debt instruments measured at fair value through other comprehensive income	28	**1,909,199**	389,743	(479,692)
Net (loss)/gain on investments in debt instruments measured at fair value through other comprehensive income	23	**(13,444,379)**	4,419,518	17,688,748
Total of items that may be reclassified subsequently to profit or loss, net of tax		**(11,535,180)**	4,809,261	17,209,056
Other comprehensive income for the year		**(22,346,200)**	5,624,456	(10,446,128)
Total comprehensive income for the year		**274,612,140**	386,257,244	247,226,647
Earnings per share				
Basic and diluted	31	**3.89**	4.99	3.38

The notes set out on pages 101 to 177 form part of these financial statements.
Auditor's report on pages 89 to 96.

ABC BANKING CORPORATION LTD
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026

	Notes	Issued capital	Retained earnings	Statutory reserve	Other reserve	Total
		MUR	MUR	MUR	MUR	MUR
At 1 July 2023		940,495,472	1,121,404,334	257,458,661	(21,771,159)	2,297,587,308
Profit for the year		-	257,672,775	-	-	257,672,775
Other comprehensive income		-	(8,061,476)	-	(2,384,652)	(10,446,128)
Total comprehensive income for the year		-	249,611,299	-	(2,384,652)	247,226,647
Transfer to statutory reserve		-	(38,650,916)	38,650,916	-	-
Equity dividends	32	-	(68,644,685)	-	-	(68,644,685)
At 30 June 2024		940,495,472	1,263,720,032	296,109,577	(24,155,811)	2,476,169,270
At 1 July 2024		940,495,472	1,263,720,032	296,109,577	(24,155,811)	2,476,169,270
Profit for the year		-	380,632,788	-	-	380,632,788
Other comprehensive income		-	7,486,817	-	(1,862,361)	5,624,456
Total comprehensive income for the year		-	388,119,605	-	(1,862,361)	386,257,244
Transfer to statutory reserve		-	(57,094,918)	57,094,918	-	-
Transfer to other reserve		-	(224,838,122)	-	224,838,122	-
Equity dividends	32	-	(68,644,690)	-	-	(68,644,690)
At 30 June 2025		940,495,472	1,301,261,907	353,204,495	198,819,950	2,793,781,824
At 1 July 2025		**940,495,472**	**1,301,261,907**	**353,204,495**	**198,819,950**	**2,793,781,824**
Profit for the year		**-**	**296,958,340**	**-**	**-**	**296,958,340**
Other comprehensive income		**-**	**(122,974)**	**-**	**(22,223,226)**	**(22,346,200)**
Total comprehensive income for the year		**-**	**296,835,366**	**-**	**(22,223,226)**	**274,612,140**
Transfer to statutory reserve		**-**	**(44,543,751)**	**44,543,751**	**-**	**-**
Transfer to other reserve		**-**	**(64,493,541)**	**-**	**64,493,541**	**-**
Equity dividends	32	**-**	**(87,712,653)**	**-**	**-**	**(87,712,653)**
At 30 June 2026		**940,495,472**	**1,401,347,328**	**397,748,246**	**241,090,265**	**2,980,681,311**

The notes set out on pages 101 to 177 form part of these financial statements.
Auditor's report on pages 89 to 96.

ABC BANKING CORPORATION LTD
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026	2025*	2024*
		MUR	MUR	MUR
Cash flows from operating activities				
Profit before taxation		**402,589,920**	440,091,553	298,141,331
Adjustments for:				
Depreciation and amortisation	14, 15	**71,057,529**	54,082,561	49,934,985
Allowance for credit impairment on financial assets	28	**30,009,843**	20,102,578	40,619,484
Retirement benefit costs	36	**6,514,927**	516,026	(5,246,097)
Exchange difference		**(250,313,511)**	(7,424,549)	(209,200,144)
Dividend income from equity instruments at FVOCI	27	**(2,807,467)**	(1,561,824)	(1,542,627)
Net interest income	24	**(864,053,931)**	(709,672,762)	(677,222,440)
Profit on disposal of property and equipment	27	**(420,809)**	(146,524,458)	(441,304)
Cash flows before the net changes in operating assets and liabilities		**(607,423,499)**	(350,390,875)	(504,956,812)
Net changes in operating assets and liabilities				
Increase in loans and advances to customers		**(1,131,088,281)**	(*3,240,254,436)	(*2,961,037,251)
Increase in other assets		**(92,948,288)**	(746,606,625)	(51,671,681)
(Increase)/decrease in derivative financial instruments		**(15,730,857)**	21,334,518	(4,390,178)
(Increase)/decrease in due from banks		**(315,212,770)**	(159,669,375)	6,152
Increase in deposits from customers		**7,854,709,321**	6,582,612,728	2,051,870,045
Increase from due to banks		**190,373,472**	**617,131,200	-
Increase/(decrease) in other liabilities		**432,044,726**	(*60,775,656)	(*161,376,881)
		6,314,723,824	**2,663,381,479	(1,631,556,606)
Income tax paid		**(94,919,504)**	(49,701,417)	(52,401,094)
Interest received		**1,555,371,484**	1,422,749,742	1,291,233,245
Interest paid		**(759,504,005)**	(625,640,735)	(657,566,890)
Net cash generated from /(used in) operating activities		**7,015,671,799**	**3,410,789,069	(1,050,291,345)
Cash flows from investing activities				
Purchase of investment securities		**(9,302,505,732)**	(1,332,273,412)	(2,399,854,004)
Proceeds from sale and redemption of investment securities		**4,249,846,615**	2,629,158,383	1,644,137,604
Purchase of property and equipment	14	**(17,674,545)**	(23,702,306)	(13,290,894)
Dividend received	27	**2,807,467**	1,561,824	1,542,627
Purchase of intangible assets	15	**(51,439,253)**	(12,838,498)	(2,308,959)
Proceeds from sale of property and equipment		**480,733**	1,865,217	1,391,304
Net cash (used in)/generated from investing activities		**(5,118,484,715)**	1,263,771,208	(768,382,322)
Cash flows from financing activities				
Redemption of subordinated debts		**-**	(500,000,000)	-
Issue of subordinated debts	19	**-**	-	705,219,702
Repayment of principal portion of lease liabilities		**(31,623,402)**	(332,025)	(595,837)
Dividend paid	32	**(87,712,653)**	(68,644,690)	(68,644,685)
Net cash generated (used in) / generated from financing activities	39	**(119,336,055)**	(**568,976,715)	635,979,180
Net increase/(decrease) in cash and cash equivalents		**1,777,851,029**	4,105,583,563	(1,182,694,487)
Net foreign exchange difference		**250,313,511**	7,424,549	209,200,144
Net cash and cash equivalents at beginning of year		**8,709,698,556**	4,596,690,444	5,570,184,787
Net cash and cash equivalents at end of year	8	**10,737,863,096**	8,709,698,556	4,596,690,444

The changes in liabilities arising from financing activities are disclosed in note 39.
The notes set out on pages 101 to 177 form part of these financial statements.
Auditor's report on pages 89 to 96.

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335).
Refer to Note 43 (a).

**Movement from due to banks has been reclassified from cash flows from financing activities to cash flows from operating activities.
Refer to Note 43 (b).

1. CORPORATE INFORMATION

ABC Banking Corporation Ltd (the "Bank") stands as a well-established Bank, highly respected for its excellent reputation, strict integrity and top-quality products and services.

The Bank is organised around four main pillars: Personal & Corporate Banking, Private Banking, Global Banking and Treasury.

Following a corporate reorganisation to separate its banking and non-banking activities, the Bank became the subsidiary of the newly created holding company, ABCB Holdings Limited, which now oversees both sectors. The reorganisation was effective on 2 April 2025 and was carried out through a Scheme of Arrangement under the Mauritius Companies Act 2001.
This led to the delisting of the Bank's shares from the Development & Enterprise Market and the listing of ABCB Holdings Limited shares on the main board of the Stock Exchange of Mauritius on 4 April 2025.

The financial statements for the year ended 30 June 2026 were authorised for issue in accordance with a resolution of the Directors on 22 September 2026

2. BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, except for equity and debt instruments measured at fair value through other comprehensive income (FVOCI) and derivative financial instruments, all of which have been measured at fair value. The financial statements are presented in Mauritian Rupee (MUR) which is the Bank's functional and presentation currency and all values are rounded to the nearest rupee, except otherwise stated.

3. STATEMENT OF COMPLIANCE

The financial statements of the Bank have been prepared in accordance with IFRS® Accounting Standards as issued by International Accounting Standards Board ("IFRS Accounting Standards"), and in the manner required by the Mauritius Companies Act 2001, the Financial Reporting Act 2004, the Banking Act 2004, and Guidelines and guidance notes as issued by the Bank of Mauritius.

4. PRESENTATION OF FINANCIAL STATEMENTS

The Bank presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 41(e).

Financial assets and financial liabilities are generally reported gross in the statement of financial position. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:
- The normal course of business
- The event of default
- The event of insolvency or Bankruptcy of the Bank and/or its counterparties.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

5.1. Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences are taken to the statement of profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the dates of recognition. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

5.2. Finance leases

5.2.1. Initial recognition

Assets held under a finance lease are recognised in the statement of financial position and are presented as an asset at an amount equal to the net investment in the lease.

Under a finance lease, substantially all the risks and rewards incidental to legal ownership are transferred by the Bank, and thus the lease payment receivable is treated by the Bank as repayment of principal and finance income.

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.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

5.2. Finance leases (Cont'd)

5.2.2. Subsequent measurement

The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the net investment in the finance lease.

The Bank aims to allocate finance 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 Bank's net investment in the finance lease. Lease payments relating to the period, excluding costs 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 Bank'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 term is revised and any reduction in respect of amounts accrued is recognised immediately.

5.3. Financial instruments - initial recognition

5.3.1. Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and deposits from customers, are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' account. The Bank recognises deposits from customer balances when funds reach the Bank.

5.3.2. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in notes 5.4.1.1 and 5.4.1.2. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. When the fair value of financial instruments at initial recognition differs from the transaction price, the Bank accounts for the day 1 profit or loss, as described below.

5.3.3. Day 1 profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument, or based on a valuation technique with the variables including only data from observable markets, the Bank immediately recognises the difference between the transaction price and fair value (a day 1 profit or loss) in net trading income in the statement of profit or loss. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the statement of profit or loss when the inputs become observable, or when the instrument is derecognised.

5.3.4 Measurement categories of financial assets and liabilities

The Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost, as explained in note 5.4.1;
- Fair value through other comprehensive income (FVOCI), as explained in notes 5.4.2 and 5.4.3; and
- Fair value through profit and loss (FVPL).

The Bank classifies and measures its derivatives at FVPL as explained in note 5.4.4 . The Bank may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies, as explained in note 5.4.6.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied, as explained in note 5.4.6.

5.4. Financial assets and liabilities

5.4.1. Due from Banks and loans and advances to customers

After initial measurement, amounts due from Banks and loans and advances to customers are subsequently measured at amortised cost using the effective interest rate (EIR) methodology, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. Therefore, the Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of the loan, hence, recognising the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (prepayments, penalty interest and charges).

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

5.4. Financial assets and liabilities (Cont'd)

5.4.1. Due from Banks and loans and advances to customers (cont'd)

If expectations are revised the adjustment is booked as a positive or negative adjustment to the carrying amount in the statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through interest and similar income in the statement of profit or loss.

The Bank only measures due from Banks, loans and advances to customers and other financial investments at amortised cost if both of the following conditions are met:

• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The ECL calculation for due from Banks and loans and advances to customers is explained in note 5.7.

5.4.1.1. Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

•How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

•The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed

•How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

•The expected frequency, value and timing of sales are also important aspects of the Bank's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

5.4.1.2. Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process, the Bank assesses the contractual terms of financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

5.4.2. Debt instruments at FVOCI

The Bank applies the category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:
• The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
• The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in statement of other comprehensive income. Interest income and foreign exchange gains and losses are recognised in statement of profit or loss in the same manner as for financial assets measured at amortised cost as explained in note 5.14. The Expected Credit Loss ("ECL") calculation for debt instruments at FVOCI is explained in note 5.7.3. Where the Bank holds more than one investment in the same security, they are deemed to be disposed of on a first–in first–out basis. On derecognition, cumulative gains or losses previously recognised in statement of other comprehensive income are reclassified from statement of other comprehensive income to statement of profit or loss.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

5.4. Financial assets and liabilities (Cont'd)

5.4.3. Equity instruments at FVOCI

Upon initial recognition, the Bank occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of equity under *IAS 32 Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to statement of profit or loss. Dividends are recognised in statement of profit or loss as other operating income when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in statement of other comprehensive income. Equity instruments at FVOCI are not subject to an impairment assessment.

5.4.4. Derivatives recorded at fair value through profit or loss

A derivative is a financial instrument or other contract with all three of the following characteristics:

a) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (also known as the 'underlying').

b) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

c) It is settled at a future date.

The Bank enters into derivative transactions with various counterparties. These include forward foreign exchange contracts. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative.

5.4.5. Financial assets and financial liabilities designated at fair value through profit or loss

Financial assets and financial liabilities classified in this category are those that have been designated by management upon initial recognition. Management may only designate an instrument at FVPL upon initial recognition when one of the following criteria are met, and designation is determined on an instrument-by-instrument basis:

• The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis

or

• The assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy

or

• The financial instrument contains one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in statement of profit and loss with the exception of movements in fair value of liabilities measured at FVPL due to changes in the Bank's own credit risk. Such changes in fair value are recorded in the own credit reserve through statement of other comprehensive income and do not get recycled to the statement of profit or loss.

5.4.6. Subordinated liabilities and due to banks

Financial instruments issued by the Bank that are not held for trading or designated at FVPL, are classified as liabilities under subordinated liabilities and due to banks, where the substance of the contractual arrangement results in the Bank having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

After initial measurement, subordinated liabilities and due to banks are subsequently measured at amortised cost using the EIR. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

5.4. Financial assets and liabilities (Cont'd)

5.4.7. Financial guarantees, letters of credit and undrawn loan commitments

The Bank issues financial guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognised in the financial statements (within 'other liability') at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit or loss, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee, or an ECL provision as set out in note 32.

The premium received is recognised in the statement of profit or loss in net fee and commission income on a straight line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. These contracts are in the scope of the ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of financial position. The nominal values of these instruments together with the corresponding ECLs are disclosed in note 28.

5.4.8. Subordinated debts

Loans and borrowings are recognised initially at fair value, net of directly attributable transaction costs.
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gain and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
After initial measurement, subordinated debts are subsequently measured at amortised cost using the EIR. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

5.4.9. Due to banks
Due to banks are recognised initially at fair value, net of directly attributable transaction costs.

5.5. Reclassification of financial assets and liabilities

The Bank does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Bank did not reclassify any of its financial assets or liabilities during the reporting period.

5.6. Derecognition of financial assets and financial liabilities

5.6.1. Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired. The Bank also derecognises the assets if it has both transferred the asset, and the transfer qualifies for derecognition.

The Bank has transferred the asset if, and only if, either:
• The Bank has transferred its contractual rights to receive cash flows from the asset
or
• It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions when the Bank retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

• The Bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates.
• The Bank cannot sell or pledge the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.
• The Bank has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Bank is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.
A transfer only qualifies for derecognition if:
• The Bank has transferred substantially all the risks and rewards of the asset.

In relation to the above, the Bank considers the control to be transferred if, and only if, the transferee has the practical ability to sell the asset in its entirely to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass–through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Bank's continuing involvement in it. In that case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

The Bank has not entered into any such transaction or arrangement during the current reporting period.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

5.6. Derecognition of financial assets and financial liabilities (Cont'd)

5.6.1. Financial assets (cont'd)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the Bank's continuing involvement is the amount of the transferred asset that the Bank may repurchase. However, in the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

The Bank also derecognises a financial asset, in particular, a loan to customer when the terms and conditions have been renegotiated to the extent that it substantially became a new loan, with the difference recognised as an impairment in the statement of profit or loss.

5.6.2. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in statement of profit or loss.

5.7. Impairment of financial assets

5.7.1. Overview of ECL principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss ("12mECL") as outlined in note 5.7.2. The Bank's policies for determining if there has been a significant increase in credit risk are set out in note 41(b).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Bank's policy for grouping financial assets measured on a collective basis is explained in note 41(b).

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in note 41(b).

Based on the above process, the Bank groups its loans into stage 1, stage 2, stage 3 , as described below:
• Stage 1: When loans are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from stage 2.
• Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from stage 3.
• Stage 3: Loans considered credit-impaired (as outlined in note 41(b)).The Bank records an allowance for the LTECLs.
• POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

There were no POCI assets during the financial year.

The Bank determines the movement in staging based on:
1. Days Past Due (DPD) monitoring per account on a monthly basis as part of IFRS 9 workings to ensure DPD have improved in the following buckets:
Stage 1 - up to 30 days
Stage 2 - from 31 to 89 days
Stage 3 - 90 days and above.
2. Interim review of credit files at regular intervals to determine if there have been deterioration or improvement in credit profile of customers.

Definition of default
The Bank considers a financial asset to be in default when:
1. The borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held);
2. The borrower is more than 90 days past due on any material credit obligation to the Bank. Overdrafts are considered as being past due once the customer has breached an advised limit of been advised of a limit smaller than the current amount outstanding; or
3. It is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Bank considers indicators that are:
1. Qualitative: e.g. breaches of covenant;
2. Quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
3. Based on data developped internally and obtained from external sources

The Bank determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured at 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

• the criteria are capable of identifying significant increases in credit risk before an exposure is in default;

• the criteria do not align with the point in time when an asset becomes 30 days past due;

• the average time between the identification of a significant increase in credit risk and default appears reasonable;

• exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and

• there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

5.7.2. The calculation of ECLs

The Bank calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at the original EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

5.7. Impairment of financial assets (cont'd)

5.7.2. The calculation of ECLs (cont'd)

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

• PD	The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PDs is further explained in note 39(b).
• EAD	The Exposure at Default 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, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The EAD is further explained in note 41(b).
• LGD	The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is further explained in note 41(b).

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside and a downside). Each of these scenarios is associated with different PDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

Provisions for ECLs for undrawn loan commitments are assessed as set out in note 32. The calculation of ECLs (including the ECLs related to the undrawn element) of revolving facilities is explained in note 5.7.5.

The mechanics of the ECL method are summarised below:

• Stage 1	The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
• Stage 2	When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
• Stage 3	For loans considered credit-impaired (as defined in note 41(b)), the Bank recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. The assessment takes into consideration the net realisable value of the underlying collateral.
• POCI	POCI assets are financial assets that are credit impaired on initial recognition. The Bank only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit adjusted EIR.
• Loan commitments and letters of credit	When estimating LTECLs for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For revolving facilities that include both a disbursed portion and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within other liabilities.
• Financial guarantee contracts	The Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit or loss, and the ECL provision. For this purpose, the Bank estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee contracts are recognised within provisions.

5.7.3. Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in statement of other comprehensive income as an accumulated impairment amount, with a corresponding charge to statement of profit or loss. The accumulated loss recognised in statement of other comprehensive income is recycled to the statement of profit and loss upon derecognition of the assets.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

5.7. Impairment of financial assets (Cont'd)

5.7.4. Purchased or originated credit impaired financial assets (POCI)

For POCI financial assets, the Bank only recognises the cumulative changes in LTECL since initial recognition in the loss allowance.

5.7.5. Overdraft and other revolving facilities

The Bank's product offering includes a variety of corporate and retail overdraft and other revolving facilities. Of occurrence of certain events, the Bank has the right to cancel and/or reduce the facilities with a 30 day's notice.

The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is similar to other lending products.

The interest rate used to discount the ECLs for overdraft and other revolving facilities is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities. This estimation takes into account that many facilities are repaid in full each month and are consequently charged no interest.

5.7.6. Forward-looking information

In its ECL models, the Bank considers a broad range of forward-looking information as economic inputs, such as GDP index/growth rate, inflation rates, unemployment rates, among others.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in note 41(b).

PDs have been revised following the update of the model parameters due to the change in the local and global macro-economic environment.

5.8. Collateral valuation

The Bank seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the Bank's quarterly reporting schedule. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as housing price indices and other independent sources.

5.9. Collateral repossessed

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value or fair value less cost to sell for non-financial assets at the repossession date in line with the Bank's policy.

In its normal course of business, the Bank engages external agents to recover funds from the repossessed assets, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the collateral under legal repossession processes are not recorded on the statement of financial position.

For the ECL calculation, the expectation of cash flows takes into account cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The estimate reflects the amount and timing of cash flows expected from the enforcement of collateral less the costs of obtaining and selling the collateral. This affects the LGD which in turn affects the ECL.

5.10. Write-offs

Financial assets are written off either partially or in their entirety only when there is no reasonable expectation of recovery from the financial assets and the Bank has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.
The Bank may write off financial assets partially that are still subject to enforcement actions and efforts to recover the debts and have not yet been concluded where bank's recovery action is foreclosing on collateral and the value of collateral is such that there is no reasonable expectation for full recovery.

The Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Bank's enforcement activities will result in impairment gains, which will be presented as bad debts recovered in 'allowance for/reversal of impairment on financial asset ' in the statements of profit or loss.

An amount of MUR **3,172,838** has been written off during the financial year (June 2025: MUR 896,131; June 2024: MUR 891,223).

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

5.11. Forborne loans

The Bank sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Bank considers a loan forborne when such concessions or modifications are provided due to the borrower's present or expected financial difficulties and the Bank would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, significant arrears for 90 days or more in a three-month period, or concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Bank's policy to monitor forborne loans to ensure that future payments continue to be likely to occur. Derecognition decisions and classification between stages 1, 2 and stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired stage 3 forborne asset until it is collected or written off.

When the loan has been renegotiated or modified but not derecognised, the Bank also reassesses whether there has been a significant increase in credit risk, as set out in note 39(b). The Bank also considers whether the assets should be classified as stage 3. Once an asset has been classified as forborne and in stage 3, the asset can only be moved to stage 1 post the completion of a satisfactory cure period of 6 months and after the customer has repaid the entire outstanding overdue amount including principal, interest and any penalty interest.

5.12. Determination of fair value

The Bank measures financial instruments at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
•Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
•Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
•Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

5.13. The effective interest rate method

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate a shorter period, to the net carrying amount of the financial asset or financial liability. The amortised cost of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted amortised cost is calculated based on the original or latest re-estimated EIR and the change in is recorded as 'interest and similar income' for financial assets and 'interest and similar expense' for financial liabilities. The accounting policies for the EIR method vary by instruments and are further explained in the respective accounting policies.

5.14. Interest income and expense

For all financial instruments measured at amortised cost and interest-bearing financial instruments classified at amortised cost, interest income or expense is recorded at the effective interest rate (EIR), which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

5.14. Interest income and expense (Cont'd)

The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Bank revises their estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense. Interest income also includes processing fees on financial instruments (loans and advances to customers since they are an integral part of the EIR).

When the recorded value of a financial asset or a group of similar financial assets has been reduced by an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for measuring the impairment loss. The Bank calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'stage 3', the Bank calculates interest income by applying the effective interest rate to the outstanding amount of the financial asset. The EIR is applied to the net amount of the outstanding balance adjusted for credit impairment. If the financial assets cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

Fee income forming an integral part of the corresponding financial instrument

Processing fees that the Bank considers to be an integral part of the corresponding financial instruments include: loan origination fees, loan commitment fees for loans that are likely to be drawn down and other credit related fees. The recognition of these processing fees (together with any incremental costs) form an essential part of the effective interest rates of the corresponding financial instruments under IFRS 9, with the exception that when it is unlikely that a loan will be drawn down, the loan commitment fees are recognised as revenue on expiry.

5.15. Fee and commission income

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. These principally include international banking and interbank transaction fees, card and related fees.

Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The Bank has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

The performance obligations and the timing of their satisfaction are identified and determined at the inception of the contract. The Bank’s revenue contracts do not include multiple performance obligations. When the Bank provides a service to its customers, consideration is charged and generally due immediately upon satisfaction of a service provided at a point in time.

Fee income from banking services provided to customers

The Bank recognises fee income on international banking and interbank transactions, card and related fee income, and fee income from other banking services (for example, account maintenance service fee, confirmation statements, cheque issuing fees, etc.) at the point in time the service is provided, under IFRS 15. Payment of fees is generally received at the same time the service is provided.

5.16. Dividend income

Dividend income is recognised when the Bank's right to receive the payment is established, which is generally when the investees approve the dividend.

5.17. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash in hand, current accounts with Banks and amounts due from Banks on demand or with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risks of changes in value.

5.18. Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. All other repairs and maintenance costs are recognised in statement of profit or loss as incurred.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. No depreciation is charged on freehold land. The estimated useful lives are as follows:

• Buildings	50 years
• Improvement to buildings	20 years
• Fixtures and fittings	10 years
• Computer equipment	4 years
• Motor vehicles	5 years

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in "other operating income" or "other operating expense" in the statement of profit or loss in the year the asset is derecognised.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

5.18. Property and equipment (Cont'd)

The Bank as a lessee
The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.
The Bank applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value recognition exemption to leases that are considered to be low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term and are subject to impairment in line with the Bank's policy as described below. It ranges from a period of 2 to 5 years. Types of right-of-use assets are land and buildings and offices.

• Offices (right-of-use assets)	2 years
• Motor vehicles (right-of-use assets)	3 to 5 years
• Land and Buildings (right-of-use assets)	5 years

Lease liabilities
At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Lease liabilities are presented under other liabilities in the Statement of financial position.

5.19. Intangible assets

Intangible assets relate to the value of computer software. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible asset. The Bank does not have any intangible asset with indefinite useful life.

Amortisation is calculated using the straight-line method to write down the cost of computer software to its residual value over a period of three to ten years.

5.20. Impairment of non-financial assets

The Bank assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Banks of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Bank bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Bank's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to statement of other comprehensive income. For such properties, the impairment is recognised in statement of other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

5.21. Post-employment benefits

Retirement gratuities
Post-employment benefits relate to retirement gratuities payable under the Workers' Rights Act 2019. The obligations arising under this item are determined by actuarial valuation carried out every year.

Defined contribution plan
The Bank operates a defined contribution plan. The contribution payable to a defined contribution plan is in proportion to the services rendered to the Bank by the employees and is recorded as an expense under personnel expenses.

A defined contribution plan is a pension plan under which the Bank pays fixed contributions in separate entity. The Bank 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.

Payments to a defined contribution plan are recognised as an expense when employees have rendered service that entitle them to the contributions.

5.22. Provisions

Provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

5.23. Taxes

5.23.1. Current tax

Current tax liabilities for the current and prior years are measured at the amount expected to be paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Special levy

Under section 53J of the Value Added Tax, the Bank is liable to pay a special levy on its leviable income at the rate of 5.5 per cent. Leviable income is defined as the aggregate of the net interest income and other income before any expenses on transactions with residents other than companies with a Global Business Licence.

The levy for the Bank in operation as from 30 June 2018 shall be either as above or 1.5 times of the levy payable for the year of assessment 2017-2018 (financial year ended 31 December 2017) whichever is lower. No levy shall be paid for an accounting period where a bank incurred a loss in the accounting period.

In January 2021, the Bank of Mauritius advised all Banks that the special levy should be treated as a tax expense. The Bank accounts for the special levy under IAS 12 Income Taxes (IAS 12). The special levy is charged to income tax expense in the statement of profit and loss and accounted under current tax liabilities in the statement of financial position.

Management are of the view that this accounting policy provides a better appreciation of how the operating expenses attributable to the Bank's operations are evolving in relation to the Bank's income and also the adoption of IAS 12 will achieve comparability of the cost-to-income ratio in the banking industry.

Corporate Climate Responsibility Levy (''CCR levy'')

The Finance Act 2024, published on 27 July 2024, introduced the imposition of the CCR Levy, which is intended to support national efforts aimed at protecting, managing, investing in, and restoring Mauritius' natural ecosystem, as well as addressing the impacts of climat change.

The CCR Levy applies to companies having a turnover exceeding MUR 50 million. For the purposes of assessing the relevance of the CCR Levy to a taxpayer, the term "turnover"has been defined as gross income, including exempt income derived from all sources.

