Soaring to **New Heights.**

ANNUAL REPORT 2025

ABCB Holdings

ABCB Holdings

CORPORATE INFORMATION

REGISTERED OFFICE & HEAD OFFICE
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abcbholdings.mu
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EXTERNAL AUDITORS
KPMG Mauritius
KPMG Centre
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Mauritius

LEGAL SERVICES
Bowmans (Mauritius)

BOARD OF DIRECTORS FOR THE YEAR ENDED 30 JUNE 2025

CHAIRPERSON
Mrs Ah Foon Chui Yew Cheong, G.O.S.K

MANAGING DIRECTOR
Prof. Donald Ah-Chuen, G.O.S.K

MEMBERS
Mr Vincent Ah-Chuen
Mr Bhanu Pratabsingh Jaddoo
Me Marie Danielle Low Kwan Sang
(Appointed on 8 May 2025)

COMPANY SECRETARY & SHARE REGISTRY
Mr Mahesh Ittoo, ACG MCSI
The Company Secretary acts as Secretary to the Board and all Board committees.

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ABCB Holdings

CHAIRPERSON'S REPORT

Dear Valued Shareholders,

On behalf of the Board, it is my privilege to present the Chairman's Report for ABCB Holdings Limited ("ABCB Holdings") for the year under review. The creation of ABCB Holdings Limited in 2024-2025 was a founding stone to a significant corporate re-organisation, allowing us to sharpen our strategic focus and lay the foundations for accelerated, sustainable growth across our banking and non-banking businesses. The Board remains optimistic about the long-term prospects of ABCB Holdings Limited and commends the progress our management and staff of ABCB Holdings and its subsidiaries (the Group) have delivered to position the Group to maximise value creation for our shareholders, customers and other stakeholders.

A year of structural strengthening

The formal re-organisation that established ABCB Holdings Limited as the listed parent of our banking and non-banking operations is now completed.

Pursuant to sections 261 to 264 of the Companies Act, the Court sanctioned the scheme of arrangement which came into effect on 2 April 2025 and the company was subsequently listed on the official market of the Stock Exchange of Mauritius (SEM) on 4 April 2025.

The re-organisation creates a clearer Group governance structure, improves capital allocation flexibility and enables each operating entity to pursue tailored strategies while benefiting from Group scale and shared services. This structural change was a deliberate strategic decision to support growth, enhance transparency to investors and create a platform for future acquisitions and partnerships.

Financial performance - resilient foundations

Our operating businesses continued to demonstrate resilience in a competitive environment. For the period 04 April 2025 to 30 June 2025, ABCB Holdings generated a profit after tax of MUR 64.2 million. On a consolidated basis, and as at 30 June 2025, total assets amounted to MUR 33.2 billion. ABCB Holdings' main operating entity, ABC Banking, generated operating income of MUR 1,054.8 million, representing an increase of 24% over last year (Mur 849.6 million), underscoring the underlying strength of client relationships and treasury operations. These results reflect disciplined cost management, focused and a conservative commercial lending and growth in fee income across domestic and international channels.

Corporate governance and capital markets engagement

As a listed company on the SEM Official Market, we are committed to the highest standards of disclosure, board independence and shareholder engagement. The holding structure provides transparency of subsidiary performance and will facilitate clearer investor communication about the separate returns and capital needs of our banking and non-banking businesses. Management and the Board remain focused on timely, accurate reporting and on strengthening investor outreach across local and regional markets.

Risk management and regulatory engagement

The Board recognises that a disciplined approach to risk — including credit, market, liquidity and operational — is essential to preserving capital and sustaining profitable growth. We maintain an open dialogue with the local regulators and the Stock Exchange of Mauritius to ensure alignment with evolving standards and best practices.

People, culture and capability

Our people are at the heart of our Group. During the year we invested in training, continuous improvement and leadership development. We are building a performance culture that rewards client centricity, prudent risk taking and collaboration across the Group. This investment in human resources capabilities will be a key differentiator as we scale operations and introduce new products.

Outlook

Looking ahead, ABCB Holdings enters the new financial year from a position of greater clarity and optionality. The holding company structure equips us to allocate capital more efficiently, pursue targeted growth in high return segments and move decisively where market opportunities arise. While macroeconomic and geopolitical uncertainties persist, we are confident that our strengthened governance, sharper strategy and focus on various areas of growth inclusive of digital initiatives and offerings of new products to capture fee based opportunities will drive sustainable improvement in returns over the medium term.

Acknowledgement

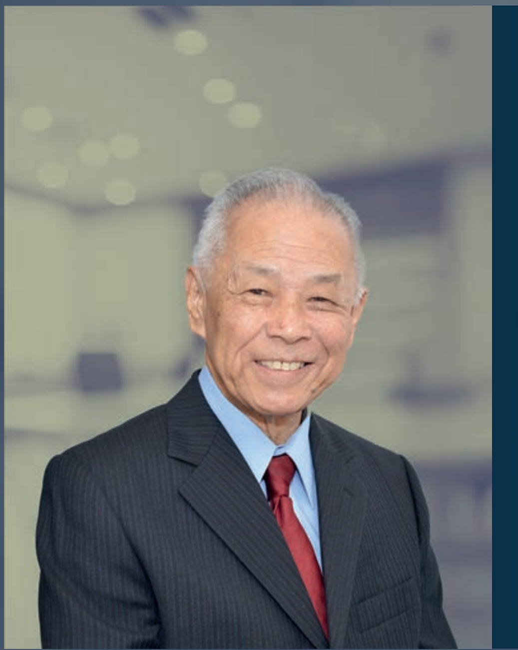
I want to thank our shareholders for their continued support, our regulators for constructive engagement and most importantly our employees and management teams for their determination and professionalism during a complex but rewarding period of change. The Board remains committed to overseeing the disciplined execution of our strategy and to delivering long-term value in a responsible manner.

Ah Foon Chui Yew Cheong (Mrs) - G.O.S.K

Chairperson

BOARD OF DIRECTORS

Ah Foon Chui Yew Cheong (Mrs) - G.O.S.K
Chairperson



Professor Donald Ah-Chuen, G.O.S.K
Managing Director

Vincent Ah-Chuen
Non-Executive Director

Bhanu Pratabsingh Jaddoo
Independent Director

Marie Danielle Low Kwan Sang
Independent Director

CORPORATE PROFILE

Founded in 2024 and rooted in a tradition of strong values, ABCB Holdings Limited is publicly listed on the Official Market of the Stock Exchange of Mauritius. The group has the vision to develop its presence in the financial and banking sector with its core asset, ABC Banking Corporation Ltd and with a commitment to robust corporate governance.

ABCB Holdings Limited is the result of the corporate reorganisation of ABC Banking Corporation Ltd, carried out through a Scheme of Arrangement under the Companies Act 2001, that facilitates the separation of banking from non-banking activities. Initially operating as ABC Finance & Leasing, the company evolved into a fully operational bank in 2010, establishing itself as a model of integrity and innovation.

Its progress is reflected in the substantial increase of its Term Deposit portfolio, which grew from MUR 2.0 billion in December 2010 to MUR 28.8 billion by 30 June 2025, with shareholders' equity rising to MUR 2.9 billion. In March 2024, the bank showcased its financial strength through the issuance of MUR 700 million in bonds. Following the corporate reorganisation, the bank became a subsidiary of ABCB Holdings Limited. 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.

ABCB Holdings Limited portfolio extends beyond banking to include ABCB Investments Ltd and ABCB Properties Ltd, managing the Group's key real estate assets. This structure enables the delivery of comprehensive, innovative solutions for a dynamic global marketplace.

Looking forward, ABCB Holdings Limited is dedicated to sustainable growth and customer-focused innovation, continuing to shape the financial landscape of Mauritius and beyond.

OUR
VISION

To be the preferred and trusted bank in our stakeholders' quest for success and value creation.

OUR
MISSION

We strive to delight our customers whilst delivering on our responsibilities towards the country, community & environment. We shall also drive the continuous development of the bank as one team, whilst catering for diverse interest, providing development opportunities for individual talents.

Furthermore, we commit to uphold our shareholders' and all stakeholders' trust in us.

OUR
VALUES

Integrity - A commitment to always do the right thing, no matter what the situation or potential gain involved.

Loyalty - To have a strong sense of belonging and dedication to the groups' activities, beliefs and values.

Tenacity - An inner desire to keep advancing and progressing in the face of adversity.

Spirit of innovation - The zest to continuously come up with new and creative solutions amidst changing times.

Service excellence - The dedication to deliver the utmost level of customer experience.

MANAGING DIRECTOR'S REPORT

Dear Shareholders,

It is a privilege to present the inaugural Managing Director's Report of ABCB Holdings Limited ("ABCB Holdings"). This year marked a purposeful transformation: we completed our banking and finance corporate reorganisation, established a dedicated holding structure, and listed ABCB Holdings Limited on the Official Market of the Stock Exchange of Mauritius (SEM). These steps position us to maximise value-creation for shareholders through greater strategic focus, capital flexibility, diversification and transparency.

A landmark year of reorganisation and listing

Pursuant to the Court-sanctioned Scheme of Arrangement effective on 2 April 2025, the shareholders of ABC Banking Corporation Limited (ABC Banking) exchanged their shares for new shares in ABCB Holdings on a 1:1 basis. Following the share exchange and the delisting of ABC Banking from the DEM, ABCB Holdings' ordinary shares were admitted by way of introduction to the SEM's Official Market on 4 April 2025. This migration enhances our visibility and provides a stronger platform for future capital raising initiatives.

The reorganisation also created a clearer separation between banking and non-banking activities and the creation of ABCB Properties Ltd to purchase the three properties previously owned by ABC Banking Corporation Limited. The shares of ABCB Properties Ltd have in turn have been acquired by ABCB Investments Ltd from ABC Banking, with the latter leasing back the operational premises. This structure optimises capital usage by the regulated bank.

These corporate actions were approved following the Listing Particulars issued in November 2024 and subsequent shareholder and Court processes in early 2025.

Operating performance and financial resilience (subsidiary highlights)

For the period 4 April 2025 to 30 June 2025, ABCB Holdings generated a profit after tax of MUR 64.2 million. Operating income for the period amounted to MUR 232.6 million, while total assets stood at MUR 33.2 billion at financial year-end.

ABCB Holdings' main operating entity, ABC Banking, saw a growth of 24% in its operating income which increased from MUR 849.6 million last year to MUR 1,054.8 million this year. Operating profit before tax of MUR 440.1 million was generated for the year being a 48% increase from last year MUR 298.1 million. As at 30 June 2025, total assets stood at MUR 33.5 billion, a 27% increase over last year. The loan portfolio stood at MUR 18.0 billion, representing a growth of 26% while deposits increased by 29% to reach MUR 28.8 billion. The Capital Adequacy Ratio (CAR) stood at 15.9% v/s the regulatory ratio of 12.5%. Profits after tax reached MUR 380.6 million (MUR 257.7 million last year), again inclusive of the exceptional gain. The core earnings trajectory and balance-sheet momentum remain solid.

ABC Banking fundamentals — disciplined risk management, diversified funding, and prudent capital buffers—provide a resilient base for ABCB Holdings as a newly listed financial services group.

Strategic priorities for the new holding structure

With the Group's architecture now in place, our strategic agenda is as follows

1. **Sharpened capital allocation.**

   The holding structure allows us to direct capital to higher return opportunities across banking (organic growth, technology, risk-weighted optimisation) and non-banking assets (property optimisation through ABCB Properties Ltd, and future adjacent non-banking financial services via ABCB Investments Ltd). The leaseback arrangement for premises supports capital efficiency within the bank while preserving operational continuity.

2. **Growth in core banking franchises.**

   ABC Banking remains anchored on Corporate & SME, Retail & Private Banking, International Banking and Treasury. Our ambition is to deepen client primacy in the various business units, expand fee-based and trade solutions, scale targeted retail banking operations and maintain robust liquidity and market-risk management under evolving rate cycles.

3. **Funding diversification and balance-sheet strength.**

   Building on the successful Tier 2 issuance last year, we will consider a flexible toolkit — subordinated instruments, potential equity raises (when and where appropriate) and structured funding—to support measured asset growth while keeping the CAR comfortably above regulatory thresholds.

4. **Digital transformation and operational excellence.**

   ABCB Holdings and its subsidiaries will invest in digital projects to improve client experience and deliver rapid and efficient service.

5. **Talent and culture.**

   We are nurturing a performance-centric culture with high standards of conduct, customer care and technical excellence, including succession planning across pivotal roles.

Risk management and governance

The Group's risk philosophy remains, prudential, conservative and risk enterprise-wide approach. Its banking subsidiary will continue to refine credit underwriting (portfolio limits, sectoral concentrations, and staging discipline), enhance liquidity coverage and funding metrics and manage interest-rate and market risks within approved limits. Operational risk controls are being strengthened through process redesign, automation and enhanced cyber resilience.

From a governance standpoint, the establishment of ABCB Holdings as the listed parent entails refreshed Board charters, committee mandates (Audit & Risk, Nomination & Remuneration amongst others) and alignment of Group policies, in compliance with the National Code of Corporate Governance.

Market environment and outlook

Mauritius continues to register steady macro momentum with production of basic food for its own needs, tourism, construction, and financial services as pivotal pillars. Within this context, we see attractive demand for ABC Banking for working-capital solutions, project financing, transactional banking and wealth solutions. As the interest rate environment normalises over time, our focus will be to protect deposit, price risk appropriately and widen fee-based income.

The new SEM listing provides a durable

platform to attract longterm investors and when appropriate, access growth capital efficiently. Early 2025, market communications around our listing underscored this visibility uplift. We intend to leverage that profile prudently in support of sustainable growth and dividend capacity in line with regulatory guidance and balancesheet priorities.

Strategic priorities and progress 2025-2026

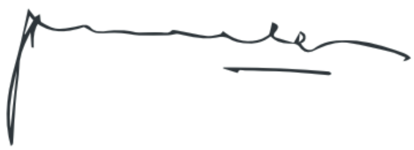
Following the re-organisation, we aim towards a concise set of strategic priorities designed to capture near-term opportunities and build sustainable competitive advantage:

- **Digital transformation and customer experience** — accelerate digital channels and modernise core banking platforms to improve service delivery and reduce unit costs.
- **Optimise capital and funding** — leverage the holding structure to optimise capital allocation between regulated banking activities and non-bank subsidiaries, improving return on equity.
- **Diversify revenue streams** — scale the other banking arm's offerings (wealth, asset management and advisory) to reduce reliance on interest margin and smooth earnings volatility.
- **Risk and governance uplift** — strengthen risk management, credit governance and compliance to meet evolving regulatory expectations and support sustainable growth.

A word of thanks

On behalf of the Board and Management, I thank our shareholders for their trust through this pivotal transition and our colleagues for their dedication and professionalism: Our customers for their loyalty, our regulators and market partners for their continued guidance.

ABCB Holdings Limited enters its new chapter with clarity of purpose and a durable foundation. Our listed holding structure, prudent risk culture, strong subsidiary fundamentals and disciplined capital allocation create a compelling platform to deliver sustainable growth and resilient returns. We look ahead with confidence and accountability as we execute our strategy for the benefit of all stakeholders.



Professor Donald Ah-Chuen, G.O.S.K

Managing Director


ABCB Holdings

CORPORATE GOVERNANCE REPORT

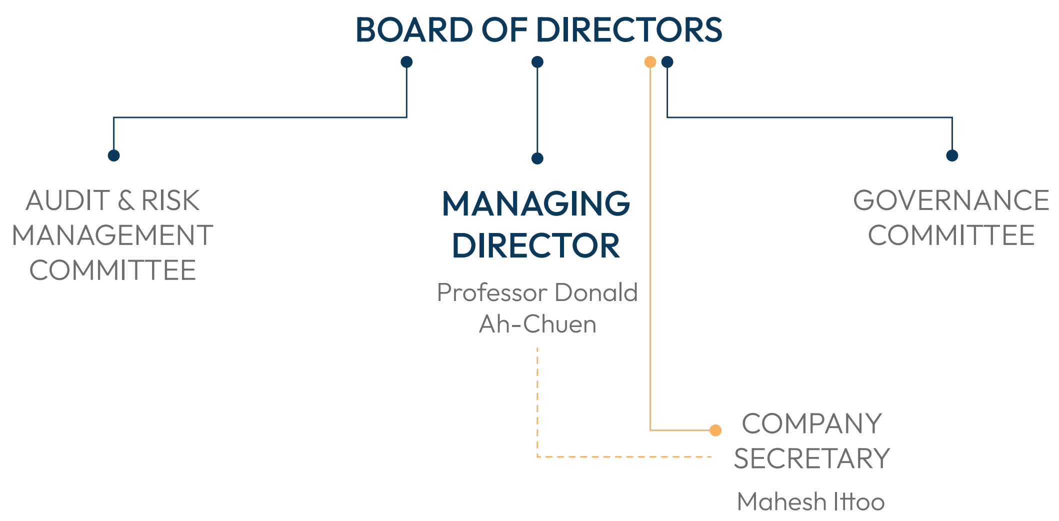
We maintain comprehensive governance documentation including our Board Charter, senior leadership role descriptions and accountability frameworks. A Code of Ethics is currently being put in place; meanwhile, the Company abides by the principles of the National Committee on Corporate Governance and industry best practice. These documents shall undergo regular review and approval by the appropriate authorities, with updates occurring annually or as needed to reflect regulatory changes and Board Committee decisions. All governance documents are publicly accessible through our website, demonstrating our commitment to transparency.

OUR GOVERNANCE FRAMEWORK

Our governance framework serves as the foundation for how our Board ensures accountability, fairness, and transparency in all stakeholder relationships. We view this framework as the essential infrastructure supporting effective management and regulatory compliance —providing the strong foundation upon which all compliant operations can build and thrive.