The CCR Levy is applicable at the rate of 2% of a company's chargeable income. Exempt income, as well as income falling outside the scope of taxation, is not included in a company's chargeable income and will, hence, not be subject to the CCR Levy. The CCR Levy applies as from the year of assessement begining 1 July 2024.

Fair Share Contribution ("FSC")

In accordance with the Finance Act 2025, the Bank is subject to the fair share contribution ("FSC") which will be applied for the period from 1 July 2025 to 30 June 2028. The Bank meets the statutory eligibility criteria of having annual supplies and a chargeable income, each exceeding MUR 24 million and is therefore within the scope of FSC.

Under the applicable rates for banking institutions, the Bank is liable to FSC at a rate of 5% of its chargeable income. In addition, the Bank is required to account for a supplementary FSC at a rate of 2.5% on its chargeable income arising specifically from transactions with residents (excluding transactions with global business entities). To ensure that the total tax burden remains equitable, the law provides for a relief mechanism whereby the aggregate amount of the FSC, income tax, CSR, CCR levy, special levy on banks shall not exceed 35% of the Bank's chargeable income.

The FSC is declared and settled electronically on a quarterly basis. For the first three quarters, the Bank has elected to compute its FSC liability based on the actual results for each respective quarter. The fourth quarter return serves as a final reconciliation for the full 12-month accounting year, net of amounts already paid in respect of the preceding quarters.

5.23.2. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised as income tax benefits or expenses in the statement of profit or loss except for tax related to the fair value remeasurement of available-for-sale assets, financial instruments at FVOCI, foreign exchange differences and which are charged or credited to statement of other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5.23.3. Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added taxes except:

- Where the value added taxes incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added taxes recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

VAT Reverse Charge

The Mauritius Revenue Authority ("MRA") is of the view that the reverse charge mechanism applies to the Banking industry; however, there are still uncertainties on the applicability of this measure as at the reporting date.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

5.24. Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Bank's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Bank.

5.25. Supplementary information as required by Bank of Mauritius

In line with guideline on Public Disclosure of Information as issued by the Bank of Mauritius, the bank is required to disclose its assets and libilities, income and expenditure classified as Resident and Non-Residents.

Non-Resident activity is essentially directed to the provision of international financial services that give rise to "foreign source income", excluding "global business licence services.". Such services may be fund based and/or non-fund based. Residency activity relates to all Banking business other than Non-Resident activity.

5.26. Equity

The Bank classifies instrusments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Bank's other equity instruments are not redeemable by holders and bear an entitlement to coupons at the sole discretion of the Board of directors. Accordingly, they are presented within equity.

Distributions, there on are recognised in equity based on the Bank's assessment of the terms of the instruments, the coupon payments meet the definition of dividends.

Incremental costs that are directly attributable to the issue of an equity instruments are deducted from the initial measurement of the equity instrument

5.27. Operating expenses

Expenses are accounted in statement of profit or loss on an accrual basis and in accordance with the substance of relevant agreements.

5.28. New and amended standards and interpretations

The Bank applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2026 (unless otherwise stated) and that are relevant to the Bank. The Bank has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

The amendments clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability.

Assessing exchangeability: When to estimate a spot rate
A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

Estimating a spot rate: Meeting the estimation objective
A company’s objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements on how to estimate a spot rate.
Therefore, when estimating a spot rate a company can use:

- an observable exchange rate without adjustment; or
- another estimation technique.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

The Bank has made an assessment of adopting this new standard and concluded that it does not have a significant impact on the Bank’s financial statements.

5.29 New and revised standards in issue but not yet effective

At the date of issuance of the Bank’s financial statements, the following new and revised standards were in issue but not yet effective. Where relevant and applicable to the Bank and its operations, these standards are described and the Bank intends to adopt these standards when they become effective.

New pronouncements	**Effective for annual periods beginning on or after:**
- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 Financial Instruments: Disclosures	01-Jan-26
- Annual Improvements to IFRS Accounting Standards - Amendments to:	01-Jan-26
- IFRS 1 First-time Adoption of International Financial Reporting Standards;	
- IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS7;	
- IFRS 9 Financial Instruments;	
- IFRS 10 Consolidated Financial Statements; and	
- IAS 7 Statement of Cash flows	
- IFRS 18 *Presentation and Disclosure in Financial Statements*	01-Jan-27
- The Effects of Changes in Foreign Exchange Rates	01-Jan-27
- IFRS 20 Regulatory Assets and Regulatory Liabilities	01-Jan-29

The Bank is in the process of making an assessment of the impact on adoption of the amendments and do not expect any significant impact on its results of operations and financial position, except for IFRS 18 Presentation and Disclosure in Financial Statements as disclosed below.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)
5.29 New and revised standards in issue but not yet effective (Cont'd)

IFRS 18 Presentation and Disclosure in Financial Statements

The amendments apply for annual reporting periods beginning on or after 1 January 2027 with early adoption permitted.

IFRS 18 promotes a more structured income statement, in particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories being, operating, investing and financing activities, based on a company's main business activities. However, the company's net profit will not change.

IFRS 18 also requires companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.

IFRS 18 also requires the disclosure of Management Performance Indicators ("MPMs") which are subject to audit. They are designed to capture some but not all 'non-GAAP' measures. The standard requires MPMs to be:

- a subtotal of income and expenses;
- used in public communications outside the financial statements; and
- reflective of management's view of financial performance.

For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconciled to an amount determined under IFRS Accounting Standards. Furthermore, a company must state that it provides management's view of financial performance and is not necessarily comparable to those of other companies. Any changes or new MPMs must also be explained.

The Bank is in the process of making an assessment of the impact on adoption of the Amendments
particularly with respect to the structure of statement of profit or loss and other comprehensive income, the statement of cash flows and the additional disclosure for MPMs. The Bank is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

6. ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Bank's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

(a) Significant accounting judgements, estimates and assumptions

6.1 Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit grading model, which assigns PDs to the individual grades
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as GDP, inflation rate and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Impairment losses on financial assets are further explained on note 41(b). For impairment losses on non-financial asset, refer to note 5.20.

6.2 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see note 5.12.
This will be relevant for note 11 and note 42(a).

6.3 Retirement benefit obligation

The present value of retirement gratuities under The Workers' Rights Act 2019 is recognised in the statement of financial position as a liability. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the statement of financial position with a charge or credit recognised in statement of other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to statement of profit or loss. Past service cost is recognised in statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:
- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- net interest expense or income on the net defined benefit liability or asset
- remeasurement of the net defined benefit liability or asset

The Bank presents the first two components of defined benefit costs in statement of profit or loss in the line item under personnel expenses. Curtailment/settlement gains and losses are accounted for as past service costs.

6. ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

6.4 Deferred tax assets

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilised.

(b) Other accounting judgements, estimates and assumptions

6.5 Provisions and other contingent liabilities

Provision is recognised in the financial statements when the Bank can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Bank records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Bank takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

6.6. Effective interest rate (EIR) method

The Bank's EIR methodology, as explained in note 5.13, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and deposits and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to the country's base rate and other fee income/expense that are integral parts of the instrument. This is relevant for note 24.

6.7. Asset lives and residual values of property and equipment

The Bank reviews the estimated useful lives of property and equipment and intangible assets at the end of each reporting period. The cost of the property and equipment and intangible assets are depreciated and amortised over the estimated useful life of the asset. The estimated life is based on expected usage of the asset and expected physical wear and tear which depends on operational factors.

7. CAPITAL MANAGEMENT

The Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by the Bank of Mauritius in supervising the Bank.

During the past year, the Bank had complied in full with all its externally imposed capital requirements.

The primary objectives of the Bank's capital management are to ensure that the Bank complies with externally imposed capital requirements and that the Bank maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders' value.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

The capital structure of the Bank consists of issued capital, reserves and retained earnings. Details on stated capital are disclosed in note 22. The Bank has to comply with the Banking Act 2004 in respect of both its stated capital and reserves which are detailed in the notes. For the year ended 30 June 2026 and at that date, the Bank has complied with the regulatory requirement for both share capital and reserves. The Bank manages its capital with the aim of maximising the return to the shareholders and other stakeholders.

The Bank's capital adequacy ratio is analysed as follows:

	2026	2025	2024
	%	%	%
CET1 capital ratio	**11.8**	11.5	13.8
Tier 1 capital ratio	**11.8**	11.5	13.8
Total capital ratio	**16.1**	15.9	18.8

Minimum capital adequacy ratios under the Guideline on Scope of Application of Basel III and Eligible Capital:

	2026	2025	2024
	%	%	%
CET1 capital ratio	**6.5**	6.5	6.5
CET1 capital ratio plus Capital Conservation Buffer	**9.0**	9.0	9.0
Tier 1 capital ratio	**8.0**	8.0	8.0
Total capital ratio	**10.0**	10.0	10.0
Total capital ratio plus Capital Conservation Buffer	**12.5**	12.5	12.5

8. CASH AND CASH EQUIVALENTS

	2026	2025	2024
	MUR	MUR	MUR
Cash in hand	**24,344,019**	23,193,094	13,752,482
Balances with Central Bank	**1,755,300,600**	1,778,513,866	1,567,648,080
Balances with Banks	**2,020,138,046**	1,319,307,902	512,440,074
Loans to and placements with Banks	**6,938,080,431**	5,588,683,694	2,502,849,808
	10,737,863,096	8,709,698,556	4,596,690,444

Cash and cash equivalents comprise of cash at Banks and on hand and loans to and placements with Banks with an original maturity of less than 3 months.

Balances with Central Bank includes minimum cash reserve requirement which represents 9% of the average deposit liability base held over the preceding 28 days period.

9. DUE FROM BANKS

	2026	2025	2024
	MUR	MUR	MUR
Placement with Banks	**474,866,700**	159,657,412	-
Less: Expected credit losses	**(406,376)**	(133,676)	-
	474,460,324	159,523,736	-

Due from banks relate to placement with SBM Bank (Mauritius) Ltd at the rate of 3.6% per annum, having an original maturity of more than 3 months.

9.1 Impairment allowance for due from Banks

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained and policies about whether ECL allowances are calculated on an individual or collective basis are set out in note 41(b):

	2026	2025	2024
Internal rating grade	**MUR**	MUR	MUR
Performing			
Investment grade	**474,866,700**	159,657,412	-
Standard Monitoring	-	-	-
Watchlist	-	-	-
Unrated	-	-	-
Non - performing			
Default	-	-	-
Gross carrying amount	**474,866,700**	159,657,412	-
Expected Credit Losses	**(406,376)**	(133,676)	-
	474,460,324	159,523,736	-

An analysis of changes in the gross carrying amount is as follows:

	2026	2025	2024
	MUR	MUR	MUR
Gross carrying amount as at 1 July	**159,657,412**	-	-
New assets originated or purchased	**474,866,700**	159,657,412	-
Assets derecognised or repaid (excluding write offs)	**(159,657,412)**	-	-
At 30 June	**474,866,700**	159,657,412	-

ECL allowance	**2026**	2025	2024
	MUR	MUR	MUR
Internal rating grade			
Performing			
Investment grade	**406,376**	133,676	-
Standard Monitoring	-	-	-
Watchlist	-	-	-
Unrated	-	-	-
Non-performing			
Default	-	-	-
Total	**406,376**	133,676	-

An analysis of changes in the ECL amount is as follows:

	2026	2025	2024
	MUR	MUR	MUR
ECL allowance as at 1 July	**133,676**	-	-
Increase in expected credit losses	**406,376**	133,676	-
Assets derecognised or repaid (excluding write offs)	**(133,676)**	-	-
At 30 June	**406,376**	133,676	-

The due from banks exposure is classified under stage 1 as at 30 June 2026 (30 June 2025: Stage 1, 30 June 2024: Nil)

10. DERIVATIVE FINANCIAL INSTRUMENTS

The Bank enters into derivatives for the optimal deployment of its liability base in foreign currencies and for liquidity risk management. The Bank may also take positions with the expectation of benefiting from favourable movements in rates.

Derivative products valued using a valuation methodology with market observable inputs include forward foreign exchange contracts, interest rate swaps and option contracts across several asset classes, including but not limited to foreign currencies, commodities, indices and equities. The most frequently applied valuation techniques include forward pricing and swap models, using discounted cash flow methodology based on market conventions. The models incorporate various inputs including foreign exchange spot and forward rates, interest rate curves, market volatilities and other feeds from appointed valuation/calculation agents.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.
The notional amount is the gross value of the underlying instruments at year-end. This amount does not consider market or credit risk.

	MUR	MUR	MUR
30 June 2026	**Notional amount**	**Assets**	**Liabilities**
Foreign exchange contracts	**1,096,672,777**	**15,097,950**	**15,693,337**
30 June 2025	Notional amount	Assets	Liabilities
Foreign exchange contracts	1,745,610,059	8,490,206	24,816,450
30 June 2024	Notional amount	Assets	Liabilities
Foreign exchange contracts	590,761,487	9,989,650	4,981,376

At their inception, derivatives often involve only a mutual exchange of promises with little or no transfer of consideration. However, these

As at 30 June, the Bank has exposures in the following types of derivatives.

<u>Foreign exchange forward contract</u>

A foreign exchange forward contract is a derivative instrument used to manage foreign exchange risks. It is an agreement between two counterparties to convert one currency into another at a later date, but at a rate agreed earlier on the deal date.

<u>Foreign exchange swap</u>

A foreign exchange swap is the simultaneous buying and selling of an identical amount of one currency for another but with two different value dates. One value date is a spot and the other one is a forward date.

The following table shows an analysis of derivative financial instruments by level of the fair value hierarchy:
Valuation is performed on a daily basis, therefore providing an up-to-date mark-to-market of our exposures. Fair values of derivatives are obtained from quoted market prices, dealer price quotations, discounted cash flow and pricing models, and are performed on a daily basis, therefore providing an up-to-date mark-to-market of our exposures.

	2026	2025	2024
	MUR	MUR	MUR
Assets			
Level 2	**15,097,950**	8,490,206	9,989,650
	15,097,950	8,490,206	9,989,650
Liabilities			
Level 2	**15,693,337**	24,816,450	4,981,376
	15,693,337	24,816,450	4,981,376

11. LOANS AND ADVANCES TO CUSTOMERS

	2026	2025*	2024*
	MUR	MUR	MUR
Loans and overdrafts			
Retail	**3,924,217,443**	4,177,109,445	3,472,852,425
Corporate	**11,705,149,495**	10,360,839,819	7,832,175,770
	15,629,366,938	14,537,949,264	11,305,028,195
Less: Allowance for impairment losses (Note 11 (c))	**(135,037,817)**	(121,333,763)	(122,744,758)
	15,494,329,121	14,416,615,501	11,182,283,437
Investment in finance leases			
Retail	**1,982,423,165**	1,864,521,478	1,532,415,800
Corporate	**1,721,467,539**	1,808,526,901	1,589,630,638
	3,703,890,704	3,673,048,379	3,122,046,438
Less: Allowance for impairment losses (Note 11 (c))	**(34,484,712)**	(48,117,148)	(33,816,846)
	3,669,405,992	3,624,931,231	3,088,229,592
Less: Deferred income	**(85,547,233)**	(*72,457,615)	(*58,776,335)
Net loans and advances to customers	**19,078,187,880**	*17,969,089,117	*14,211,736,694
Total Corporate	**13,426,617,034**	12,169,366,720	9,421,806,408
Less: Allowance for impairment losses (Note 11 (c))	**(140,058,836)**	(137,766,007)	(131,852,987)
Net corporate lending	**13,286,558,198**	12,031,600,713	9,289,953,421
Total Retail	**5,906,640,608**	6,041,630,923	5,005,268,225
Less: Allowance for impairment losses (Note 11 (c))	**(29,463,693)**	(31,684,904)	(24,708,617)
Net retail lending	**5,877,176,915**	6,009,946,019	4,980,559,608
Less: Deferred income	**(85,547,233)**	(*72,457,615)	(*58,776,335)
	19,078,187,880	*17,969,089,117	*14,211,736,694

Deferred income relates to fee income generated on credit facilities disbursed by the Bank and amortised over the term of the facilities as part of the effective interest rate.

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335).
Refer to Note 43 (a).

(a) Investment in finance leases

Future minimum lease payments can be analysed as follows:	**2026** **MUR**	2025 MUR	2024 MUR
Gross investment in finance leases:			
Up to 1 year	**1,153,347,010**	1,100,753,511	933,527,199
Over 1 year and up to 2 years	**1,009,612,010**	967,129,324	791,176,350
Over 2 years and up to 3 years	**828,907,091**	837,781,546	687,901,371
Over 3 years and up to 4 years	**629,862,870**	644,920,886	568,334,255
Over 4 years and up to 5 years	**408,936,630**	434,765,439	363,965,574
Over 5 years	**341,620,362**	341,805,031	327,452,597
	4,372,285,973	4,327,155,737	3,672,357,346
Allocation of unearned finance income	**(668,395,269)**	(654,107,358)	(550,310,908)
Present value of minimum lease payments	**3,703,890,704**	3,673,048,379	3,122,046,438

There are no significant changes in the carrying amount of the net investment in finance leases.
Amounts due from lessees under finance leases are recorded as loans and advances at the amount of the Bank's net investment in the leases.
Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases. Net investment in finance leases are measured at amortised cost.

Finance lease contracts give the lessees the option to purchase the assets for a residual value at the termination of the lease arrangements. The term of lease contracts generally ranges from five to seven years. Finance leases are secured mainly by lien on vehicle.

11. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

(b) Credit concentration of risk by industry sectors

	2026	2025*	2024*
	MUR	MUR	MUR
Sectorial concentration of loans and advances (gross of impairment)			
Manufacturing	**596,912,573**	1,063,325,487	1,104,297,055
Construction	**1,156,780,491**	737,784,831	955,270,007
Professional	**74,088,477**	433,658,307	399,917,218
Traders	**1,471,387,993**	1,413,508,351	1,245,910,698
Tourism	**824,040,135**	1,109,439,862	1,307,692,256
Transport	**560,857,083**	547,295,122	433,495,940
Financial and business services	**5,887,045,347**	3,870,616,199	1,910,415,943
Personal	**5,886,032,717**	6,039,646,298	4,977,826,065
Agriculture	**166,988,806**	154,973,335	177,738,583
Global Business Licence holders	**140,739,847**	223,337,909	382,513,443
Information and communication technology	**83,139,266**	89,969,829	67,110,831
Others	**2,485,244,907**	2,527,442,113	1,464,886,594
Less: Deferred income	**(85,547,233)**	(*72,457,615)	(*58,776,335)
	19,247,710,409	*18,138,540,028	*14,368,298,298

Others consist of the following industry sectors: Education, Infrastructure, Health Development Certificate Holders and Media, Entertainment and Recreational Activities.

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335).
Refer to Note 43 (a).

	2026	2025*	2024*
Analysed as follows:	**MUR**	MUR	MUR
Loans and overdrafts	**15,629,366,938**	14,537,949,264	11,305,028,195
Investment in finance leases	**3,703,890,704**	3,673,048,379	3,122,046,438
Less: Deferred income	**(85,547,233)**	(*72,457,615)	(*58,776,335)
	19,247,710,409	*18,138,540,028	*14,368,298,298

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335).
Refer to Note 43 (a).

Total credit facilities including guarantees, acceptances and other similar commitments extended by the Bank to any one customer or group of closely related customers for amounts aggregating more than 15% of its capital base classified by industry sectors:

	2026	2025	2024
	MUR	MUR	MUR
Manufacturing	**30,299,025**	38,446,549	457,383,621
Construction	**490,676,966**	156,025,475	9,558
Traders	**1,078,451,813**	730,718,359	644,935,899
Tourism	**699,995,248**	599,174,332	1,193,718,816
Transport	**85,243,902**	91,228,456	124,621,829
Financial and business services	**4,040,862,618**	2,719,704,288	389,061,665
Agriculture	**189,347,297**	-	-
Global Business Licence holders	**481,807,836**	440,055,171	-
Information and communication technology	**14,385,686**	-	-
Others	**6,351,894,378**	2,319,640,049	1,221,637,147
	13,462,964,769	7,094,992,679	4,031,368,535

11. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

(c) Impairment allowance for loans and advances

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 41(b).

Corporate Lending

	2026			
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade	**MUR**	**MUR**	**MUR**	**MUR**
Performing				
Investment grade	5,954,780,739	2,281,841	-	5,957,062,580
Standard Monitoring	6,837,274,179	59,810,248	-	6,897,084,427
Watchlist	-	393,564,307	-	393,564,307
Unrated	38,365,653	1,162,066	-	39,527,719
Non - performing				-
Default	-	-	139,378,001	139,378,001
Total	12,830,420,571	456,818,462	139,378,001	13,426,617,034
Less deferred income				(59,329,765)
				13,367,287,269

An analysis of changes in the gross carrying amount is as follows:

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
Gross carrying amount as at 1 July	11,291,054,012	661,661,479	216,651,230	12,169,366,721
New assets originated or purchased	9,973,309,336	28,069,950	5,219,185	10,006,598,471
Assets derecognised or repaid (excluding write offs)	(8,748,576,486)	(140,220,556)	(105,782,615)	(8,994,579,657)
Transfers to Stage 1	2,569,696,283	(2,547,710,192)	(21,986,091)	-
Transfers to Stage 2	(2,491,983,031)	2,501,620,120	(9,637,089)	-
Transfers to Stage 3	-	(54,913,379)	54,913,379	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	236,920,457	8,311,042	-	245,231,499
At 30 June 2026	12,830,420,571	456,818,464	139,377,999	13,426,617,034
Less deferred income				(59,329,765)
				13,367,287,269

	2026			
ECL allowance	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade	**MUR**	**MUR**	**MUR**	**MUR**
Performing				
Investment grade	8,290,659	-	-	8,290,659
Standard Monitoring	11,984,842	9,945,134	-	21,929,976
Watchlist	-	3,519,530	-	3,519,530
Unrated	369,398	331,109	-	700,507
Non - performing				
Default	-	-	105,618,164	105,618,164
Total	20,644,899	13,795,773	105,618,164	140,058,836

An analysis of changes in the ECL amount is as follows:

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
ECL allowance as at 1 July	18,341,083	28,145,700	91,279,224	137,766,007
Additional provisions during the year	55,834,198	111,124,567	38,242,061	205,200,826
Provisions released during the year (excluding write-offs)	(143,411,077)	(39,977,423)	(19,769,833)	(203,158,333)
Transfers to Stage 1	91,234,026	(91,234,026)	-	-
Transfers to Stage 2	(4,594,051)	12,121,276	(7,527,225)	-
Transfers to Stage 3	-	(3,393,937)	3,393,937	-
Changes to model parameters	2,748,407	(2,990,384)	-	(241,977)
Amounts written off	-	-	-	-
Foreign exchange adjustments	492,313	-	-	492,313
At 30 June 2026	20,644,899	13,795,773	105,618,164	140,058,836

Both the gross carrying amount and ECL allowance of the corporate portfolio increased during the year.
This is mainly due to the recalibration of the Bank's IFRS 9 models.

11. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

(c) Impairment allowance for loans and advances (Cont'd)

Corporate Lending (Cont'd)

	2025			
Gross carrying amount	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	MUR	MUR	MUR	MUR
Performing				
Investment grade	5,288,894,151	116,055,765	-	5,404,949,916
Standard Monitoring	5,925,684,222	110,513,974	-	6,036,198,196
Watchlist		432,370,135	-	432,370,135
Unrated	76,475,639	2,721,605	-	79,197,244
Non - performing				-
Default	-	-	216,651,230	216,651,230
Total	11,291,054,012	661,661,479	216,651,230	12,169,366,721
Less deferred income				(50,251,694)
				12,119,115,027

An analysis of changes in the gross carrying amount is as follows:

	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	8,361,650,510	783,058,103	277,097,797	9,421,806,410
New assets originated or purchased	8,932,425,436	122,408,660	3,068,751	9,057,902,847
Assets derecognised or repaid (excluding write offs)	(5,959,643,393)	(259,726,997)	(38,569,502)	(6,257,939,892)
Transfers to Stage 1	2,954,439,018	(2,870,874,644)	(83,564,374)	-
Transfers to Stage 2	(2,926,076,061)	2,961,030,547	(34,954,486)	-
Transfers to Stage 3	-	(89,640,996)	89,640,996	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(71,741,498)	15,406,806	3,932,048	(52,402,644)
At 30 June 2025	11,291,054,012	661,661,479	216,651,230	12,169,366,721
				(50,251,694)
				12,119,115,027

	2025			
ECL allowance	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	MUR	MUR	MUR	MUR
Performing				
Investment grade	7,046,582	2,726,309	-	9,772,891
Standard Monitoring	11,212,275	18,441,362	-	29,653,637
Watchlist	-	6,770,336	-	6,770,336
Unrated	82,226	207,693	-	289,919
Non - performing				
Default	-	-	91,279,224	91,279,224
Total	18,341,083	28,145,700	91,279,224	137,766,007

An analysis of changes in the ECL amount is as follows:

	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	32,642,336	10,371,176	88,839,475	131,852,987
Additional provisions during the year	56,379,541	22,496,163	15,753,019	94,628,723
Provisions released during the year (excluding write-offs)	(70,105,043)	(3,177,740)	(2,877,077)	(76,159,860)
Transfers to Stage 1	33,754,541	(33,754,541)	-	-
Transfers to Stage 2	(9,351,539)	9,352,680	(1,141)	-
Transfers to Stage 3	-	(889,260)	889,260	-
Changes to model parameters	(24,579,855)	23,741,383	-	(838,472)
Amounts written off	-	-	(11,324,312)	(11,324,312)
Foreign exchange adjustments	(398,898)	5,839	-	(393,059)
At 30 June 2025	18,341,083	28,145,700	91,279,224	137,766,007

11. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

(c) Impairment allowance for loans and advances (Cont'd)

Corporate Lending (Cont'd)

	2024			
Gross carrying amount	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	MUR	MUR	MUR	MUR
Performing				
Investment grade	2,861,681,419	-	-	2,861,681,419
Standard Monitoring	5,465,771,930	57,640,594	-	5,523,412,524
Watchlist	-	723,077,546	-	723,077,546
Unrated	34,197,161	2,339,963	-	36,537,124
Non - performing				-
Default	-	-	277,097,795	277,097,795
Total	8,361,650,510	783,058,103	277,097,795	9,421,806,408
Less deferred income				(40,763,284)
				9,381,043,124

An analysis of changes in the gross carrying amount is as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	6,167,803,779	1,449,019,044	234,430,667	7,851,253,490
New assets originated or purchased	4,145,041,121	61,473,658	6,486	4,206,521,265
Assets derecognised or repaid (excluding write offs)	(2,483,334,247)	(205,538,446)	(28,277,782)	(2,717,150,475)
Transfers to Stage 1	1,654,944,827	(1,642,388,479)	(12,556,348)	-
Transfers to Stage 2	(1,187,599,380)	1,226,040,200	(38,440,820)	-
Transfers to Stage 3	-	(119,779,133)	119,779,133	-
Changes to contractual cash flows due to modifications not	-	-	(1,684)	(1,684)
Amounts written off	64,794,410	14,231,259	2,158,143	81,183,812
Foreign exchange adjustments				
At 30 June 2024	8,361,650,510	783,058,103	277,097,795	9,421,806,408
Less deferred income				(40,763,284)
				9,381,043,124

	2024			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	6,290,839	-	-	6,290,839
Standard Monitoring	26,102,429	1,759,768	-	27,862,197
Watchlist	-	8,566,646	-	8,566,646
Unrated	249,068	44,762	-	293,830
Non - performing				
Default	-	-	88,839,475	88,839,475
Total	32,642,336	10,371,176	88,839,475	131,852,987

An analysis of changes in the ECL amount is as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	29,666,143	31,281,904	88,478,522	149,426,569
Additional provisions during the year	33,112,418	46,791,209	1,520,876	81,424,503
Provisions released during the year (excluding write-offs)	(39,208,541)	(47,643,661)	(3,131,077)	(89,983,279)
Transfers to Stage 1	26,110,766	(26,110,766)	-	-
Transfers to Stage 2	(8,023,761)	8,023,761	-	-
Transfers to Stage 3	-	(1,972,838)	1,972,838	-
Changes to model parameters	(9,323,082)	(215,904)	-	(9,538,986)
Amounts written off	-	-	(1,684)	(1,684)
Foreign exchange adjustments	308,393	217,471	-	525,864
At 30 June 2024	32,642,336	10,371,176	88,839,475	131,852,987

11. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

(c) Impairment allowance for loans and advances (Cont'd)

Retail Lending

	2026			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	2,920,361,259	110,277,426	-	3,030,638,685
Standard Monitoring	2,210,428,497	36,930,515	-	2,247,359,012
Watchlist	-	13,601,898	-	13,601,898
Unrated	474,790,747	1,475,324	-	476,266,071
Non - performing				
Default	-	-	138,774,942	138,774,942
Total	5,605,580,503	162,285,163	138,774,942	5,906,640,608
Less deferred income				(26,217,468)
				5,880,423,140

An analysis of changes in the gross carrying amount is as follows:

	2026			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	5,798,310,649	83,971,796	159,348,478	6,041,630,923
New assets originated or purchased	1,332,460,460	20,471,447	4,232,876	1,357,164,783
Assets derecognised or repaid (excluding write offs)	(1,368,343,822)	(83,860,978)	(60,074,854)	(1,512,279,654)
Transfers to Stage 1	1,103,665,091	(1,069,554,966)	(34,110,125)	-
Transfers to Stage 2	(1,279,354,806)	1,284,608,335	(5,253,529)	-
Transfers to Stage 3	-	(74,632,096)	74,632,096	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	18,842,931	1,281,625	-	20,124,556
At 30 June 2026	5,605,580,503	162,285,163	138,774,942	5,906,640,608
Less deferred income				(26,217,468)
				5,880,423,140

	2026			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	7,775,589	6,388,002	-	14,163,591
Standard Monitoring	6,616,194	6,009,074	-	12,625,268
Watchlist	-	896,950	-	896,950
Unrated	1,211,093	251,849	-	1,462,942
Non - performing				
Default	-	-	314,942	314,942
Total	15,602,876	13,545,875	314,942	29,463,693

An analysis of changes in the ECL amount is as follows:

	2026			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	8,572,102	22,420,765	692,037	31,684,904
Additional provisions during the year	22,023,181	213,904,786	399,526	236,327,493
Provisions released during the year (excluding write-offs)	(193,217,211)	(38,675,177)	(8,304,748)	(240,197,136)
Transfers to Stage 1	173,309,889	(173,128,267)	(181,622)	-
Transfers to Stage 2	(2,567,778)	2,579,029	(11,251)	-
Transfers to Stage 3	-	(7,721,000)	7,721,000	-
Changes to model parameters	7,462,424	(5,870,559)	-	1,591,865
Amounts written off	-	-	-	-
Foreign exchange adjustments	20,269	36,298	-	56,567
At 30 June 2026	15,602,876	13,545,875	314,942	29,463,693

The ECL allowance for the retail portfolio decreased during the year due to the ECL models' recalibration.

11. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

(c) **Impairment allowance for loans and advances (Cont'd)**

Retail Lending (Cont'd)

	2025			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	3,005,507,523	20,716,715	-	3,026,224,238
Standard Monitoring	2,312,604,143	42,272,797	-	2,354,876,940
Watchlist	-	16,286,923	-	16,286,923
Unrated	480,198,983	4,695,361	-	484,894,344
Non - performing				-
Default	-	-	159,348,478	159,348,478
Total	5,798,310,649	83,971,796	159,348,478	6,041,630,923
Less deferred income				(22,205,922)
				6,019,425,001

An analysis of changes in the gross carrying amount is as follows:

	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	4,852,066,011	117,702,381	35,499,834	5,005,268,226
New assets originated or purchased	2,194,285,161	21,993,284	3,400,137	2,219,678,582
Assets derecognised or repaid (excluding write offs)	(1,171,184,739)	(18,253,384)	(25,696,417)	(1,215,134,540)
Transfers to Stage 1	954,944,076	(932,980,009)	(21,964,067)	-
Transfers to Stage 2	(1,058,694,608)	1,058,962,900	(268,292)	-
Transfers to Stage 3	(1,672,310)	(164,336,473)	166,008,783	-
Foreign exchange adjustments	28,567,058	883,097	2,368,500	31,818,655
At 30 June 2025	5,798,310,649	83,971,796	159,348,478	6,041,630,923
Less deferred income				(22,205,922)
				6,019,425,001

	2025			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	4,211,045	5,672,397	-	9,883,442
Standard Monitoring	3,548,419	9,426,639	-	12,975,058
Watchlist	-	3,418,916	-	3,418,916
Unrated	812,638	3,902,813	-	4,715,451
Non - performing				
Default	-	-	692,037	692,037
Total	8,572,102	22,420,765	692,037	31,684,904

An analysis of changes in the ECL amount is as follows:

	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	20,775,050	3,022,543	911,024	24,708,617
Additional provisions during the year	11,775,759	18,739,355	5,543,233	36,058,347
Provisions released during the year (excluding write-offs)	(23,171,405)	(459,558)	(8,531,640)	(32,162,603)
Transfers to Stage 1	21,199,259	(21,177,564)	(21,695)	-
Transfers to Stage 2	(4,164,100)	4,164,100	-	-
Transfers to Stage 3	(21,695)	(2,769,420)	2,791,115	-
Changes to model parameters	(17,957,159)	20,886,795	-	2,929,636
Amounts written off	-	-	-	-
Foreign exchange adjustments	136,393	14,514	-	150,907
At 30 June 2025	8,572,102	22,420,765	692,037	31,684,904

11. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

(c) **Impairment allowance for loans and advances (Cont'd)**

Retail Lending (Cont'd)

	2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	2,487,525,284	-	-	2,487,525,284
Standard Monitoring	2,022,682,502	67,230,761	-	2,089,913,263
Watchlist	-	25,873,685	-	25,873,685
Unrated	341,858,225	24,597,935	-	366,456,160
Non - performing				-
Default	-	-	35,499,833	35,499,833
Total	4,852,066,011	117,702,381	35,499,833	5,005,268,225
Less deferred income				(18,013,051)
				4,987,255,174

An analysis of changes in the gross carrying amount is as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	3,373,788,768	172,452,597	18,204,792	3,564,446,157
New assets originated or purchased	2,287,228,126	4,655,252	1,261,524	2,293,144,902
Assets derecognised or repaid (excluding write offs)	(786,120,146)	(79,766,602)	(3,625,061)	(869,511,809)
Transfers to Stage 1	623,995,493	(598,741,384)	(25,254,109)	-
Transfers to Stage 2	(663,974,000)	680,493,980	(16,519,980)	-
Transfers to Stage 3	(195,105)	(61,530,138)	61,725,243	-
Amounts written off	-	-	(292,576)	(292,576)
Foreign exchange adjustments	17,342,875	138,676	-	17,481,551
At 30 June 2024	4,852,066,011	117,702,381	35,499,833	5,005,268,225
				(18,013,051)
				4,987,255,174

	2024			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	9,738,162	-	-	9,738,162
Standard Monitoring	8,287,812	956,332	-	9,244,144
Watchlist	-	498,926	-	498,926
Unrated	2,749,076	1,567,285	-	4,316,361
Non - performing				
Default	-	-	911,024	911,024
Total	20,775,050	3,022,543	911,024	24,708,617

An analysis of changes in the ECL amount is as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	10,923,731	2,277,537	6,456,533	19,657,801
New assets originated or purchased	10,038,795	4,940,266	351,767	15,330,828
Provisions released during the year (excluding write-offs)	(10,881,775)	(452,729)	(1,041,246)	(12,375,750)
Transfers to Stage 1	6,435,657	(6,271,291)	(164,366)	-
Transfers to Stage 2	(1,813,575)	1,813,575	-	-
Transfers to Stage 3	(999)	(765,150)	766,149	-
Changes to model parameters	6,021,520	1,480,270	(5,426,468)	2,075,322
Amounts written off	-	-	(31,345)	(31,345)
Foreign exchange adjustments	51,696	65	-	51,761
At 30 June 2024	20,775,050	3,022,543	911,024	24,708,617

11. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

(d) Allowance for credit impairment by industry sectors

	2026					
	Gross amount of loans	**Non performing loans**	**Stage 1**	**Stage 2**	**Stage 3**	**Total Expected Credit Losses**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**
Manufacturing	**596,912,573**	**17,884,487**	**963,395**	**2,421,946**	**1,901,587**	**5,286,928**
Construction	**1,156,780,491**	**83,488,397**	**2,871,358**	**757,865**	**77,904,729**	**81,533,952**
Professional	**74,088,477**	**-**	**116,113**	**-**	**-**	**116,113**
Traders	**1,471,387,993**	**6,441,134**	**1,572,716**	**475,225**	**150,879**	**2,198,820**
Tourism	**824,040,136**	**245,191**	**416,657**	**1,083,631**	**-**	**1,500,288**
Transport	**560,857,083**	**2,057,783**	**2,096,641**	**5,551,554**	**70,312**	**7,718,507**
Financial and business services	**5,887,045,348**	**27,143,311**	**10,443,517**	**295,748**	**25,626,459**	**36,365,724**
Personal	**5,886,032,717**	**138,704,628**	**15,571,442**	**13,545,874**	**244,630**	**29,361,946**
Agriculture	**166,988,806**	**-**	**86,928**	**2**	**-**	**86,930**
Global Business Licence holders	**140,739,847**	**-**	**40,686**	**-**	**-**	**40,686**
Information and communication technology	**83,139,266**	**-**	**338,238**	**106,798**	**-**	**445,036**
Others**	**2,485,244,905**	**2,188,010**	**1,730,084**	**3,103,005**	**34,510**	**4,867,599**
Less: Deferred income	**(85,547,233)**	**-**	**-**	**-**	**-**	**-**
Total	**19,247,710,409**	**278,152,941**	**36,247,775**	**27,341,648**	**105,933,106**	**169,522,529**

	2025*					
	Gross amount of loans	Non performing loans	Stage 1	Stage 2	Stage 3	Total Expected Credit Losses
	MUR	MUR	MUR	MUR	MUR	MUR
Manufacturing	1,063,325,487	16,323,819	1,183,656	4,734,246	-	5,917,902
Construction	737,784,831	80,385,099	1,013,846	3,640,274	75,682,387	80,336,507
Professional	433,658,307	-	302,501	-	-	302,501
Traders	1,413,508,351	1,146,635	1,865,904	3,093,115	260,378	5,219,397
Tourism	1,109,439,862	-	813,579	1,989,310	-	2,802,889
Transport	547,295,122	1,628,013	1,502,230	10,311,982	611,005	12,425,217
Financial and business services	3,870,616,199	27,630,987	7,458,397	3,127,867	14,725,454	25,311,718
Personal	6,039,646,298	158,480,450	8,567,727	22,420,765	692,037	31,680,529
Agriculture	154,973,335	-	156,710	-	-	156,710
Global Business Licence holders	223,337,909	85,737,173	96,282	62,508	-	158,790
Information and communication technology	89,969,829	-	158,422	-	-	158,422
Others**	2,527,442,113	3,799,245	3,793,931	1,186,398	-	4,980,329
Less: Deferred income	(*72,457,615)	-	-	-	-	-
Total	*18,138,540,028	375,131,421	26,913,185	50,566,465	91,971,261	169,450,911

* Deferred income on processing fees have been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335).
Refer to Note 43 (a).

	2024*					
	Gross amount of loans	Non performing loans	Stage 1	Stage 2	Stage 3	Total Expected Credit Losses
	MUR	MUR	MUR	MUR	MUR	MUR
Manufacturing	1,104,297,055	4,496,096	3,713,577	3	-	3,713,580
Construction	955,270,007	80,678,551	2,276,427	630,601	75,675,968	78,582,996
Professional	399,917,218	-	555,454	-	-	555,454
Traders	1,245,910,698	14,094,544	4,787,675	108,892	11,695,299	16,591,866
Tourism	1,307,692,256	-	1,102,650	5,592,033	-	6,694,683
Transport	433,495,940	4,719,258	8,058,446	3,406,461	1,468,208	12,933,115
Financial and business services	1,910,415,940	22,389,393	3,505,931	19,924	-	3,525,855
Personal	4,977,826,065	35,040,798	20,674,261	2,318,465	911,024	23,903,750
Agriculture	177,738,583	-	463,171	38,799	-	501,970
Global Business Licence holders	382,513,443	148,363,523	1,078,261	-	-	1,078,261
Information and communication technology	67,110,831	-	349,115	42,115	-	391,230
Others**	1,464,886,597	1,815,860	6,852,418	1,236,426	-	8,088,844
Less: Deferred income	(*58,776,335)					
Total	*14,368,298,298	311,598,023	53,417,386	13,393,719	89,750,499	156,561,604

**Industry sectors under 'Others' include: Education, Infrastructure, Health Development Certificate Holders and Media, Entertainment and Recreational Activities.

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335).
Refer to Note 43 (a).

12. INVESTMENT SECURITIES

		2026 MUR	2025 MUR	2024 MUR
Debt instruments at FVOCI	12(a)	**7,230,272,411**	1,217,755,941	1,066,447,798
Equity instruments at FVOCI	12(b)	**74,913,512**	35,769,877	42,901,226
Debt instruments at amortised cost	12(c)	**3,101,967,965**	4,101,615,112	5,544,243,890
		10,407,153,888	5,355,140,930	6,653,592,914

(a) Debt instruments at FVOCI

	Up to 3 months MUR	3-12 months MUR	1 to 3 years MUR	Over 3 years MUR	No Specific Maturity	2026 MUR
Bank of Mauritius treasury bills	**1,667,697,480**	**95,860,000**	**-**	**-**	**-**	**1,763,557,480**
Bank of Mauritius bonds and notes	**-**	**-**	**101,385,816**	**-**	**-**	**101,385,816**
Government of Mauritius treasury bills	**127,438,200**	**-**	**-**	**-**	**-**	**127,438,200**
Government of Mauritius bonds and notes	**-**	**25,207,094**	**101,155,164**	**-**	**-**	**126,362,258**
Foreign sovereign bonds	**731,967,535**	**1,098,651,392**	**3,042,247,191**	**-**	**-**	**4,872,866,118**
Corporate bonds	**-**	**13,941,899**	**163,901,678**	**60,649,883**	**169,079**	**238,662,539**
	2,527,103,215	**1,233,660,385**	**3,408,689,849**	**60,649,883**	**169,079**	**7,230,272,411**

	Up to 3 months MUR	3-12 months MUR	1 to 3 years MUR	Over 3 years MUR	No Specific Maturity	2025 MUR
Bank of Mauritius treasury bills	197,920,000	-	-	-	-	197,920,000
Bank of Mauritius bonds and notes	-	100,942,397	-	-	-	100,942,397
Government of Mauritius bonds and notes	-	19,718,400	124,834,142	-	-	144,552,542
Foreign sovereign bonds	446,967,751	44,627,708	-	-	-	491,595,459
Corporate bonds	-	-	13,787,467	218,867,975	50,090,101	282,745,543
	644,887,751	165,288,505	138,621,609	218,867,975	50,090,101	1,217,755,941

	Up to 3 months MUR	3-12 months MUR	1 to 3 years MUR	Over 3 years MUR	No Specific Maturity	2024 MUR
Bank of Mauritius treasury bills	142,895,894	-	-	-	-	142,895,894
Bank of Mauritius bonds and notes	-	-	101,115,333	-	-	101,115,333
Government of Mauritius bonds and notes	-	-	25,419,806	-	-	25,419,806
Foreign sovereign bonds	-	93,391,991	45,567,052	-	-	138,959,043
Corporate bonds	125,554,785	302,057,850	13,913,534	216,362,868	168,685	658,057,722
	268,450,679	395,449,841	186,015,725	216,362,868	168,685	1,066,447,798

12. INVESTMENT SECURITIES (CONT'D)

(a) Debt instruments at FVOCI (Cont'd)

	2026			
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade	**MUR**	**MUR**	**MUR**	**MUR**
Performing				
Investment grade	**7,040,256,456**	**-**	**-**	**7,040,256,456**
Standard Monitoring	**89,477,526**	**-**	**-**	**89,477,526**
Watchlist	**-**	**-**	**-**	**-**
Unrated	**100,538,429**	**-**	**-**	**100,538,429**
Non - performing	**-**	**-**	**-**	**-**
Default				
	-	**-**	**-**	**-**
Total	**7,230,272,411**	**-**	**-**	**7,230,272,411**

Total gross carrying amount of MUR 7.234m includes the fair value loss of MUR 9.5m (note 23). The fair value loss of MUR 9.5m is included in the line gross carrying amount in the following reconciliation.

An analysis of changes in the gross carrying amount is as follows:

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
Gross carrying amount as at 1 July	**1,217,755,941**	**-**	**-**	**1,217,755,941**
New assets originated or purchased	**6,648,582,549**	**-**	**-**	**6,648,582,549**
Assets derecognised or repaid (excluding write offs)	**(860,104,911)**	**-**	**-**	**(860,104,911)**
Transfers to Stage 1	**-**	**-**	**-**	**-**
Transfers to Stage 2	**-**	**-**	**-**	**-**
Transfers to Stage 3	**-**	**-**	**-**	**-**
Amounts written off	**-**	**-**	**-**	**-**
Foreign exchange adjustments	**224,038,832**	**-**	**-**	**224,038,832**
At 30 June 2026	**7,230,272,411**	**-**	**-**	**7,230,272,411**

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance	**MUR**	**MUR**	**MUR**	**MUR**
Internal rating grade				
Performing				
Investment grade	**2,514,244**	**-**	**-**	**2,514,244**
Standard Monitoring	**1,123,272**	**-**	**-**	**1,123,272**
Watchlist	**-**	**-**	**-**	**-**
Unrated	**304,601**	**-**	**-**	**304,601**
Non - performing				
Default	**-**	**-**	**-**	**-**
Total	**3,942,117**	**-**	**-**	**3,942,117**

An analysis of changes in the ECL amount is as follows:

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
ECL allowance as at 1 July	**2,032,917**	**-**	**-**	**2,032,917**
Increase in expected credit losses	**2,476,091**	**-**	**-**	**2,476,091**
Assets derecognised or repaid (excluding write offs)	**(665,590)**	**-**	**-**	**(665,590)**
Transfers to Stage 1	**-**	**-**	**-**	**-**
Transfers to Stage 2	**-**	**-**	**-**	**-**
Transfers to Stage 3	**-**	**-**	**-**	**-**
Amounts written off	**-**	**-**	**-**	**-**
Foreign exchange adjustments	**98,699**	**-**	**-**	**98,699**
At 30 June 2026	**3,942,117**	**-**	**-**	**3,942,117**

12. INVESTMENT SECURITIES (CONT'D)

(a) Debt instruments at FVOCI (Cont'd)

	2025			
Gross carrying amount	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	MUR	MUR	MUR	MUR
Performing				
Investment grade	985,486,981	-	-	985,486,981
Standard Monitoring	80,384,189	-	-	80,384,189
Watchlist	-	-	-	-
Unrated	151,884,771	-	-	151,884,771
Non - performing				
Default	-	-	-	-
Total	1,217,755,941	-	-	1,217,755,941

Total gross carrying amount of MUR 1,217.8m includes the fair value gain of MUR 4.4m (note 23). The fair value gain of MUR 4.4m is included in the line gross carrying amount in the following reconciliation.

An analysis of changes in the gross carrying amount is as follows:

	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	966,161,543	100,286,255	-	1,066,447,798
New assets originated or purchased	866,771,608	-	-	866,771,608
Assets derecognised or repaid (excluding write offs)	(589,522,935)	(100,286,255)	-	(689,809,190)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(25,654,275)	-	-	(25,654,275)
At 30 June 2025	1,217,755,941	-	-	1,217,755,941

	2025			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	735,337	-	-	735,337
Standard Monitoring	962,936	-	-	962,936
Watchlist	-	-	-	-
Unrated	334,644	-	-	334,644
Non - performing				
Default	-	-	-	-
Total	2,032,917	-	-	2,032,917

An analysis of changes in the ECL amount is as follows:

	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	1,519,414	123,760	-	1,643,174
Increase in expected credit losses	1,582,206	-	-	1,582,206
Assets derecognised or repaid (excluding write offs)	(1,007,805)	(123,760)	-	(1,131,565)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(60,898)	-	-	(60,898)
At 30 June 2025	2,032,917	-	-	2,032,917

12. INVESTMENT SECURITIES (CONT'D)

(a) Debt instruments at FVOCI (Cont'd)

	2024			
Gross carrying amount	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	MUR	MUR	MUR	MUR
Performing				
Investment grade	662,547,104	-	-	662,547,104
Standard Monitoring	-	-	-	-
Watchlist	-	-	-	-
Unrated	303,614,439	100,286,255	-	403,900,694
Non - performing				
Default	-	-	-	-
Total	966,161,543	100,286,255	-	1,066,447,798

Total gross carrying amount of MUR 1,066m includes the fair value loss of MUR 17.7m (note 23). The fair value gain of MUR 17.7m is included in the line gross carrying amount in the following reconciliation.

An analysis of changes in the gross carrying amount is as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	1,063,948,755	249,430,188	-	1,313,378,943
New assets originated or purchased	359,201,935	-	-	359,201,935
Assets derecognised or repaid (excluding write offs)	(615,148,430)	(133,172)	-	(615,281,602)
Transfers to stage 1	149,010,761	(149,010,761)	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	9,148,522	-	-	9,148,522
At 30 June 2024	966,161,543	100,286,255	-	1,066,447,798

	2024			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	632,979	-	-	632,979
Standard Monitoring	-	-	-	-
Watchlist	-	-	-	-
Unrated	886,435	123,760	-	1,010,195
Non - performing				
Default	-	-	-	-
Total	1,519,414	123,760	-	1,643,174

An analysis of changes in the ECL amount is as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	1,052,889	1,069,976	-	2,122,865
Increase in expected credit losses	495,817	-	-	495,817
Assets derecognised or repaid (excluding write offs)	(691,010)	(301,912)	-	(992,922)
Transfer to Stage 1	644,304	(644,304)	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	17,414	-	-	17,414
At 30 June 2024	1,519,414	123,760	-	1,643,174

(b) Equity instruments at FVOCI

Investments that are expected to be held long-term for strategic purposes are designated at fair value through other comprehensive income. These principally include shares in Mauritian corporate entities. Refer to note 27 for dividend income on equity instruments at FVOCI.
As at 30 June 2026, the Bank had corporate shares of **MUR 74,913,512** (2025: MUR 35,769,877; 2024: MUR 42,901,226) classified as equity instruments at FVOCI.
The Bank did not have any disposal in equity instruments at FVOCI during the financial year 2026.

Equity Instruments are as follows:

	2026	2025	2024
	MUR	MUR	MUR
Mauritius Commercial Bank Ltd	**48,160,430**	473,275	418,000
Mauritius Union Assurance Ltd	**23,505,425**	31,214,193	29,318,594
Others	**3,247,657**	4,082,409	13,164,632
	74,913,512	35,769,877	42,901,226

12. INVESTMENT SECURITIES (CONT'D)

(c) Debt instruments at amortised cost

	Up to 3 months	**3-12 months**	**1 to 3 years**	**over 3 years**	**2026**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**
Bank of Mauritius treasury bills	**-**	**-**	**-**	**-**	**-**
Bank of Mauritius bonds and notes	**-**	**-**	**-**	**-**	**-**
Government of Mauritius bonds and notes	**453,554,410**	**505,940,536**	**43,693,487**	**781,915,587**	**1,785,104,020**
Foreign sovereign bonds	**-**	**-**	**49,499,508**	**-**	**49,499,508**
Corporate bonds	**60,676,714**	**79,736,965**	**960,311,405**	**249,934,897**	**1,350,659,981**
Gross carrying amount	**514,231,124**	**585,677,501**	**1,053,504,400**	**1,031,850,484**	**3,185,263,509**
Expected credit losses	**(340,207)**	**(374,620)**	**(81,935,017)**	**(645,700)**	**(83,295,544)**
	513,890,917	**585,302,881**	**971,569,383**	**1,031,204,784**	**3,101,967,965**

	Up to 3 months	3-12 months	1 to 3 years	Over 3 years	2025
	MUR	MUR	MUR	MUR	MUR
Bank of Mauritius treasury bills	65,934,505	-	-	-	65,934,505
Bank of Mauritius bonds and notes	100,985,670	50,771,755	-	-	151,757,425
Government of Mauritius bonds and notes	49,789,349	198,234,578	963,625,228	822,685,403	2,034,334,558
Foreign sovereign bonds	-	360,601,130	48,246,900	-	408,848,030
Corporate bonds	192,122,979	50,806,162	680,464,703	572,657,268	1,496,051,112
Gross carrying amount	408,832,503	660,413,625	1,692,336,831	1,395,342,671	4,156,925,630
Expected credit losses	(210,738)	(287,657)	(51,577,846)	(3,234,277)	(55,310,518)
	408,621,765	660,125,968	1,640,758,985	1,392,108,394	4,101,615,112

	Up to 3 months	3-12 months	1 to 3 years	Over 3 years	2024
	MUR	MUR	MUR	MUR	MUR
Bank of Mauritius treasury bills	319,803,273	309,309,301	-	-	629,112,574
Bank of Mauritius bonds and notes	-	-	151,743,676	-	151,743,676
Government of Mauritius bonds and notes	405,786,077	71,449,250	653,379,204	827,290,617	1,957,905,148
Foreign sovereign bonds	373,420,161	507,392,401	376,205,416	51,414,438	1,308,432,416
Corporate bonds	-	39,688,775	384,407,753	1,129,834,499	1,553,931,027
Gross carrying amount	1,099,009,511	927,839,727	1,565,736,049	2,008,539,554	5,601,124,841
Expected credit losses	(651,762)	(549,573)	(1,040,614)	(54,639,002)	(56,880,951)
	1,098,357,749	927,290,154	1,564,695,435	1,953,900,552	5,544,243,890

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount	**MUR**	**MUR**	**MUR**	**MUR**
Internal rating grade				
Performing				
Investment grade	**2,717,123,087**	**-**	**-**	**2,717,123,087**
Standard Monitoring	**190,618,438**	**-**	**-**	**190,618,438**
Watchlist	**-**	**29,884,000**	**-**	**29,884,000**
Unrated	**125,188,587**	**-**	**-**	**125,188,587**
Non - performing	**-**			
Default	**-**	**-**	**122,449,397**	**122,449,397**
Total	**3,032,930,112**	**29,884,000**	**122,449,397**	**3,185,263,509**

An analysis of changes in the gross carrying amount is as follows:

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
Gross carrying amount as at 1 July	**4,040,004,350**	**-**	**116,921,268**	**4,156,925,618**
New assets originated or purchased	**83,327,517**	**-**	**-**	**83,327,517**
Assets derecognised or repaid (excluding write offs)	**(1,073,448,007)**	**(9,416)**	**-**	**(1,073,457,423)**
Transfers to Stage 1	**-**	**-**	**-**	**-**
Transfers to Stage 2	**(29,893,416)**	**29,893,416**	**-**	**-**
Transfers to Stage 3	**-**	**-**	**-**	**-**
Amounts written off	**-**	**-**	**-**	**-**
Foreign exchange adjustments	**12,939,668**	**-**	**5,528,129**	**18,467,797**
At 30 June 2026	**3,032,930,112**	**29,884,000**	**122,449,397**	**3,185,263,509**

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance	**MUR**	**MUR**	**MUR**	**MUR**
Internal rating grade				
Performing				
Investment grade	**1,648,117**	**-**	**-**	**1,648,117**
Standard Monitoring	**2,392,963**	**-**	**-**	**2,392,963**
Watchlist	**-**	**17,592**	**-**	**17,592**
Unrated	**407,025**	**-**	**-**	**407,025**
Non - performing				
Default	**-**	**-**	**78,829,848**	**78,829,848**
Total	**4,448,105**	**17,592**	**78,829,848**	**83,295,545**

12. INVESTMENT SECURITIES (CONT'D)

(c) Debt instruments at amortised cost (cont'd)

An analysis of changes in the ECL amount is as follows:

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
ECL allowance as at 1 July	**5,506,262**	**-**	**49,804,256**	**55,310,518**
Increase in expected credit losses	**148,923**	**-**	**25,466,721**	**25,615,644**
Assets derecognised or repaid (excluding write offs)	**(1,221,591)**	**(77,470)**	**-**	**(1,299,061)**
Transfers to Stage 1	**-**	**-**	**-**	**-**
Transfers to Stage 2	**(95,062)**	**95,062**	**-**	**-**
Transfers to Stage 3	**-**	**-**	**-**	**-**
Amounts written off	**-**	**-**	**-**	**-**
Foreign exchange adjustments	**109,573**	**-**	**3,558,870**	**3,668,443**
At 30 June 2026	**4,448,105**	**17,592**	**78,829,847**	**83,295,544**

	2025			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	3,530,781,876	-	-	3,530,781,876
Standard Monitoring	182,465,117	-	-	182,465,117
Watchlist	-	-	-	-
Unrated	326,757,357	-	-	326,757,357
Non - performing				
Default	-	-	116,921,280	116,921,268
Total	4,040,004,350	-	116,921,280	4,156,925,630

An analysis of changes in the gross carrying amount is as follows:

	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	5,478,960,935	-	122,163,906	5,601,124,841
New assets originated or purchased	696,773,031	-	-	696,773,031
Assets derecognised or repaid (excluding write offs)	(2,107,245,097)	-	-	(2,107,245,097)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(28,484,519)	-	(5,242,626)	(33,727,145)
At 30 June 2025	4,040,004,350	-	116,921,280	4,156,925,630

	2025			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	2,271,710	-	-	2,271,710
Standard Monitoring	2,185,782	-	-	2,185,782
Watchlist	-	-	-	-
Unrated	1,048,770	-	-	1,048,770
Non - performing				
Default	-	-	49,804,256	49,804,256
Total	5,506,262	-	49,804,256	55,310,518

An analysis of changes in the ECL amount is as follows:

	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	4,454,954	-	52,425,997	56,880,951
Increase in expected credit losses	2,873,465	-	-	2,873,465
Assets derecognised or repaid (excluding write offs)	(1,719,033)	-	(388,564)	(2,107,597)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes in model	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(103,124)		(2,233,177)	(2,336,301)
At 30 June 2025	5,506,262	-	49,804,256	55,310,518

12. INVESTMENT SECURITIES (CONT'D)

(c) Debt instruments at amortised cost (cont'd)

	2024			
Gross carrying amount	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	MUR	MUR	MUR	MUR
Performing				
Investment grade	5,233,401,386	-	-	5,233,401,386
Standard Monitoring	29,893,415	-	-	29,893,415
Watchlist	-	-	-	-
Unrated	215,666,134	-	-	215,666,134
Non - performing				
Default	-	-	122,163,906	122,163,906
Total	5,478,960,935	-	122,163,906	5,601,124,841

An analysis of changes in the gross carrying amount is as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	4,427,289,976	163,785,444	-	4,591,075,420
New assets originated or purchased	1,991,673,982	-	4,917,852	1,996,591,834
Assets derecognised or repaid (excluding write offs)	(988,830,801)	(50,354,576)	-	(1,039,185,377)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	(113,430,868)	113,430,868	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	48,827,778	-	3,815,186	52,642,964
At 30 June 2024	5,478,960,935	-	122,163,906	5,601,124,841

	2024			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	3,626,783	-	-	3,626,783
Standard Monitoring	100,753	-	-	100,753
Watchlist	-	-	-	-
Unrated	727,418	-	-	727,418
Non - performing				
Default	-	-	52,425,997	52,425,997
Total	4,454,954	-	52,425,997	56,880,951

An analysis of changes in the ECL amount is as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	3,586,349	345,914	-	3,932,263
Increase in expected credit losses	1,378,054	-	50,498,948	51,877,002
Assets derecognised or repaid (excluding write offs)	(541,836)	(56,134)	-	(597,970)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	(289,780)	289,780	-
Changes in model	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	32,387		1,637,269	1,669,656
At 30 June 2024	4,454,954	-	52,425,997	56,880,951

13. OTHER ASSETS

	2026	2025	2024
	MUR	MUR	MUR
Deposits	**196,206,140**	171,390,748	119,226,449
Less: Expected credit losses	**(27,111)**	(23,627)	(11,664)
Non-banking assets acquired in satisfaction of debts	**5,489,163**	4,925,000	7,314,682
Other receivables	**890,470,010**	822,897,793	126,053,822
	1,092,138,202	999,189,914	252,583,289

Deposits relate to security deposits made by the Bank with certain counterparties in the normal operations of the banking institutions.
Expected credit losses are calculated on deposits. There has been no change in staging classification during the financial year. All ECL allowances were classified as stage 1 in 2026, 2025 and 2024.

Non-banking assets acquired in satisfaction of debts relate to repossessed assets and the Bank intends to dispose of such assets as soon as the market permits. These relate primarily to motor vehicles being repossessed in relation to finance leases granted by the Bank. The Bank's policy is to sell these repossessed assets through various car auctions.

Other receivables comprise mainly prepaid expenses, prepaid employee benefit and intercompany receivables from ABCB Investments Ltd following transfer of the Bank's investment in ABCB Properties Ltd to ABCB Investments Limited.

The intercompany receivable from ABCB Investments Ltd relates deferred consideration for the disposal of shares in ABCB Properties Ltd. The amount is receiavable over a period of 3 years at a rate of interest of 6.5% per annum. The Bank has assessed and concluded that expeceted credit loss arising on intercompany receivables is not material.

14. PROPERTY, EQUIPMENT AND RIGHT-OF-USE ASSETS

								Right-of -use assets			
	Freehold land	Buildings	Improvement to buildings	Computer equipment	Motor vehicles	Fixtures & fittings	Work in progress	Motor vehicles	Land & Buildings	Offices	Total
	MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR
COST											
At 1 July 2023	123,435,858	338,885,438	106,964,611	107,207,539	16,005,001	83,629,118	-	3,561,510	-	1,320,883	781,009,958
Additions	-	-	-	3,785,762	6,800,000	2,705,132	-	-	-	-	13,290,894
Disposals	-	-	-	-	(3,800,000)	-	-	-	-	-	(3,800,000)
Termination	-	-	-	-	-	-	-	(3,561,510)	-	-	(3,561,510)
At 30 June 2024	123,435,858	338,885,438	106,964,611	110,993,301	19,005,001	86,334,250	-	-	-	1,320,883	786,939,342
At 1 July 2024	123,435,858	338,885,438	106,964,611	110,993,301	19,005,001	86,334,250	-	-	-	1,320,883	786,939,342
Additions	-	-	-	12,881,561	9,615,000	1,205,745	-	-	115,486,146	679,749	139,868,201
Disposals	(123,435,858)	(338,885,438)	(106,964,611)	(88,665)	(3,255,000)	-	-	-	-	-	(572,629,572)
Termination	-	-	-	-	-	-	-	-	-	(1,320,883)	(1,320,883)
At 30 June 2025	-	-	-	123,786,197	25,365,001	87,539,995	-	-	115,486,146	679,749	352,857,088
At 1 July 2025	**-**	**-**	**-**	**123,786,197**	**25,365,001**	**87,539,995**	**-**	**-**	**115,486,146**	**679,749**	**352,857,088**
Additions	**-**	**-**	**-**	**17,058,720**	**-**	**615,825**	**-**	**-**	**-**	**-**	**17,674,545**
Disposals	**-**	**-**	**-**	**(106,532)**	**(1,000,000)**	**-**	**-**	**-**	**-**	**-**	**(1,106,532)**
Termination	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 30 June 2026	**-**	**-**	**-**	**140,738,385**	**24,365,001**	**88,155,820**	**-**	**-**	**115,486,146**	**679,749**	**369,425,101**
DEPRECIATION											-
At 1 July 2023	-	35,933,569	46,442,919	73,262,401	14,182,921	51,263,543	-	3,217,241	-	1,047,660	225,350,254
Charge for the year	-	6,777,709	5,348,231	14,461,247	751,667	6,014,339	-	344,268	-	251,572	33,949,033
Disposals	-	-	-	-	(2,850,000)	-	-	-	-	-	(2,850,000)
Termination	-	-	-	-	-	-	-	(3,561,509)	-	-	(3,561,509)
At 30 June 2024	-	42,711,278	51,791,150	87,723,648	12,084,588	57,277,882	-	-	-	1,299,232	252,887,778
At 1 July 2024	-	42,711,278	51,791,150	87,723,648	12,084,588	57,277,882	-	-	-	1,299,232	252,887,778
Charge for the year	-	5,083,282	4,011,173	13,438,464	2,002,417	5,659,406	-	-	5,774,307	333,205	36,302,254
Disposals	-	(47,794,560)	(55,802,323)	(88,665)	(1,790,411)	-	-	-	-	-	(105,475,959)
Termination	-	-	-	-	-	-	-	-	-	(1,320,885)	(1,320,885)
At 30 June 2025	-	-	-	101,073,447	12,296,594	62,937,288	-	-	5,774,307	311,552	182,393,188
At 1 July 2025	**-**	**-**	**-**	**101,073,447**	**12,296,594**	**62,937,288**	**-**	**-**	**5,774,307**	**311,552**	**182,393,188**
Charge for the year	**-**	**-**	**-**	**15,083,040**	**2,963,000**	**5,408,330**	**-**	**-**	**23,097,229**	**339,875**	**46,891,474**
Disposals	**-**	**-**	**-**	**(46,608)**	**(1,000,000)**		**-**	**-**	**-**	**-**	**(1,046,608)**
Termination	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 30 June 2026	**-**	**-**	**-**	**116,109,879**	**14,259,594**	**68,345,618**	**-**	**-**	**28,871,536**	**651,427**	**228,238,054**
NET BOOK VALUE											
At 30 June 2026	**-**	**-**	**-**	**24,628,506**	**10,105,407**	**19,810,202**	**-**	**-**	**86,614,610**	**28,322**	**141,187,047**
At 30 June 2025	-	-	-	22,712,750	13,068,407	24,602,707	-	-	109,711,839	368,197	170,463,900
At 30 June 2024	123,435,858	296,174,160	55,173,461	23,269,653	6,920,413	29,056,368	-	-	-	21,651	534,051,564

Management has reviewed the carrying value of its property and equipment and is of the opinion that as at 30 June 2026, the carrying value has not suffered any impairment except those disclosed elsewhere.

There is no restriction on title or asset pledged as security for liabilities at the reporting date (2025 & 2024: nil).

14. PROPERTY, EQUIPMENT AND RIGHT-OF-USE ASSETS (CONT'D)

The carrying amounts of lease liabilities (included under 'Other liabilities') and the movements during the year are analysed below.

	2026	2025	2024
	MUR	MUR	MUR
As at 1 July	**164,055,505**	25,959	700,087
Additions	**-**	164,361,571	
Accretion of interest	**11,200,539**	17,288	11,331
Payments (capital + interest)	**(40,439,189)**	(349,313)	(685,459)
At 30 June (Note 21)	**134,816,855**	164,055,505	25,959

The following are the amounts recognised in profit or loss:	**2026**	2025	2024
	MUR	MUR	MUR
Depreciation on right-of-use-assets	**339,875**	333,205	595,840
Interest expense on lease liability (Note 24)	**11,200,539**	17,288	11,331
Low value leases being expensed	**173,420**	122,360	143,520
Short term leases being expensed	**3,827,111**	5,876,964	2,468,266
Total amounts recognised in profit or loss	**15,540,945**	6,349,817	3,218,957

Lease liability	**Up to 1 year**	**1 to 3 years**	**After 3 years**	**Total**
	MUR	MUR	MUR	MUR
As at 30 June 2026				
Undiscounted cash flows (Note 21)	**33,164,028**	**72,306,587**	**29,346,240**	**134,816,855**
As at 30 June 2025				
Undiscounted cash flows (Note 21)	29,268,702	68,241,641	66,545,162	164,055,505
As at 30 June 2024				
Undiscounted cash flows (Note 21)	25,959	-	-	25,959

Lease activities consist of rental land and buildings, motor vehicles, Hong Kong representative office and a Disaster Recovery site.

The Bank applies the short term lease recognition exemption on rental of Dubai representative office which has a lease term of 12 months.

The Bank had total cash outflows of **MUR 4,359,719** (2025:MUR 6,314,151 and 2024: MUR 3,223,444) in respect of rental payments.

15. INTANGIBLE ASSETS

Computer software

	2026	2025	2024
COST	**MUR**	MUR	MUR
At 1 July	**151,151,548**	138,313,050	136,004,091
Additions	**51,439,253**	12,838,498	2,308,959
At 30 June	**202,590,801**	151,151,548	138,313,050
AMORTISATION			
At 1 July	**87,124,644**	69,344,337	53,358,385
Charge for the year	**24,166,056**	17,780,307	15,985,952
At 30 June	**111,290,700**	87,124,644	69,344,337
NET BOOK VALUE			
At 30 June	**91,300,101**	64,026,904	68,968,713

None of the intangible assets is internally generated.
All intangibles are tested for impairment on an annual basis and the intangible assets have not been impaired during the years under review.

16. DEFERRED TAX ASSETS

The deferred tax included in the statements of financial position and changes recorded in the income tax expense are as follows:

	2026	2025	2024
	MUR	MUR	MUR
As at 1 July	**15,420,198**	6,328,716	4,245,128
Accelerated tax depreciation	**(6,103,695)**	3,486,088	73,935
Impairment allowance	**19,059,071**	5,332,093	1,953,789
Retirement benefit obligations	**3,712,502**	273,301	55,864
As at 30 June	**32,088,076**	15,420,198	6,328,716

Analysed as:

	Statement of financial position			**Statement of profit or loss and other comprehensive income**		
	2026	2025	2024	**2026**	2025	2024
	MUR	MUR	MUR	**MUR**	MUR	MUR
Accelerated tax depreciation	**(13,755,635)**	(7,651,940)	(11,138,028)	**(6,103,695)**	3,486,088	73,935
Impairment allowance	**38,882,303**	19,823,232	14,491,139	**19,059,071**	5,332,093	1,953,789
Retirement benefit obligations	**6,961,408**	3,248,906	2,975,605	**3,712,502**	273,301	55,864
	32,088,076	15,420,198	6,328,716	**16,667,878**	9,091,482	2,083,588

Movement of deferred tax to statement of profit or loss and other comprehensive income analysed as follows:

	2026	2025	2024
	MUR	MUR	MUR
Profit or loss (Note 20)	**15,873,165**	9,408,594	1,523,165
Other comprehensive income	**794,713**	(317,112)	560,423
	16,667,878	9,091,482	2,083,588

17. DEPOSITS FROM CUSTOMERS

	2026	2025	2024
	MUR	MUR	MUR
Retail customers			
Savings accounts	**5,513,231,166**	5,099,442,320	4,320,276,557
Current accounts	**2,152,396,384**	1,515,875,563	945,660,098
Term deposits with remaining term to maturity:			
Up to 3 months	**2,054,840,557**	1,098,207,120	817,684,310
Over 3 months and up to 6 months	**768,217,397**	874,393,703	493,950,737
Over 6 months and up to 12 months	**1,375,915,550**	1,282,939,025	1,278,205,312
Over 1 year and up to 5 years	**4,525,234,267**	4,717,902,000	4,602,214,964
Corporate customers			
Savings accounts	**229,679,808**	204,434,691	175,934,356
Current accounts	**14,339,009,287**	9,449,429,170	6,600,971,414
Term deposits with remaining term to maturity:			
Up to 3 months	**2,121,072,804**	2,008,648,560	861,636,644
Over 3 months and up to 6 months	**1,046,164,362**	517,143,885	630,218,168
Over 6 months and up to 12 months	**1,941,450,865**	1,475,858,718	843,330,770
Over 1 year and up to 5 years	**538,272,071**	598,782,587	782,643,429
	36,605,484,518	28,843,057,342	22,352,726,759

The Bank receives cash collaterals as security on various loan arrangements. As at 30 June 2026, an amount of MUR437.6m (2025: MUR 319.8m ; 2024: MUR 169.3m) held as cash collaterals were included in deposit from customers.

18. DUE TO BANKS

	2026 MUR	2025 MUR	2024 MUR
Interbank borrowing (include Repo)	**792,598,400**	617,131,200	-
Accrued interest	**23,490,648**	8,584,376	-
At 30 June	**816,089,048**	625,715,576	-

Due to banks relate to borrowings from Standard Bank (Mauritius) Limited and The Mauritius Commercial Bank Limited at a rate of 4.45% and 3.6% respectively and having a maturity of less than 12 months. For year 2025: Due to banks relate to borrowings from Bank One Limited and Standard Bank (Mauritius) Limited at a rate of 3.8% and 4.5% respectively and having a maturity of less than 12 months.

19. SUBORDINATED DEBTS

	2026 MUR	2025 MUR	2024 MUR
Subordinated Notes			
Issue of notes	**-**	500,000,000	500,000,000
Interest accrued	**-**	14,250,342	5,436,986
Redemption of subordinated notes	**-**	(500,000,000)	-
Interest on subordinate Notes (Paid)	**-**	(14,250,342)	-
	-	-	505,436,986
Bond			
Issue of bonds	-	-	700,000,000
At 1 July	**700,000,000**	700,000,000	-
Interest accrued	**10,344,656**	10,233,425	10,427,322
Less issue cost	**(3,048,246)**	(4,156,701)	(5,265,154)
	707,296,410	706,076,724	**705,162,168**
At 30 June	**707,296,410**	706,076,724	1,210,599,154

The subordinated notes amounting to MUR 375,000,000 at fixed rate (5.60%) and MUR 125,000,000 at floating rate (Repo+1.8%) have been fully redeemed and paid on 24 April 2025.
On 29 March 2024, there was a bond issuance by the Bank amounting to MUR 700,000,000 at fixed rate (5.80%) and maturing on 29 March 2034.

20. INCOME TAX EXPENSE

Income tax is calculated at the rate of 5% (2025 and 2024: 5%) on the profit for the year.

The components of income tax expense for the years ended 30 June are:

	2026 MUR	2025 MUR	2024 MUR
Current income tax	**122,151,535**	68,764,376	41,849,269
Under provision in previous years	**(646,790)**	102,983	142,452
Deferred tax (credit)/charge	**(15,873,165)**	(9,408,594)	(1,523,165)
Income tax expense	**105,631,580**	59,458,765	40,468,556

Reconciliation of the total tax charge

A reconciliation between the tax expense and the accounting profit multiplied by the domestic statutory tax rate for the years ended 30 June is as follows:

	2026 MUR	2025 MUR	2024 MUR
Accounting profit before tax	**402,589,920**	440,091,553	298,141,331
At statutory income tax rate of 5% (2025 and 2024: 5%)	**20,129,496**	22,004,578	14,907,067
Non-deductible expenses*	**12,103,867**	5,154,875	5,050,527
Exempt income**	**(4,537,708)**	(2,981,495)	(2,783,793)
Corporate social responsibility	**6,867,387**	7,969,838	4,596,636
Special levy	**46,921,699**	20,078,832	20,078,832
Fair share contribution	**31,500,348**	-	-
Income tax (over)/under provision for the previous year	**(646,790)**	102,983	142,452
Corporate climate responsibility	**9,166,446**	16,537,748	-
Deferred tax credit	**(15,873,165)**	(9,408,594)	(1,523,165)
Tax expense	**105,631,580**	59,458,765	40,468,556

*Non-deductible expenses consist mainly of provision for impairment and depreciation.
**Exempt income consist mainly of dividend and profit on disposal.

20. INCOME TAX EXPENSE (CONT'D)

Corporate Social Responsibility (CSR) Tax

Corporate Social Responsibility (CSR) was legislated by the Government of Mauritius in July 2009. The Bank is required to allocate 2% of its Segment A chargeable income of the preceding financial year to Government-approved CSR Non-Governmental Organisations.

Special Levy

The Bank is liable to pay a special levy as per Value Added Tax Act of Mauritius. It is calculated as a percentage of the Bank's leviable income from residents excluding Global Business Licence holders.

Corporate Climate Responsibility Levy(CCR)

Corporate Climate Responsibility Levy(CCR) was enacted in July 2024. It is calculated as 2% of chargeable income.

Fair Share Contribution(FSC)

Fair Share Contribution is applicable for income derived from 1 July 2025 to 30 June 2026. It is calculated as 5% of total chargeable income and an additional of 2.5% on chargeable income arising from transactions with residents(excluding global business entities).

21. OTHER LIABILITIES

	2026	2025*	2024*
	MUR	MUR	MUR
Unallocated receipts	**519,037,981**	57,245,306	54,376,477
Employee benefit liability (note 36)	**45,277,448**	38,222,415	45,778,530
Bankers' drafts	**16,465,483**	19,623,217	50,053,453
Other payables	**149,016,864**	124,567,736	99,036,911
ECL on contingent liabilities (note 28 and 34)	**3,508,034**	5,152,047	10,630,717
Lease liability (note 14)	**134,816,855**	164,055,505	25,959
	868,122,665	*408,866,226	*259,902,047

Employee benefit liability is composed of retirement gratuities payable under the Workers Rights Act 2019.
Unallocated receipts relates to funds received before the Bank's cut off time on the reporting date but not yet allocated to customer accounts.
Other payables include accruals for expenses, accrued staff related costs, VAT payable and provision for legal costs.

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335).
Refer to Note 43 (a).

22. ISSUED CAPITAL

	2026	2025*	2024
	MUR	MUR	MUR
Ordinary shares of MUR 10 each			
Issued, authorised and fully paid capital	**762,718,720**	762,718,720	762,718,720
Share premium	**177,776,752**	177,776,752	177,776,752
At 30 June	**940,495,472**	940,495,472	940,495,472

	2026	2025*	2024
	MUR	MUR	MUR
Issued, authorised and fully paid			
At 1 July	**940,495,472**	940,495,472	940,495,472
At 30 June	**940,495,472**	940,495,472	940,495,472
Number of shares			
At 1 July	**76,271,872**	76,271,872	76,271,872
At 30 June	**76,271,872**	76,271,872	76,271,872

Rights conferred to an ordinary share are the following: right to one vote on a poll at a meeting of the Bank on any resolution, right to an equal share in dividends authorised by the Board and right to an equal share in the distribution of the surplus assets of the Bank.

23. OTHER RESERVES

	2026	2025	2024
	MUR	MUR	MUR
Net unrealised investment fair value reserve	**(48,241,398)**	(26,018,172)	(24,155,811)
Regulatory reserve	**289,331,663**	224,838,122	-
Statutory reserve	**397,748,246**	353,204,495	296,109,577
	638,838,511	552,024,445	271,953,766

The regulatory reserve records the impairment provision of financial instruments recorded by the Bank which has been determined in line with the requirements of the Bank of Mauritius guideline on "Classification, Provisioning and Write-Off of Credit Exposures", which are in excess of IFRS 9 impairment requirement.

Net unrealised investment fair value reserve

	2026	2025	2024
	MUR	MUR	MUR
At 1 July	**(26,018,172)**	(24,155,811)	(21,771,159)
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	**1,909,199**	389,743	(479,692)
Net gain/(loss) on investments in equity instruments designated at fair value through other comprehensive income	**(10,688,046)**	(6,671,622)	(19,593,708)
Net gain/(loss) on investments in debt instruments designated at fair value through other comprehensive income	**(13,444,379)**	4,419,518	17,688,748
At 30 June	**(48,241,398)**	(26,018,172)	(24,155,811)

This reserve records fair value changes on financial instruments at fair value through other comprehensive income.

Statutory reserve

The statutory reserve represents transfers from retained earnings in accordance with the Banking Act 2004. A sum equal to not less than 15% of the net profit is transferred each year until the balance is equal to the amount paid as stated capital.

	MUR
At 1 July 2023	257,458,661
Transfer to statutory reserve	38,650,916
At 30 June 2024	296,109,577
At 1 July 2024	296,109,577
Transfer to statutory reserve	57,094,918
At 30 June 2025	353,204,495
At 1 July 2025	**353,204,495**
Transfer to statutory reserve	**44,543,751**
At 30 June 2026	**397,748,246**

24. NET INTEREST INCOME

	2026	2025	2024
	MUR	MUR	MUR
Interest income			
Loans and advances to customers (excluding finance leases)**	**861,678,581**	802,829,570	690,936,311
Finance leases**	**274,098,802**	248,172,710	202,325,398
Loans to and placements with Banks	**182,657,753**	152,118,028	143,948,395
Investment securities:			
At FVOCI	**152,058,713**	39,683,187	50,160,126
At amortised cost	**150,507,319**	195,396,383	191,399,040
Others*	**43,748,070**	997,511	2,566,676
	1,664,749,238	1,439,197,389	1,281,335,946

*Interest income on others relates to amount receivable from sister company.

**Interest income on finance leases and loans and advances to customers include processing fees which are fees generated on credit facilities disbursed by the Bank and are recognised over the life of the facilities.

24. NET INTEREST INCOME (CONT'D)

	2026	2025	2024
	MUR	MUR	MUR
Interest expense			
Deposits from customers	728,526,910	654,862,938	564,144,535
Subordinated debts	41,708,454	64,855,958	39,658,545
Borrowed funds*	19,259,404	9,788,443	299,095
Lease liabilities (note 14)	11,200,539	17,288	11,331
	800,695,307	729,524,627	604,113,506
Net Interest Income	864,053,931	709,672,762	677,222,440

* Interest expense was incurred on borrowed funds (Interbank borrowings).

25. NET FEE AND COMMISSION INCOME

	2026	2025	2024
	MUR	MUR	MUR
Fee and commission income			
Card and related fee income	40,485,372	42,963,102	40,572,668
International Banking	65,023,618	51,307,276	51,574,111
InterBank transaction fees	12,600,998	10,985,766	9,464,635
Others*	24,861,548	31,417,806	17,874,541
	142,971,536	136,673,950	119,485,955

*Others relates to fees earned by the bank on trade finance products and other banking services provided

	2026	2025	2024
Fee and commission expense			
Card and related fee expense	44,334,749	44,101,461	32,944,975
InterBank transaction fees	16,175,682	18,358,953	20,794,927
	60,510,431	62,460,414	53,739,902
Net fee and commission income	82,461,105	74,213,536	65,746,053

Card and related fee income relates to fee income generated at a point in time as the Bank provides card transactions payment services.

International Banking and interBank transactions fees include principally remittance fees recognised at a point in time when the Bank executes remittances on behalf of Banking customers. Others include account maintenance fees, confirmation statement fees, cheque book fees and other service charges recognised at a point in time when the Bank provides the services to Banking customers.

26. NET TRADING INCOME

	2026	2025	2024
	MUR	MUR	MUR
Net foreign exchange gain	194,895,870	115,080,299	104,349,278

Net foreign exchange gain includes foreign exchange gains and losses arising on revaluation of the Bank's assets and liabilities denominated in foreign currency, on foreign currency trading and on foreign currency spot and forward contracts.

27. OPERATING INCOME

Other operating income	2026	2025	2024
	MUR	MUR	MUR
Dividend income from equity instruments at FVOCI	2,807,467	1,561,824	1,542,627
Profit on disposal of property and equipment	420,809	146,524,458	441,304
Others	3,026,323	7,763,843	287,684
	6,254,599	155,850,125	2,271,615

28. ALLOWANCE FOR CREDIT IMPAIRMENT ON FINANCIAL ASSETS

	2026	2025	2024
	MUR	MUR	MUR
Due from Banks and balances with Central Bank	276,182	145,639	(6,152)
Loans and advances to customers*	1,483,448	26,616,299	(14,407,058)
Investment in securities	29,894,225	(1,180,690)	52,469,001
Provision on guarantee (Note 34)	(1,644,012)	(5,478,670)	2,563,693
	30,009,843	20,102,578	40,619,484

*A reversal charge of MUR 1.5m on repossessed assets has been included in the allowance for credit impairment on loans and advances to customers (2025: ECL charge of MUR 1.3m, 2024: ECL charge of MUR 1.9m.