The framework establishes clear systems of rules and practices that guide decision-making, risk management, and strategic direction while ensuring we meet our obligations to shareholders, customers, employees, regulators, and the broader community.

The below diagram depicts the Company's structure chart, provided by the framework:



THE BOARD AND ITS ROLE

Our Board has established a comprehensive governance framework designed to support the Company and its subsidiaries in achieving strategic, business, and social objectives. This framework encompasses robust principles, systems, and controls that ensure ethical and efficient oversight of operations across the Company and its subsidiaries, whilst maintaining full compliance with all applicable legal and regulatory requirements.

We continuously monitor developments in corporate governance best practice to ensure ongoing adherence to the National Code of Corporate Governance and other relevant regulatory guidelines. This proactive approach enables us to maintain governance standards that exceed baseline requirements and reflect evolving stakeholder expectations.

BOARD COMPOSITION AND LEADERSHIP

Our Constitution requires a minimum of five Directors, and we actively champion diversity as a cornerstone of effective governance. During the financial year, 40% of Board positions were held by female directors, reflecting our commitment to gender diversity. We remain dedicated to promoting diversity across all dimensions in future appointments.

All Directors were appointed by the Board after incorporation and they shall be subject to reelection by shareholders at the next Annual Meeting of Shareholders, ensuring democratic accountability and stakeholder representation. Our current Board composition provides a balanced blend of experience, expertise, and competencies that enables effective and independent operation.

Under the distinguished leadership of Chairperson Mrs Ah Foon Chui Yew Cheong, the Board maintains strategic oversight whilst Managing Director Prof. Donald Ah-Chuen plays a pivotal role in translating Board-approved policies and strategies into practical initiatives across the group.

The Board currently comprises 5 members. Their profiles can be viewed on pages 26 – 27.

Directors	Category
Mrs Ah Foon Chui Yew Cheong	Independent Chairperson
Prof. Donald Ah-Chuen	Executive (Managing Director)
Mr Vincent Ah-Chuen	Non-Executive
Mr Bhanu Pratabsingh Jaddoo	Independent
Me Marie Danielle Low Kwan Sang *(Appointed on 10 July 2025)*	Independent

All Directors of the Company as at 30 June 2025 were residents in Mauritius.

MRS AH FOON CHUI YEW CHEONG, G.O.S.K.

INDEPENDENT DIRECTOR AND CHAIRPERSON

Mrs Ah Foon Chui Yew Cheong retired as Judge of the Supreme Court of Mauritius in 2017. Her career in the legal and judicial service spanned over forty years, including the holding of the office of Director of Public Prosecutions from 1999 to 2003. As a judge of the Supreme Court, she heard and determined many leading civil and commercial cases. From 2010 to 2014, she presided over the newly set up Mediation Division of the Supreme Court and successfully mediated many cases. In her capacity as Chair of the Board of the Institute for Judicial and Legal Studies since its inception in 2011 up to February 2021, she devised and initiated many courses and workshops for the legal profession and judiciary.

Her contribution to the legal field has been recognised when in March 2025, she was elevated to the rank of Grand Officer of the Star and Key of the Indian Ocean (GOSK).

She was a Director of ABC Banking Corporation Ltd since April 2018 and chaired its Board of Directors from December 2022 to December 2024. Since April 2025, Mrs Ah Foon Chui Yew Cheong is the Chair of the Financial Services Review Panel set up under the Financial Services Act. She is a member of the Wildlife Justice Commission (WJC) Council. From 2017 to June 2024, she served as Chairperson of the Board of SOS Children's Villages (Mauritius).

Mrs Ah Foon Chui Yew Cheong studied law at the University of London, King's College where she obtained an LLM. She also holds a Licence en droit from the Université Aix en Provence.

PROFESSOR DONALD AH-CHUEN, G.O.S.K.

MANAGING 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 of the same organization. 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 Wages and Employment Conditions Agreement 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. He obtained the MBA Degree in July 1968 and joined the University of Mauritius two years later 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. He returned to Mauritius in 1995 to contribute in the consolidation, diversification and further development of the ABC Group of Companies. Professor Donald is a director of the Stock Exchange of Mauritius Ltd (SEM) and was its Chairman for the year 2018. He is also a director of ABC MOTORS COMPANY LIMITED and P.O.L.I.C.Y Limited, listed on the DEM and SEM respectively. 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, the Chairmanship of the Tertiary Education Commission of Mauritius, and that 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 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. 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 VINCENT AH-CHUEN

NON-EXECUTIVE DIRECTOR

Mr. Vincent Ah-Chuen is a competent, skilled and knowledgeable proffessional, capable of independent and impartial thinking. He is an experienced entrepreneur and has played a key role in the development and diversification of the ABC Group of Companies.

Mr. Vincent Ah-Chuen is the Managing Director of ABC Group of Companies; the Chairman of ABC Motors Co Ltd, P.O.L.I.C.Y Limited and New Goodwill Investment Ltd. Mr. Vincent Ah-Chuen is a member of the MIoD and the Chinese Chamber of Commerce. He is actively involved in various social and cultural activities.

In December 2016, Mr. Vincent Ah-Chuen obtained the World Business Leadership Excellence Award.

MR BHANU PRATABSINGH JADDOO
INDEPENDENT DIRECTOR

Mr Bhanu Pratabsingh Jaddoo is a Fellow Member of the Institute of Chartered Accountants in England and Wales, and a Corporate Finance and Advisory specialist focusing on investment management and corporate development.

During his career, Mr Jaddoo has held important executive roles and directorship in entities of the De Chazal Du Mée Group and was the Chief Financial Officer and Director of Titanium Resource Group Ltd, a mining company listed on the London Stock Exchange. He also held the position of Managing Director of the Board of Investment between 2005 and 2010 and was the Secretary General of the Mauritius Chamber of Commerce and Industry (MCCI).

Mr Bhanu Pratabsingh Jaddoo currently sits as an Independent Director on a number of Private Equity Funds and international boards, with a focus on risk management, governance and sustainability.

ME MARIE DANIELLE LOW KWAN SANG
INDEPENDENT DIRECTOR

Me. Marie Danielle Low Kwan Sang holds a master's degree in law, with a specialisation in business law, from Aix-Marseille University, France. She qualified as a Notary and was awarded the Chamber of Notaries prize for the 1987 Notaries' Examinations organised by the Council of Legal Education of Mauritius.

Me. Marie Danielle Low Kwan Sang is the notary of leading companies in both the private and public sectors in Mauritius and of international corporations. She is also a real estate specialist with a focus on corporate law and has been involved in the setting up of many projects.

Me. Marie Danielle Low Kwan Sang was previously elected Reporter (1989), Secretary (1990 – 1991) and Chairperson (2006 – 2007) of the Association of Notaries of Mauritius.

MANAGEMENT

The day-to-day management and operation of the Company's business is delegated to the Managing Director, Professor Donald Ah-Chuen, G.O.S.K. During the early stages of the set-up of ABCB Holdings Limited, he was assisted by a team of relevant heads of departments from ABC Banking Corporation. As the activities of the Company and the other subsidiaries grow, the Board shall review the management structure and resources accordingly.

The Managing Director ensures the Board is regularly provided with timely, relevant and complete information on the Company's affairs, enabling it to periodically review its performance and make appropriate decisions for its future course of action and development.

SENIOR MANAGEMENT	
Professor Donald Ah-Chuen, G.O.S.K	Managing Director

BOARD STRUCTURE AND ITS CONDUCT OF AFFAIRS

Our corporate governance framework stipulates that a unitary Board of Directors is vested with the authority to oversee and guide the management of the Company's operations in an ethical and responsible manner, consistent with the National Code of Corporate Governance.

Certain responsibilities are exercised directly by the Board of Directors, while others are delegated to Board committees to facilitate focused oversight of specific matters. Committee chairpersons subsequently present summaries of deliberations and action items at the next meeting of the Board of Directors. The Company came into operation on 2 April 2025, being the date on which it became the holding company of ABC Banking Corporation Ltd. Until 30 June 2025, all responsibilities were exercised directly by the Board given the size of the Board and the matters requiring the Board's consideration. The committees below have been properly constituted after 30 June 2025 to perform the activities mentioned below.

The organisation of the Board is depicted on page 24.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee shall support the Board of Directors in fulfilling its responsibilities regarding asset protection, implementation of effective systems and control processes, and the preparation of accurate financial reports and statements in accordance with all relevant legal requirements and accounting standards. Additionally, the Committee assists the Board in matters of corporate accountability and the management, assurance, and reporting of related risks.

The responsibilities of the Audit and Risk Management Committee are defined in its terms of reference. They include but are not limited to:

- reviewing the Company's audited financial statements and quarterly results before they are approved by the Directors;
- ensuring management implements and maintains appropriate accounting, internal control and financial disclosure procedures, and reviews, evaluates and approves such procedures;
- reviewing transactions that could adversely affect the Company'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;
  - 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.

Members of the Audit and Risk Management Committee shall be:

- Mr. B.P. Jaddoo (Chairperson)
- Me. D. Low Kwan Sang
- Mrs. A.F. Chui Yew Cheong

The Managing Director of the Company is present at all Committee meetings.

GOVERNANCE COMMITTEE

The Governance Committee shall be established by the Board of Directors to provide recommendations regarding Corporate Governance provisions so that the Company adheres to current corporate governance principles. The Committee is responsible for ensuring that reporting requirements related to corporate governance, whether in the annual report or on an ongoing basis, are aligned with the standards set by the Code of Corporate Governance.

Additionally, the Committee has been delegated the task of advising the Board on new Board appointments and remuneration of directors. To help maintain the effectiveness and focus of the Board, the Committee conducts regular reviews of the Board's composition and efficiency, determines the necessary skills, and assesses potential candidates in a consistent and equitable manner.

Members of the Governance Committee:

- Mr. Vincent Ah-Chuen (Chairperson)
- Ms. D. Low Kwan Sang
- Mrs. A.F. Chui Yew Cheong

Additionally, other key staff might be invited to attend meetings as deemed necessary.

COMPANY SECRETARY

Mr Mahesh Ittoo is the Company Secretary of the Company. He is responsible for the management of corporate secretarial and governance affairs in-house.

Mr Ittoo has more than 14 years' experience in the corporate administration and governance field and was working in the Global Business Industry prior to joining the ABC Group in 2016. He has represented ABC Professional & Corporate Secretarial Services between 2016 and 2020, prior to his appointment as Company Secretary of ABC Banking Corporation Ltd on 1 September 2020. He is also currently the Head of Legal & Governance and company secretary of ABC Banking Corporation Ltd.

Mr Mahesh Ittoo holds a BA (Hons) Law and Management from the University of Mauritius and a Masters in Banking and Financial Law from the University of London, UK. He is also an Associate of the Chartered Governance Institute (ex-ICSA) and a Member of the Chartered Institute for Securities and Investment.

The Company Secretary is also 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 oversees all governance matters in the Company, acting as the link between the Company and its shareholders.

KEY ACTIVITIES OF THE BOARD

STRATEGIC PLANNING AND MONITORING

The Board of Directors sets the ultimate direction for the Company. Like all large organisations, the initial strategy is developed at the executive level after evaluating issues, opportunities, and risks affecting current market performance, and considering the Company's risk tolerance, capacity, and appetite.

The Board's role in strategic planning includes identifying priorities, establishing goals and objectives, determining resources, and allocating funds to support decisions related to strategic planning. The Board also monitors the execution of the strategic plan by overseeing its implementation and reviewing fund allocation and project relevance as the plan progresses.

Strategic management at the Company is an ongoing process. The executive team implements the strategic plan, while the Board oversees and monitors this implementation on an annual basis. Quarterly, the Board reviews and discusses the plan provided by management to ensure alignment with the organisation's mission, vision, and values, as well as its practical feasibility and suitability to market conditions.

SUCCESSION PLANNING

The Company maintains a succession plan as part of its governance framework to prevent disruption in the event of an unplanned departure of a director or senior officer. The Board has assigned the Governance Committee the responsibility of regularly evaluating the status at both Board and Management levels and ensuring that measures are in place to address any vacancies in key positions at the Company.

The succession plan is reviewed at least quarterly, with any updates presented to the Governance Committee as necessary.

APPOINTMENT OF NEW DIRECTORS AND SENIOR OFFICERS

In addition to the requirements outlined in the Succession Plan, the Governance Committee regularly evaluates the mix of skills and experience needed at the Board level. If there is a need for a new or additional member, the following process is undertaken:

- A profile of the best candidate is prepared, specifying the necessary skills and experience required for the position.
- Prospective candidates are identified by the Committee or a consultant.
- 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.

Once a prospective Non-Executive Director accepts a seat on the Board, he/she receives a letter of appointment that outlines the terms, duties, and responsibilities of the role.

All new Directors are invited to attend an induction session following their appointment, during which the Managing Director and Company Secretary provide an introduction to the Company. The incoming Director receives the necessary information to fulfil their responsibilities as a director.

Directors participate in an induction session upon appointment to ensure they are informed of their legal obligations and gain an understanding of the Company's business strategy, governance, and operations.

CONTINUOUS DEVELOPMENT PROGRAMME

Director development is deemed vital to sustaining a highly engaged, knowledgeable, and effective Board. Accordingly, an ongoing development programme and training plan for directors have been implemented, drawing on the expertise of both internal and external subject matter specialists. The Human Resource Department maintains a detailed training log for each director.

BOARD EVALUATION AND REMUNERATION

In accordance with the National Code of Corporate Governance, the Board has implemented a process to assess the performance of the Board, its committees, and individual members. This assessment covers the composition and independence of the Board, its performance and effectiveness, governance practices, relationships with management, and includes an evaluation of the subcommittees.

The Governance Committee was assigned the responsibility of conducting appraisals to identify additional competencies and resources as needed, enabling the Board to fulfill its responsibilities efficiently. This process also assists the Board in recognizing and addressing factors that may affect its effectiveness. The criteria for determining if Board members are "fit and proper persons" are reviewed periodically to ensure they remain current. The "fit and proper person" criteria of Board members are also reviewed periodically to ensure they are up to date.

Additionally, the Governance Committee is tasked with conducting regular reviews of the process to ensure compliance with applicable legislation and regulations.

APPROVAL OF REMUNERATION POLICY

In accordance with the National Code of Corporate Governance, the Board is responsible for establishing a Remuneration Policy that outlines clear principles for employee and executive remuneration. This policy ensures that remuneration remains fair, competitive, and appropriate within the context of the Company's operating market. Its objective is to attract, motivate, retain, and reward employees fairly while maintaining consistency with the standards set forth in the National Code of Corporate Governance.

ATTENDANCE AT COMMITTEE AND BOARD MEETINGS

FYE June 2025

	Board Meeting	Audit & Risk Management Committee	Corporate Governance Committee
AH-CHUEN Donald	2	-	-
AH-CHUEN Vincent	1	-	-
CHUI YEW CHEONG Ah Foon	2	-	-
JADDOO Bhanu Pratabsingh	2	-	-
Total Number of Meetings	2	-	-

It is highlighted that the Company came into operation on 4 April 2025, being the effective date of the Scheme of Arrangement. There were no item to be considered by the Committees of the Board from that date to 30 June 2025.

DIRECTORS' REMUNERATION

Directors' remuneration is annually reviewed by the Governance Committee, to ensure the remunerations are commensurate with the size of the Company, 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 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 Chairperson of the Board shall be eligible to a fixed fee whilst the other 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 Company achieve or exceed its targets. The remuneration of the directors for the financial year ended 30 June 2025 is contained in the Other Statutory Disclosures section on page 41.

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

RISK GOVERNANCE AND INTERNAL CONTROL

Risk management is the systematic process by which the Company monitors and mitigates its exposure to various risks.

Within the organisation, risk management is approached comprehensively: it encompasses identifying and assessing all potential risks associated with the operations, devising and implementing action plans to address activities that may result in potential losses, and conducting ongoing reviews and reporting of risk management practices post-implementation. All aspects of this process are undertaken in alignment with the risk appetite framework being put in place.

The Board has set a risk appetite framework to align its business goals with acceptable risk levels. The framework enables directors to actively oversee risk governance and strategic discussions. Clearly defined risk tolerance and risk profiles help implement the Board's strategy across business units.

The Board maintains ultimate responsibility for the Company's risk management and internal control systems, but has delegated direct oversight of these processes to the Audit and Risk Management Committee.

Being an investment holding company, the Company has little dependency on IT systems. However, the Board shall design such appropriate framework to cover all areas of information governance as and when required. The Internal Audit Department is responsible for conducting routine reviews to ensure compliance and regularly reporting findings to the Audit and Risk Management Committee. Additionally, the Committee has directed the Risk Department to monitor and report on IT risks.

Data protection measures include physical and logical access controls, as well as ongoing staff training on the importance of these safeguards, to maintain the confidentiality, integrity, and availability of information.

REPORTING WITH INTEGRITY

The Board acknowledges that trust is fundamental to business and must be upheld with the highest standards of integrity. Accordingly, the Board accepts its responsibility to ensure that the Company's accounts are prepared to fairly reflect its financial position.

Financial statements are prepared by the Finance Department and undergo regular management review. Interim financial results are presented and discussed at both the Audit and Risk Management Committee and Board meetings on a quarterly basis. The Company's external auditors, KPMG Mauritius, ensure that the financial statements comply with all International Financial Reporting Standards. Any deviations are appropriately disclosed, explained, and quantified in the audit report and financial statements.

CORPORATE SOCIAL RESPONSIBILITY

Since 2013, our Foundation, named after ABC Group's founder, Sir Jean Etienne Moilin Ah-Chuen, has been at the heart of our social and community initiatives. Inspired by his enduring values of compassion, integrity and service, we are committed to making a positive impact in the lives of others.