	2026	2025	2024
	MUR	MUR	MUR
<u>Loans and advances to customers</u>			
Provision for credit impairment	445,064,420	134,343,012	88,179,865
Provision released	(443,355,469)	(108,322,463)	(102,359,029)
Bad debts recovered	(226,208)	(300,381)	(1,119,117)
Bad debts written off for which no provision was made	705	896,131	891,223
	1,483,448	26,616,299	(14,407,058)

	2026	2025	2024
	MUR	MUR	MUR
Expected Credit Losses - Debt instruments at FVOCI	1,909,199	389,743	(479,692)
Expected Credit Losses - Debt instruments at amortised cost	27,985,026	(1,570,433)	52,948,693
	29,894,225	(1,180,690)	52,469,001

28. ALLOWANCE FOR CREDIT IMPAIRMENT ON FINANCIAL ASSETS (CONT'D)

The table below shows the ECL charges on financial instruments for the year recorded in the profit or loss:

2026	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	Collective	**Collective**	**Individual**	
	MUR	**MUR**	**MUR**	**MUR**
Financial assets				
Due from banks and restricted balances with Central bank	**276,182**	**-**	**-**	**276,182**
Loans and advances to customers	**9,334,590**	**(23,224,817)**	**15,373,675**	**1,483,448**
Investment securities				
Debt instruments at amortised cost	**(1,058,157)**	**17,592**	**29,025,589**	**27,985,024**
Debt instruments at fair value through OCI	**1,909,200**	**-**	**-**	**1,909,200**
	851,043	**17,592**	**29,025,589**	**29,894,224**
	10,461,815	**(23,207,225)**	**44,399,264**	**31,653,854**
Contingent liabilities	**(1,954,798)**	**310,786**	**-**	**(1,644,012)**
	8,507,017	**(22,896,439)**	**44,399,264**	**30,009,842**

2025	Stage 1	Stage 2	Stage 3	Total
	Collective	Collective	Individual	
	MUR	MUR	MUR	MUR
Financial assets				
Due from banks and restricted balances with Central bank	145,639	-	-	145,639
Loans and advances to customers	(26,504,201)	37,172,746	15,947,754	26,616,299
Investment securities				
Debt instruments at amortised cost	1,051,308	-	(2,621,741)	(1,570,433)
Debt instruments at fair value through OCI	513,503	(123,760)	-	389,743
	1,564,811	(123,760)	(2,621,741)	(1,180,690)
	(24,793,751)	37,048,986	13,326,013	25,581,248
Contingent liabilities	(5,717,780)	239,110	-	(5,478,670)
	(30,511,531)	37,288,096	13,326,013	20,102,578

2024	Stage 1	Stage 2	Stage 3	Total
	Collective	Collective	Individual	
	MUR	MUR	MUR	MUR
Financial assets				
Due from banks and restricted balances with Central bank	(6,152)	-	-	(6,152)
Loans and advances to customers	12,827,512	(20,165,722)	(7,068,848)	(14,407,058)
Investment securities				
Debt instruments at amortised cost	868,605	(345,914)	52,426,001	52,948,692
Debt instruments at fair value through OCI	466,525	(946,216)	-	(479,691)
	1,335,130	(1,292,130)	52,426,001	52,469,001
	14,156,490	(21,457,852)	45,357,153	38,055,791
Contingent liabilities	2,563,693	-	-	2,563,693
	16,720,183	(21,457,852)	45,357,153	40,619,484

29. PERSONNEL EXPENSES

	2026	2025	2024
	MUR	MUR	MUR
Wages and salaries	**295,940,816**	261,168,236	243,004,150
Retirement benefit costs (Note 36)	**6,514,927**	522,616	(5,246,097)
Others	**73,281,112**	72,916,794	61,854,987
	375,736,855	334,607,646	299,613,040

Others include mainly travelling allowances, directorship fees, medical benefits, training costs and other allowances.

30. OTHER OPERATING EXPENSES

	2026	2025	2024
	MUR	MUR	MUR
Motor vehicle expenses and insurance	**29,931,954**	19,566,977	7,539,380
Rates	**546,340**	576,502	391,545
Advertising and marketing	**27,499,286**	16,824,679	13,181,133
Information technology costs	**85,415,215**	59,863,375	51,836,881
Licences	**5,565,767**	4,789,509	3,453,414
Communication costs	**16,818,242**	13,162,119	12,467,443
Legal and professional fees	**28,282,845**	23,008,010	22,273,135
Maintenance costs	**17,870,011**	11,562,371	73,387
Others	**56,341,698**	56,578,842	50,064,228
	268,271,358	205,932,384	161,280,546

Others consist of postage and stationary, utilities, security, overseas travelling, subscription, lease of low-value assets being expensed and other operating costs.

31. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net profit attributable to the ordinary equity holders of the Bank by the weighted average number of ordinary shares during the year.

	2026	2025	2024
	MUR	MUR	MUR
Profit after tax	**296,958,340**	380,632,788	257,672,775
Weighted average number of ordinary shares (Note 22)	**76,271,872**	76,271,872	76,271,872
Earnings per share			
Basic and diluted earnings per share	**3.89**	4.99	3.38

32. DIVIDENDS

	2026	2025	2024
	MUR	MUR	MUR
Dividends on ordinary shares:			
Declared and paid dividend: MUR 1.15 per share (2025: MUR 0.90 per share; 2024: MUR 0.90 per share)	**87,712,653**	68,644,690	68,644,685

Dividends for distribution to shareholders were approved by the Board of Directors in September 2025, and were paid in January 2026.
Dividend paid in financial year 2025 was approved in January 2025, and were paid in March 2025.
Dividend paid in financial year 2024 was approved in December 2023, and were paid in February 2024.

33. RELATED PARTY DISCLOSURES

(a) Transactions with related parties

The following table provides the total amount of transactions and balances, which have been entered into with related parties for the relevant financial years.

		LOANS AND ADVANCES			DEPOSITS FROM CUSTOMERS		OTHERS	Total amount	Total amount
		Loans and advances granted	Outstanding amount at year end	Interest receivable for the year	Deposits at year end	Interest payable for the year	*Others	Owed by related party	Owed to related party
		MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR
Directors and key management personnel	**2026**	**4,859,163**	**95,499,558**	**4,954,205**	**214,332,971**	**8,883,061**	**239,782**	**95,499,558**	**214,332,971**
	2025	76,426,958	123,578,175	4,048,048	230,006,392	8,562,664	402,410	123,578,175	230,006,392
	2024	38,120,248	57,965,663	1,746,013	171,376,349	5,873,675	1,109,088	57,965,663	171,376,349
Corporate shareholders with significant influence	**2026**	**-**	**-**	**-**	**17,958,563**	**-**	**20,494,240**	**-**	**17,958,563**
	2025	-	-	-	-	-	167,444	-	-
	2024	121,966,602	341,261,025	21,296,905	6,011,304	-	1,796,537	341,261,025	6,011,304
Enterprises that have a number of directors in common	**2026**	**271,446,712**	**384,425,413**	**29,846,616**	**90,952,843**	**234,831**	**14,215,149**	**384,425,413**	**90,952,843**
	2025	108,325,298	382,077,385	36,582,287	95,990,357	831,997	19,544,279	382,077,385	95,990,357
	2024	55,419,684	124,716,839	9,694,260	51,327,286	507,684	15,593,831	124,716,839	51,327,286
Enterprises under common control**	**2026**	**-**	**-**	**-**	**-**	**-**	**727,032,455**	**-**	**-**
	2025	-	-	-	-	-	672,845,784	-	-
	2024	-	-	-	-	-	-	-	-
Total	**2026**	**276,305,875**	**479,924,971**	**34,800,821**	**323,244,376**	**9,117,892**	**761,981,627**	**479,924,971**	**323,244,376**
	2025	184,752,256	505,655,560	40,630,335	325,996,749	9,394,661	692,959,917	505,655,560	325,996,749
	2024	215,506,534	523,943,527	32,737,178	228,714,939	6,381,359	18,499,456	523,943,527	228,714,939

Terms and conditions of transactions with related parties

The above mentioned outstanding balances arose from the ordinary course of business. Credit facilities are secured except for short term money market lines. An amount of **MUR 1,500,000** has been provided as guarantee to the related party namely Speedfreight ltd for the year ended 30 June 2026 (2025:MUR 1,500,000 ; 2024: MUR 16,500,000). An amount of **MUR 3,491,320** has been provided as letter of credit to related party ABC Marketing Ltd for the year ended 30 June 2026.

*Others includes principally insurance, training, marketing and communication costs and interco balances.

**This includes consideration received from ABCB Properties Ltd following the transfer of the Bank's land and buildings to the company.
The investments held by the Bank in ABCB Properties Ltd have been subsequently transferred to ABCB Investments Ltd for deferred consideration which has been reported under other assets.
ABCB Properties Ltd and ABCB Investments Ltd are fellow subsidiaries of ABCB Holdings Ltd, the immediate holding company of the Bank.

(b) Compensation of key management personnel

	2026	2025	2024
	MUR	MUR	MUR
Short term employee benefits	**81,412,225**	65,423,150	49,332,000
Long term employee benefits	**4,609,375**	3,084,907	2,319,000

(c) The Bank's top six outstanding balances to related parties amount to **MUR 331,967,733** (2025: MUR 318,298,487 and 2024: MUR 398,395,137). These represent 12.91% of Tier 1 Capital. None of these facilities were non-performing (2025 & 2024: Nil). Allowance for impairment losses amount to **MUR 174,121** (2025: MUR 2,183,686 and 2024: MUR 1,985,132) and the impairment expense on related party receivables are not material for the year ended 30 June 2026.

34. CONTINGENT LIABILITIES

		2026	2025	2024
		MUR	MUR	MUR
(a)	**Instruments**			
(i)	Financial guarantees	**370,962,146**	149,003,700	39,744,640
	Less: Allowance for impairment losses	**(374,512)**	(316,146)	(216,010)
	Net financial guarantees	**370,587,634**	148,687,554	39,528,630
(ii)	Letters of credit and other obligations on account of customers	**131,301,940**	3,604,000	673,270,000
	Less: Allowance for impairment losses	**(118,711)**	(7,647)	(1,619,730)
	Net letters of credit and other obligations on account of customers	**131,183,229**	3,596,353	671,650,270
(b)	**Commitments**			
(i)	Undrawn credit facilities	**2,425,501,144**	2,335,559,008	2,113,916,804
	Less: Allowance for impairment losses	**(3,014,812)**	(4,828,255)	(8,794,976)
	Net undrawn credit facilities	**2,422,486,332**	2,330,730,753	2,105,121,828
	Net contingent liabilities	**2,924,257,195**	2,483,014,660	2,816,300,728

(a) (i) Financial guarantees

	2026			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	-	-	-	-
Standard Monitoring	369,962,146	-	-	369,962,146
Watchlist	-	1,000,000	-	1,000,000
Unrated	-	-	-	-
Non-performing				
Default	-	-	-	-
Total	369,962,146	1,000,000	-	370,962,146

An analysis of changes in the gross carrying amount is as follows:

	2026			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	149,003,700	-	-	149,003,700
New exposures originated or purchased	360,886,146	1,000,000	-	361,886,146
Exposures derecognised or repaid (excluding write offs)	(139,927,700)	-	-	(139,927,700)
At 30 June 2026	369,962,146	1,000,000	-	370,962,146

	2026			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	-	-	-	-
Standard Monitoring	334,484	-	-	334,484
Watchlist	-	40,028	-	40,028
Unrated	-	-	-	-
Non-performing				
Default	-	-	-	-
Total	334,484	40,028	-	374,512

An analysis of changes in the ECL amount is as follows:

	2026			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	316,146	-	-	316,146
New exposures originated or purchased	365,293	40,028	-	405,321
Exposures derecognised or repaid (excluding write offs)	(346,955)	-	-	(346,955)
At 30 June 2026	334,484	40,028	-	374,512

34. CONTINGENT LIABILITIES (CONT'D)

(a) Instruments (cont'd)

(a) (i) Financial Guarantees (cont'd)

	2025			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	121,388,700	-	-	121,388,700
Standard Monitoring	27,615,000	-	-	27,615,000
Watchlist	-	-	-	-
Unrated	-	-	-	-
Non-performing				
Default	-	-	-	-
Total	149,003,700	-	-	149,003,700

An analysis of changes in the gross carrying amount is as follows:

	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	39,744,640	-	-	39,744,640
New exposures originated or purchased	144,553,700	-	-	144,553,700
Exposures derecognised or repaid (excluding write offs)	(35,294,640)	-	-	(35,294,640)
At 30 June 2025	149,003,700	-	-	149,003,700

	2025			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	257,554	-	-	257,554
Standard Monitoring	58,592	-	-	58,592
Watchlist	-	-	-	-
Unrated	-	-	-	-
Non-performing				
Default	-	-	-	-
Total	316,146	-	-	316,146

An analysis of changes in the ECL amount is as follows:

	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	216,010	-	-	216,010
New exposures originated or purchased	306,704	-	-	306,704
Exposures derecognised or repaid (excluding write offs)	(206,568)	-	-	(206,568)
At 30 June 2025	316,146	-	-	316,146

34. CONTINGENT LIABILITIES (CONT'D)

(a) Instruments (cont'd)

(a) (i) Financial Guarantees (cont'd)

	2024			
Gross carrying amount	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	MUR	MUR	MUR	MUR
Performing				
Investment grade	7,847,000	-	-	7,847,000
Standard Monitoring	31,897,640	-	-	31,897,640
Watchlist	-		-	-
Unrated	-	-	-	-
Non-performing				
Default	-	-	-	-
Total	39,744,640	-	-	39,744,640

	2024			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	27,087,930	-	-	27,087,930
New exposures originated or purchased	39,744,640		-	39,744,640
Exposures derecognised or repaid (excluding write offs)	(27,087,930)	-	-	(27,087,930)
At 30 June 2024	39,744,640	-	-	39,744,640

	2024			
ECL allowance	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	MUR	MUR	MUR	MUR
Performing				
Investment grade	40,011	-	-	40,011
Standard Monitoring	175,999	-	-	175,999
Watchlist	-		-	-
Unrated	-	-	-	-
Non-performing				
Default	-	-	-	-
Total	216,010	-	-	216,010

An analysis of changes in the ECL amount is as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	65,435	-	-	65,435
New exposures originated or purchased	216,010	-	-	216,010
Exposures derecognised or repaid (excluding write offs)	(65,435)	-	-	(65,435)
At 30 June 2024	216,010	-	-	216,010

34. CONTINGENT LIABILITIES (CONT'D)

(a) Instruments (cont'd)

(a) (ii) Letter of credit and other obligations on account of customers

	2026			
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade	**MUR**	**MUR**	**MUR**	**MUR**
Performing				
Investment grade	**127,810,620**	**-**	**-**	**127,810,620**
Standard Monitoring	**3,491,320**	**-**	**-**	**3,491,320**
Watchlist	**-**	**-**	**-**	**-**
Unrated	**-**	**-**	**-**	**-**
Non-performing				**-**
Default	**-**	**-**	**-**	**-**
Total	**131,301,940**	**-**	**-**	**131,301,940**

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
Gross carrying amount as at 1 July	**3,604,000**	**-**	**-**	**3,604,000**
New exposures originated or purchased	**131,301,940**	**-**	**-**	**131,301,940**
Exposures derecognised or repaid (excluding write offs)	**(3,604,000)**	**-**	**-**	**(3,604,000)**
At 30 June 2026	**131,301,940**	**-**	**-**	**131,301,940**

	2026			
ECL allowance	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade	**MUR**	**MUR**	**MUR**	**MUR**
Performing				
Investment grade	**115,554**	**-**	**-**	**115,554**
Standard Monitoring	**3,157**	**-**	**-**	**3,157**
Watchlist	**-**	**-**	**-**	**-**
Unrated	**-**	**-**	**-**	**-**
Non-performing				**-**
Default	**-**	**-**	**-**	**-**
Total	**118,711**	**-**	**-**	**118,711**

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
ECL allowance as at 1 July	**7,647**	**-**	**-**	**7,647**
New exposures originated or purchased	**118,711**	**-**	**-**	**118,711**
Exposures derecognised or repaid (excluding write offs)	**(7,647)**	**-**	**-**	**(7,647)**
At 30 June 2026	**118,711**	**-**	**-**	**118,711**

34. CONTINGENT LIABILITIES (CONT'D)

(a) Instruments (cont'd)

(a) (ii) Letter of credit and other obligations on account of customers (cont'd)

	2025			
Gross carrying amount	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	MUR	MUR	MUR	MUR
Performing				
Investment grade	-	-	-	-
Standard Monitoring	3,604,000	-	-	3,604,000
Watchlist	-	-	-	-
Unrated	-	-	-	-
Non-performing				-
Default	-	-	-	-
Total	3,604,000	-	-	3,604,000

	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	673,270,000	-	-	673,270,000
New exposures originated or purchased	3,604,000	-	-	3,604,000
Exposures derecognised or repaid (excluding write offs)	(673,270,000)	-	-	(673,270,000)
At 30 June 2025	3,604,000	-	-	3,604,000

	2025			
ECL allowance	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	MUR	MUR	MUR	MUR
Performing				
Investment grade	-	-	-	-
Standard Monitoring	7,647	-	-	7,647
Watchlist	-	-	-	-
Unrated	-	-	-	-
Non-performing				-
Default	-	-	-	-
Total	7,647	-	-	7,647

	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	1,619,730	-	-	1,619,730
New exposures originated or purchased	7,647	-	-	7,647
Exposures derecognised or repaid (excluding write offs)	(1,619,730)	-	-	(1,619,730)
At 30 June 2025	7,647	-	-	7,647

34. CONTINGENT LIABILITIES (CONT'D)

(a) Instruments (cont'd)

(a) (ii) Letter of credit and other obligations on account of customers (cont'd)

	2024			
Gross carrying amount	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	MUR	MUR	MUR	MUR
Performing				
Investment grade	461,455,000	-	-	461,455,000
Standard Monitoring	211,815,000	-	-	211,815,000
Watchlist	-	-	-	-
Unrated	-	-	-	-
Non-performing				-
Default	-	-	-	-
Total	673,270,000	-	-	673,270,000

	2024			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	-	-	-	-
New exposures originated or purchased	673,270,000	-	-	673,270,000
Exposures derecognised or repaid (excluding write offs)	-	-	-	-
At 30 June 2024	673,270,000	-	-	673,270,000

	2024			
ECL allowance	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	MUR	MUR	MUR	MUR
Performing				
Investment grade	1,122,553	-	-	1,122,553
Standard Monitoring	497,177	-	-	497,177
Watchlist	-	-	-	-
Unrated	-	-	-	-
Non-performing				-
Default	-	-	-	-
Total	1,619,730	-	-	1,619,730

	2024			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	-	-	-	-
New exposures originated or purchased	1,619,730	-	-	1,619,730
Exposures derecognised or repaid (excluding write offs)	-	-	-	-
At 30 June 2024	1,619,730	-	-	1,619,730

34. CONTINGENT LIABILITIES (CONT'D)

(a) Instruments (cont'd)

(b) Commitments

(b) (i) Undrawn credit facilities

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount	**MUR**	**MUR**	**MUR**	**MUR**
Internal rating grade				
Performing				
Investment grade	**1,676,915,303**	**11,575,515**	**-**	**1,688,490,818**
Standard Monitoring	**691,472,016**	**150,000**	**-**	**691,622,016**
Watchlist	**-**	**871,512**	**-**	**871,512**
Unrated	**44,516,798**	**-**	**-**	**44,516,798**
Non-performing				
Default	**-**	**-**	**-**	**-**
Total	**2,412,904,117**	**12,597,027**	**-**	**2,425,501,144**

An analysis of changes in the gross carrying amount is as follows:

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
Gross carrying amount as at 1 July	**2,329,466,358**	**6,092,650**	**-**	**2,335,559,008**
New exposures originated or purchased	**2,412,904,117**	**12,597,027**	**-**	**2,425,501,144**
Exposures derecognised or repaid (excluding write offs)	**(2,329,466,358)**	**(6,092,650)**	**-**	**(2,335,559,008)**
At 30 June 2026	**2,412,904,117**	**12,597,027**	**-**	**2,425,501,144**

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance	**MUR**	**MUR**	**MUR**	**MUR**
Internal rating grade				
Performing				
Investment grade	**1,628,512**	**590,792**	**-**	**2,219,304**
Standard Monitoring	**740,368**	**4,345**	**-**	**744,713**
Watchlist	**-**	**34,884**	**-**	**34,884**
Unrated	**15,911**	**-**	**-**	**15,911**
Non-performing				**-**
Default	**-**	**-**	**-**	**-**
Total	**2,384,791**	**630,021**	**-**	**3,014,812**

An analysis of changes in the ECL amount is as follows:

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
ECL allowance as at 1 July	**4,468,989**	**359,266**	**-**	**4,828,255**
New exposures originated or purchased	**2,384,791**	**630,021**	**-**	**3,014,812**
Exposures derecognised or repaid (excluding write offs)	**(4,468,989)**	**(359,266)**	**-**	**(4,828,255)**
At 30 June 2026	**2,384,791**	**630,021**	**-**	**3,014,812**

	2025			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	1,685,288,780	6,013,684	-	1,691,302,464
Standard Monitoring	603,432,492	-	-	603,432,492
Watchlist	-	35,565	-	35,565
Unrated	40,745,086	43,401	-	40,788,487
Non-performing				
Default	-	-	-	-
Total	2,329,466,358	6,092,650	-	2,335,559,008

34. CONTINGENT LIABILITIES (CONT'D)

(b) Commitments (cont'd)

(b) (i) Undrawn credit facilities (cont'd)

An analysis of changes in the gross carrying amount is as follows:

	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	2,090,381,804	23,535,000	-	2,113,916,804
New exposures originated or purchased	2,329,466,358	6,092,650	-	2,335,559,008
Exposures derecognised or repaid (excluding write offs)	(2,090,381,804)	(23,535,000)	-	(2,113,916,804)
At 30 June 2025	2,329,466,358	6,092,650	-	2,335,559,008

	2025			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	3,243,353	355,943	-	3,599,296
Standard Monitoring	1,186,275	-	-	1,186,275
Watchlist	-	1,884	-	1,884
Unrated	39,361	1,439	-	40,800
Non-performing				-
Default	-	-	-	-
Total	4,468,989	359,266	-	4,828,255

An analysis of changes in the ECL amount is as follows:

	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	8,674,820	120,156	-	8,794,976
New exposures originated or purchased	4,468,989	359,266	-	4,828,255
Exposures derecognised or repaid (excluding write offs)	(8,674,820)	(120,156)		(8,794,976)
At 30 June 2025	4,468,989	359,266	-	4,828,255

	2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	1,202,836,026	-	-	1,202,836,026
Standard Monitoring	873,375,936	-	-	873,375,936
Watchlist	-	23,535,000	-	23,535,000
Unrated	14,169,842	-	-	14,169,842
Non-performing				
Default	-	-	-	-
Total	2,090,381,804	23,535,000	-	2,113,916,804

An analysis of changes in the gross carrying amount is as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Gross carrying amount as at 1 July	3,114,940,674	47,995,896	-	3,162,936,570
New exposures originated or purchased	2,090,381,804	23,535,000	-	2,113,916,804
Exposures derecognised or repaid (excluding write offs)	(3,114,940,674)	(47,995,896)	-	(3,162,936,570)
At 30 June 2024	2,090,381,804	23,535,000	-	2,113,916,804

	2024			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance	MUR	MUR	MUR	MUR
Internal rating grade				
Performing				
Investment grade	4,863,013	-	-	4,863,013
Standard Monitoring	3,754,436	-	-	3,754,436
Watchlist	-	120,156	-	120,156
Unrated	57,371	-	-	57,371
Non-performing				
Default	-	-	-	-
Total	8,674,820	120,156	-	8,794,976

An analysis of changes in the ECL amount is as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 1 July	7,651,634	349,956	-	8,001,590
New exposures originated or purchased	8,674,820	120,156	-	8,794,976
Exposures derecognised or repaid (excluding write offs)	(7,651,634)	(349,956)	-	(8,001,590)
At 30 June 2024	8,674,820	120,156	-	8,794,976

35. PLEDGED ASSETS

The assets that have been pledged to secure the credit facilities with other commercial banks are as follows:

	2026	2025	2024
	MUR	MUR	MUR
Government of Mauritius (GOM) bonds, notes and bills	**397,100,000**	397,100,000	-

The significant terms for pledging GOM bonds, notes and bills pledged as collateral are as follows:
(1) securities cannot be traded
(2) if securities are maturing, they are to be replaced
(3) there will usually be a haircut on the credit line as compared to the pledged asset

36. RETIREMENT BENEFIT OBLIGATION

(a) Defined contribution plan

The Bank operates a defined contribution plan for all its employees. The assets of the plan are held separately from the Bank under the control of ABC Group Pension Fund. Where employees leave the plan prior to full vesting of the contributions, the contributions payable by the Bank are reduced by the amount of forfeited contributions.

The total expenses recognised in statement of profit or loss of **MUR 18,606,791** (2025: MUR 16,674,779; 2024: MUR 13,888,864) represents contributions payable to the plan by the Bank.

(b) Gratuity on retirement

The Bank is required to pay gratuities on retirement of the Bank's employees in accordance with Section 99 of the Workers' Rights Act 2019. The Bank has engaged MUA Life Ltd to calculate the obligations arising out of the gratuities payable. For members of the Bank's defined contribution plan, the obligation relates to the residual retirement gratuity and as a result 5 times the annual pension, relating to the Bank's share of contributions, is offset from the retirement gratuity and this residual liability is recognised in the Bank's financial statements.

The following table summarises the components of net benefit expense recognised in the statement of profit or loss and the unfunded status and amounts recognised in the statement of financial position.

The amount included in the statement of financial position arising from the Bank's obligation in respect of its retirement gratuities is as follows:

	2026	2025	2024
	MUR	MUR	MUR
Present value of retirement benefit obligation	**45,511,655**	38,670,783	46,147,406
Fair value of plan assets	**(234,207)**	(448,368)	(368,876)
	45,277,448	38,222,415	45,778,530

Amounts recognised in the statement of profit or loss in respect of the retirement gratuities obligation are as follows:

	2026	2025	2024
	MUR	MUR	MUR
Current service cost	**4,292,013**	3,483,834	4,426,581
Net interest cost	**2,222,914**	2,515,911	2,198,486
Past service costs*	**-**	-	(11,871,164)
Curtailment/Settlement gain/loss	**-**	(5,477,129)	-
Net cost for the year recognised in profit and loss	**6,514,927**	522,616	(5,246,097)
Remeasurement recognised in other comprehensive income	**917,687**	(7,803,928)	8,621,902
Net cost for the year	**7,432,614**	(7,281,312)	3,375,805

*Following a change in legislation in August 2022 as per the Workers' Rights Act 2019 and the Finance (Miscellaneous Provisions) Act 2022, the Bank must pay a lump sum equivalent to 15/26 times the average monthly remuneration in the last 12 months for each year of service with the Bank at retirement to those employees working 6-day weeks, or 15/22 times the average monthly remuneration in the last 12 months for each year of service with the Bank at retirement to those employees working 5-day weeks.

Certain employees at the Bank work 5-day weeks and the change in the retirement gratuity formula was applied in respect of all service retrospectively for those employees retiring, passing away or leaving on or after 1 July 2022. The past service costs of nil for June 2025 and MUR 11.9m for June 2024 represent the increase in liability due to the change in the retirement gratuity formula.

36. RETIREMENT BENEFIT OBLIGATION (CONT'D)

(b) Gratuity on retirement (Cont'd)

	2026	2025	2024
	MUR	MUR	MUR
Changes in the present value of the obligation			
Present value of obligation at start of period	**38,670,783**	46,147,406	45,110,914
Interest cost	**2,222,914**	2,515,911	2,198,486
Current service cost	**4,292,013**	3,483,834	4,426,581
Past service costs	**-**	-	(11,871,164)
Benefits paid	**(591,742)**	(195,311)	(2,339,313)
Settlement gain	**-**	(5,477,129)	-
Expected obligation at end of period	**44,593,968**	46,474,711	37,525,504
Present value of obligation at end of period	**45,511,655**	38,670,783	46,147,406
Remeasurement recognised in other comprehensive income at end of period - gain/(losses)	**(917,687)**	7,803,928	(8,621,902)
Deferred tax	**794,713**	(317,111)	560,426
Retirement pension net of deferred tax	**(122,974)**	7,486,817	(8,061,476)
Changes in the fair value of the plan assets			
Fair value of plan assets at start of period	**448,368**	368,876	191,834
Restatement	**-**	6,590	-
Contributions to plan assets *	**46,074**	136,847	200,442
Benefits paid out of plan assets	**(260,235)**	(63,945)	(23,400)
Fund expenses and life insurance	**-**	-	-
Expected fair value at end of period	**234,207**	448,368	368,876
Fair value of plan assets at end of period	**234,207**	448,368	368,876
Remeasurement recognised in other comprehensive income at end of period -Gain / (losses)	**-**	-	-

*The plan asset relates to contributions made to the Portable Retirement Gratuity Fund ("PRGF") introduced in January 2022 under the Workers' Rights Act 2019.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2026	2025	2024
Normal retirement age	**65**	65	65
Discount rate	**5.64%**	5.77%	5.39%
Future salary increases	**5.00%**	5.00%	5.00%
Annual proportion of employees leaving service	5% up to age 40, decreasing to 0% at 45 & nil thereafter	5% up to age 40, decreasing to 0% at 45 & nil thereafter	5% up to age 40, decreasing to 0% at 45 & nil thereafter
Actuarial table for employee mortality	PMA92_PFA92	PMA92_PFA92	PMA92_PFA92

Movements in the present value of the retirement gratuities in the current year is as follows:

	2026	2025	2024
	MUR	MUR	MUR
Opening retirement gratuities obligation	**38,670,783**	46,147,406	45,110,914
Current service cost	**4,292,013**	3,483,834	4,426,581
Past service cost	**-**	-	(11,871,164)
Interest cost	**2,222,914**	2,515,911	2,198,486
Benefits paid	**(591,742)**	(195,311)	(2,339,313)
Curtailment/Settlement (gain)/loss	**-**	(5,477,129)	-
Net actuarial gain/(loss) recognised in other comprehensive income	**917,687**	(7,803,928)	8,621,902
Present value of obligation at end of year	**45,511,655**	38,670,783	46,147,406

36. RETIREMENT BENEFIT OBLIGATION (CONT'D)

(b) Gratuity on retirement (Cont'd)

Significant actuarial assumptions for the determination of the defined contribution plan are discount rate, expected salary increase and longevity rates. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	2026	2025	2024
	MUR	MUR	MUR
Sensitivity			
Effect on present value of obligations:			
1% increase in discount rate	**(35,592,477)**	(30,949,810)	(37,246,182)
1% decrease in discount rate	**58,060,198**	48,504,435	57,489,310
1% increase in salary increase assumption	**55,713,923**	46,704,589	55,779,994
1% decrease in salary increase assumption	**(37,480,109)**	(32,384,394)	(38,577,247)
Effect of changing longevity - one year up	**44,772,246**	38,081,470	45,605,747
Effect of changing longevity - one year down	**(46,206,616)**	(39,224,815)	(46,656,586)

The sensitivity analysis presented above may not be representative of the actual change in the defined contribution plan as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

37. CAPITAL COMMITMENT

	2026	2025	2024
	MUR	MUR	MUR
Amount contracted for but not yet incurred	**27,926,516**	**21,392,086**	6,926,584

The above expenditure relates to IT projects.

38. EVENT AFTER REPORTING DATE

There have been no events subsequent to the reporting date which require adjustment of or disclosure in the financial statements or notes thereto.

39. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Subordinated debts	**Lease liabilities**	**Ordinary Dividend**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
At 1 July 2023	495,988,093	700,086	-	496,688,179
Dividend declared	-	-	68,644,685	68,644,685
Cash flows	705,219,702	(595,837)	(68,644,685)	635,979,180
Non Cash flow items				
Accrued interest	14,656,514	(78,290)	-	14,578,224
Deferred issue costs	(5,265,155)	-	-	(5,265,155)
New lease recognised	-	-	-	
At 30 June 2024	1,210,599,154	25,959	-	1,210,625,113
At 1 July 2024	1,210,599,154	25,959	-	1,210,625,113
Dividend declared	-	-	68,644,690	68,644,690
Cash flows	(500,000,000)	(332,025)	(68,644,690)	(568,976,715)
Non Cash flow items				
Accrued interest	(365,729)	-	-	(365,729)
Deferred issue costs	(4,156,701)	-	-	(4,156,701)
New lease recognised	-	164,361,571	-	164,361,571
At 30 June 2025*	706,076,724	164,055,505	-	870,132,229
At 1 July 2025	**706,076,724**	**164,055,505**	**-**	**870,132,229**
Dividend declared	-	-	**87,712,653**	**87,712,653**
Cash flows	**-**	**-**	**(87,712,653)**	**(87,712,653)**
Capital repayment		**(31,623,402)**		**(31,623,402)**
Interest repayment		**(8,815,787)**		**(8,815,787)**
Non Cash flow items				
Accrued interest	**4,267,933**	**11,200,539**	**-**	15,468,472
Deferred issue costs	**(3,048,247)**	**-**	**-**	(3,048,247)
At 30 June 2026	**707,296,410**	**134,816,855**	**-**	**842,113,265**

*Movement from due to banks has been reclassified from cash flows from financing activities to cash flows from operating activties. Refer to Note 43 (b). In addition, the disclosure note has been enhanced to disagregate cash flows from non-cash flows, which were previously presented in aggregation.

40. SUPPLEMENTARY INFORMATION AS REQUIRED BY BANK OF MAURITIUS

In line with guideline on Public Disclosure of Information as issued by the Bank of Mauritius, the bank is required to disclose its assets and liabilities, income and expenditure classified as Resident and Non-Residents.
Non-Resident activity is essentially directed to the provision of international financial services that give rise to "foreign source income", excluding global business licence services.
Residency activity relates to all Banking business other than Non-Resident activity.

Expenditure incurred by the Bank but which is not directly attributable to its income derived from Mauritius or its foreign source income is apportioned in a fair and reasonable manner.

(a) Statement of financial position

		2026			2025*			2024*		
	Notes	Total	Resident	Non Resident	Total	Resident	Non Resident	Total	Resident	Non Resident
		MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR
ASSETS										
Cash and cash equivalents		**10,737,863,096**	**8,146,096,939**	**2,591,766,157**	8,709,698,556	7,366,806,635	1,342,891,921	4,596,690,444	4,038,562,873	558,127,571
Due from banks		**474,460,324**	**474,460,324**	**-**	159,523,736	159,523,736	-	-	-	-
Derivative financial assets		**15,097,950**	**1,419,962**	**13,677,988**	8,490,206	2,906,865	5,583,341	9,989,650	1,444,396	8,545,254
Loans and advances to customers		**19,078,187,880**	**15,151,466,809**	**3,926,721,071**	*17,969,089,117	*14,628,115,850	*3,340,973,267	*14,211,736,694	*12,709,389,247	*1,502,347,447
Investment securities		**10,407,153,888**	**5,438,154,428**	**4,968,999,460**	5,355,140,930	4,409,196,288	945,944,642	6,653,592,914	5,150,176,913	1,503,416,001
Property and equipment		**141,187,047**	**141,148,104**	**38,943**	170,463,900	170,384,244	79,656	534,051,564	401,541,813	132,509,751
Intangible assets		**91,300,101**	**26,625,503**	**64,674,598**	64,026,904	7,180,207	56,846,697	68,968,713	68,968,713	-
Other assets		**1,092,138,202**	**932,054,562**	**160,083,640**	999,189,914	799,336,992	199,852,922	252,583,289	93,538,594	159,044,695
Deferred tax assets		**32,088,076**	**32,088,076**	**-**	15,420,198	15,420,198	-	6,328,716	6,328,716	-
Total assets		**42,069,476,564**	**30,343,514,707**	**11,725,961,857**	*33,451,043,461	*27,558,871,015	*5,892,172,446	*26,333,941,984	*22,469,951,265	*3,863,990,719
LIABILITIES										
Due to banks		**816,089,048**	**816,089,048**	**-**	625,715,576	625,715,576	-	-	-	-
Deposits from customers		**36,605,484,518**	**21,274,559,691**	**15,330,924,827**	28,843,057,342	18,894,266,203	9,948,791,139	22,352,726,759	15,565,521,781	6,787,204,978
Derivative financial liabilities		**15,693,337**	**11,470,001**	**4,223,336**	24,816,450	2,314,720	22,501,730	4,981,376	350,497	4,630,879
Subordinated debts		**707,296,410**	**705,780,775**	**1,515,635**	706,076,724	704,563,702	1,513,022	1,210,599,154	1,210,599,154	-
Current tax liabilities		**76,109,275**	**76,109,275**	**-**	48,729,319	48,729,319	-	29,563,378	29,563,378	-
Other liabilities		**868,122,665**	**333,963,026**	**534,159,639**	*408,866,226	*317,518,947	*91,347,279	*259,902,047	*203,286,166	*56,615,881
Total liabilities		**39,088,795,253**	**23,217,971,816**	**15,870,823,437**	*30,657,261,637	*20,593,108,467	*10,064,153,170	*23,857,772,714	*17,009,320,976	*6,848,451,738
Shareholders' Equity										
Issued capital		**940,495,472**			940,495,472			940,495,472		
Retained earnings		**1,401,347,328**			1,301,261,907			1,263,720,032		
Other reserves		**638,838,511**			552,024,445			271,953,766		
Capital and reserves		**2,980,681,311**			2,793,781,824			2,476,169,270		
Total liabilities and equity		**42,069,476,564**			33,451,043,461			26,333,941,984		

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335).
Refer to Note 43 (a).

40. SUPPLEMENTARY INFORMATION AS REQUIRED BY BANK OF MAURITIUS (CONT'D)

(b) Operating Income

	2026			2025*			2024*		
	Total	**Resident**	**Non Resident**	**Total**	**Resident**	**Non Resident**	**Total**	**Resident**	**Non Resident**
	MUR	**MUR**	**MUR**	MUR	MUR	MUR	MUR	MUR	MUR
Interest income	**1,664,749,238**	**1,353,036,198**	**311,713,040**	1,439,197,389	1,246,815,662	192,381,727	1,281,335,946	1,066,495,536	214,840,410
Interest expense	**(800,695,307)**	**(692,246,775)**	**(108,448,532)**	(729,524,627)	(658,350,289)	(71,174,338)	(604,113,506)	(559,512,804)	(44,600,702)
Net interest income	**864,053,931**	**660,789,423**	**203,264,508**	709,672,762	588,465,373	121,207,389	677,222,440	506,982,732	170,239,708
Fee and commission income	**142,971,536**	**43,950,878**	**99,020,658**	136,673,950	43,235,232	93,438,718	119,485,955	36,316,754	83,169,201
Fee and commission expense	**(60,510,431)**	**(845,829)**	**(59,664,602)**	(62,460,414)	(2,378,248)	(60,082,166)	(53,739,902)	(2,441,011)	(51,298,891)
Net fee and commission income	**82,461,105**	**43,105,049**	**39,356,056**	74,213,536	40,856,984	33,356,552	65,746,053	33,875,743	31,870,310
Net trading income	**194,895,870**	**151,042,299**	**43,853,571**	115,080,299	94,894,117	20,186,182	104,349,278	76,717,429	27,631,849
Other operating income	**6,254,599**	**6,254,599**	**-**	155,850,125	155,850,125	-	2,271,615	2,271,615	-
Total other income	**201,150,469**	**157,296,898**	**43,853,571**	270,930,424	250,744,242	20,186,182	106,620,893	78,989,044	27,631,849
Operating income	**1,147,665,505**	**861,191,370**	**286,474,135**	1,054,816,722	880,066,599	174,750,123	849,589,386	619,847,519	229,741,867

(c) Sectorwise Distribution of Loans and Advances

	Total	**Resident**	**Non Resident**	**Total**	**Resident**	**Non Resident**	**Total**	**Resident**	**Non Resident**
	MUR	**MUR**	MUR	MUR	MUR	MUR	MUR	MUR	MUR
Other Non-Financial Corporations									
A. - Agriculture, forestry and fishing	**240,707,801**	**240,707,801**	**-**	231,048,200	231,048,200	-	430,790,229	430,790,229	-
B - Mining and quarrying	**-**	**-**	**-**	-	-	-	-	-	-
C - Manufacturing	**522,286,167**	**522,286,167**	**-**	981,891,226	981,891,226	-	1,002,844,653	1,002,844,653	-
D - Electricity, gas, steam and air conditioning supply	**168,718,378**	**168,718,378**	**-**	178,326,575	178,326,575	-	201,109,854	201,109,854	-
E - Water supply; sewerage, waste management and remediation activities	**30,085,036**	**30,085,036**	**-**	33,335,235	33,335,235	-	27,388,958	27,388,958	-
F - Construction	**716,123,059**	**716,123,059**	**-**	253,556,545	253,556,545	-	238,837,288	238,837,288	-
G - Wholesale and retail trade; and repair of motor vehicles and motorcycles	**1,382,717,183**	**1,382,459,806**	**257,377**	1,298,748,270	1,298,748,270	-	1,119,315,169	1,119,315,169	-
H - Transportation and storage	**346,139,251**	**346,139,251**	**-**	354,447,607	354,447,607	-	334,272,569	334,272,569	-
I - Accommodation and food service activities	**777,619,355**	**650,208,806**	**127,410,549**	1,055,943,605	893,710,635	162,232,970	1,264,026,276	1,052,160,557	211,865,719
J - Information and communication	**91,432,596**	**91,393,735**	**38,861**	94,182,214	94,182,214	-	83,688,776	83,688,776	-
L - Real estate activities	**1,197,859,609**	**1,197,859,609**	**-**	1,233,748,822	1,233,748,822	-	985,109,639	985,109,639	-
M - Professional, scientific and technical activities	**262,729,113**	**262,650,209**	**78,904**	398,081,898	398,081,898	-	372,069,512	372,069,512	-
N - Administrative and support service activities	**352,212,938**	**352,212,938**	**-**	444,572,740	444,572,740	-	387,976,997	387,976,997	-
P - Education	**10,213,711**	**10,213,711**	**-**	9,631,679	9,631,679	-	9,857,460	9,857,460	-
Q - Human health and social work activities	**803,453,272**	**803,453,272**	**-**	634,602,374	634,602,374	-	272,250,279	272,250,279	-
R - Arts, entertainment and recreation	**33,512,307**	**33,512,307**	**-**	37,280,014	37,280,014	-	18,662,363	18,662,363	-
S - Other service activities	**76,847,962**	**76,847,962**	**-**	70,298,477	70,298,477	-	70,440,257	70,440,257	-
Households	**5,970,745,981**	**4,849,500,240**	**1,121,245,741**	6,041,630,923	4,827,568,107	1,214,062,816	5,005,268,226	4,139,125,686	866,142,540
Central Bank	**-**	**-**	**-**	-	-	-	-	-	-
Banks	**2,617,845,639**	**354,237,777**	**2,263,607,862**	1,880,359,090	-	1,880,359,090	240,867,769	-	240,867,769
Non-Bank Deposit Taking Institutions	**-**	**-**	**-**	45,036,055	45,036,055	-	50,125,410	50,125,410	-
Central Government	**-**	**-**	**-**	93,559,931	-	93,559,931	193,364,300	-	193,364,300
State and Local Government	**-**	**-**	**-**	-	-	-	-	-	-
Public Non-Financial Corporations	**-**	**-**	**-**	-	-	-	-	-	-
Global Business Corporations (GBCs)	**140,739,847**	**140,739,847**	**-**	223,337,909	223,337,909	-	382,513,443	382,513,443	-
Non-Profit Institutions	**15,736,096**	**15,736,096**	**-**	17,013,613	17,013,613	-	11,098,516	11,098,516	-
Financial Auxilliaries and Other Financial Intermediaries	**1,629,316,663**	**1,203,909,410**	**425,407,253**	724,458,770	724,458,770	-	219,427,554	219,427,554	-
Holding companies	**1,602,973,394**	**1,602,973,394**	**-**	1,829,408,964	1,829,408,964	-	1,477,314,515	1,477,314,515	-
Insurance Corporations	**582,116**	**582,116**	**-**	727,456	727,456	-	138,611	138,611	-
Investment Funds	**406,765,476**	**406,765,476**	**-**	45,769,451	45,769,451	-	28,316,012	28,316,012	-
Less: Deferred income	**(85,547,233)**	**(85,547,233)**	**-**	(*72,457,615)	(*72,457,615)	-	(*58,776,335)	(*58,776,335)	-
	19,311,815,717	**15,373,769,170**	**3,938,046,547**	*18,138,540,028	*14,788,325,221	*3,350,214,807	*14,368,298,300	*12,856,057,972	*1,512,240,328

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335).
Refer to Note 43 (a).

40. SUPPLEMENTARY INFORMATION AS REQUIRED BY BANK OF MAURITIUS (CONT'D)

	2026			2025			2024		
	Total	**Resident**	**Non Resident**	Total	Resident	Non Resident	Total	Resident	Non Resident
	MUR	**MUR**	**MUR**	MUR	MUR	MUR	MUR	MUR	MUR
(d) Deposits from customers									
Retail customers									
Savings accounts	**5,513,231,166**	**5,062,843,297**	**450,387,869**	5,099,442,320	4,740,515,217	358,927,103	4,320,276,557	4,047,465,470	272,811,087
Current accounts	**2,152,396,384**	**487,113,556**	**1,665,282,828**	1,515,875,563	477,100,528	1,038,775,035	945,660,098	385,401,346	560,258,752
Term deposits	**8,724,207,771**	**7,640,975,536**	**1,083,232,235**	7,973,441,848	7,308,518,355	664,923,493	7,192,055,323	6,870,561,570	321,493,753
Corporate customers									
Savings accounts	**229,627,384**	**229,627,384**	**-**	204,381,267	204,381,267	-	175,880,932	175,880,932	-
Current accounts	**14,336,388,009**	**4,649,482,723**	**9,686,905,286**	9,437,181,175	3,190,759,268	6,246,421,907	6,599,551,126	2,089,408,393	4,510,142,733
Term deposits	**5,273,940,014**	**2,828,823,405**	**2,445,116,609**	4,226,776,841	2,587,033,240	1,639,743,601	2,777,259,340	1,654,760,687	1,122,498,653
Government									
Savings accounts	**52,424**	**52,424**	**-**	53,424	53,424	-	53,424	53,424	-
Current accounts	**2,621,278**	**2,621,278**	**-**	12,247,995	12,247,995	-	1,420,288	1,420,288	-
Term deposits	**373,020,088**	**373,020,088**	**-**	373,656,909	373,656,909	-	340,569,671	340,569,671	-
	36,605,484,518	**21,274,559,691**	**15,330,924,827**	28,843,057,342	18,894,266,203	9,948,791,139	22,352,726,759	15,565,521,781	6,787,204,978

41. RISK MANAGEMENT

Introduction

Risk is inherent in the Bank's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and the Bank as an entity is accountable for its risk exposures. The Bank is exposed to credit risk, interest rate risk, liquidity risk and market risk. It is also subject to operating risk.

The Bank manages its risk exposure through its Risk department which develops methodologies to identify, measure, mitigate and monitor the major risks. The Risk department reports to the Risk Management Committee and ultimately to the Board in a structured manner on credit, market and operational risk matters.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. They are monitored through the Bank's strategic planning process.

Risk management structure

The Board of Directors recognises that the Bank encounters risk in every aspect of its business and ensures that the necessary structures, processes and methods for identifying, measuring and monitoring such risks are in place as advocated by Basel norms and relevant laws and regulations. The Risk Management Committee plays an active role in ensuring that risk-taking activities remain within the boundaries of the appetite approved by the Board. The committee receives regular reports and recommendations following work done by the Risk function, the Excecutive Committee and the Asset and Liability Committee. Through its Chairperson, the committee reports to the Board in a timely manner on all risk issues that could have an impact on the operations and/or reputation of the Bank.

Board of Directors

The Board of Directors as well as the Bank's senior management are responsible for understanding both the nature and level of risks taken by the institution and how the risk relates to adequate capital levels. The Board is also responsible for the overall risk management approach and for approving the risk strategies and principles.

(a) Fair values

Set out below is a comparison of the carrying amounts and fair values of financial instruments held at the reporting date.

	2026		2025*		2024*	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value	Carrying Value	Fair Value
	MUR	**MUR**	MUR	MUR	MUR	MUR
Financial assets						
Cash and cash equivalents at amortised cost	**10,737,863,096**	**10,737,863,096**	8,709,698,556	8,709,698,556	4,596,690,444	4,596,690,444
Due from Banks at amortised cost	**474,460,324**	**474,460,324**	159,523,736	159,523,736	-	-
Derivative financial assets at FVPL	**15,097,950**	**15,097,950**	8,490,206	8,490,206	9,989,650	9,989,650
Loans and advances to customers at amortised cost	**19,078,187,880**	**18,702,814,334**	*17,969,089,117	17,684,912,489	*14,211,736,694	13,716,876,369
Investment in securities:	**10,407,153,888**	**10,296,426,391**	5,355,140,930	5,205,981,950	6,653,592,914	6,684,089,127
Debt instruments at FVOCI	**7,230,272,411**	**7,230,272,411**	1,217,755,941	1,217,755,941	1,066,447,798	1,066,447,798
Debt instruments at amortised cost	**3,101,967,965**	**2,991,240,468**	4,101,615,112	3,952,456,132	5,544,243,890	5,574,740,103
Equity instruments at FVOCI	**74,913,512**	**74,913,512**	35,769,877	35,769,877	42,901,226	42,901,226
Other assets at amortised cost**	**1,058,272,701**	**1,058,272,701**	964,732,096	964,732,096	218,903,918	218,903,918
	41,771,035,839	**41,284,934,796**	*33,166,674,641	32,733,339,033	*25,690,913,620	25,226,549,508
Financial liabilities						
Due to banks	**816,089,048**	**816,089,048**	625,715,576	625,715,576	-	-
Derivative financial liabilities at FVPL	**15,693,337**	**15,693,337**	24,816,450	24,816,450	4,981,376	4,981,376
Deposits from customers at amortised cost	**36,605,484,518**	**36,339,587,292**	28,843,057,342	28,675,170,907	22,352,726,759	19,839,430,353
Subordinated debts at amortised cost	**707,296,410**	**700,000,000**	706,076,724	700,000,000	1,210,599,154	1,200,000,000
Other liabilities at amortised cost**	**819,588,766**	**819,588,766**	370,453,083	370,453,083	213,929,227	213,929,227
	38,964,152,079	**38,690,958,443**	30,570,119,175	30,396,156,016	23,782,236,516	21,258,340,956

**The carrying amount of other assets excludes prepaid expenses as they do not meet the definition of a financial instrument.
The carrying amount of other liabilities excludes retirement benefit obligation, VAT, TDS deferred and special levy as they do not meet the definition of a financial instrument.
* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335).
Refer to Note 43 (a).

41. RISK MANAGEMENT (CONT'D)

(a) Fair values (cont'd)

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, foreign exchange risk, probability of default and loss given default estimates. As a result, loans and advances fall under Level 3 of the fair value hierarchy.

For investment securities, all the government bonds and BOM bonds have been fair valued based on the latest weighted yield rate.

For deposits from non-Bank customers, all the term deposits maturing after one year have been fair valued based on the current prevailing savings rate.

Due to banks relates to placement with banks which are short term in nature and contracted at market interest rates, thereby resulting in a fair value which is not materially different from its carrying value.

Subordinated debts relates to bonds issued by the Bank at market rates. Hence, the fair value of these bonds are not materially different from their carrying value.

The carrying amounts of cash and cash equivalents, other assets (which includes sundry debtors - deposits, non-Banking assets acquired in satisfaction of debts and other receivables) & other liabilities are not materially different from their fair value.

Except for the levels in which the financial assets and financial liabilities are shown in the table of fair value measurement hierarchy, the fair values of the other financial assets and financial liabilities are categorised in Level 3.

Fair value measurement hierarchy

(i) Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices).

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no changes in the above valuation techniques during the year.

The table below analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Level 1	**Level 2**	**Level 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
2026				
Financial assets				
Investment securities (debt and equity instruments)				
- Debt securities	**6,729,017,455**	**440,605,073**	**60,649,883**	**7,230,272,411**
- Equity securities	**72,603,866**	**-**	**2,309,646**	**74,913,512**
Derivatives - Foreign exchange contracts	**-**	**15,097,950**	**-**	**15,097,950**
	6,801,621,321	**455,703,023**	**62,959,529**	**7,320,283,873**
Financial liabilities				
Derivatives - Foreign exchange contracts	**-**	**15,693,337**	**-**	**15,693,337**

	Level 1	Level 2	Level 3	Total
	MUR	MUR	MUR	MUR
2025				
Financial assets				
Investment securities (debt and equity instruments)				
- Debt securities	188,889,464	966,388,243	62,478,234	1,217,755,941
- Equity securities	32,531,399	-	3,238,478	35,769,877
Derivatives - Foreign exchange contracts	-	8,490,206	-	8,490,206
	221,420,863	974,878,449	65,716,712	1,262,016,024
Financial liabilities				
Derivatives - Foreign exchange contracts	-	24,816,450	-	24,816,450

	Level 1	Level 2	Level 3	Total
2024				
Financial assets				
Investment securities (debt and equity instruments)	MUR	MUR	MUR	MUR
- Debt securities	538,890,966	344,492,676	183,064,156	1,066,447,798
- Equity securities	30,456,027	-	12,445,199	42,901,226
Derivatives - Foreign exchange contracts	-	9,989,650	-	9,989,650
	569,346,993	354,482,326	195,509,355	1,119,338,674
Financial liabilities				
Derivatives - Foreign exchange contracts	-	25,518,459	-	25,518,459

There have been no financial assets or financial liabilities measured at fair value that were transferred between Level 1 and Level 2, or between Level 2 and 3 during the year.

In prior years, debt securities previously included those debt instruments accounted at amortised cost.

41. RISK MANAGEMENT (CONT'D)

(a) Fair values (Cont'd)

Fair value measurement hierarchy (Cont'd)

(i) Valuation principles (Cont'd)

Reconciliation of fair value measurement of level 3 investments	**Total**
	MUR
As at July 2025	**65,716,712**
Remeasurement recognised in OCI	**6,913,719**
Additions	**576,925**
Accrued interest	**1,648**
Disposal	**(10,249,475)**
As at June 2026	**62,959,529**

	Total
	MUR
As at July 2024	195,509,354
Remeasurement recognised in OCI	(6,577,832)
Additions	-
Accrued interest	(2,769,729)
Disposal	(120,445,081)
As at June 2025	65,716,712

	Total
	MUR
As at July 2023	334,395,343
Remeasurement recognised in OCI	(445,604)
Additions	10,712,860
Accrued interest	(1,631,028)
Disposal	(147,522,217)
As at June 2024	195,509,354

The following table shows the reconciliation of the opening and closing amounts of Level 3 financial assets & liabilities measured at fair value:

	At July 2025	**Additions**	**Accrued interest**	**Disposal**	**Other comprehensive income**	**At June 2026**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**
Financial Assets						
Investment securities (debt and equity instruments)						
- Debt securities at FVOCI	**62,478,234**	**-**	**1,648**	**3,275**	**(1,833,274)**	**60,649,883**
- Equity securities	**3,238,478**	**576,925**	**-**	**(10,252,750)**	**8,746,993**	**2,309,646**
	65,716,712	**576,925**	**1,648**	**(10,249,475)**	**6,913,719**	**62,959,529**

	At July 2024	Additions	Accrued interest	Disposal	Other comprehensive income	At June 2025
	MUR	MUR	MUR	MUR	MUR	MUR
Financial Assets						
Investment securities (debt and equity instruments)						
- Debt securities at FVOCI	183,064,156	-	(2,769,726)	(119,985,358)	2,169,162	62,478,234
- Equity securities	12,445,198	-	-	(459,726)	(8,746,994)	3,238,478
	195,509,354	-	(2,769,726)	(120,445,084)	(6,577,832)	65,716,712

	At July 2023	Additions	Accrued interest	Disposal	Other comprehensive income	At June 2024
	MUR	MUR	MUR	MUR	MUR	MUR
Financial Assets						
Investment securities (debt and equity instruments)						
- Debt securities at FVOCI	332,662,620	385	(1,631,028)	(147,522,217)	(445,604)	183,064,156
- Equity securities	1,732,723	10,712,475	-	-	-	12,445,198
	334,395,343	10,712,860	(1,631,028)	(147,522,217)	(445,604)	195,509,354

41. RISK MANAGEMENT (CONT'D)

(a) Fair values (Cont'd)

Fair value measurement hierarchy (Cont'd)

(ii) Valuation techniques

(a) Debt securities
Debt instruments that are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1.
Government of Mauritius bonds, Bank of Mauritius bonds and unquoted securities are valued based on the market yield of similar instruments as made publicly available by the local regulator and are classified as Level 2.
If one or more significant inputs are not based on observable data, the instrument is included in Level 3. Significant unobservable inputs include yield curves and credit spreads.