With a deep sense of responsibility and hope for a better tomorrow, we focus our efforts on four key pillars: Health & Sports, Community Empowerment, Education and the Environment. In the financial year 24/25, we allocated MUR 3.4 million in CSR funding, to support underprivileged students and Non-Governmental Organisations (NGOs) that are driving meaningful change every day. The Foundation has supported several of these organisations since its inception.

In the execution of its mandate, the Foundation benefits from the active participation and support of the employees of the ABC Group.

Community Empowerment

At the core of our mission, is the belief that every individual deserves opportunities. Through this area of intervention, the Foundation supports a range of NGOs working to uplift vulnerable individual and families across the country. Caritas Ìle Maurice is a charitable organisation that supports vulnerable communities across Mauritius through compassionate, community-led initiatives. Our support of their School Feeding Project ensures that 50 children receive a warm breakfast each day, a simple act that brings comfort, stability and well-being.

We stand beside SOS Children's Village in their mission to provide a loving, secure home to around 120 children facing difficult life circumstances. Mouvement pour le Progrès de Roche Bois (MPRB) is committed to the socio-economic development of Roche-Bois Community. Through our partnership, 20 out-of-school children and their families benefit from educational and social guidance, helping them reclaim their potential and rebuild their lives.

We are committed to supporting Lovebridge, whose interventions' objectives, through its psychosocial support, is the empowerment of vulnerable families with an exit route. Our support to the organisation aims at empowering 400 underprivileged families, offering them not just assistance, but hope.

We are also proud to support SAFIRE, Mo'Zar, Couvent Mère Theresa (Missionaries of Charity), First Act is to Help (FAITH) and Mahebourg Espoir, organisations that share our commitment to fostering dignity and inclusion by supporting individuals often excluded from mainstream systems.

Education

We believe that education remains a cornerstone for the future of our youth and our nation. Through scholarships and sponsorships, we help open doors for financially disadvantaged students to pursue their studies.

Whilst our ABC Group Scholarship Scheme helps deserving students from disadvantaged backgrounds pursue tertiary education, our support to Collège Technique Saint Gabriel ensure that young people gain practical skills through vocational training. Together, these initiatives open doors to brighter futures through learning and opportunity.

We continue to walk alongside APEIM, in their mission to support children and adults with intellectual disabilities, helping with their development, integration and personal fulfilment.

The Foundation also provides ongoing support to Terrain for Interactive Pedagogy Through Arts (TIPA) through its Interactive Pedagogy Programme in ZEP schools.

We are proud to welcome M-Kids Association and Foundation Cours Jeanne d'Arc to our network of supported NGOs. Whilst M-Kids foundation provides remedial education and psychosocial support to vulnerable children, while Fondation Cours Jeanne d'Arc offers tailored learning for children with special education needs.

Together, they share our commitment to making education inclusive, engaging, and empowering for every child.

Health & Sports

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 acknowledges the critical role of a robust internal audit function within the Company which has been operational since April 2025. This Internal Audit function is being set up in accordance with the activities of the

Company to ensure ongoing, independent, and internally coordinated evaluations, thereby providing assurance that the Company's risk management, governance, and internal control systems are functioning effectively.

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 Company's financial position as presented in the financial statements.

In line with the provisions of the Financial Services Act, the Company is required to rotate its external auditors after acting in this capacity for a continuous period of 7 years. A tender exercise is carried to four well-established audit firms in Mauritius. Upon review of their proposals, an audit firm is selected by a committee consisting of the members of the Audit and Risk Management Committee and those of the management team. The final proposal is recommended to the Board by the Audit and Risk Management Committee. The Board subsequently appoints the audit firm as external auditors of the Company.

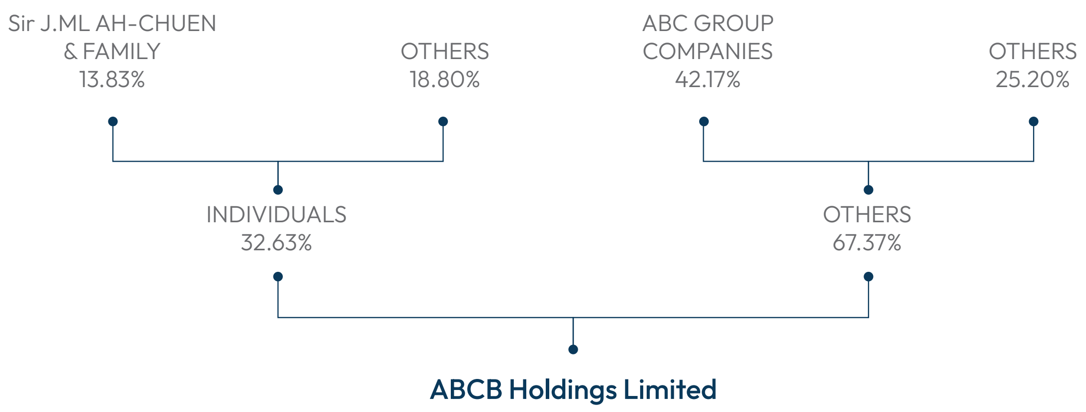
External auditors hold at least two meetings each year with the Audit and Risk Management Committee. These meetings are held to discuss the audit plan before the statutory external audit exercise, and to present the audit findings and report at its conclusion.

The Audit and Risk Management 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 Committee, and their independence, objectivity, professional scepticism and judgement.

To maintain the independence of external auditors, any member of the audit firm who provides non-audit services, such as tax compliance, is excluded from the external audit team. The Company also ensures that it does not assign non-audit engagements to its external auditors if such assignments could compromise their independence. Furthermore, by engaging separate teams for different services, the audit team continues to uphold its independence and objectivity in fulfilling statutory obligations. The remuneration of the external auditor for the financial year ended 30 June 2025 is contained in the Other Statutory Disclosures section on page 41.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board recognises its fiduciary responsibilities to the Company's shareholders and acknowledges its accountability to a broader spectrum of stakeholders, including clients, employees, regulators, and the public. Stakeholders remain informed about the Company's performance and prospects through various channels, such as social media, the corporate website, and annual reports.



Shareholders

The Company forms part of the ABC Group of Companies and, as at 30 June 2025, its subsidiaries were ABC Banking Corporation Ltd and ABCB Investments Ltd, and its shareholding structure was as follows:

The Supreme Court sanctioned the re-organisation of ABC Banking Corporation Ltd ("the bank"), with effective date 2 April 2025, by way of the Scheme of Arrangement. All shareholders of the bank were requested to ensure that their shares are deposited to the Central Depository & Settlement Co. Ltd on 18 March 2025. On 3 April 2025, the shares of the ABC Banking Corporation Ltd were delisted from the Development & Enterprise Market at close of market. The shares of ABCB Holdings Limited were then exchanged with the shareholders of the bank as listed, as at 25 March 2025.

On 4 April 2025, the shares of ABCB Holdings Limited were listed on the Stock Exchange of Mauritius.

The Board encourages communication with the Company's shareholders and the Company Secretary is always available to respond to any query or request which the shareholders may have with respect to the Company. Moreover, all shareholders are duly notified, 21 days in advance, of the Company's Annual Meeting, where Directors and management are available for discussion.

LIST OF SHAREHOLDERS HOLDING AT LEAST 5% OF SHARES IN THE COMPANY

ABC Car Rental Limited
ABC MOTORS COMPANY LIMITED
Chue Wing & Company Limited
Good Harvest Limited

BREAKDOWN OF SHAREHOLDING

NO. OF SHARES	NO. OF SHAREHOLDERS
1 – 999	313
1,000 – 9,999	249
10,000 – 19,999	53
20,000 – 49,999	67
50,000 – 99,999	35
100,000 – 499,999	59
500,000 – 999,999	10
1,000,000 – 4,999,999	11
Above 5,000,000	3

SHARE OPTION PLANS

The Company has no share option plan.

SHAREHOLDERS' AGREEMENT

The Company has not yet entered into any shareholder agreement with any of its subsidiaries.

MANAGEMENT AGREEMENT

The Company has not yet entered into any management agreement with the bank.

DIVIDEND POLICY

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

Stakeholders

REGULATORS

The Company is accountable to the Stock Exchange of Mauritius (SEM) by virtue of its shares on the Official Market. The Company maintains an open channel of communication with its regulator, to whom it always assures its cooperation.

CUSTOMERS

Customers are essential to business operations. The Company acknowledges their importance and incorporates customer considerations into management decisions. Management and staff work to meet customer satisfaction goals.

EMPLOYEES

Human capital is considered an important factor in achieving the Company's objectives, growth, development, and competitiveness. The management team and Board members focus on employee empowerment, engagement, and wellbeing.

The Company's initiatives are aimed at supporting employee learning, development, and career growth through a variety of programmes, including induction courses, ongoing training, and team-building activities. Internal newsletters and electronic communication channels are used to keep staff informed about the Company's performance, outlook, and its strategy.

The Company adheres to standards of health and safety for employees and stakeholders by identifying hazards and controlling risks. To help meet these requirements, the Company complies with the Occupational Safety and Health Act 2005. Employees receive training as first aiders and fire wardens, and fire drills are organised in accordance with relevant regulations.

The Company promotes equal employment opportunities for all staff at every level and maintains a work environment that discourages discrimination, seeking to ensure equal treatment and respect for all employees.

LEGAL DUTIES

All Directors of the Company are comprehensively informed of their fiduciary obligations, as stipulated in the Mauritius Company Act 2001, during their induction. They have ongoing access to the guidance and services provided by the Company Secretary, who assists Directors in understanding their duties and responsibilities.

Furthermore, all Directors may consult with senior executives to obtain information relevant to matters scheduled for discussion at Board or Committee meetings, or any other pertinent issue as required. The Board and its Committees are also empowered to seek external or independent professional advice whenever deemed necessary to fulfil their roles effectively.

ETHICAL CONDUCT

The Company is dedicated to upholding the highest standards of integrity, transparency, and professionalism, ensuring all activities are conducted responsibly and ethically while striving to enhance value for all stakeholders.

To support this commitment, the Company will implement a Code of Conduct and Ethics that clearly articulates its core values and establishes the standards of conduct expected by the public. This code is designed to guide employees at every level in understanding their responsibilities and performing their duties with diligence, honesty, and integrity—principles that are fundamental to the Company's reputation and success.

Additionally, the Company will establish an Anti-Fraud and Anti-Bribery Policy to encourage employees to report concerns regarding illegal, unethical, or questionable practices, including suspected fraud, theft, and abuse, directly to senior management or the Head of Internal Audit without fear of retaliation.

A Whistleblowing Policy will also be introduced to provide an effective mechanism for addressing legitimate concerns raised by employees. This policy reflects the Company's ongoing commitment to appropriately address issues related to potential violations of laws, regulations, policies, procedures, irregularities, or unethical conduct raised in good faith. Concerns should be reported to the Head of Compliance & MLRO, unless they are implicated, in which case the matter should be directed to the Head of Internal Audit.

Other relevant policies will be implemented to safeguard against the improper use of Company property or information, and to prevent unfair dealings with customers, employees, and other stakeholders.

DIRECTORS' INTERESTS AND DEALINGS IN SHARES

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

The following table shows Directors' interests in the Company's share capital as at 30 June 2025:

DIRECTORS	NO. OF SHARES ACQUIRED	NO. OF SHARES SOLD	DIRECT HOLDING	INDIRECT HOLDING
AH-CHUEN Donald	-	-	2.13%	3.61%
AH-CHUEN Vincent	-	-	1.04%	5.34%
CHUI YEW CHEONG Ah Foon	-	-	NIL	NIL
JADDOO Bhanu Pratabsingh	-	-	NIL	NIL

All Directors are required to disclose any interest they may have in any activity of the Company.

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.

All situations of conflicts of interest and related party transactions during the year ended 30 June 2025 have been conducted in accordance with the above guidelines and the Code of Ethics.

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity: ABCB Holdings Limited

Reporting Period: 30 June 2025

Throughout the year ended 30 June 2025, to the best of the Board's knowledge, ABCB Holdings Limited (the "Company") has complied with the National Code of Corporate Governance for Mauritius (2016) (the "Code"). The Company has applied all the principles set out in the Code and explained how these principles have been applied.

Date: 30 September 2025

Ah Foon Chui Yew Cheong, G.O.S.K.

Chairperson of the Board

Professor Donald Ah-Chuen, G.O.S.K.

Managing Director

OTHER STATUTORY DISCLOSURES

(Pursuant to section 221 of the Companies Act 2001)

Principal Activity

ABCB Holdings Limited (the "Company") is a public company incorporated and registered as a limited liability company in Mauritius on 21 August 2024, and listed on the Official Market of the Stock Exchange of Mauritius. The Company is currently the ultimate holding company of ABC Banking Corporation Ltd. It also holds other subsidiaries, namely ABCB Investments Ltd and ABCB Properties Ltd.

Directors & Interests

The directors of the Company as at 30 June 2025 were as follows:

Mrs Ah Foon Chui Yew Cheong
Prof. Donald Ah-Chuen
Mr Vincent Ah-Chuen
Mr Bhanu Pratabsingh Jaddoo

Directors' interests in shares of the Company are set out on page 26 of the annual report. No directors have any service contract with the Company.

Directors' Emoluments

During the financial year ended 30 June 2025, the non-executive directors did not receive any emolument while the executive director has received emolument amounting to MUR 1,643,902 (2024: nil).

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

Director	Remuneration (MUR)	
	Company	Group
Mrs Ah Foon Chui Yew Cheong	-	-
Prof. Donald Ah-Chuen	1,643,902	1,643,902
Mr Vincent Ah-Chuen	-	-
Mr David Brian Ah-Chuen	-	2,125,000
Mr Patrick Andrew Dean Ah-Chuen	-	108,000
Mr Bhanu Pratabsingh Jaddoo	-	-
Mr Lakshmana Lutchmenarraidoo	-	287,500
Mr Andre Tze Sek Sum	-	121,000
Mrs Laura Wong Sun Thiong	-	150,000
Mr Max Danny Kim Shian Fon Sing	-	171,000
Mrs Sareeta Goundan	-	163,000
Mrs Varuna Bunwaree	-	76,333
Mr Michel Bruno Lalanne	-	1,493,674

Directors' Service Contract

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

Directors and Officers Liability Insurance

The Company 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:

	2025
	MUR
Donations	-
Political donations	-
	-

Auditors

The fees payable to the auditors, Messrs. KPMG, for audit and other services during year 2025 were:

	Company 2025	Group 2025
	MUR	MUR
Audit Services	1,092,500	7,417,500
Other Services	-	-
	1,092,500	7,417,500

Date: 30 September 2025

Ah Foon Chui Yew Cheong, G.O.S.K.

Chairperson of the Board

Professor Donald Ah-Chuen, G.O.S.K.

Managing Director

SECRETARY'S CERTIFICATE

We certify that, to the best of our knowledge and belief, ABCB Holdings Limited (the "Company") has filed with the Registrar of Companies, in respect of the financial year ended 30 June 2025, all such returns as are required of the Company under the Companies Act 2001 in terms of section 166(d).

Mahesh Ittoo, ACG MCSI

Company Secretary

30 September 2025

STATEMENT OF DIRECTOR'S 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 Company and which comply with the Mauritius Companies Act 2001, 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 Company 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 Company 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 Company has complied in all material aspects with the provisions of the National Code of Corporate Governance for the year ended 30 June 2025.

Approved by the Board of Directors on 30 September 2025 and signed on its behalf by

Ah Foon Chui Yew Cheong, G.O.S.K.

Chairperson of the Board

Bhanu Pratabsingh Jaddoo

Chairperson - Audit and Risk Management Committee

FINANCIAL REVIEW

OVERVIEW

At consolidated level, ABCB Holdings Limited (Holdings) achieved a Profit after tax of MUR 64.2 million for the period post the scheme arrangement to financial period end, 30 June 2025.

The Profit was driven by the performance of Holdings' main subsidiary, ABC Banking, which generated a Profit after tax of MUR 67.5 million for the same period.

The table below displays the consolidated financial performance for Holdings for the period ended 30 June 2025.

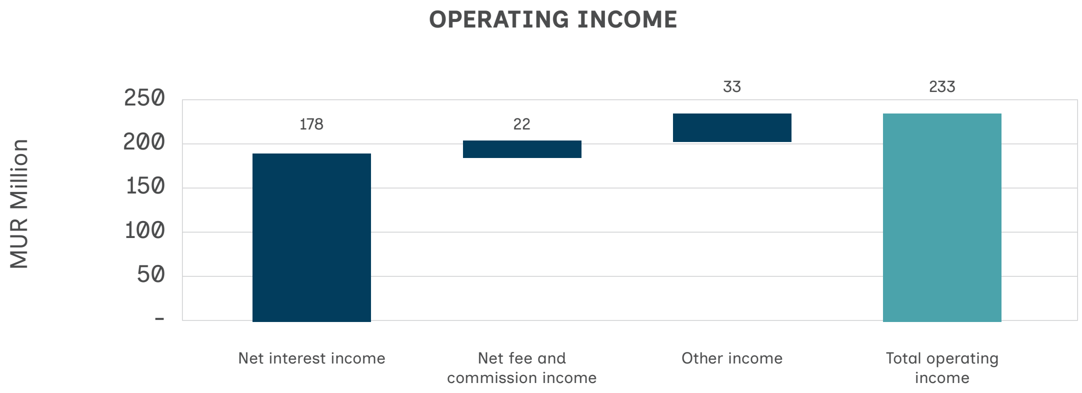
	The Group* 2025
Consolidated Statements of Profit or Loss (MUR M)	
Net Interest Income	178.1
Operating Income	232.6
Profit before impairment	83.9
Profit before tax	85.9
Profit after tax	64.2
Consolidated Statements of Financial Position (MUR M)	
Total assets	33,211.6
Net loans and advances portfolio	18,041.5
Total deposit	28,843.1
Shareholders' fund	2,644.0
Performance Ratios (%)	
Return on average total assets**	0.2
Return on equity**	2.4
Non-interest income to operating income	23.4
Loans and advances to deposit ratio	63.1
Cost to income ratio	63.9
Investor Data	
Earnings per share (MUR)***	0.8

** Based on profit after tax
*** Based on average number of shares
* Following the corporate reorganisation and as per the scheme of arrangement ABCB Holdings Limited and ABC Banking Corporation Ltd, the consolidated figures disclosed have been prepared as from 4 April 2025 to 30 June 2025.

REVIEW OF CORE FINANCIAL PERFORMANCE

OPERATING INCOME

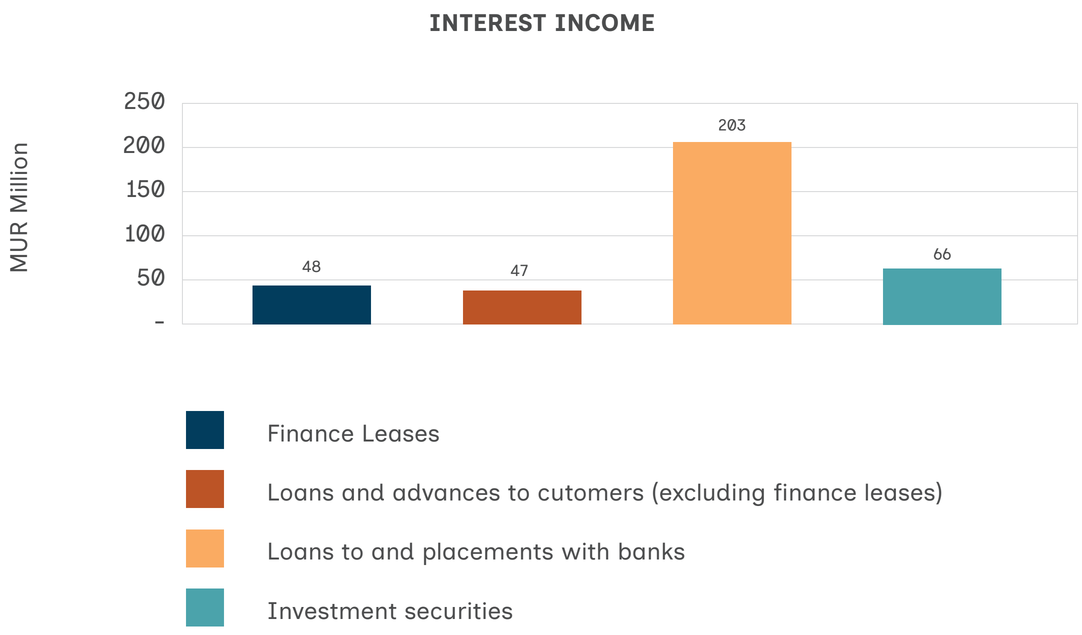
Operating income stood at MUR 232.6 million for the period ended 30 June 2025. Net interest income represents 77% of the Operating income whilst Other income which comprises mainly FX income represents 14% of the total Operating income.



NET INTEREST INCOME

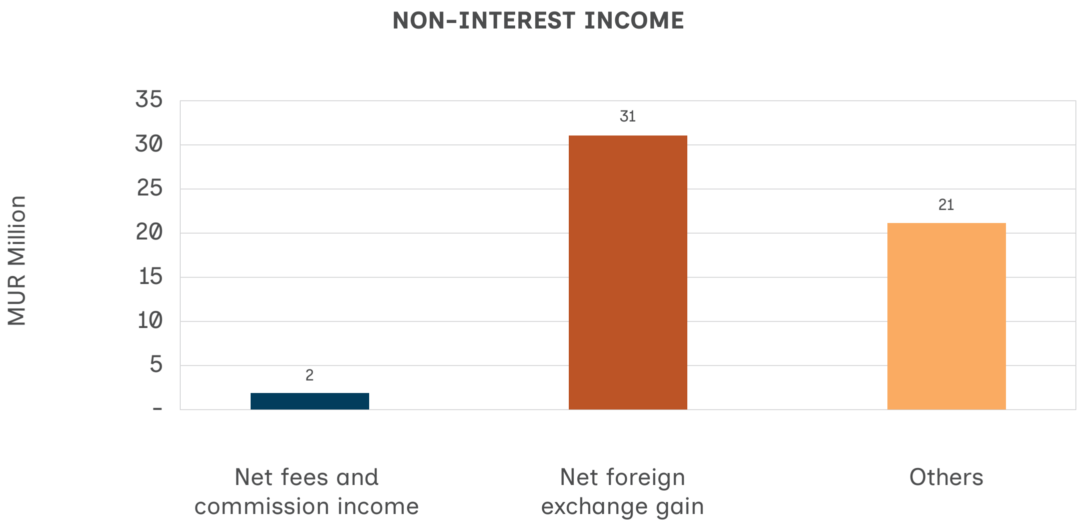
Holdings generated an Interest income of MUR 364.1 million for the period under review. The increase in the loan book resulted in the income growing significantly. Similarly, Interest expenses amount to MUR 186.0 million. Net interest income stood at MUR 178.1 million.

The chart below shows component of Interest income for the period ended 30 June 2025:



NON-INTEREST INCOME

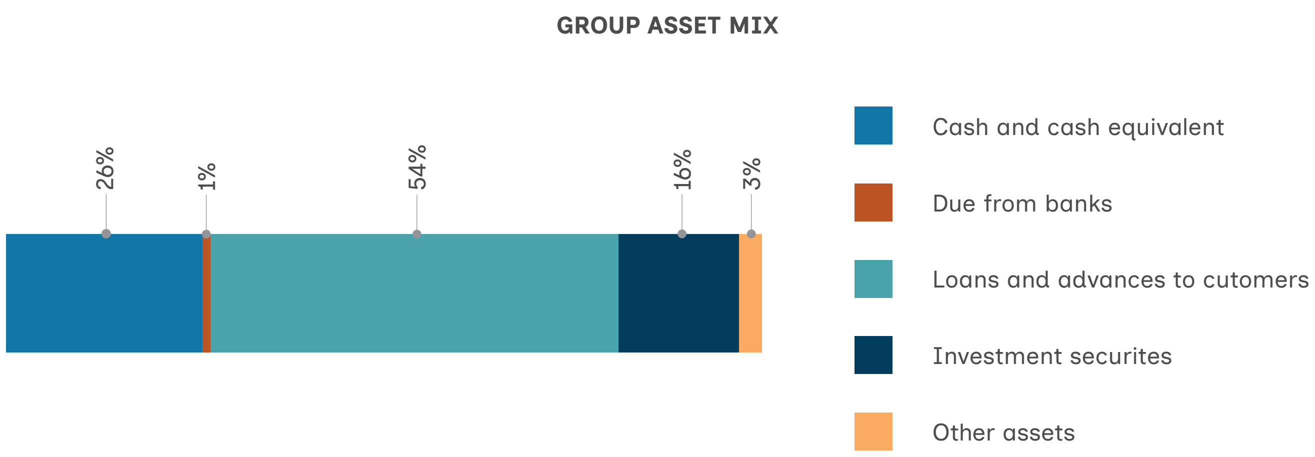
Non-Interest Income of MUR 54.5 million was recorded, with the main contributor of non- interest income being FX income of MUR 30.7 million.



ASSET MIX

The group's total assets stood at MUR 33.2 billion as at 30 June 2025. The loans and advances portfolio and investment securities represented 54% and 16% respectively of the group's asset mix as at financial year end, 30 June 2025.

The following chart represents the bank's asset mix for the year ended 30 June 2025.

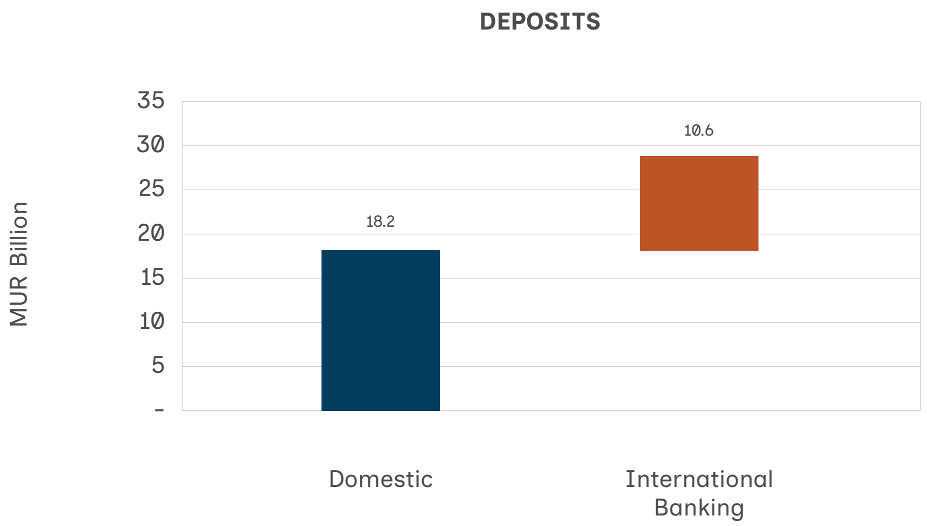


CREDIT EXPOSURE

The group's Loans and advances to customers stood at MUR 18.1 billion as at 30 June 2025. Holdings continued to follow its strategy of having a diversified portfolio to mitigate its level of credit concentration risk across different economic sectors. The banking business managed to keep its non-performing loan ratio at low level of 2.1% as at 30 June 2025.

DEPOSITS

The Deposit from customers base reached MUR 28.8 billion as at 30 June 2025. The chart below shows the deposit mix between domestic and international banking businesses.



CAPITAL RESOURCES

As at 30 June 2025, Shareholders' equity stood at MUR 2,643.9 million. On the regulatory side for the banking business, Tier 1 Capital was at MUR 2,489.5 million and considering its Total Capital base of MUR 3,442.8 million coupled with total risk weighted assets of MUR 21,625.3 million. The Bank achieved a satisfactory total capital adequacy ratio of 15.9% which is above the regulatory requirement of 12.5%.

SEGMENT PERFORMANCE

The table below shows the performance of the banking and non-banking segment of the group.

	Group MUR	Banking MUR	Other Investments MUR	Eliminations MUR
External Gross Income	**232.6**	381.2	-	(148.6)
Expenses	**(148.8)**	(147.5)	(4.7)	3.4
Operating Profit before impairment	**83.8**	233.7	(4.7)	(145.2)
Impairment charge	**2.0**	2.0	-	-
Profit before tax	**85.8**	235.7	(4.7)	(145.2)
Income Tax Expense	**(21.7)**	-	-	-
Profit for the period	**64.1**	-	-	-
Other segment items	**-**	-	-	-
Segment Assets	**33,211.5**	33,523.5	2,270.2	(2,582.2)
Total Assets	**33,211.5**	-	-	-
Segment Liabilities	**30,567.6**	30,729.7	674.4	(836.5)
Total Liabilities	**30,567.6**	-	-	-

The other investments consist of ABCB Investments Ltd and ABCB Properties Ltd. ABCB Investments Ltd is the investment arm of the group which has investments in diverse sector of the economy, namely, fintech. ABCB Investments Ltd is also the main shareholder of ABCB Properties Ltd which owns the properties of the group and rents same to the banking division.

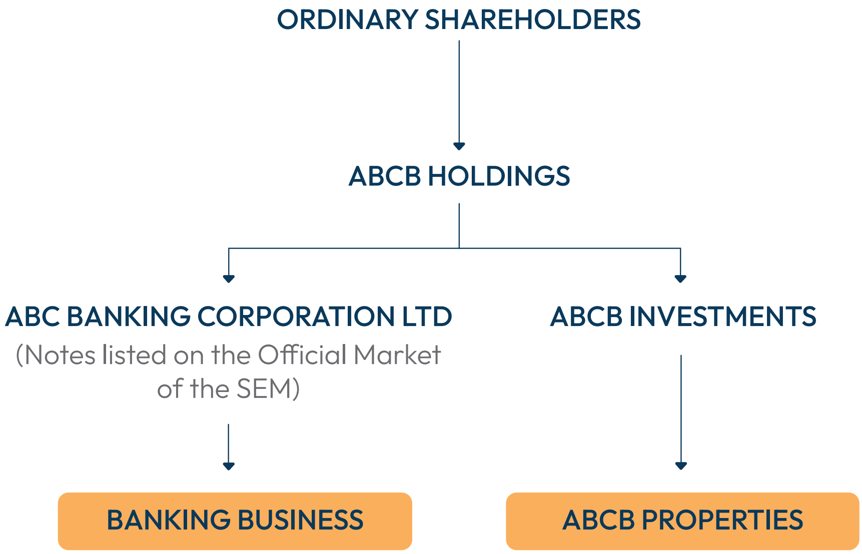
RISK REPORT

Following the successful implementation of the re-organisation, ABCB Holdings now holds the entire issued ordinary share capital of ABC Banking Corporation Ltd and is listed on the Official Market of the Stock Exchange of Mauritius.

A number of factors may affect the result of operations, financial conditions and prospects of the Company. This section describes the risk factors which are considered to be material. However these factors should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks not presently known to the Board or that the Board currently considers to be immaterial may also adversely impact the Company's business operations. The business, growth prospects, financial condition and/or results of operations of the Company could be materially adversely affected by any of these risks.

1.1 RISKS ASSOCIATED WITH ABCB HOLDINGS

1. Portfolio diversification risk and reliance on ABC Banking Corporation Ltd



The success of ABCB Holdings is significantly dependent upon the performance of its subsidiaries, ABC Banking Corporation Ltd, and ABCB Investments.

Risks inherent to the operations and financial performance of ABCB Holdings are being monitored by the Board. The Managing Director of ABCB Holdings is a non-executive director of ABC Banking Corporation Ltd, its principal subsidiary, and has an overview of the performance of the bank. The Managing Director report such performance to the Board of ABCB Holdings.

2. Reputational Risks

Reputational risks related to doing business with high-risk individuals and entities are mitigated through strict policies and procedures in undertaking integrity due diligence. Due diligence will be done at the Company level and the managers and staff of the Company are subject to the same/similar strict policies and procedures. The Company monitors on an ongoing basis any issues in the investments that may have an adverse e?ect on the reputation of the Company and its stakeholders.

3. Tax and Regulatory Risks

Legal or regulatory change may affect the Company and impose potential limits on the Company's flexibility in implementing its strategy. Any change to laws and regulations relating to the areas in which the Company operates may have an impact on the Company. The levels of, and relief from, taxation may change, affecting the financial prospects of the Company and/or the returns to shareholders. The Company is subject to the tax authorities within the jurisdictions it operates, and taxes and tax dispensations accorded to the Company may change over time. The nature and amount of tax payable is dependent on the availability of relief under tax treaties in a number of jurisdictions and is subject to changes to the tax laws or practice in any other tax jurisdiction affecting the Company. Any change in the terms of tax treaties or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Company and could affect the value of the investments held by the Company or affect its ability to achieve its investment objective and alter the post tax returns to shareholders.

The level of dividends payable by the Company could also be potentially affected.

4. Corporate Governance Risk

The Company is committed to ensure that accountability, diversity, transparency, and fairness are upheld by the company, including ensuring that potential conflicts of interests are adequately managed. The Company also ensures that the governance of the private equity companies in which it invests is appropriately managed.

5. Stock Market Risk

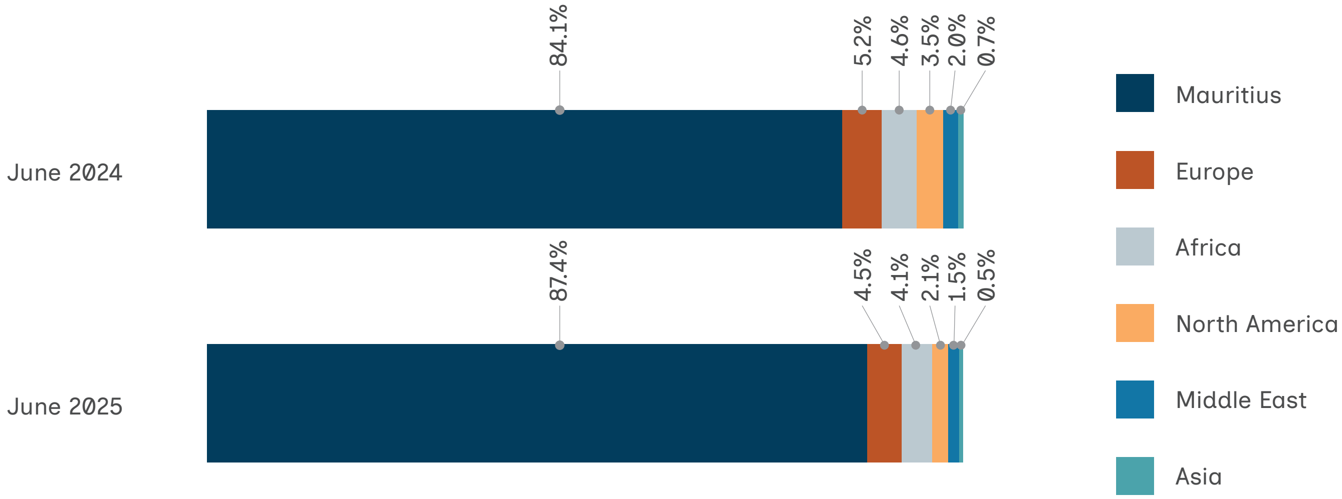
The investments of and in the Company could decrease in value as a result of a decline in global stock markets.