(b) Equity securities
Corporate shares that are traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1.
Equity instruments in non-listed entities are initially recognised at transaction price and re-measured to the extent information is available, and valued on a case-by-case basis, and are classified as Level 3.

(iii) Valuation techniques Level 2 & Level 3
Valuation of Level 2 instruments is based on a mix of observable inputs, such as benchmark interest rates, and data from comparable assets. The discounted cash flow model is used to estimate the present value based on those parameters.

Valuation of Level 3 instruments, where needed, is based on internal models and assumptions. Estimates of risk-adjusted parameters are used in the discounted cash flow models for securities with predefined cash flows.

Derivatives
Derivatives include foreign exchange contracts and foreign exchange swaps. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points. The Bank classifies foreign exchange forward contracts and swaps as Level 2.

(iv) Valuation methodologies

Fair value of financial assets and liabilities not carried at fair value
The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not recorded at fair value in the financial statements:

Debt securities carried at fair value through other comprehensive income
The Bank uses active market prices when available, or other observable inputs in discounted cash flow models to estimate the corresponding fair value including CDS data of the issuer to estimate the relevant credit spreads. Bonds issued by financial institutions that are traded on secondary markets are generally Level 2 and corporate bonds are generally Level 3 instruments where usually there is not sufficient third party trading data to justify Level 1 classification. Level 3 instruments are those where significant inputs cannot be referenced to observable data and, therefore, inputs are adjusted for relative tenor and issuer quality.

Short-term financial assets and liabilities
For financial assets and financial liabilities that have a short-term maturity (less than three months), it is assumed that the carrying amount approximates their fair value. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

Loans and advances to customers
The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, foreign exchange risk, probability of default and loss given default estimates. As a result, loans and advances fall under Level 3 of the fair value hierarchy.

Fixed rate financial instruments
The fair value of fixed rate financial assets and liabilities carried at amortised cost is estimated by comparing market interest rates when they are first recognised with current market rates for similar financial instruments. As a result, these fixed rate financial instruments fall under Level 2 of the fair value hierarchy.

(v) Sensitivity of fair value measurements to changes in unobservable market data
The significant inputs used in the fair value measurement of debt securities within Level 3 of the fair value hierarchy include discount rates ranging from 5.22% to 6.90% (2025: 5.64% to 7.65%) and credit spreads ranging from 0.28% to 1.99% (2025: 0.37% to 2.38%) depending on the relevant sector.
Changes in the significant unobservable inputs to reasonable possible alternatives would lead to different resulting fair values. Sensitivity data is calculated by adjusting model inputs to reasonable changes within the fair value methodology.
An increase of 0.5% in discount rates across the Level 3 investment securities would result in a lower fair value by MUR 0.007m (2025: MUR 0.009m), while a decrease of 0.5% in discount rates would result in a higher fair value by MUR 0.007m.(2025: MUR 0.009m).
An increase of 10% in credit spreads across the Level 3 investment securities would result in a lower fair value by MUR 1.473m (2025: MUR0.203m), while a decrease of 10% in credit spreads would result in a higher fair value by MUR 1.471m (2025: MUR 0.209m).
The financial instruments within level 3 of the fair value hierarchy are measured at FVOCI. Thus, any changes in the significant unobservable inputs would not have any impact on the statement of profit or loss.

41. RISK MANAGEMENT (CONT'D)

(b) Credit risk

Credit risk is the risk that the Bank will incur a loss because its customers, clients or counterparties fail to discharge their contractual obligations. The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and industry concentrations, and by monitoring exposures in relation to such limits.

The Bank has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.
The maximum exposure to credit risk at the reporting date without taking account of any collateral held and other credit enhancements is as disclosed below:

	Maximum exposure to credit risk		
	2026	2025*	2024*
	MUR	MUR	MUR
Fund based exposures:			
Cash and cash equivalents	**10,713,519,077**	8,686,505,462	4,582,937,962
Due from Banks	**474,460,324**	159,523,736	-
Derivative financial assets	**15,097,950**	8,490,206	9,989,650
Loans and advances to customers	**19,078,187,880**	*17,969,089,117	*14,211,736,694
Investment securities	**10,332,240,376**	5,319,371,053	6,610,691,688
Other assets	**1,058,272,701**	964,732,096	218,903,918
Total credit risk exposure	**41,671,778,308**	*33,107,711,670	*25,634,259,912
Non-fund based exposures:			
Financial guarantees	**370,962,146**	149,003,700	39,744,640
Letter of credit and other obligations on account of customers	**131,301,940**	3,604,000	673,270,000
Undrawn credit facilities	**2,425,501,144**	2,335,559,008	2,113,916,804
Total credit risk exposure	**2,927,765,230**	2,488,166,708	2,826,931,444

* Deferred income on processing fees have been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335).
Refer to Note 43 (a).

An analysis of the Bank's maximum exposure to credit risk per class of financial asset, internal rating and 'stage', at the reporting date, without taking account of any collateral held and other credit enhancements have been disclosed in notes 9, 11, 12 and 34.

Fund based exposures do not include cash in hand and investment in equity.

The table below shows the sectorial split by industry sector of the Bank's financial assets:

	2026	2025*	2024*
	MUR	MUR	MUR
Manufacturing	**592,342,842**	1,058,365,579	1,102,163,459
Construction	**1,138,147,916**	723,769,904	939,994,982
Professional	**79,235,931**	438,064,355	400,887,902
Traders	**1,671,370,366**	1,616,492,691	1,435,718,755
Tourism	**836,887,761**	1,120,777,462	1,506,567,181
Transport	**555,482,626**	536,823,065	422,546,620
Financial and Business services	**16,319,060,586**	11,716,404,065	6,022,112,764
Personal	**5,932,114,902**	6,085,527,328	5,005,979,347
Agriculture	**167,206,353**	155,061,941	177,378,016
Global Business Licence Holders	**184,342,607**	290,617,929	458,838,694
Government	**10,582,490,002**	5,372,606,474	6,020,826,958
Information and communication technology	**178,531,718**	179,685,172	200,823,612
Others	**3,520,111,931**	3,885,973,320	1,999,197,957
	41,757,325,541	33,180,169,285	25,693,036,247
Less: Deferred income	**(85,547,233)**	(*72,457,615)	(*58,776,335)
	41,671,778,308	*33,107,711,670	*25,634,259,912

* Deferred income on processing fees have been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335).
Refer to Note 43 (a).

The table below shows the sectorial split by industry sector of financial guarantees and other commitments:

	2026	2025	2024
	MUR	MUR	MUR
Manufacturing	**231,912,289**	212,893,042	239,309,974
Construction	**346,047,420**	20,115,416	42,305,542
Professional	**117,024,696**	9,153,205	14,070,208
Traders	**656,644,415**	417,066,444	273,434,744
Tourism	**382,702,441**	145,623,502	94,537,961
Transport	**95,467,776**	86,331,788	56,865,811
Financial and Business services	**243,662,007**	391,570,932	157,128,314
Personal	**201,427,887**	405,401,659	631,537,914
Agriculture	**126,832,779**	67,036,043	19,493,665
Global Business Licence Holders	**319,946,785**	317,703,140	28,218,465
Information and communication technology	**4,004,385**	-	-
Others	**202,092,351**	415,271,537	1,270,028,846
	2,927,765,231	2,488,166,708	2,826,931,444

An analysis of credit exposures, including non-fund based facilities, for advances to non-Bank customers using the Bank's credit grading system is given below:

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Grades:	**MUR**	**MUR**	**MUR**	**MUR**
Performing				
1 to 3 - Investment Grade	**10,615,762,548**	**124,134,783**	**-**	**10,739,897,331**
4 to 7 - Standard Monitoring	**10,176,733,464**	**96,890,763**	**-**	**10,273,624,227**
8 - Watchlist	**-**	**409,037,720**	**-**	**409,037,720**
Unrated	**557,673,198**	**2,637,390**	**-**	**560,310,588**
Non-performing				
9 - Default	**-**	**-**	**278,152,941**	**278,152,941**
Total	**21,350,169,210**	**632,700,656**	**278,152,941**	**22,261,022,807**
Less deferred income				**(85,547,233)**
				22,175,475,574

	2025			
	Stage 1	Stage 2	Stage 3	Total
Grades:	MUR	MUR	MUR	MUR
Performing				
1 to 3 - Investment Grade	10,101,079,154	142,786,164	-	10,243,865,318
4 to 7 - Standard Monitoring	8,872,939,858	152,786,772	-	9,025,726,630
8 - Watchlist	-	448,692,622	-	448,692,622
Unrated	597,419,706	7,460,367	-	604,880,073
Non-performing				-
9 - Default	-	-	375,999,708	375,999,708
Total	19,571,438,718	751,725,925	375,999,708	20,699,164,351
Less deferred income				(72,457,615)
				20,626,706,736

	2024			
	Stage 1	Stage 2	Stage 3	Total
Grades:	MUR	MUR	MUR	MUR
Performing				
1 to 3 - Investment Grade	6,754,156,648	-	-	6,754,156,648
4 to 7 - Standard Monitoring	8,876,094,592	124,871,355	-	9,000,965,947
8 - Watchlist	-	772,486,231	-	772,486,231
Unrated	386,861,723	26,937,899	-	413,799,622
Non-performing				
9 - Default	-	-	312,597,628	312,597,628
	16,017,112,963	924,295,485	312,597,628	17,254,006,076
Less deferred income				(58,776,335)
				17,195,229,741

41. RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Grade 1 includes customers with low credit risk factors, strong financial conditions and excellent repayment capacities whereas Grade 9 are customers which have been defaulted on a prudent basis. The Bank does not extend credit to clients categorised as Grade 8 or 9.

There were no loans and advances whose terms have been renegotiated during the financial year 2026. (There were MUR 2,542,613 loans and advances whose terms have been renegotiated in 2025 and there were no loans and advances whose terms have been renegotiated in 2024.)

All cash and cash equivalents, loans and placements with Banks and loans and receivables – investment securities are held with financial institutions having grades 1 to 6.
The above table includes loans and advances and off-balance sheet items only. For an analysis of credit exposures on investment securities using the Bank's credit grading system, refer to note 12(a).

Internal credit risk ratings

In order to minimise credit risk, the Bank has tasked its Risk Management Committee to develop and maintain the Bank's credit risk grading to categorise exposures according to their degree of risk of default. The Bank's credit risk grading framework comprises different categories. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement. The nature of the exposure and type of borrower are taken into account in the analysis. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.

Each exposure is allocated to a credit risk grade at initial recognition, based on the available information about the counterparty. All exposures are monitored and the credit risk grade updated to reflect current information. The monitoring procedures followed are both general and tailored to the type of exposure.

The Bank assesses each credit facility request on its own merits by analysing the credit history of the potential client, the latter's cash flow history, future projections of the business or income capacity of the individual, the availability and type of collateral that will secure the facility, the repayment capacity of the business or individual and the character of the individual. The Bank will also consider individual factors that would represent strengths in favour of or weaknesses against the approval of credit facilities.

The Bank collects performance and default information about its credit risk exposure analysed by type of products and borrower as well as by credit risk grading. The information used is both internal and external depending on the portfolio assessed. The table below provides a mapping of the Bank's internal credit risk grades to external ratings.

External Credit Assessment institutions (ECA) Institutions Ratings	Internal credit risk grades	Internal Risk Descriptions
Aaa/AAA	1	Investment Grade
Aa1/AA+ to Aa3/AA-	2	Investment Grade
A1/A+ to A3/A-	3	Investment Grade
Baa1/BBB+ to Baa3/BBB-	4	Investment Grade
Ba1/BB+ to Ba3/BB-	5	Standard Monitoring
B1/B+ to B3/B-	6	Standard Monitoring
Caa1/CCC+ to Caa3/CCC-	7	Standard Monitoring
Ca/ CC/ C	8	Watchlist
D	9	Default
NR	Unrated	Unrated

Irrespective of the outcome of the above assessment, the Bank presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due unless the Bank has reasonable and supportable information that demonstrates otherwise.

The Bank has monitoring procedures in place to ensure that the criteria used to identify significant increases in credit are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes more than 30 days past due. The Bank performs periodic back-testing of its ratings to consider whether the drivers of credit-risk that led to default were accurately reflected in the rating in a timely manner.

Impairment assessment

It is the Bank's policy to regularly monitor its loan portfolio.

The main considerations for the impairment assessment of the Bank's loans and advances portfolio include whether any payments of principal or interest are overdue by at least 90 days or there are any known difficulties in the cash flows of counterparties, credit rating downgrades, or infringement of the original terms of the contract. The Bank addresses impairment assessment in two areas: individually assessed allowances and collectively assessed allowances.

Furthermore, the Bank assesses at each reporting date, whether there is any objective evidence that a financial asset, or a group of financial assets, is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include: indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganisation; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Bank's impairment methodology for assets carried at amortised cost comprises individual impairment losses and collective impairment.

Individually assessed allowances (Stage 3)

The Bank determines the allowances appropriate for each individually significant loan and advances on an individual basis. Items considered when determining allowance amounts include an assessment of the counterparty's repayment plan, the availability of other financial support and the realisable value of collateral, and the timing of the expected cash flows. For credit impaired financial assets which are fully collateralised no impairment allowance is recognised. The impairment losses are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

Collectively assessed allowance (Stage 1 and Stage 2)

1. Inputs, assumptions and techniques used in estimating impairment

Refer to note 5.7 Impairment of financial assets.

2. Significant increase in credit risk

The Bank monitors all financial assets 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 significant increase in credit risk, the Bank will measure the loss allowance based on lifetime expected credit losses rather than 12-month expected credit loss. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank 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 default that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Bank 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 Bank's historical experience and expert credit assessment including forward-looking information.

For corporate lending, forward-looking information includes the future prospects of the industries in which the Bank's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information. For retail lending, forward-looking information includes the same economic forecasts as corporate lending with additional forecasts of local economic indicators, particularly to certain industries, as well as internally generated information of customer payment behaviour. The Bank allocated its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk.

The qualitative factors that indicate a significant increase in credit risk are reflected in probability default models on a timely basis. However, the Bank still considers separately some qualitative factors to assess if credit risk has increased significantly, such as, creditworthiness of counterparty which has deteriorated as unemployment, bankruptcy or death.

As a back-stop when an asset becomes 30 days past due (rebuttable presumption), the Bank considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e., the loss allowance is measured as the lifetime expected credit loss.

41. RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Impairment assessment (Cont'd)

Collectively assessed allowance (Stage 1 and Stage 2) (Cont'd)

3. Modified financial asset

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified as a result of commercial restructuring activity rather than due to credit risk and impairment considerations, the Bank performs an assessment to determine whether the modifications result in the derecognition of that financial asset. For financial assets, this assessment is based on qualitative factors. When assessing whether or not to derecognise a loan to a customer, amongst others, the Bank considers factors including change in currency of the loan, introduction of an equity feature, change in counterparty, and whether the modification is such that the instrument would no longer meet the SPPI criterion, among other factors. If the modification does not result in cash flows that are substantially different, as set out below, then it does not result in derecognition.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime probability default at the reporting date based on the modified terms; with
- the remaining lifetime probability default estimated based on data at initial recognition and the original contractual terms.

The Bank renegotiates loans to customers in financial difficulties to maximise collection opportunities and minimise the risk of default. Under this policy, renegotiation is performed on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original terms and the debtor is expected to be able to meet the revised terms.

Generally, modification of financial assets is a qualitative indicator of a significant increase in credit risk and may constitute evidence that the exposure is credit impaired/in default. A customer needs to demonstrate consistently good payment behaviour over a period of time, as prescribed by BOM guidelines on Credit Impaired Measurement (see below) before the exposure is no longer considered to be credit-impaired/ in default.

Where the restructuring occurs prior to the classification of a loan as impaired, the restructured loan is classified as impaired when, in the aggregate, the period of time the loan is in arrears before and after restructuring is 90 days or more.

Where the restructuring occurs after a loan has been classified as impaired, the restructured loan is continued to be classified as impaired until repayments have been received by the Bank, in amount and in such stipulated time, for a continuous period of six months, strictly in accordance with the terms and conditions of the restructured loan.

Where the loan has been restructured more than once, the restructured loan shall continue to be classified as impaired until repayments have been received by the financial institutions in amount and in such stipulated time, for a continuous period of nine months, at a minimum, strictly in accordance with the terms and conditions of the restructured loan.

4. Incorporation of forward-looking information

The Bank incorporates forward looking information that is available without undue cost and effort into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of expected credit loss.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables, credit risk and credit losses. The local GDP growth rate has been identified as the key macroeconomic driver of the Bank's default rate.

The Bank considers three macro economic scenarios in its probability default model namely baseline, upside and downside which is detailed as per below table:

			Actual	Forecast				
Key drivers	**Expected Credit Loss Scenario**	**Assigned Weightage**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
GDP Growth Rate	Upside	10%	3.2%	5.0%	5.0%	5.0%	5.0%	5.0%
	Base case	75%	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%
	Downside	15%	3.2%	1.1%	1.1%	1.1%	1.1%	1.1%

Analysis of inputs to the expected credit loss model under multiple economic scenarios
The following tables outline the impact of multiple scenarios on the allowance.
This table shows both the contribution to total expected credit loss of each probability weighted scenario in addition to the total incremental effect on expected credit loss of applying multiple economic scenarios compared to the expected credit loss that would have resulted from applying a 100% weighting to the base case scenario:

30 June 2026	**Corporate lending**	**Retail lending**	**Financial guarantees**	**Undrawn credit facilities**	**Investment securities at FVOCI**	**Investment securities at amortised cost**	**Other assets**	**Total**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**
Upside (10%)	13,265,861	2,815,385	36,760	238,264	394,212	8,329,554	43,349	25,123,385
Base case (75%)	104,618,854	22,114,159	361,683	2,233,232	2,956,588	62,471,658	325,114	195,081,288
Downside (15%)	22,174,121	4,534,149	94,780	543,316	591,318	12,494,332	65,023	40,497,039
Total	140,058,836	29,463,693	493,223	3,014,812	3,942,118	83,295,544	433,486	260,701,712
Effect of multiple economic scenarios	567,031	(21,852)	10,980	37,170	-	-	-	593,329

The following table outline the impact on expected credit loss from applying a 100% weighting to each scenario:

30 June 2026	**Corporate lending**	**Retail lending**	**Financial guarantees**	**Undrawn credit facilities**	**Investment securities at FVOCI**	**Investment securities at amortised cost**	**Other assets**	**Total**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**
Gross exposure	**13,367,287,271**	**5,880,423,138**	**502,264,086**	**2,425,501,144**	**7,234,258,117**	**3,185,263,511**	**11,302,337,537**	**43,897,334,804**
Expected credit loss								
Upside	132,658,610	28,153,846	367,599	2,382,640	3,942,118	83,295,544	433,486	**251,233,843**
Base case	139,491,805	29,485,545	482,243	2,977,642	3,942,118	83,295,544	433,486	**260,108,383**
Downside	147,827,476	30,227,661	631,867	3,622,107	3,942,118	83,295,544	433,486	**269,980,259**

Measurement of expected credit loss : The key inputs into the measurement of expected credit loss are the following:
(i) probability of default (PD);
(ii) loss given default (LGD);
(iii) exposure at default (EAD).

These parameters are derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

41. RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Impairment assessment (Cont'd)

Collectively assessed allowance (Stage 1 and Stage 2) (Cont'd)

5. Measurement of expected credit loss

Probability default estimates are estimated at a certain date, which are calculated 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 internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the probability default for large corporate counterparties.

Loss given default is the magnitude of the likely loss if there is a default. The Bank estimates loss given default parameters based on BASEL prescribed loss given default estimates as per following table.

	Minimum LGD
Eligible financial collateral (such as cash collateral)	0%
Receivables	35%
Commercial Real Estate/Residential Real Estate	35%
Other collateral	40%
Unsecured	45%

Exposure at default represents the expected exposure in the event of a default. The Bank derives the exposure at default from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The exposure at default of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the Bank includes the amount drawn based on BASEL prescribed Credit Conversion Factor.

BASEL prescribed Credit Conversion Factor	Credit Conversion Factor
Direct credit substitutes	100%
Sales and repurchase agreements and assets sales with recourse	100%
Lending of Banks' securities or the posting of securities as collateral	100%
Forward asset purchases	100%
Placements of forward deposits	100%
Partly-paid shares and securities	100%
Transaction-related contingent items	50%
Note-issuance facilities (NIFs) and revolving underwriting facilities (RUFs)	50%
Trade-related contingent items	
(a) Maturity ≤ 3 months	20%
(b) 3 months < Maturity ≤ 9 months	50%
(c) 9 months < Maturity ≤ 12 months	75%
(d) Maturity > 12 months	100%
Other commitments	
(i) Commitments with an original maturity up to one year	20%
(ii) Commitments with an original maturity over one year	50%
(iii) Commitments that can be unconditionally cancelled at any time by the Bank without prior notice, or that effectively provide for automatic cancellation due to the deterioration	0%

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main kinds of collateral and credit enhancements for each class of asset subject to credit risk are set below:

For loans, management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

The Bank's policy is to dispose of any repossessed asset at its market value within a reasonable timeframe. In its normal course of business, the Bank does not physically repossess properties or other assets, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

	2026	2025*	2024*	**Principal type of collateral held**
	MUR	MUR	MUR	
Fund based exposures:				
Cash and cash equivalents	**10,713,519,077**	8,686,505,462	4,582,937,962	Unsecured
Due from Banks	**474,460,324**	159,523,736	-	Unsecured
Derivative financial assets	**15,097,950**	8,490,206	9,989,650	Unsecured
Loans and advances to customers	**19,078,187,880**	*17,969,089,117	*14,211,736,694	Real estate
Investment securities	**10,332,240,376**	5,319,371,053	6,610,691,688	Unsecured
Other assets	**1,058,272,701**	964,732,096	218,903,918	Unsecured
Non-fund based exposures:				
Financial guarantees	**370,962,146**	149,003,700	39,744,640	Unsecured
Letter of credit and other obligations on account of customers	**131,301,940**	3,604,000	673,270,000	Unsecured
Undrawn credit facilities	**2,425,501,144**	2,335,559,008	2,113,916,804	Unsecured

In addition to the types of collaterals included in the table above, the Bank holds other types of collateral and credit enhancements, such as second charges and floating charges for which specific values are not generally available.
Fund based exposures do not include cash in hand and investment in equity.
The exposures do not include impact on collateral.
* Deferred income on processing fees have been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335).
Refer to Note 43 (a).

41. RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Credit quality by class of financial assets

	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
2026				
Cash and cash equivalents	**10,713,519,077**	**-**	**-**	**10,713,519,077**
Due from banks	**474,460,326**	**-**	**-**	**474,460,326**
Derivative financial assets	**15,097,950**	**-**	**-**	**15,097,950**
Loans and advances to customers	**18,399,753,296**	**591,761,981**	**172,219,835**	**19,163,735,112**
Investment securities	**10,258,798,007**	**29,866,408**	**43,619,551**	**10,332,283,966**
Other assets	**1,058,272,701**	**-**	**-**	**1,058,272,701**
	40,919,901,357	**621,628,389**	**215,839,386**	**41,757,369,132**
Less deferred income	**-**	**-**	**-**	**(85,547,233)**
	40,919,901,357	**621,628,389**	**215,839,386**	**41,671,821,899**

	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
2025*				
Cash and cash equivalents	8,686,505,462	-	-	8,686,505,462
Due from banks	159,523,736	-	-	159,523,736
Derivative financial assets	8,490,206	-	-	8,490,206
Loans and advances to customers	17,062,451,475	695,066,810	284,028,447	18,041,546,732
Investment securities	5,252,254,041	-	67,117,012	5,319,371,053
Other assets	893,165,858	-	-	893,165,858
	32,062,390,778	695,066,810	351,145,459	33,108,603,047
Less deferred income	-	-	-	(72,457,615)
	32,062,390,778	695,066,810	351,145,459	33,036,145,432

	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
2024*				
Cash and cash equivalents	4,582,937,962	-	-	4,582,937,962
Due from banks	-	-	-	-
Derivative financial assets	9,989,650	-	-	9,989,650
Loans and advances to customers	13,160,299,135	887,366,765	222,847,129	14,270,513,029
Investment securities	6,440,667,518	100,286,250	69,737,920	6,610,691,688
Other assets	218,903,918	-	-	218,903,918
	24,412,798,183	987,653,015	292,585,049	25,693,036,247
Less deferred income				(58,776,335)
	24,412,798,183	987,653,015	292,585,049	25,634,259,912

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335). Refer to Note 43 (a).

Expected credit loss on cash and cash equivalents has been assessed to be immaterial due to cash deposited in entities with high credit risk ratings.

Ageing analysis of past due but not impaired loans by class of financial assets

	Amount in arrears			
	Less than 30 days	**31 to 89 days**	**More than or equal to 90 days**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
2026				
Loans and advances to customers				
Loans and overdrafts				
Retail	**20,830,524**	**480,865**	**3,973,008**	**25,284,397**
Corporate	**9,647,445**	**248,472**	**26,080,634**	**35,976,551**
	30,477,969	**729,337**	**30,053,642**	**61,260,948**

	Amount in arrears			
	Less than 30 days	**31 to 89 days**	**More than or equal to 90 days**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
Investment in finance leases				
Retail	**2,714,694**	**1,574,360**	**1,221,819**	**5,510,873**
Corporate	**3,588,623**	**2,297,584**	**1,563,743**	**7,449,950**
	6,303,317	**3,871,944**	**2,785,562**	**12,960,823**
	36,781,286	**4,601,281**	**32,839,204**	**74,221,771**

41. RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Credit quality by class of financial assets (Cont'd)

	Amount in arrears			
2025	**Less than 30 days**	**31 to 89 days**	**More than or equal to 90 days**	**Total**
Loans and advances to customers				
Loans and overdrafts				
Retail	1,503,354	660,298	50,689,393	52,853,045
Corporate	85,373,836	119,902,025	105,649,266	310,925,127
	86,877,190	120,562,323	156,338,659	363,778,172
Investment in finance leases				
Retail	1,850,308	1,624,285	1,011,062	4,485,655
Corporate	3,686,391	2,708,615	2,634,781	9,029,787
	5,536,699	4,332,900	3,645,843	13,515,442
	92,413,889	124,895,223	159,984,502	377,293,614

	Amount in arrears			
2024	**Less than 30 days**	**31 to 89 days**	**More than or equal to 90 days**	**Total**
Loans and advances to customers				
Loans and overdrafts				
Retail	28,351,511	1,904,732	10,046,296	40,302,539
Corporate	42,865,444	141,527	198,851,120	241,858,091
	71,216,955	2,046,259	208,897,416	282,160,630
Investment in finance leases				
Retail	3,159,953	1,829,335	576,602	5,565,890
Corporate	5,614,240	2,730,896	4,357,562	12,702,698
	8,774,193	4,560,231	4,934,164	18,268,588
	79,991,148	6,606,490	213,831,580	300,429,218

Under the Bank's monitoring procedures, a significant increase in credit risk is identified before the exposure has defaulted, and at the latest when the exposure becomes more than 30 days past due. The table below provides an analysis of the gross carrying amount of receivables by past due status:

	2026	
	Gross Carrying MUR	**Loss Allowance MUR**
0 - 30 days (Stage 1)	**18,436,001,007**	**36,247,775**
0 - 30 days (Stage 2)	**414,838,403**	**6,246,833**
31 - 89 days (Stage 2)	**204,258,992**	**21,093,854**
	19,055,098,402	**63,588,462**
Less deferred income	**(85,547,233)**	**-**
	18,969,551,169	**63,588,462**

	2025	
	Gross Carrying MUR	Loss Allowance MUR
0 - 30 days (Stage 1)	17,155,576,677	26,913,184
0 - 30 days (Stage 2)	446,735,076	14,146,058
31 - 89 days (Stage 2)	298,898,199	36,420,404
	17,901,209,952	77,479,646
Less deferred income	(72,457,615)	-
	17,828,752,337	77,479,646

	2024	
	Gross Carrying MUR	Loss Allowance MUR
0 - 30 days (Stage 1)	13,257,350,865	58,943,789
0 - 30 days (Stage 2)	752,041,310	9,223,042
31 - 89 days (Stage 2)	148,719,174	4,176,505
	14,158,111,349	72,343,336
Less deferred income	(58,776,335)	-
	14,099,335,014	72,343,336

Impaired financial assets

Loans and advances are assessed for impairment when objective evidence, such as default or delinquency in interest or principal payments, significant financial difficulty of the counterparty or evidence that the borrower will enter Bankruptcy or financial re-organisation, indicate that the account may be impaired.