1.2 RISKS ASSOCIATED WITH ABC BANKING CORPORATION LTD

Given the organisational structure, the risks faced by ABCB Holdings will be determined by the risk profile of ABC Banking Corporation Ltd and ABCB Investments. Sound risk management of the banking entity is, thus, central to the continued success of ABCB Holdings.

In the course of its business activities, ABC Banking Corporation Ltd is subject to a variety of risks including credit risk, liquidity risk, market risk, operational risk, country risk, reputational risk, Climate & Environment-Related risk, country risk and cyber risk. While ABC Banking Corporation Ltd believes that it has implemented robust policies, systems and processes to control and mitigate these risks, based on information currently available to it, the bank is still exposed to other risks which ABC Banking Corporation Ltd may not currently be able to anticipate may arise. These that could affect its financial condition, results of operations, prospects and reputation. The investments, business, profitability and results of operations of ABC Banking may be adversely affected as a result of the difficult conditions in ABC Banking Corporation Ltd's operating environment.

1.2.1 COUNTRY RISK



Country Risk Exposure

Country risk arises when the bank is unable to receive payments from customers as a result of political or economic events in a particular country. These events include political and social unrest, nationalisation and expropriation of assets, government repudiation of external indebtedness, foreign exchange controls and currency depreciation or devaluation, amongst others. While ABC Banking believes that it has adopted a sound management of country risk via the identification, measurement and proactive monitoring of country risk exposures against country risk limits, a deterioration in the political, social or macroeconomic environment in the home countries of ABC Banking's customers may adversely affect the business, financial condition and results of operations of the bank. Domestic exposure as a percentage of total exposure of the bank increased to 87.4% during the year (June 2024: 84.1%). Overseas exposures are well diversified in line with the bank's country risk management framework.

1.2.2 CREDIT RISK

ABC Banking Corporation Ltd.'s business is subject to inherent risks regarding borrower credit quality and the recoverability of loans and amounts due from counterparties. The bank has internal credit rating models in place for different types of counterparties, namely retail, corporate and banks. Each model assesses the creditworthiness of a customer and uses both qualitative and quantitative information to generate a credit rating.

Changes in the credit quality of the bank's borrowers and counterparties or arising from systemic risk in the financial systems could impact the value of ABC Banking's assets and require additional provisions for problematic exposures.

The bank's non-performing loan has risen to MUR 375.1 million as at June 2025 as opposed to MUR 311.6 million as at June 2024 mainly due to a few customers turning non-performing during the financial year. The NPL ratio dropped slightly to 2.1% as at June 2025 when compared to 2.2% as at June 2024 given the loan and advances book recorded a year-on-year increase of 26.7%, from MUR 14.4 billion as at June 2024 to MUR 18.2 billion as at June 2025.

Specific loan provision as a percentage of total non-performing loans stood at 24.5% as at June 2025 (June 2024: 28.7%). Despite the increase of MUR 63.5 million in NPL, specific provision increased only by MUR 2.1 million from MUR 89.9 million in June 2024 to MUR 92.0 million in June 2025, on the back of adequate collateral.

1.2.3 CONCENTRATION RISK

The bank has exposure to concentration risk where its business activities focus particularly on a similar type of customer, product, sector or geographic location, including the Mauritian market. Any adverse changes affecting these business activities may have a negative impact on the bank's loan and asset portfolio, and as a result, on its financial condition and results of its operations.

The approach adopted by the bank relies on reporting of concentration risk along key dimensions, the setting of limits for banks, sectors, group and single exposures and through stress testing. The bank also applies the HHI (Herfindahl-Hirschman Index) to analyse the concentration to credit risk sectors and clients.

1.2.4 GENERAL MARKET RISK

The risk arising from a change in the market value of a portfolio of financial instruments caused by adverse movements in market variables such as equity, bond and commodity prices, currency exchange and interest rates, affecting the ability of counterparties in that country to meet their financial obligations.

1.2.4.1 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 risk element in foreign exchange risk is managed and monitored against appropriate limits – open position, stop loss, day light as well as overnight limits for each currency. To manage the foreign exchange risk, dealers operate within the prudential limits approved by the Board and the regulatory limit as prescribed by the Bank of Mauritius. The regulatory daily overall foreign exchange limit is 15% of the bank's Tier 1 capital.

1.2.4.2 PRICE RISK

ABC Banking is exposed to price risks arising from investments in locally and internationally quoted securities for trading and non-trading purposes. Investment in securities decreased from MUR 6.7 billion as at June 2024 to MUR 5.4 billion as at June 2025.

1.2.4.3 INTEREST RATE RISK

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The bank manages this risk by conducting repricing gap analysis for individual currencies. The treasury department tracks and reviews the gap analysis to recommend strategies for reduction in the repricing mismatches and manages the interest rate risk.

1.2.5 FUNDING RISK

Funding risk refers to the risk that a bank does not have sufficiently stable and diverse sources of funding, or the funding structure is inefficient. ABC Banking reviews and assesses the management of funding while considering the diversification, cost and robustness of funding sources, the funding needs, funding structure, and the impact of structural investments.

1.2.6 LIQUIDITY RISK

Liquidity risk is the potential loss to a bank arising from either its inability to meet its obligations when they fall due or to fund increases in assets without incurring unacceptable cost or losses. Large, unexpected outflows resulting from customer withdrawals and unplanned loan drawdowns may impact on the balance sheet and entail an inability to fulfill lending obligations and a failure to meet liquidity regulatory requirements. ABC Banking Corporation Ltd manages its liquidity risk in accordance with the Guideline on Liquidity Risk Management issued by the BoM and within the risk appetite and tolerance for liquidity risk of the bank.

1.2.7 CHANGES IN MARKET INTEREST RATES COULD HAVE AN ADVERSE EFFECT ON ABC BANKING'S BUSINESS.

Increased interest rates may adversely impact the ability and willingness of customers to avail themselves of banking facilities. Higher interest rates often lead to higher payment obligations, which may reduce the ability of consumers to remain current on their obligations and, therefore, lead to increased delinquencies, defaults, consumer bankruptcies and charge offs, and decreasing recoveries, all of which could have an adverse effect on ABC Banking's business. Certain of ABC Banking's funding arrangements bear a variable interest rate and some funding arrangements bear a fixed interest rate.

These loans are used to finance ABC Banking's asset book which contains exposure to both fixed and floating interest rates. Changes in the benchmark rate by the BoM can therefore affect the interest margin earned in these funding arrangements potentially reducing the income earned by ABC Banking. Dramatic increases in interest rates may make some forms of funding nonviable. In addition, certain of ABC Banking's loan agreements are repriced on a recurring basis using a mechanism tied to interest rates. ABC Banking's approach to treasury management aims to limit exposure to broad changes in prevailing interest rates but will not eliminate all interest rate risk.

1.2.8 OPERATIONAL RISK

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This definition includes legal risk but excludes strategic and reputational risk. Operational risk exists in the normal course of business activity given that it is inherent in all banking products, activities, processes and systems.

Although ABC Banking has implemented risk controls and loss mitigation strategies, and substantial resources are devoted to developing efficient procedures, it is not possible to eliminate all operational risks.

KEY TYPES OF OPERATIONAL RISK

- Processing Risk
- People Risk
- Legal Risk
- Compliance Risk including AML
- Cybersecurity Risk
- Business Continuity Risk
- Fraud Risk
- Outsourcing Risk

MANAGEMENT OF OPERATIONAL RISK

The bank identifies and manages operational risks in the following ways:

- Fostering a sound risk culture whereby 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.
- Reporting by Business Units of the specific operational risks inherent in their business activities on both regular and event-driven basis.
- Key Risk Indicators have been developed, where appropriate to act as early warning signals for risk of potential losses. The Key Risk Indicators are reported to the Risk Management Committee on a quarterly basis.
- Promptly raising an incident report where there is any material operational issue, disruption or near misses.
- Having in place a well-defined mechanism that allows employees to escalate any illegal and/or unethical behaviour.
- Processes and procedures of the different departments are reviewed by the Risk Management Team.

The main responsibility for the management of Operational Risk and compliance with control requirements rests with the business and functional units where the risk arises.

To mitigate the impact of some operational risks, measures used by the bank include the following:

- Complaints tracking and prompt resolution of issues.
- Capital management.
- Risk transfer via Insurance.
- Disaster recovery and business continuity plans.
- Procedures implemented and maintained to comply with the increasingly complex laws and regulations.

- Risk Control Self-Assessment performed on a regular basis.
- Frequent training provided to staff to ensure they stay abreast of changes in the risk landscape.

COMPLIANCE, ANTI-MONEY LAUNDERING AND SANCTIONS

The Compliance function ensures that the bank's ongoing adherence to applicable laws and regulations as well as guidelines and instructions issued by the Bank of Mauritius which govern its operations. The bank recognizes its responsibility to conduct business in accordance with the relevant laws and regulations. The bank is subject to supervisory governance and seeks to abide to the highest standards in terms of compliance practices.
Regular training is provided to ensure employees are kept well informed of regulatory changes and the bank's regulatory obligations. The Money Laundering Reporting Officer (MLRO) is empowered to investigate and report any suspicious transactions to the Financial Intelligence Unit (FIU).

To ensure consistent management of compliance risk at the bank, the Compliance function provides advice on regulatory matters and works closely with business and operational units. The department also monitors compliance risks by ensuring that the bank adheres to all the reporting requirements and all the relevant banking and anti-money laundering rules and guidelines issued by regulatory bodies. Under the aegis of the Board of Directors, the Compliance department has been entrusted with the responsibility of ensuring a sound compliance risk management framework within the bank.

Systems, frameworks and procedures are also reviewed to meet the expectations that are brought by the new requirements of latest Finance Acts and the new National Risk Assessment Report compiled in 2025.

Other changes to existing rules and regulations, as those stated below are also taken into consideration by the bank when drafting its Anti-Money Laundering and Sanctions policies.

- The Financial Intelligence and Anti-Money Laundering Act 2002
- The Financial Crimes Commission Act 2003
- The Financial Intelligence and Anti-Money Laundering Regulations 2018
- The United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act 2019

Our bank also aligns its policies to reflect instructions issued by the Bank of Mauritius, including through the Guideline on Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation financing from time to time.

1.2.9 INCREASED COMPETITION MAY HAVE AN ADVERSE EFFECT

ABC Banking is subject to competition from other banks and non-banking financial institutions operating in Mauritius, including competitors that may have greater financial and other resources. Many of these banks and other financial institutions operating in ABC Banking's markets compete for substantially the same customers as ABC Banking. Competition may decrease ABC Banking's principal market and may have an adverse effect on its financial condition and results of operations.

However, ABC Banking has a strong and stable customer base and has sufficient leeway to adapt its strategy in the face of changes in competition. The bank's focus on customer centricity gives it an edge over its rivals.

1.2.10 ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

Environmental, social and governance risks focus on the environmental, social and governance issues, which may impact the bank's ability to successfully and sustainably implement its business strategy. Any failure to control these risks adequately or unexpected developments in the future economic environment could have an adverse effect on the financial condition and reputation of ABC Banking.

ABC Banking has in a place a robust climate risk management framework and has embedded climate risk in its risk management cycle.

1.2.11 STRATEGIC AND BUSINESS RISK

The risk to current or prospective earnings arising from inappropriate business decisions or inadequate future business strategies in relation to the operating environment. The risk is, usually, caused by inflexible cost structures, changes in the business environment, Government or international regulatory decisions, client's behaviour, technological change, and Issuer- specific factors such as poor choice of strategy.

ABC Banking has formulated a strategic planning process that includes the development of a strategic plan, which is reviewed annually during the budgetary process to ensure that the strategic initiatives are on track or need to be amended. This year, in line with the bank's Vision 2030, there has been a strategic plan over a 5-year period. To mitigate the risk, performance against strategic plans, budgets or projects are monitored.

1.2.12 REPUTATIONAL RISK

The risk of loss resulting from reputational damage to the ABCB Group's image caused by a negative media coverage, compliance failures, litigation or underperformance. Such damage may result in a breakdown of trust, confidence and business relationships, which may impair the ABCB Group's ability to retain and generate business. This may also result in withdrawals of customers' deposits.

For ABC Banking, a Reputational Risk Committee (RRC) has been established to convene on an ad-hoc basis to address any issues that may adversely affect the bank's reputation. The Head of 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 risks are also mitigated by the use of standardized industry documentation and by seeking appropriate legal advice where required. Complaints are tracked and tackled promptly.

1.2.13 ABC BANKING'S OPERATIONS MAY BE ADVERSELY IMPACTED BY LITIGATION

ABC Banking, in its normal course of business, may be subject to litigation, claims from tax authorities or claims arising from the conduct of its business. The occurrence of potential proceedings, or other claims leading to a substantial legal liability could have a material adverse effect on ABC Banking's business, results, operations, reputation and financial condition.

ABC Banking endeavours to act within the laws of Mauritius and thus whilst litigation may arise in the conduct of its business, none would have a material impact on the business.

1.2.14 ABC BANKING'S REVENUE IS IMPACTED, TO A SIGNIFICANT EXTENT, BY THE GENERAL ECONOMY.

ABC Banking's business and the banking industry are sensitive to macroeconomic conditions. Economic factors such as interest rates, changes in monetary and related policies, market volatility, consumer confidence, and unemployment rates are among the most significant factors that impact consumer spending behaviour. Weak economic conditions or a significant deterioration in economic conditions reduce the amount of disposable income consumers have, which in turn reduces consumer spending and the willingness of qualified consumers to avail themselves of banking facilities. Such conditions are also likely to affect the ability and willingness of consumers to pay amounts owed under the loans due to ABC Banking, each of which would have an adverse effect on ABC Banking's business, results of operations, financial condition, and future prospects.

ABC Banking continuously monitors its operating environment and adapts its business strategy and appetite in face of the changing risk landscape. The bank has in place a robust risk management framework that includes the use of internal limits and early warning indicators, that allow proactive decision making, in case of a foreseeable material deterioration in general macroeconomic conditions.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABCB HOLDINGS LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of ABCB Holdings Limited (the Group and Company), which comprise the consolidated and separate statements of financial position as at 30 June 2025 and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the period from 21 August 2024 (date of incorporation) to 30 June 2025, and the notes to the financial statements, including a summary of material accounting policies as set out on pages 56 to 118.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of ABCB Holdings Limited as at 30 June 2025, and of its consolidated and separate financial performance and consolidated and separate cash flows for the period from 21 August 2024 (date of incorporation) to 30 June 2025 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 and the Financial Reporting Act 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 SHAREHOLDERS OF ABCB HOLDINGS LIMITED

Report on the Audit of the Consolidated and Separate 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 consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Expected Credit Losses ("ECL") on loans and advances to customers applicable to the Group only

Refer to the following notes in the financial statements:

Note 5.4 - Summary of material accounting policies - Financial assets and liabilities
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 30 - Reversal of credit impairment on financial assets
Note 42(b) - Risk management - Credit risk

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
The Group has gross loans and advances to customers amounting to MUR 18,210,997,643 as at 30 June 2025 and the related ECL amounted to MUR 169,450,911 for the period then ended. Gross loans and advances are carried at amortised cost using the Effective Interest Rate methodology, less allowance for impairment. Non- performing loans and advances amounted to a total net balance of MUR 283,160,160 after taking into account a total expected credit loss allowance of MUR 91,971,261. Management exercised significant judgement, using assumptions and complex models, when determining the amounts of the expected credit losses ("ECL") for loans and advances to customers (credit impairment) in line with IFRS 9, Financial Instruments ("IFRS 9").	Our audit procedures included the following: Obtained an understanding of management's credit risk management processes by testing the design and implementation, and operating effectiveness of controls over credit origination, credit monitoring and credit remediation, including controls over management's ECL model which supports the assumptions used in determining the PD, LGD and EAD, as well as the governance process over forward-looking information and macro-economic scenarios. Assessed the appropriateness of the accounting policies and loan impairment methodologies applied by management by comparing these to the requirements of IFRS 9.

Expected Credit Losses ("ECL") on loans and advances to customers applicable to the Group only

Refer to the following notes in the financial statements:

Note 5.4 - Summary of material accounting policies - Financial assets and liabilities
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 30 - Reversal of credit impairment on financial assets
Note 42(b) - Risk management - Credit risk

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

Key Audit Matter (Continued)

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
The Group calculates ECL using three main components; the Probability of Default ('PD'), Loss Given Default ('LGD') and the Exposure At Default ('EAD') and follows a three-stage approach and apply staging methodologies to recognise the ECL as explained below: Stage 1: 12- months ECL Stage 2: Lifetime ECL - not credit impaired or considered to have experienced a significant increase in credit risk Stage 3: Lifetime ECL - objective evidence of impairment or credit impaired / in default **Stage 1 and 2 exposures:** Complex models are used for the purposes of determining the ECL for stage 1 and stage 2 exposures. These include a number of significant judgments, such as: ● Determining the criteria for a significant increase in credit risk, which includes defining the forbearance and delinquency status for customers and determination of the number of days past due. ● Choosing models and assumptions for the measurement of ECL which includes determining the Probability of Default (PD), Loss Given default (LGD), and Exposure at Default (EAD) parameters.	● Assessed the adequacy and accuracy of ECL disclosures in accordance with IFRS 9, and IFRS 13, Fair Value Measurement ("IFRS 13"). ● Involved our IT Specialist to test the related IT application control with respect to the automatic calculation of days past due to ensure correct staging. **Stage 1 and 2 exposures:** Our procedures included the following: ● Evaluated the completeness and accuracy of the data used in the ECL model. For completeness, we performed a reconciliation of all loans and advances to customers, subject to ECL against the ECL model of the Group. For a sample of loans and advances to customers, we traced the data inputs to source documents in order to determine the accuracy of data used in the model. Where credit losses were calculated on a modelled basis (stage 1 and stage 2) we performed the following audit procedures, in conjunction with our credit risk specialists:

Expected Credit Losses ("ECL") on loans and advances to customers applicable to the Group only

Refer to the following notes in the financial statements:

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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 30 - Reversal of credit impairment on financial assets
Note 42(b) - Risk management - Credit risk

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
● Establishing the forward- looking macro economic scenario(s) by considering macro- economic factors.	● Critically assessed the ECL model applied by management to determine the appropriateness of the PDs, LGDs and EADs used to compute the stage 1 and 2 ECL allowances against the requirements of IFRS 9 and the Group's internal policies.