The carrying amount of impaired financial assets and stage 3 expected credit losses or specific allowance held are shown below:

	2026	2025	2024
	MUR	MUR	MUR
Loans and advances (Note 11(c))	**278,152,941**	375,999,708	312,597,628
Expected Credit Losses on loans and advances under Stage 3 (Note 11(c))	**105,933,106**	91,971,261	89,750,499
	105,933,106	91,971,261	89,750,499

41. RISK MANAGEMENT (CONT'D)

(c) Liquidity risk

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The types of liquidity risk that the Bank faces can be categorized into two main types:

- Funding liquidity risk appears when the Bank cannot fulfil its payment obligations because of an inability to obtain new funding.
- Market liquidity risk appears when the Bank is unable to sell or transform its liquidity buffer into cash without significant losses.

Liquidity risk management encompasses the processes and strategies the Bank uses to:

- Assess its ability to meet its cash flow needs (under both normal and stressed conditions) both on a short term and long term horizon.
- Mitigate that risk by developing strategies and taking appropriate actions designed to ensure that necessary funds are available when needed.

As a measure to limit the liquidity risk that the Bank faces, the Bank maintains a liquidity contingency plan which is tested regularly to ensure its viability. The liquidity contingency plan consists of mainly of a stock of high quality liquid assets that can be easily liquidated in the event of liquidity stress conditions. The Bank also runs liquidity stress tests to determine the level of liquidity that should be kept to meet financial obligations under stress conditions.

The Bank continues to maintain a strong liquidity position throughout the financial year, with an average quarterly Liquidity Coverage Ratio (LCR) of 512% (2025: 276%; 2024: 421%), consistently remaining well above regulatory thresholds and reflecting its prudent liquidity management and resilience under stressed conditions.

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Bank's financial liabilities at end of period based on undiscounted contractual repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Bank expects that many customers will not request repayment on the earliest date the Bank could be required to pay and the table does not reflect the expected cash flows indicated by the Bank's deposit retention history.

Maturity analysis of financial liabilities

	Current			Non Current		
	No specific maturity	**Less than 3 months**	**3 to 12 months**	**1 to 3 years**	**Over 3 years**	**Total**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**
2026						
Due to banks	**-**	**470,817,370**	**351,211,331**	**-**	**-**	**822,028,701**
Derivative financial liabilities	**-**	**12,851,320**	**2,842,017**	**-**	**-**	**15,693,337**
Deposits from customers	**-**	**5,950,254,468**	**7,304,109,571**	**6,765,803,841**	**17,297,395,674**	**37,317,563,554**
Subordinated debts	**-**	**20,466,848**	**20,466,848**	**122,801,087**	**904,668,478**	**1,068,403,261**
Other liabilities*	**44,426,090**	**550,262,675**	**213,908,338**	**39,317,495**	**6,057,037**	**853,971,635**
Total financial liabilities	**44,426,090**	**7,004,652,681**	**7,892,538,105**	**6,927,922,423**	**18,208,121,189**	**40,077,660,488**
Contingent liabilities and commitments	**-**	**1,686,339,632**	**224,213,272**	**214,819,670**	**802,392,656**	**2,927,765,230**

	Current			Non Current		
2025						
Due to banks	-	300,123,507	-	345,259,217	-	645,382,724
Derivative financial liabilities	-	15,464,146	9,352,304	-	-	24,816,450
Deposits from customers	-	4,308,104,181	5,682,504,973	5,373,145,360	14,256,840,144	29,620,594,658
Subordinated debts	-	20,355,617	20,355,617	122,133,699	903,556,165	1,066,401,098
Other liabilities*	51,895,177	74,665,572	96,915,330	68,412,571	72,372,349	364,260,999
Total financial liabilities	51,895,177	4,718,713,023	5,809,128,224	5,908,950,847	15,232,768,658	31,721,455,929
Contingent liabilities and commitments	-	1,668,254,372	268,727,869	17,699,038	533,485,429	2,488,166,708

	Current			Non Current		
2024						
Derivative financial liabilities	-	4,981,376	-	-	-	4,981,376
Deposits from customers	-	2,687,439,398	4,374,620,449	3,756,391,291	12,798,835,073	23,617,286,211
Subordinated debts	-	20,632,787	549,593,852	82,531,148	988,859,016	1,641,616,803
Other liabilities*	63,946,240	71,924,775	66,573,883	-	-	202,444,898
Total financial liabilities	63,946,240	2,784,978,336	4,990,788,184	3,838,922,439	13,787,694,089	25,466,329,288
Contingent liabilities and commitments	-	2,524,124,352	22,636,417	25,237,700	254,932,975	2,826,931,444

*Other liabilities amounting to **MUR 14,151,024** for the current financial year (June 2025: MUR 132,452,396; June 2024:MUR 116,233,482) exclude VAT, TDS, deferred income and ECL on contingent liabilities since these are not regarded as financial liabilities.

41. RISK MANAGEMENT (CONT'D)

(d) Market risk

(i) **Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Bank's statement of profit or loss and equity. The sensitivity of the statement of profit or loss and equity is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial assets and liabilities held as at 30 June.

There has been no changes in the method and assumptions used by the Bank compared to the previous years.

2026

Currency	**Increase/ (decrease) in basis points**	**Effect on profit before tax**	**Effect on Equity**
		MUR m	MUR m
EUR	50	12.3	0.0
USD	50	25.6	24.7
MUR	50	0.3	11.7

2025

Currency	**Increase/ (decrease) in basis points**	**Effect on profit before tax**	**Effect on Equity**
		MUR m	MUR m
EUR	50	12.3	0.0
USD	50	23.9	2.9
MUR	50	4.8	3.4

2024

Currency	**Increase/ (decrease) in basis points**	**Effect on profit before tax**	**Effect on Equity**
		MUR m	MUR m
EUR	50	9.6	10.3
USD	50	15.6	16.8
MUR	50	4.0	7.7

(ii) Price risk

Price risk is the risk that the fair values of securities change as the result of changes in the levels of indices and the value of individual securities. The non-trading security price risk exposure arises from the Bank's investment portfolio.

The effect on changes in net assets as a result of a change in the fair value of investment instruments held as fair value through other comprehensive income , due to a reasonably possible change in indices, with all other variables held constant, is as follows:

There has been no changes in the method and assumptions used by the Bank compared to the previous years.

	Change in price	**2026**	2025	2024
	%	**MUR**	MUR	MUR
Statement of other comprehensive income	+10	**8,650,198**	**9,504,925**	34,449,493
Statement of other comprehensive income	-10	**(8,650,198)**	**(9,504,925)**	(34,449,493)

41. RISK MANAGEMENT (CONT'D)

(d) Market risk (cont'd)

(iii) Foreign exchange risk

Foreign exchange risk is the risk that the Bank's foreign currency positions will be negatively affected by movements in exchange rates between one currency and another. The Bank uses foreign exchange forward contracts to manage foreign exchange risk and exercises control over its foreign currency exposures through the allocation of trading limits. The Treasury department monitors open positions to measure foreign exchange risk and liquidity gaps. Exposures are reported on an ongoing basis to the Assets and Liabilities Committee.

Value at Risk ('VaR') is a statistical risk measure used to estimate the potential loss from adverse market moves in a normal market environment. The Bank has a single VaR framework used as a basis for calculating Risk Management VaR.

The framework is employed across the Bank using historical simulation based on data for the previous 12 months. The framework's approach assumes that historical changes in market values are representative of the distribution of potential outcomes in the immediate future. The Bank believes the use of Risk Management VaR provides a stable measure of VaR that is closely aligned to risk management decisions made by the lines of business, and provides the appropriate information needed to respond to risk events.

The VaR that the Bank measures is an estimate, using a confidence level of 99%, of the potential loss that is not expected to be exceeded if the current market risk positions were to be held unchanged for one day. The use of a 99% confidence level means that, within a one-day horizon, losses exceeding the VaR figure should occur, on average under normal market conditions, not more than once every hundred days.

VaR as at 30 June 2026 amounted to MUR 334,080 (2025:385,953 ; 2024:306,571)

The Bank kept a very low open FX position amid market volatility to minimize FX risks. Despite the economy recovering further from 2022, sale of FX remained subdued leading to a depreciating pressure on the MUR. The Bank of Mauritius FX interventions helped smoothen excess volatility, but the Bank nevertheless opted for cautiousness.

The following table demonstrate the sensitivity to a reasonable possible change in exchange rate of the major currencies of the Bank, with all other variables held constant, and the impact on the Bank's profit and equity.

There has been no changes in the method and assumptions used by the Bank compared to the previous years.

Change in currency by:		Impact on profit after tax and equity		
		EUR	**GBP**	**USD**
30 June 2026	**5%**	**74,183,377**	**(161,689)**	**289,113,613**
	-5%	**(74,183,377)**	**161,689**	**(289,113,613)**

Change in currency by:		Impact on profit after tax and equity		
		EUR	GBP	USD
30 June 2025	5%	71,976,971	(2,741,276)	(22,303,132)
	-5%	(71,976,971)	2,741,276	22,303,132

Change in currency by:		Impact on profit after tax and equity		
		EUR	GBP	USD
30 June 2024	5%	16,714,802	(2,130,840)	(11,464,184)
	-5%	(16,714,802)	2,130,840	11,464,184

41. RISK MANAGEMENT (CONT'D)

(d) Market risk (Cont'd)

(iii) Foreign exchange risk (Cont'd)

The Bank's monetary assets and liabilities as at 30 June is as follows:

2026

	EUR	GBP	USD	Others	Total
	MUR	MUR	MUR	MUR	MUR
Cash and cash equivalents	**2,361,556,742**	**390,277,431**	**5,749,569,104**	**903,564,748**	**9,404,968,025**
Due from Banks	**-**	**-**	**474,460,324**	**-**	**474,460,324**
Derivative financial assets	**8,967,011**	**13,648**	**5,780,935**	**336,358**	**15,097,952**
Loans and advances to customers	**2,620,923,607**	**-**	**4,884,105,403**	**-**	**7,505,029,010**
Investment securities	**-**	**-**	**5,292,312,525**	**-**	**5,292,312,525**
Other assets	**56,000,846**	**1,107,450**	**185,315,026**	**38,581,009**	**281,004,331**
	5,047,448,206	**391,398,529**	**16,591,543,317**	**942,482,115**	**22,972,872,167**
Derivative financial liabilities	**945,103**	**-**	**5,091,876**	**9,656,357**	**15,693,336**
Deposits from customers	**4,409,496,844**	**500,745,122**	**16,398,695,856**	**1,117,679,090**	**22,426,616,912**
Other liabilities	**15,849,899**	**7,736,645**	**364,796,833**	**146,511,627**	**534,895,004**
	4,426,291,846	**508,481,767**	**16,768,584,565**	**1,273,847,074**	**22,977,205,252**
Net position	**621,156,360**	**(117,083,238)**	**(177,041,248)**	**(331,364,959)**	**(4,333,085)**

2025

	EUR	GBP	USD	Others	Total
	MUR	MUR	MUR	MUR	MUR
Cash and cash equivalents	1,892,259,917	381,829,546	4,071,367,929	1,017,799,553	7,363,256,945
Due from Banks	-	-	159,657,413	-	159,657,413
Derivative financial assets	213,897	-	3,428,728	4,847,581	8,490,206
Loans and advances to customers	3,047,821,927	-	3,742,575,315	-	6,790,397,242
Investment securities	-	-	1,273,725,178	-	1,273,725,178
Other assets	71,991,682	3,333,154	135,910,652	5,452,879	216,688,367
	5,012,287,423	385,162,700	9,386,665,215	1,028,100,013	15,812,215,351
Derivative financial liabilities	22,750,178	-	74,000	1,992,272	24,816,450
Deposits from customers	3,546,728,625	386,895,655	10,437,449,413	990,299,785	15,361,373,478
Other liabilities	7,079,127	761,582	68,153,815	13,615,029	89,609,553
	3,576,557,930	387,657,237	10,505,677,228	1,005,907,086	15,475,799,481
Net position	1,435,729,493	(2,494,537)	(1,119,012,013)	22,192,927	336,415,870

2024

	EUR	GBP	USD	Others	Total
	MUR	MUR	MUR	MUR	MUR
Cash and cash equivalents	770,065,140	468,002,463	1,550,223,510	379,992,338	3,168,283,451
Derivative financial assets	8,997,384	-	17,062	892,459	9,906,905
Loans and advances to customers	2,441,186,898	-	2,008,605,495	-	4,449,792,393
Investment securities	191,352,271	-	1,846,710,340	-	2,038,062,611
Other assets	60,290,204	3,334,464	106,224,023	5,815,076	175,663,767
	3,471,891,897	471,336,927	5,511,780,430	386,699,873	9,841,709,127
Derivative financial liabilities	4,536,336	-	209,890	-	4,746,226
Deposits from customers	2,752,217,134	542,756,980	6,031,094,605	374,706,805	9,700,775,524
Other liabilities	31,758,228	460,805	9,306,911	14,820,428	56,346,372
	2,788,511,698	543,217,785	6,040,611,406	389,527,233	9,761,868,122
Net position	683,380,199	(71,880,858)	(528,830,976)	(2,827,360)	79,841,005

41. RISK MANAGEMENT (CONT'D)

(e) Maturities of assets and liabilities

The table below summarises the maturity profile of the Bank's financial assets and financial liabilities at the reporting date. Financial assets are presented at discounted amounts including impairment charges which are consistent with the carrying amount as presented in the statement of financial position at the reporting date, which takes into consideration the impact of impairment and discounting, representing the Bank's liquidity expectations. Financial liabilities are based on discounted contractual repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Bank expects that many customers will not request repayment on the earliest date the Bank could be required to pay and the table does not reflect the expected cash flows indicated by the Bank's deposit retention history.

		2026							
	Notes	**No specific maturity**	**Less than 3 months**	**3 to 12 months**	**Sub total less than 12 months**	**1 to 3 years**	**Over 3 years**	**Sub total more than 12 months**	**Total**
		MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR
Assets									
Cash and cash equivalents	8	-	10,737,863,096	-	10,737,863,096	-	-	-	10,737,863,096
Due from bank	9	-	474,460,324	-	474,460,324	-	-	-	474,460,324
Derivative financial assets	10	-	9,541,330	5,556,620	15,097,950	-	-	-	15,097,950
Loans and advances to customers*	11	335,535,801	2,766,470,324	2,340,104,207	5,106,574,531	6,354,112,123	7,601,140,558	13,955,252,681	19,397,363,013
Investment securities	12	75,082,591	3,041,334,339	1,819,337,886	4,860,672,225	4,462,194,249	1,092,500,367	5,554,694,616	10,490,449,432
Other assets	13	1,058,272,701	-	-	-	-	-	-	1,058,272,701
Total		1,468,891,093	17,029,669,413	4,164,998,713	21,194,668,126	10,816,306,372	8,693,640,925	19,509,947,297	42,173,506,516
Less allowance for credit impairment									(252,793,075)
									41,920,713,441
Liabilities									
Due to banks	18	-	470,328,904	345,760,123	816,089,027	-	-	-	816,089,027
Derivative financial liabilities	10	-	12,851,320	2,842,017	15,693,337	-	-	-	15,693,337
Deposits from customers	17	-	26,410,230,006	5,131,748,172	31,541,978,178	4,031,718,318	1,031,788,022	5,063,506,340	36,605,484,518
Subordinated debts	19	-	10,344,656	-	10,344,656	-	696,951,754	696,951,754	707,296,410
Other liabilities**	21	44,426,090	550,262,675	213,908,338	764,171,013	39,317,495	6,057,037	45,374,532	853,971,635
Total		44,426,090	27,454,017,561	5,694,258,650	33,148,276,211	4,071,035,813	1,734,796,813	5,805,832,626	38,998,534,927
Net liquidity gap		1,424,465,003	(10,424,348,148)	(1,529,259,937)	(11,953,608,085)	6,745,270,559	6,958,844,112	13,704,114,671	3,174,971,589
Less allowance for credit impairment									(252,793,075)
									2,922,178,514
Contingent liabilities and commitments	34								
Contingent liabilities									
Financial guarantees		-	4,718,000	151,424,476	156,142,476	159,239,621	-	159,239,621	315,382,097
Letter of credit and other obligations on account of customers		-	131,301,940	-	131,301,940	-	-	-	131,301,940
Commitments									
Undrawn credit facilities		-	1,550,319,692	72,788,796	1,623,108,488	55,580,049	802,392,656	857,972,705	2,481,081,193
		-	1,686,339,632	224,213,272	1,910,552,904	214,819,670	802,392,656	1,017,212,326	2,927,765,230

41. RISK MANAGEMENT (CONT'D)

(e) Maturities of assets and liabilities (Cont'd)

		2025*							
	Notes	No specific maturity	Less than 3 months	3 to 12 months	Sub total less than 12 months	1 to 3 years	Over 3 years	Sub total more than 12 months	Total
		MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR
Assets									
Cash and cash equivalents	8	-	8,709,698,556	-	8,709,698,556	-	-	-	8,709,698,556
Due from banks	9	-	159,523,736	-	159,523,736	-	-	-	159,523,736
Derivative financial assets	10	-	4,031,524	4,458,682	8,490,206	-	-	-	8,490,206
Loans and advances to customers	11	413,367,051	2,907,495,183	3,572,658,822	6,480,154,005	3,709,588,795	7,607,887,790	11,317,476,585	18,210,997,641
Investment securities	12	85,859,978	1,053,720,254	825,702,130	1,879,422,384	1,830,958,440	1,614,210,646	3,445,169,086	5,410,451,448
Other assets	13	964,732,096	-	-	-	-	-	-	964,732,096
Total		1,463,959,125	12,834,469,253	4,402,819,634	17,237,288,887	5,540,547,235	9,222,098,436	14,762,645,671	33,463,893,683
Less allowance for credit impairment									(224,761,431)
									33,239,132,252
Liabilities									
Due to banks	18	-	300,123,507	-	300,123,507	325,592,069	-	325,592,069	625,715,576
Derivative financial liabilities	10	-	15,464,146	9,352,304	24,816,450	-	-	-	24,816,450
Deposits from customers	17	-	19,376,037,424	4,150,335,330	23,526,372,754	3,373,815,478	1,942,869,110	5,316,684,588	28,843,057,342
Subordinated debts	19	-	10,233,425	-	10,233,425	-	695,843,299	695,843,299	706,076,724
Other liabilities**	21	51,895,177	74,665,572	96,915,330	171,580,902	68,412,571	72,372,349	140,784,920	364,260,999
Total		51,895,177	19,776,524,074	4,256,602,964	24,033,127,038	3,767,820,118	2,711,084,758	6,478,904,876	30,563,927,091
Net liquidity gap		1,412,063,948	(6,942,054,821)	146,216,670	(6,795,838,151)	1,772,727,117	6,511,013,678	8,283,740,795	2,899,966,592
Less allowance for credit impairment									(224,761,431)
									2,675,205,161
Contingent liabilities and commitments	34								
Contingent liabilities									
Financial guarantees		-	4,505,000	96,154,953	100,659,953	17,699,038	-	17,699,038	118,358,991
Letter of credit and other obligations on account of customers		-	3,604,000	-	3,604,000	-	-	-	3,604,000
Commitments									
Undrawn credit facilities		-	1,660,145,372	172,572,916	1,832,718,288	-	533,485,429	533,485,429	2,366,203,717
		-	1,668,254,372	268,727,869	1,936,982,241	17,699,038	533,485,429	551,184,467	2,488,166,708

41. RISK MANAGEMENT (CONT'D)

(e) Maturities of assets and liabilities (Cont'd)

	Notes	No specific maturity	Less than 3 months	3 to 12 months	Sub total less than 12 months	1 to 3 years	Over 3 years	Sub total more than 12 months	Total
		2024*							
Assets		MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR
Cash and cash equivalents	8	-	4,596,690,444	-	4,596,690,444	-	-	-	4,596,690,444
Derivative financial assets	10	-	9,906,906	82,744	9,989,650	-	-	-	9,989,650
Loans and advances to customers	11	348,984,718	1,971,493,737	2,562,140,774	4,882,619,229	2,985,806,460	6,558,648,947	9,544,455,407	14,427,074,636
Investment securities	12	43,069,911	1,367,460,190	1,323,289,568	2,690,749,758	1,751,751,774	2,224,902,422	3,976,654,196	6,710,473,865
Other assets	13	218,903,918	-	-	-	-	-	-	218,903,918
Total		610,958,547	7,945,551,277	3,885,513,086	11,831,064,363	4,737,558,234	8,783,551,369	13,521,109,603	25,963,132,513
Less allowance for credit impairment									(213,442,557)
									25,749,689,956
Liabilities									
Derivative financial liabilities	10	-	4,981,376	-	4,981,376	-	-	-	4,981,376
Deposits from customers	17	-	13,722,163,378	3,245,704,986	16,967,868,364	2,205,942,324	3,178,916,071	5,384,858,395	22,352,726,759
Subordinated debts	19	-	15,864,309	500,000,000	515,864,309	-	694,734,845	694,734,845	1,210,599,154
Other liabilities**	21	63,946,240	71,924,775	66,573,883	138,498,658	-	-	-	202,444,898
Total		63,946,240	13,814,933,838	3,812,278,869	17,627,212,707	2,205,942,324	3,873,650,916	6,079,593,240	23,770,752,187
Net liquidity gap		547,012,307	(5,869,382,561)	73,234,217	(5,796,148,344)	2,531,615,910	4,909,900,453	7,441,516,363	2,192,380,326
Less allowance for credit impairment									(213,442,557)
									1,978,937,769
Contingent liabilities and commitments	34								
Contingent liabilities									
Financial guarantees		-	14,121,000	385,940	14,506,940	8,041,453	-	8,041,453	22,548,393
Letter of credit and other obligations on account of customers		-	673,270,000	-	673,270,000	-	-	-	673,270,000
Commitments									
Undrawn credit facilities		-	1,836,733,352	22,250,477	1,858,983,829	17,196,247	254,932,975	272,129,222	2,131,113,051
		-	2,524,124,352	22,636,417	2,546,760,769	25,237,700	254,932,975	280,170,675	2,826,931,444

**Other liabilities amounting to MUR 14,151,024 for the current financial year (June 2025: MUR 132,452,396 ; June 2024: MUR 116,233,482) exclude VAT, TDS, deferred income and ECL on contingent liabilities since these are not regarded as financial liabilities..
* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615 and 2024: MUR 58,776,335).
Refer to Note 43 (a).

(f) Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The bank cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the bank is able to manage those risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

41. RISK MANAGEMENT (CONT'D)

(g) Climate risk

The Bank and its clients maybe exposed to physical risks from climate change and risks of transitioning to a net-zero economy. Most climate-related physical risks are expected to manifest over a term that is generally longer than the maturity of most of the outstanding exposures. The following balances may be impacted by physical and transition risks:
1. Expected credit losses (ECL): Customers and portfolios with exposure to climate risk may have a resultant deterioration in creditworthiness, which has an impact on ECL.
2. Fair value measurement: The Bank may assume that any climate change variables incorporated in fair value measurement are those that market participants would consider when pricing the asset or liability, in line with IFRS 13 Fair Value Measurement.

ABC Banking Corporation Ltd has successfully implemented its Climate-related and Environmental Risk Framework and is compliant with the Bank of Mauritius Guideline on Climate-related and Environmental Financial Risk (C&E Risk). The Bank incorporates C&E risk in the entire credit life cycle and its internal rating models have been adjusted to account for C&E risk.

In order to bolster its operational resilience in the face of the increased incidence of extreme climate events, the Bank has carried out a Business Impact Assessment to identify critical processes and develop corresponding mitigants. The institution has put in place a robust Business Continuity Management Policy that seeks to minimise disruption arising from extreme weather events.

42. Going Concern

Management of the Bank is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern. The directors are of the opinion that the Bank has adequate resources to continue operations for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the Bank's financial statements. The directors have satisfied themselves that the Bank is in a sound financial position and that it has access to sufficient funding facilities to meet its foreseeable cash requirements.

43. Restatement of comparatives

(a) Deferred processing fees

The Bank earns processing fees on financial instruments (loans and advances to customers). These are fees generated on credit facilities disbursed by the Bank, are collected upfront and are recognised over the term of the facilities. The Bank has assessed and concluded that the processing fees meet the requirements set by IFRS 9 and the recognition of these fees (together with any incremental costs) form an essential part of the effective interest rates of the corresponding financial instruments under IFRS 9 and are correctly reported under interest income.

Historically, the unamortised portion of these fees was recognised separately as deferred income within "other liabilities" rather than being offset against the carrying amount of the related loans. As a result, Loans and Advances to Customers and Other Liabilities were both overstated by the amount of the unamortised deferred fees. The error has been corrected by reclassifying the deferred fees from Other Liabilities and netting them against the related loans and advances in accordance with IFRS 9. In order to comply with the requirements of IFRS 9, these are being reclassified and netted off against loans and advances to customers.

The following tables summarise the impacts of the restatement.

Statement of financial position

	Previously Reported	Adjustment	Restated
30-Jun-25	MUR	MUR	**MUR**
Loans and advances to customers	18,041,546,732	(72,457,615)	17,969,089,117
Total assets	33,523,501,076	(72,457,615)	33,451,043,461
Other Liabilities	481,323,841	(72,457,615)	408,866,226
Total Liabilities	30,729,719,252	(72,457,615)	30,657,261,637
30-Jun-24*			
Loans and advances to customers	14,270,513,029	(58,776,335)	14,211,736,694
Total assets	26,392,718,319	(58,776,335)	26,333,941,984
Other Liabilities	318,678,382	(58,776,335)	259,902,047
Total Liabilities	23,916,549,049	(58,776,335)	23,857,772,714

Statement of cash flows

	Previously Reported	Adjustment	Restated
	MUR	MUR	**MUR**
30-Jun-25			
(Increase)/Decrease in loans and advances to customers	(3,312,712,051)	72,457,615	(3,240,254,436)
(Increase)/Decrease in other liabilities	11,681,959	(72,457,615)	(60,775,656)
30-Jun-24			
(Increase)/Decrease in loans and advances to customers	(3,019,813,586)	58,776,335	(2,961,037,251)
(Increase)/Decrease in other liabilities	(102,600,546)	(58,776,335)	(161,376,881)

The adjustment did not have any other impact which requires further disclosure.

(b) Movement on due to banks

Movements in amounts due to banks have been reclassified from financing to operating activities to better reflect their nature as part of the Bank's normal treasury and funding operations. Comparative amounts have been restated accordingly. The change is presentational only and has no impact on the Bank's financial position, results, or net cash flows.

Statement of cash flows

	Previously Reported	Adjustment	Restated
	MUR	MUR	**MUR**
Cash flows from operating activities			
30-Jun-25			
Increase from due to banks	-	617,131,200	617,131,200
Cash flows from financing activities			
30-Jun-25			
Increase from due to banks	617,131,200	(617,131,200)	-
Cash flows from operating activities			
30-Jun-24			
Increase from due to banks	-	-	-
Cash flows from financing activities			
30-Jun-24			
Increase from due to banks	-	-	-