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

Key Audit Matter (Continued)

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
Stage 3 exposures: For loans and advances which are credit impaired (stage 3 exposures), ECL are based on lifetime expected credit losses. Assets are considered to be credit impaired when they meet the regulatory definition of default which includes indicators 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. Significant judgements, estimates and assumptions are applied to: • Determine if the loan or advance is credit impaired; and • Evaluate the adequacy and recoverability of collateral; this is performed by determining the expected cash flows to be collected from the collaterals based on the values assessed by management's independent appraisers.	• Re-performed management ECL model calculations to evaluate the risk parameter inputs used by management. • Challenged the parameters and significant assumptions applied in the ECL models by benchmarking these against external data. • Performed an independent ECL estimate based on independently derived PDs, LGDs and EADs and compared the ECL output to the Group's ECL. • Incorporated independently estimated forward-looking information in our independent ECL calculation, to assess the reasonability of management's forward- looking information. • Performed independent credit reviews over a sample of loans and advances to customers to evaluate whether there has been any significant increase in credit risk for these exposures and whether they are adequately covered by collateral and to critically assess whether they are classified under the correct stage.

Expected Credit Losses ("ECL") on loans and advances to customers applicable to the Group only

Refer to the following notes in the financial statements:

Note 5.4 - Summary of material accounting policies - Financial assets and liabilities
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 30 - Reversal of credit impairment on financial assets
Note 42(b) - Risk management - Credit risk

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
Due to the significance of loans and advances to customers and the significant estimates and judgement applied, the determination of expected credit losses for loans and advances to customers was considered to be highly complex and therefore, reported as a key audit matter.	**Stage 3 exposures:** For stage 3 exposures, our procedures included the following:

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

Key Audit Matter (Continued)

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
	• Challenged the valuation of credit losses on a sample of stage 3 loans and advances to customers by independently developing an ECL value based on our assessment of the expected future cash flows and recoverability of collateral held and compared it to management's calculation. • Where stage 3 credit losses have been raised, we considered the impairment indicators, uncertainties and assumptions applied by management. In addition, we considered management's assessment of the recoverability of the exposure and supporting collateral with reference to current economic performance, assumptions most commonly used in the industry and comparison with external evidence and historical trends.

Expected Credit Losses ("ECL") on loans and advances to customers applicable to the Group only

Refer to the following notes in the financial statements:

Note 5.4 - Summary of material accounting policies - Financial assets and liabilities
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 30 - Reversal of credit impairment on financial assets
Note 42(b) - Risk management - Credit risk

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
	• For collateral that was applied in the determination of the ECL, we inspected, on a sample basis, the valuation reports of the collateral held and assessed whether the valuation amounts are reasonable in comparison to most recent external market data. • Evaluated the independence, competence and capabilities of management experts with reference to their qualifications and industry experience. • Assessed the collateral valuation techniques applied by the independent appraisers against the Group's policy, industry standards and IFRS 13.

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Information, Corporate profile, Vision and Mission, Financial Highlights, Chairperson's Report, Managing Director's Report, Corporate Governance, Statement of Compliance, Other Statutory Disclosures, Company Secretary's Certificate, Statement

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

Other Information (Continued)

of Directors' Responsibilities, Management Discussion and Analysis, Risk Report and Statement of Management's Responsibility for Financial Reporting but does not include the consolidated and separate financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation of consolidated and separate 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 and the Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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 consolidated and separate 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.

Use of our Report

This report is made solely to the Company's shareholders as a body, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's shareholders as a body, those matters that we are required to state to them 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 Company's shareholders as a body, 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 Company other than in our capacity as auditors. We have obtained all the information and explanations we have required.

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

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

Report on Other Legal and Regulatory Requirements (Continued)

requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report the Company has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

Initial
KPMG

KPMG

Ebène, Mauritius

Signed by:
Valerie Wong Choi Wah

Valerie Wong Choi Wah

Licensed by FRC

30 September 2025


ABCB Holdings

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	The Group 2025 MUR	The Company 2025 MUR
ASSETS			
Cash and cash equivalents	8	8,709,698,556	-
Due from banks	9	159,523,736	-
Derivative financial assets	10	8,490,206	-
Loans and advances to customers	11	18,041,546,732	-
Investment securities	12	5,355,140,930	-
Investment in associate	14	3,839,535	-
Investment in subsidiaries	15	-	2,576,631,303
Property and equipment	16	527,519,304	-
Intangible assets	17	64,026,904	-
Deferred tax assets	18	15,420,198	-
Other assets	13	326,344,131	-
Total assets		33,211,550,232	2,576,631,303
LIABILITIES			
Deposits from customers	19	28,843,057,342	-
Derivative financial liabilities	10	24,816,450	-
Due to banks	20	625,715,576	-
Subordinated debts	21	706,076,724	-
Current tax liabilities		48,729,319	-
Other liabilities	23	319,177,919	4,392,216
Total liabilities		30,567,573,330	4,392,216
Shareholders' Equity			
Issued capital	24	940,495,473	940,495,473
Retained earnings/(Accumulated Losses)		1,151,456,985	(4,392,216)
Other reserves	25	552,024,444	1,636,135,830
Capital and reserves		2,643,976,902	2,572,239,087
Total liabilities and equity		33,211,550,232	2,576,631,303

These consolidated and separate financial statements have been approved and authorised for issue by the Board of Directors on 30 September 2025.

Ah Foon Chui Yew Cheong, G.O.S.K.
Chairperson of the Board

Professor Donald Ah-Chuen, G.O.S.K.
Managing Director

The notes set out on pages 74 to 139 form part of these consolidated and seperate financial statements.
Independent Auditors' report on pages 59 to 66..

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD FROM 21 AUGUST 2024 (DATE OF INCORPORATION) TO 30 JUNE 2025

	Notes	The Group 2025	The Company 2025
		MUR	MUR
Interest income		364,134,783	-
Interest expense		(186,017,003)	-
Net interest income	26	178,117,780	-
Fee and commission income		35,826,061	-
Fee and commission expense		(14,358,270)	(200)
Net fee and commission income	27	21,467,791	(200)
Net trading income	28	30,740,798	-
Other operating income	29	2,276,116	-
Total other income		33,016,914	-
Operating income/ (loss)		232,602,485	(200)
Personnel expenses	31	(84,685,559)	(1,580,122)
Depreciation and amortisation	16,17	(13,048,159)	-
Other operating expenses	32	(50,993,611)	(2,811,894)
Non-interest expenses		(148,727,329)	(4,392,016)
Operating profit/ (loss) before impairment		83,875,156	(4,392,216)
Reversal of credit impairment on financial assets	30	2,048,615	-
Operating profit/ (loss) before tax		85,923,771	(4,392,216)
Income tax expense	22	(21,752,809)	-
Profit/ (loss) for the period		64,170,962	(4,392,216)
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	25	(6,747,148)	-
Remeasurement of retirement benefit obligation	37	7,140,595	-
Total of items that will not be reclassified subsequently to profit or loss, net of tax		393,447	-
Items that may be reclassified subsequently to profit or loss, net of tax:			
Reversal of expected credit loss allowance relating to debt instruments measured at fair value through other comprehensive income	25	283,014	-
Net gain on investments in debt instruments measured at fair value through other comprehensive income	25	2,498,183	-
Total of items that may be reclassified subsequently to profit or loss, net of tax		2,781,197	-
Other comprehensive income for the period		3,174,644	-
Total comprehensive income/ (loss) for the period		67,345,606	(4,392,216)
Earnings per share			
Basic and diluted	33	0.84	(0.06)

*Following the corporate reorganisation and as per the scheme of arrangement ABCB Holdings Limited and ABC Banking Corporation Ltd, the consolidated figures disclosed have been prepared as from 4 April 2025 to 30 June 2025.

The notes set out on pages 74 to 139 form part of these consolidated and seperate financial statements.

Independent Auditors' report on pages 59 to 66..

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 21 AUGUST 2024 (DATE OF INCORPORATION) TO 30 JUNE 2025

	Note	Issued capital	Retained earnings	Statutory reserve	Other reserve	Total
		MUR	MUR	MUR	MUR	MUR
The Group						
At 21 August 2024		-	-	-	-	-
Profit for the period from 21 August 2024 (Date of Incorporation) to 30 June 2025		-	64,170,962	-	-	64,170,962
Other comprehensive income		-	7,140,591	-	(3,965,951)	3,174,640
Total comprehensive income for the period		-	71,311,553	-	(3,965,951)	67,345,602
Transactions with owners of the Company:						
Issue of shares	24	940,495,473	-	-	-	940,495,473
Capital contribution during the period		-	1,165,926,953	296,109,574	174,099,300	1,636,135,827
Transfer to statutory reserve		-	(57,094,920)	57,094,920	-	-
Transfer to other reserve		-	(28,686,601)	-	28,686,601	-
At 30 June 2025		940,495,473	1,151,456,985	353,204,494	198,819,950	2,643,976,902

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2025

	Notes	Issued capital	Accumulated Losses	Other reserve	Total
		MUR	MUR	MUR	MUR
The Company					
At 21 August 2024		-	-	-	-
Profit for the period		-	(4,392,216)	-	(4,392,216)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	(4,392,216)	-	(4,392,216)
Transactions with owners of the Company:					
Issue of shares	24	940,495,473	-	-	940,495,473
Capital contribution during the period	44	-	-	1,636,135,830	1,636,135,830
At 30 June 2025		940,495,473	(4,392,216)	1,636,135,830	2,572,239,087

The notes set out on pages 74 to 139 form part of these consolidated and seperate financial statements.
Independent Auditors' report on pages 59 to 66..

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 21 AUGUST 2024 (DATE OF INCORPORATION) TO 30 JUNE 2025

	Notes	The Group 2025	The Company 2025
		MUR	MUR
Cash flows from operating activities			
Profit / (Loss) before taxation		85,923,771	(4,392,216)
Adjustments for:			
Depreciation and amortisation	16,17	13,048,159	-
Reversal of credit impairment on financial assets	30	(2,048,615)	-
Employee benefit costs	37	516,026	-
Exchange difference		(8,015,876)	-
Dividend income from equity instruments at FVOCI	29	(462,422)	-
Net interest income	26	(178,117,780)	-
Share of loss of equity accounted investee	14	2,082,005	-
Loss on disposal of property and equipment	29	222,083	-
Cash flows before the net changes in operating assets and liabilities		(86,852,649)	(4,392,216)
Net changes in operating assets and liabilities			
Increase in loans and advances to customers		(1,284,906,464)	-
Increase in other assets		(115,582,726)	-
Decrease in derivative financial instruments		18,956,729	-
Decrease in due from banks		2,065,000	-
Increase in deposits from customers		3,276,554,280	-
(Decrease)/Increase in other liabilities		(37,130,196)	4,392,216
		1,773,103,974	-
Income tax paid		(47,138,009)	-
Interest received		362,727,737	-
Interest paid		(175,692,159)	-
Net cash generated from operating activities		1,913,001,543	-
Cash flows from investing activities			
Purchase of investment securities		(458,135,106)	-
Proceeds from sale and redemption of investment securities		546,745,981	-
Purchase of property and equipment	16	(18,262,989)	-
Dividend received	29	462,422	-
Purchase of intangible assets	17	(7,058,224)	-
Proceeds from sale of property and equipment		1,565,217	-
Cash from acquisition of entity under common control	44	6,902,984,298	-
Net cash generated from investing activities		6,968,301,599	-
Cash flows from financing activities			
Proceeds from due to banks	20	320,465,400	-
Redemption of subordinated debts		(500,000,000)	-
Repayment of principal portion of lease liabilities		(85,862)	-
Net cash used in financing activities		(179,620,462)	-
Net increase in cash and cash equivalents		8,701,682,680	-
Net foreign exchange difference		8,015,876	-
Net cash and cash equivalents at end of period	8	8,709,698,556	-

The changes in liabilities arising from financing activities are disclosed in note 40.

The notes set out on pages 74 to 139 form part of these consolidated and seperate financial statements.
Independent Auditors' report on pages 59 to 66..

1. CORPORATE INFORMATION

ABCB Holdings Limited (the "Group") stands as a well- established Group, highly respected for its excellent reputation, strict integrity and top-quality products and services.

Following a corporate reorganisation to separate its Banking and non-Banking activities, the ABC Banking Corporation Ltd ("Bank") became a 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.

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 Consolidated and Separate financial statements for the period ended 30 June 2025 were authorised for issue in accordance with a resolution of the Directors on 30 September 2025.

2. BASIS OF PREPARATION

The consolidated and separate 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), derivative financial instruments, all of which have been measured at fair value. The consolidated and separate financial statements are presented in Mauritian Rupee (MUR) which is the Group's and the Company's functional and presentation currency and all values are rounded to the nearest rupee, except otherwise stated.

The financial statements include the consolidated financial statements of the parent company ABCB Holdings Limited ("The Company") and its subsidiary companies (together referred to as "The Group") and the separate financial statements of the parent company.

Following the corporate restructuring and as per the scheme of arrangement, ABCB Holdings Limited acquired the Bank on 4 April 2025 and the restructuring is deemed to be a transaction under common control. Common control accounting is applied as the Group performed a reorganisation which entailed the insertion of a new parent entity into the Group. As such, the results and operations of the Bank have been consolidated as from 4 April 2025.

3. STATEMENT OF COMPLIANCE

The financial statements of the Group and the Company 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 and the Financial Reporting Act 2004.

4. PRESENTATION OF FINANCIAL STATEMENTS

The Group and the Company present their 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 42(c).

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 Group and the Company and/or its counterparties.

Basis of Consolidation

The consolidated financial statements include the financial statements of ABCB Holdings Limited and its subsidiaries.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Company's voting rights and potential voting rights.

The Company re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date it ceases to control the subsidiary.

4. PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

Basis of Consolidation (Cont'd)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group balances and transactions, and any unrealized income and expenses arising from intra group transactions are eliminated on consolidation.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group and the Company.

Changes in the Group's and the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's and the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate 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 Group, and thus the lease payment receivable is treated by the Group 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.

5.2.2. 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 Group 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 Group'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 Group's gross investment in a lease are reviewed regularly. If there has been a reduction in the estimated unguaranteed residual value, the income allocation over the lease 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 Group 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 Group recognises deposits from customer balances when funds reach the Group.

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

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 Group 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 Group immediately recognises the difference between the transaction price and fair value (a day 1 profit or loss) in net trading income. 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 Group 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 Group classifies and measures its derivatives at FVPL as explained in note 5.4.5 . The Group 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 Group 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).

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

The Group'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 Group's assessment

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

5.4. Financial assets and liabilities (Cont'd)

5.4.1.1. Business model assessment (Cont'd)

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 Group's original expectations, the Group 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 Group 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 Group 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 Group 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 Group 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.

5.4.3. Equity instruments at FVOCI

Upon initial recognition, the Group 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 Group and the Company 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. Investment in Subsidiaries and Associate

Investment in Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the financial statements from the date on which control commences until the date on which control ceases.

Investment in subsidiaries are carried at cost in the Company's separate financial statements which is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquirer. Acquisition-related costs are generally recognized in profit or loss as incurred. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is taken to profit or loss.

Investment in Associate

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

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

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

5.4.5. 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 Group 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.

Included in this classification are debt securities that have been acquired principally for the purpose of selling or repurchasing in the near term.

5.4.6. Financial assets and financial liabilities measured at fair value through profit or loss

Financial assets and financial liabilities classified in this category are those that have been measured 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 Group'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.

5.4.7. Debt issued and other borrowed funds

Financial instruments issued by the Group that are not held for trading or designated at FVPL, are classified as liabilities under debt issued and other borrowed funds, where the substance of the contractual arrangement results in the Group 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, debt issued and other borrowings 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.

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

The Group 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 Group'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 42.

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 Group 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 30.

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

5.4.9. 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, debt issued and other borrowings 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.

5.4.10. Due to Banks

Due to Banks are recognised intially at fair value, net of directly attributable transaction costs.

5.5. Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group 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 Group also derecognises the assets if it has both transferred the asset, and the transfer qualifies for derecognition.

The Group has transferred the asset if, and only if, either:

- The Group 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 Group 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 Group 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 Group cannot sell or pledge the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group 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 either:

- The Group has transferred substantially all the risks and rewards of the asset

In relation to the above, the Group 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 Group 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 Group's continuing involvement in it. In that case, the Group 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 Group has retained.

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

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 Group could be required to repay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the Group's continuing involvement are the amount of the transferred asset that the Group 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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

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 Group's policies for determining if there has been a significant increase in credit risk are set out in note 42(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 Group's policy for grouping financial assets measured on a collective basis is explained in note 42(b).

The Group 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 42(b).

Based on the above process, the Group groups its loans into stage 1, stage 2, stage 3 , as described below:

- Stage 1: When loans are first recognised, the Group 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 Group 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 42(b)).The Group 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 period.

The Group 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.

For financial assets for which the Group 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 Group and the Company calculate 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 42(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 42(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 42(b).

When estimating the ECLs, the Group 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 Group 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 42. 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 Group 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 Group 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 42(b)), the Group 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 Group 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 Group 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 provisions.
Financial guarantee contracts	The Group's liability under each guarantee are 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 Group 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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

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.

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

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

5.7.5. Overdraft and other revolving facilities

The Group's product offering includes a variety of corporate and retail overdraft and other revolving facilities. Of occurrence of certain events, the Group 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 Group 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 42(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 Group seeks to use collateral, where possible, to mitigate their 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 Group's quarterly reporting schedule. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Group 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 Group'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 Group's policy.

In its normal course of business, the Group 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 Group 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.

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

5.10. Write-offs (Cont'd)

The Group 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 the Group's recovery action are foreclosing on collateral and the value of collateral is such that there are no reasonable expectation for full recovery.

The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group'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.

There was no amount written off during the financial period.

5.11. Forborne loans

The Group 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 Group considers a loan forborne when such concessions or modifications are provided due to the borrower's present or expected financial difficulties and the Group 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 Group'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 Group also reassesses whether there has been a significant increase in credit risk, as set out in note 42(b). The Group 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 Group 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 Group.

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

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 Group 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.

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 Group 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 Group 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 Group 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 Group reverts to calculating interest income on a gross basis.

Fee income forming an integral part of the corresponding financial instrument

Processing fees that the Group 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 Group earns fee and commission income from a diverse range of financial services they provide to their 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 Group expects to be entitled in exchange for providing the services. The Group has generally concluded that they are the principal in their revenue arrangements because they typically control 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 Group's revenue contracts does not include multiple performance obligations. When the Group provides a service to their 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 Group 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 Group'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.

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

5.18. Property and equipment (Cont'd)

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.

In determining the classification of a property in consolidated financial statements, the assessement is made from the point of view of the Group as a single reporting entity. A property might be classified differently in a consolidated financial statements from any separate financial statements. In the consolidated financial statements, freehold land and buildings is classified property and equipment because the property is owner-occupied.

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.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Group 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). They also apply 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 Group 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 Group's policy as described below. It ranges from a period of 2 to 5 years. Types of right-of-use assets are offices and motor vehicles.

• Offices (Right-of-use assets)	2 years
• Motor vehicles (Right-of-use assets)	3 to 5 years

Lease liabilities

At the commencement date of the lease, the Group 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 Group 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

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

5.20. Impairment of non-financial assets

The Group 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 Group 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 group 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 Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group'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 Group and the Company estimate 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 Group operates a defined contribution plan. The contribution payable to a defined contribution plan is in proportion to the services rendered to the Group by the employees and is recorded as an expense under personnel expenses.

5.22. Provisions

Provisions are recognised when the Group 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.

5.23. 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 Group 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.

No levy shall be paid for an accounting period where a Group incurred a loss in the accounting period.

In January 2021, the Bank of Mauritius advised all Groups that the special levy should be treated as a tax expense. The Group 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 Group's operations are evolving in relation to the Group's income and also the adoption of IAS 12 will achieve comparability of the cost-to-income ratio in the Banking industry.

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

5.23. Taxes (Cont'd)

5.23.1. Current tax (Cont'd)

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 climate 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.

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. It has therefore been disclosed under ***IFRIC 23 - Uncertainty over Income Tax Treatments.***

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 Group's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Group.

5.25. Operating lease

Rentals payable under operating leases are charged to the statement of profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

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

5.26. Equity

The Group classifies instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Group'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 are recognised in equity based on the Group'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. Common control transaction

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

A transaction deemed to be a transaction under common control consequently falls outside the scope of IFRS 3 Business Combinations.

The Group accounts for common control transactions using the book value method, whereby assets and liabilities are recognised at their existing carrying amounts.

In the consolidated financial statements, the following accounting treatment is applied to common control transactions, whereby the assets and liabilities of the acquired entity are recognised at their existing book values, based on the carrying amounts in the financial statements of the combining entities at the date of the transaction.

5.29. New and amended standards and interpretations

The Group and the Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated) and that are relevant to the Group and the Company. The Group and the Company have not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases
Amendments to IFRS 16 Leases confirm that:
— On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
— After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

Under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments.

This standard is not expected to have a significant impact on the consolidated and separate financial statements.

The Group has adopted this new standard and has considered and reflected the impact while preparing the consolidated financial statements.

Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional was removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. The amendments confirm that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

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

5.29. New and amended standards and interpretations (Cont'd)

The amendments also clarify how an entity classifies a liability that can be settled in its own shares. When a liability includes a counterparty conversion option that involves a transfer of the company's own equity instruments, the conversion option is recognised as either equity or a liability separately from the host liability under IAS 32 Financial Instruments: Presentation. The amendments now clarified that when a company classifies the host liability as current or non-current, it can ignore only those conversion options that are recognised as equity.

The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with early application permitted. It also specifies the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments (entities to include this only if relevant).

This standard is not expected to have a significant impact on the consolidated and separate financial statements.

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.
This standard is not expected to have a significant impact on the Group's financial statements.

5.30 New and revised standards in issue but not yet effective

At the date of issuance of the Group's and the Company's financial statements, the following new and revised standards were in issue but not yet effective. Where relevant and applicable to the Group and the Company and their operations, these standards are described and the Group and the Company intend to adopt these standards when they become effective.

	New pronouncements	Effective for annual periods beginning on or after:
-	Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	01-Jan-25
-	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

6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's and the Company'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 Group's and the Company'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 Group'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.

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 Group'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 Group's internal credit grading model, which assigns PDs to the individual grades
- The Group'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 Group'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 42(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 Effective interest rate (EIR) method

The Group'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 26.

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. Tax losses can be utilised on a rolling period of five years, and judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax-planning strategies.

6.5 Provisions and other contingent liabilities

Provision is recognised in the financial statements when the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group 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 Group 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. Retirement benefit obligation

i) Defined contribution plan

The Group operates their defined contribution pension plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions in separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to a defined contribution plan are recognised as an expense when employees have rendered service that entitle them to the contributions.

ii) Retirement and other benefit obligations

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 statements 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 Group 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.

Further details about the retirement benefit obligation are provided in note 37.

7. CAPITAL MANAGEMENT

The Group and the Company manage their capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the capital structure. The Company's capital structure primarily consists of share capital and retained earnings. The capital structure is reviewed regularly by management and the Board of Directors to ensure alignment with the Company's strategic objectives and prevailing market conditions.

The main component of the Group's capital management is derived from the Bank.

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 24. The Bank has to comply with the Banking Act 2004 in respect of both its stated capital and reserves which is detailed in the notes. For the period ended 30 June 2025 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:

	The Bank 2025 %
CET1 capital ratio	11.5
Tier 1 capital ratio	11.5
Total capital ratio	15.9

8. CASH AND CASH EQUIVALENTS

	The Group 2025 MUR	The Company 2025 MUR
Cash in hand	23,193,094	-
Balances with Central Bank	1,778,513,866	-
Balances with Banks	1,319,307,902	-
Loans to and placements with Banks	5,588,683,694	-
	8,709,698,556	-

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.

The Group holds the above cash balances with highly reputed banking institutions having high quality credit ratings. Therefore, the impairment on cash and cash equivalents has been measured on a 12-months expected loss basis and reflects the short term maturities of the exposures. ECL allowance is not material and hence not recognised.

9. DUE FROM BANKS

	The Group 2025 MUR
Placement with Banks	159,657,412
Less: Expected credit losses	(133,676)
	159,523,736

Due from banks relate to placement with Banks 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 Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group'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 42(b):

	The Group 2025
Internal rating grade	MUR
Performing	
Investment grade	159,657,412
Standard Monitoring	-
Unrated	-
Non - performing	-
Default	
	-
Gross carrying amount	159,657,412
Expected Credit Losses	(133,676)
	159,523,736

An analysis of changes in the gross carrying amount is as follows:

	2025
	MUR
Acquisition of entity under common control	160,024,204
Net movement during the period	(366,792)
Assets derecognised or repaid (excluding write offs)	-
At 30 June	159,657,412

ECL allowance

	2025
Internal rating grade	MUR
Performing	
Investment grade	133,676
Standard Monitoring	-
Watchlist	-
Unrated	-
Non-performing	
Default	-
Total	133,676

An analysis of changes in the ECL amount is as follows:

	2025
	MUR
Acquisition of entity under common control	182,629
Decrease in expected credit losses	(48,953)
At 30 June	133,676

10. DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivatives for the optimal deployment of their liability base in foreign currencies and for liquidity risk management. The Group 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.

The Group	MUR	MUR	MUR
30 June 2025	**Notional amount**	**Assets**	**Liabilities**
Foreign exchange contracts	1,745,610,059	8,490,206	24,816,450

At their inception, derivatives often involve only a mutual exchange of promises with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the value of the underlying asset, rate or index underlying a derivative contract may have a significant impact on the profit or loss of the Group.

As at 30 June, the Group has exposures in the following types of derivatives.

Foreign exchange forward contract

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.

Foreign exchange swap

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.

	The Group 2025
	MUR
Assets	
Level 2	8,490,206
	8,490,206
Liabilities	
Level 2	24,816,450
	24,816,450

11. LOANS AND ADVANCES TO CUSTOMERS

	The Group 2025 MUR
Loans and overdrafts	
Retail	4,177,109,445
Corporate	10,360,839,819
	14,537,949,264
Less: Allowance for impairment losses (Note 11(c))	(121,333,763)
	14,416,615,501
Investment in finance leases	
Retail	1,864,521,478
Corporate	1,808,526,901
	3,673,048,379
Less: Allowance for impairment losses (Note 11(c))	(48,117,148)
	3,624,931,231
Net loans and advances to customers	18,041,546,732
Total Corporate	12,169,366,720
Less: Allowance for impairment losses (Note 11(c))	(137,766,007)
Net corporate lending	12,031,600,713
Total Retail	6,041,630,923
Less: Allowance for impairment losses (Note 11(c))	(31,684,904)
Net retail lending	6,009,946,019
	18,041,546,732

(a) Investment in finance leases

Future minimum lease payments can be analysed as follows:	The Group 2025 MUR
Gross investment in finance leases:	
Up to 1 year	1,100,753,511
Over 1 year and up to 2 years	967,129,324
Over 2 years and up to 3 years	837,781,546
Over 3 years and up to 4 years	644,920,886
Over 4 years and up to 5 years	434,765,439
Over 5 years	341,805,031
	4,327,155,737
Allocation of unearned finance income	(654,107,358)
Present value of minimum lease payments	3,673,048,379

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 Group'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

	The Group 2025 MUR
Sectorial concentration of loans and advances (gross of impairment)	
Manufacturing	1,063,325,487
Construction	737,784,831
Professional	433,658,307
Traders	1,413,508,351
Tourism	1,109,439,862
Transport	547,295,122
Financial and business services	3,870,616,199
Personal	6,039,646,298
Agriculture	154,973,335
Global Business Licence holders	223,337,909
Information and communication technology	89,969,829
Others	2,527,442,113
	18,210,997,643

Others consist of the following industry sectors: Education, Infrastructure, Health Development Certificate Holders and Media, Entertainment and Recreational Activities.

Analysed as follows:	The Group 2025 MUR
Loans and overdrafts	14,537,949,264
Investment in finance leases	3,673,048,379
	18,210,997,643

Total credit facilities including guarantees, acceptances and other similar commitments extended by the Group to any one customer or group of closely related customers for amounts aggregating more than 15% of its capital base classified by industry sectors:

	The Group 2025 MUR
Manufacturing	38,446,549
Construction	156,025,475
Traders	730,718,359
Tourism	599,174,332
Transport	91,228,456
Financial and business services	2,719,704,288
Agriculture	-
Global Business Licence holders	440,055,171
Information and communication technology	-
Others	2,319,640,049
	7,094,992,679

11. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

(c) Impairment allowance for loans and advances

The Group

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 42(b).

Corporate Lending

	The Group 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	76,475,638	2,721,605	-	79,197,243
Non - performing				-
Default	-	-	216,651,230	216,651,230
Total	11,291,054,011	661,661,479	216,651,230	12,169,366,720

An analysis of changes in the gross carrying amount is as follows:

	The Group 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
Acquisition of entity under common control	9,917,985,572	952,786,815	219,761,933	11,090,534,320
New assets originated or purchased	2,082,202,406	3,341,504	660,353	2,086,204,263
Assets derecognised or repaid (excluding write offs)	(1,063,228,349)	(32,899,827)	(5,780,537)	(1,101,908,713)
Transfers to Stage 1	(1,019,997,881)	1,019,997,881	-	-
Transfers to Stage 2	1,307,831,557	(1,310,627,010)	2,795,453	-
Transfers to Stage 3	1,877,649	4,265,770	(6,143,419)	-
Foreign exchange adjustments	64,383,057	24,796,346	5,357,447	94,536,850
At 30 June 2025	11,291,054,011	661,661,479	216,651,230	12,169,366,720

11. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

(c) Impairment allowance for loans and advances (Cont'd)

Corporate Lending (Cont'd)

	The Group 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:

	The Group 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
Acquisition of entity under common control	38,807,383	11,817,735	77,335,096	127,960,214
Additional provisions during the period	11,636,656	4,822,240	14,731,873	31,190,769
Assets derecognised or repaid (excluding write offs)	(19,184,659)	(506,713)	(892,611)	(20,583,983)
Transfers to Stage 1	14,699,781	(14,699,781)	-	-
Transfers to Stage 2	(3,067,907)	3,069,048	(1,141)	-
Transfers to Stage 3	-	(106,007)	106,007	-
Changes to model parameters	(24,579,855)	23,741,383	-	(838,472)
Foreign exchange adjustments	29,684	7,795	-	37,479
At 30 June 2025	18,341,083	28,145,700	91,279,224	137,766,007

Both the gross carrying amount and ECL allowance of the corporate portfolio increased during the period.

This is mainly due to the recalibration of the Group's IFRS 9 models.

Retail Lending

	The Group 2025			
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade	**MUR**	**MUR**	**MUR**	**MUR**
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

11. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

(c) Impairment allowance for loans and advances (Cont'd)

Retail Lending (Cont'd)

An analysis of changes in the gross carrying amount is as follows:

	The Group 2025			
	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Acquisition of entity under common control	5,587,259,583	196,936,245	38,531,610	5,822,727,438
New assets originated or purchased	588,686,624	9,280,350	2,756,542	600,723,516
Assets derecognised or repaid (excluding write offs)	(426,692,582)	(3,968,281)	(4,619,266)	(435,280,129)
Transfers to Stage 1	(347,880,145)	346,995,544	884,601	-
Transfers to Stage 2	346,381,926	(466,719,833)	120,337,907	-
Transfers to Stage 3	1,438,035	268,292	(1,706,327)	-
Foreign exchange adjustments	49,117,208	1,179,479	3,163,411	53,460,098
At 30 June 2025	5,798,310,649	83,971,796	159,348,478	6,041,630,923

	The Group 2025			
ECL allowance	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total 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 gross carrying amount is as follows:

	The Group 2025			
	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Acquisition of entity under common control	24,830,701	2,749,385	813,908	28,393,994
Additional provisions during the period	3,018,966	6,233,105	8,635	9,260,706
Assets derecognised or repaid (excluding write offs)	(7,486,685)	(79,570)	(1,560,200)	(9,126,455)
Transfers to Stage 1	7,480,930	(7,480,930)	-	-
Transfers to Stage 2	(1,522,289)	1,522,289	-	-
Transfers to Stage 3	-	(1,429,694)	1,429,694	-
Changes to model parameters	(17,957,159)	20,886,795	-	2,929,636
Foreign exchange adjustments	207,638	19,385	-	227,023
At 30 June 2025	8,572,102	22,420,765	692,037	31,684,904

The ECL allowance for the retail portfolio increased during the year due to the ECL model's recalibration.

11. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

(d) Allowance for credit impairment by industry sectors

	The Group 2025					
	Gross amount of loans MUR	Non performing loans MUR	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total Expected Credit Losses 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
Total	18,210,997,643	375,131,421	26,913,185	50,566,465	91,971,261	169,450,911

**Industry sectors under 'Others' include: Education, Infrastructure, Health Development Certificate Holders and Media, Entertainment and Recreational Activities.

12. INVESTMENT SECURITIES

		The Group 2025 MUR
Debt instruments at FVOCI	12(a)	1,217,755,941
Equity instruments at FVOCI	12(b)	35,769,877
Debt instruments at amortised cost	12(c)	4,101,615,112
		5,355,140,930

(a) Debt instruments at FVOCI

	The Group					
	Up to 3 months MUR	3-12 months MUR	1 to 3 years MUR	Over 3 years MUR	No Specific Maturity MUR	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	218,867,976	50,090,101	282,745,544
	644,887,751	165,288,505	138,621,609	218,867,976	50,090,101	1,217,755,942

12. INVESTMENT SECURITIES (CONT'D)

(a) Debt instruments at FVOCI (cont'd)

	The Group 2025			
Gross carrying amount	**Stage 1 MUR**	**Stage 2 MUR**	**Stage 3 MUR**	**Total MUR**
Internal rating grade				
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 2.5m. The fair value gain of MUR 2.5m is included in the line gross carrying amount in the following reconciliation.

An analysis of changes in the gross carrying amount is as follows:

	The Group 2025			
	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Acquisition of entity under common control	847,679,168	-	-	847,679,168
New assets originated or purchased	478,522,198	-	-	478,522,198
Assets derecognised or repaid (excluding write offs)	(100,952,345)	-	-	(100,952,345)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(7,493,080)	-	-	(7,493,080)
At 30 June 2025	1,217,755,941	-	-	1,217,755,941

	Thr Group 2025			
ECL allowance	**Stage 1 MUR**	**Stage 2 MUR**	**Stage 3 MUR**	**Total 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

12. INVESTMENT SECURITIES (CONT'D)

(a) Debt instruments at FVOCI (cont'd)

An analysis of changes in the ECL amount is as follows:

	The Group 2025			
	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Acquisition of entity under common control	1,749,904	-	-	1,749,904
Increase in expected credit losses	385,765	-	-	385,765
Assets derecognised or repaid (excluding write offs)	(85,359)	-	-	(85,359)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(17,393)	-	-	(17,393)
At 30 June 2025	2,032,917	-	-	2,032,917

(b) Equity instruments at FVOCI

The Group

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 29 for dividend income on equity instruments at FVOCI.

As at 30 June 2025, the Group had corporate shares of MUR 35,769,877 classified as equity instruments at FVOCI.

(c) Debt instruments at amortised cost

	The Group				
	Up to 3 months MUR	3-12 months MUR	1 to 3 years MUR	Over 3 years MUR	2025 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	963,625,229	822,685,403	2,034,334,559
Foreign sovereign bonds	-	360,601,130	48,246,900	-	408,848,030
Corporate bonds	192,122,979	50,806,162	680,464,703	572,657,267	1,496,051,111
Gross carrying amount	408,832,503	660,413,625	1,692,336,832	1,395,342,670	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	1,640,758,986	1,392,108,393	4,101,615,112

12. INVESTMENT SECURITIES (CONT'D)

(c) Debt instruments at amortised cost (cont'd)

	The Group 2025			
Gross carrying amount	**Stage 1 MUR**	**Stage 2 MUR**	**Stage 3 MUR**	**Total 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	116,921,280
Total	4,040,004,350	-	116,921,280	4,156,925,630

An analysis of changes in the gross carrying amount is as follows:

	The Group 2025			
	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Acquisition of entity under common control	4,491,176,062	-	118,452,535	4,609,628,597
New assets originated or purchased	23,407,741	-	-	23,407,741
Assets derecognised or repaid (excluding write offs)	(466,259,718)	-	-	(466,259,718)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(8,319,735)	-	(1,531,255)	(9,850,990)
At 30 June 2025	4,040,004,350	-	116,921,280	4,156,925,630

	The Group 2025			
ECL allowance	**Stage 1 MUR**	**Stage 2 MUR**	**Stage 3 MUR**	**Total 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

12. INVESTMENT SECURITIES (CONT'D)

(c) Debt instruments at amortised cost (cont'd)

An analysis of changes in the ECL amount is as follows:

	The Group 2025			
	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Acquisition of entity under common control	5,977,806	-	56,102,790	62,080,596
Increase in expected credit losses	108,130	-	-	108,130
Assets derecognised or repaid (excluding write offs)	(549,553)	-	(5,646,270)	(6,195,823)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(30,121)	-	(652,264)	(682,385)
At 30 June 2025	5,506,262	-	49,804,256	55,310,518

13. OTHER ASSETS

	The Group 2025 MUR
Deposits	171,390,748
Less: Expected credit losses	(23,627)
Non-banking assets acquired in satisfaction of debts	4,925,000
Other receivables	150,052,009
	326,344,130

Deposits relate to security deposits made by the Group with certain counterparties in the normal operations.

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 2025.

Non-Banking assets acquired in satisfaction of debts relate to repossessed assets and the Group 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 Group. The Group's policy is to sell these repossessed assets through various car auctions.

Other receivables comprise mainly prepaid expenses and prepaid employee benefit.

14. INVESTMENT IN ASSOCIATE

(a) Details of the associate is as follows:

Name of Associate	Type of Shares	Principal place of business	Percentage of Equity Held	The Group 2025 MUR
Leasing Company (Seychelles) Limited	Ordinary	Seychelles	38%	3,839,535
				3,839,535

14. INVESTMENT IN ASSOCIATE (CONT'D)

(b) Summarised financial information in respect of material entity, included for Group reporting

Leasing Company (Seychelles) Limited

	The Group 2025 MUR
(i) Summarised Statement of Financial Position:	
Current Assets	17,694,496
Non Current Assets	996,189
Current Liabilities	9,061,163
Equity attributable to owners	3,659,218
(ii) Summarised statement of profit or loss and other comprehensive income:	
Revenue	-
Loss	(11,272,498)

(c) Movement in associate

	The Group 2025 MUR
Acquisition of entity under common control	-
Additions	5,921,540
Share of loss	(2,082,005)
At 30 June	3,839,535

15 INVESTMENT IN SUBSIDIARIES

	The Group 2025 MUR
At cost	
Equity Investment at cost	
Additions during the year	2,576,631,303
Less: Accumulated Impairment loss	-
Carrying amount	2,576,631,303

Details of the significant subsidiaries are as follows:

Name of Subsidiaries	Type of Shares	Principal place of business	Percentage of Equity Held	MUR
ABC Banking Corporation Ltd	Ordinary Shares	Mauritius	100%	940,495,472
ABC Banking Corporation Ltd	Capital Contribution	Mauritius	100%	1,636,135,830
ABCB Investments Ltd	Ordinary Shares	Mauritius	100%	1
				2,576,631,303

The Company has acquired 100% in both subsidiaries during the period. This acquisition was a non-cash item.
Capital contribution relates to the difference between the net assets acquired and the nominal value of the Ordinary shares of ABC Banking Corporation Ltd.

There was no impairment recognised during the period ended 30 June 2025.

16. PROPERTY, EQUIPMENT AND RIGHT-OF-USE ASSETS

	Freehold land*	Buildings*	Freehold land*	Buildings*	Improvement to buildings*	Computer equipment
	MUR	MUR	MUR	MUR	MUR	MUR
COST						
Acquisition of entity under common control	123,435,858	338,885,438	-	-	106,964,611	113,946,987
Additions	-	-	177,694,245	291,418,562	-	9,839,210
Disposals	(123,435,858)	(338,885,438)	-	-	(106,964,611)	-
At 30 June 2025	-	-	177,694,245	291,418,562	-	123,786,197
DEPRECIATION						
Acquisition of entity under common control	-	47,794,557	-	-	55,802,322	97,119,722
Charge for the year	-	-	-	2,035,166	-	3,953,725
Disposals	-	(47,794,557)	-	-	(55,802,322)	-
At 30 June 2025	-	-	-	2,035,166	-	101,073,447
NET BOOK VALUE						
At 30 June 2025	-	-	177,694,245	289,383,396	-	22,712,750

Management has reviewed the carrying value of its property and equipment and is of the opinion that as at 30 June 2025, the carrying value has not suffered any impairment except those disclosed elsewhere.

*During the financial period ended 30 June 2025, the Bank has disposed its land and buildings to ABCB Properties Ltd for consideration in shares and has subsequently entered into an agreement with ABCB Properties Ltd to lease back the land and buildings for the continued uninterrupted operations of the Bank from the same premises for a 5 years period at an annual incremental borrowing rate of 5.80%. The Bank has been granted a rental exemption for the first 3 months of its lease term. Since the land and buildings is leased out to the Bank which is a component of the Group, the land and buildings is classified as owner-occupied at Group level.

			Right-of -use assets			
Motor vehicles MUR	Fixtures & fittings MUR	Work in progress MUR	Motor vehicles MUR	Land & Buildings* MUR	Offices MUR	Total MUR
23,195,000	87,539,993	-	-	-	679,749	794,647,636
5,000,000	-	-	-	-	-	483,952,017
(2,829,999)	-	-	-	-	-	(572,115,906)
25,365,001	87,539,993	-	-	-	679,749	706,483,747
13,255,323	61,589,016	-	-	-	226,583	275,787,523
484,594	1,348,271	-	-	-	84,968	7,906,724
(1,132,925)	-	-	-	-	-	(104,729,804)
12,606,992	62,937,287	-	-	-	311,551	178,964,443
12,758,009	24,602,706	-	-	-	368,198	527,519,304

16. PROPERTY, EQUIPMENT AND RIGHT-OF-USE ASSETS (Cont'd)

There is no restriction on title or asset pledged as security for liabilities at the reporting date.

The carrying amounts of lease liabilities (included under 'Other liabilities') and the movements during the period are analysed below.

	The Group 2025 MUR
Acquisition of entity under common control	464,346
Additions	-
Accretion of interest	3,727
Payments	(85,862)
At 30 June (Note 23)	382,211

The following are the amounts recognised in profit or loss:	The Group 2025 MUR
Depreciation on right-of-use-assets	84,968
Interest expense on lease liability (Note 26)	3,727
Low value leases being expensed	26,680
Short term leases being expensed	2,140,303
Total amounts recognised in profit or loss	2,255,678

	The Group			
Lease liability	Up to 1 year MUR	1 to 3 years MUR	After 3 years MUR	Total MUR
As at 30 June 2025				
Undiscounted cash flows (Note 23)	382,211	-	-	382,211

Lease activities consist of rental of motor vehicles, Hong Kong representative office and a Disaster Recovery site.

The Group applies the short term lease recognition exemption on rental of Dubai representative office which has a lease term of 12 months.

The Group had total cash outflows of MUR 2,247,845 in respect of rental payments.

17. INTANGIBLE ASSETS

Computer software

	The Group 2025 MUR
COST	
Acquisition of entity under common control	144,093,324
Additions	7,058,224
At 30 June	151,151,548
AMORTISATION	
Acquisition of entity under common control	81,983,215
Charge for the period	5,141,429
At 30 June	87,124,644
NET BOOK VALUE	
At 30 June	64,026,904

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 period under review.

18. DEFERRED TAX ASSETS

The deferred tax included in the statements of financial position and changes recorded in the income tax expense are as follows:

	The Group 2025
	MUR
Acqusition of entity under common control	9,356,260
Accelerated tax depreciation	6,755,046
Impairment allowance	(48,838)
Retirement benefit obligations	(642,270)
As at 30 June	15,420,198

Analysed as:

	The Group	
	Statement of financial position	Statement of profit or loss and other comprehensive income
	2025	2025
	MUR	MUR
Accelerated tax depreciation	(7,651,940)	6,755,046
Impairment allowance	19,823,232	(48,838)
Retirement benefit obligations	3,248,906	(642,270)
	15,420,198	6,063,938

Movement of deferred tax to statement of profit or loss and other comprehensive income analysed as follows:

	The Group 2025
	MUR
Profit or loss (Note 22)	6,727,272
Other comprehensive income	(663,334)
	6,063,938

19. DEPOSITS FROM CUSTOMERS

	The Group 2025
	MUR
Retail customers	
Savings accounts	5,099,442,320
Current accounts	1,515,875,563
Term deposits with remaining term to maturity:	
Up to 3 months	1,098,207,120
Over 3 months and up to 6 months	874,393,703
Over 6 months and up to 12 months	1,282,939,025
Over 1 year and up to 5 years	4,717,902,000
Corporate customers	
Savings accounts	204,434,691
Current accounts	9,449,429,170
Term deposits with remaining term to maturity:	
Up to 3 months	2,008,648,560
Over 3 months and up to 6 months	517,143,885
Over 6 months and up to 12 months	1,475,858,718
Over 1 year and up to 5 years	598,782,587
	28,843,057,342

The Group receives cash collaterals as security on various loan arrangements. As at 30 June 2025, an amount of MUR 319.8m held as cash collaterals were included in deposit from customers.

20. DUE TO BANKS

	The Group 2025
	MUR
Interbank borrowing (include Repo)	617,131,200
Accrued interest	8,584,376
At 30 June	625,715,576

Due to bank 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.

21. SUBORDINATED DEBTS

	The Group 2025
	MUR
Subordinated Notes	
Acquisition of entity under common control	500,000,000
Interest accrued	14,250,342
Redemption of subordinated notes	(500,000,000)
Interest on subordinated Notes (Paid)	(14,250,342)
	-
Bond	
Issue of bonds	-
Acquisition of entity under common control	700,000,000
Interest accrued	10,233,425
Less issue cost	(4,156,701)
	706,076,724
At 30 June	706,076,724

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.

22. INCOME TAX EXPENSE

Income tax is calculated at the rate of 5%/15% on the profit for the period.
The components of income tax expense for the period ended 30 June are:

	The Group 2025	The Company 2025
	MUR	MUR
Current income tax	28,480,081	-
Under provision in previous years	-	-
Deferred tax (credit)/charge	(6,727,272)	-
Income tax expense	21,752,809	-

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 period ended 30 June is as follows:

	The Group 2025	The Company 2025
	MUR	MUR
Accounting profit/(loss) before tax	85,923,771	(4,392,215)
At statutory income tax rate of 5%/15%	12,888,566	(658,832)
Non-deductible expenses*	2,073,415	-
Exempt income**	(514,195)	-
Corporate social responsibility	3,880,363	-
Special levy	4,977,802	-
Corporate climate responsibility	5,174,130	-
Deferred tax (credit)/charge	(6,727,272)	-
Deferred tax asset not recognised	-	658,832
Tax expense	21,752,809	-

*Non-deductible expenses consist mainly of provision for impairment and depreciation.

22. INCOME TAX EXPENSE (CONT'D)

The Company has not recognised deferred tax asset, amounting to MUR 658,832 in respect of tax losses arising during the period under review since the directors are of opinion that no taxable profits will be available against which tax losses may be utilised.

The tax losses available for set off against future profits are analysed as follows:

Financial Year	Expiry Year	2025
		MUR
2025	2030	658,832

Corporate Social Responsibility (CSR) Tax

Corporate Social Responsibility (CSR) was legislated by the Government of Mauritius in July 2009. The Group 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 Group is liable to pay a special levy as per Value Added Tax Act of Mauritius. It is calculated as a percentage of the Group'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 taxable profit.

23. OTHER LIABILITIES

	The Group 2025	The Company 2025
	MUR	MUR
Unallocated receipts	57,245,306	-
Employee benefit liability (note 37)	38,222,415	-
Bankers' drafts	19,623,217	-
Deferred income	72,457,615	-
Other payables	126,095,108	4,392,216
ECL on contingent liabilities (note 30 and 35)	5,152,047	-
Lease liability	382,211	-
	319,177,919	4,392,216

Employee benefit liability is composed of retirement gratuities payable under the Employment Rights Act 2008.

Unallocated receipts relates to funds received before the Group's cut off time on the reporting date but not yet allocated to customer accounts.

Deferred income relates to fee income generated on credit facilities disbursed by the Group and amortised over the term of the facilities.

Other payables include accruals for expenses, accrued staff related costs and VAT payable.

24. ISSUED CAPITAL

	The Group 2025	The Company 2025
	MUR	MUR
Ordinary shares of MUR 10 each		
Issued, authorised and fully paid capital	762,718,720	762,718,720
Share premium	177,776,753	177,776,753
At 30 June	940,495,473	940,495,473

	2025	2025
	MUR	MUR
Issued, authorised and fully paid		
Issued during the period	940,495,473	940,495,473
At 30 June	940,495,473	940,495,473
Number of shares		
Issued during the period	76,271,872	76,271,872
At 30 June	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 Company 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 Company.

The issue of shares was a non-cash item during the period.

25. OTHER RESERVES

	The Group 2025	The Company 2025
	MUR	MUR
Net unrealised investment fair value reserve	(26,018,169)	-
Regulatory reserve	224,838,119	-
Statutory reserve	353,204,494	1,636,135,830
Other reserves	552,024,444	1,636,135,830

The regulatory reserve relates to the Bank and records the impairment provision of financial instruments recorded by the Group 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 IFRS9 impairment requirement.

Other reserves comprise the difference between the share capital and the net assets acquired arising on the acquisition of the investee under common control transaction.

Net unrealised investment fair value reserve	The Group 2025
	MUR
Transfer from other reserve	(22,052,218)
Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income	283,014
Net loss on investments in equity instruments designated at fair value through other comprehensive income	(6,747,148)
Net gain on investments in debt instruments designated at fair value through other comprehensive income	2,498,183
At 30 June	(26,018,169)

This reserve records fair value changes on financial instruments at fair value through other comprehensive income.

Statutory reserve

The statutory reserve relates to the Bank and 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.

	The Group
	MUR
Transfer to statutory reserve for the period	57,094,920
At 30 June 2025	57,094,920

26. NET INTEREST INCOME

	The Group
	MUR
Interest income using the effective interest method	
Loans and advances to customers (excluding finance leases)**	203,068,581
Finance leases**	65,737,087
Loans to and placements with Banks	47,030,531
Investment securities:	
At FVOCI	8,981,311
At amortised cost	39,087,374
Others	229,899
	364,134,783

**Interest income on finance leases and loans and advances to customers include processing fees which are fees generated on credit facilities disbursed by the Group is recognised over the life of the facilities.

26. NET INTEREST INCOME (CONT'D)

	The Group 2025
	MUR
Interest expense	
Deposits from customers	169,695,535
Subordinated debts	11,613,381
Borrowed funds*	4,704,360
Lease liabilities (note 16)	3,727
	186,017,003
Net Interest Income	178,117,780

* Interest expense was incurred on borrowed funds (interBank borrowings).

27. NET FEE AND COMMISSION INCOME

	The Group 2025	The Company 2025
	MUR	MUR
Fee and commission income		
Card and related fee income	10,425,955	-
International Banking	8,218,783	-
InterBank transaction fees	3,029,518	-
Others	14,151,805	-
	35,826,061	-
Fee and commission expense		
Card and related fee expense	10,654,828	-
InterBank transaction fees	3,703,442	200
	14,358,270	200
Net fee and commission income	21,467,791	(200)

Card and related fee income relates to fee income generated at a point in time as the Group provide card transactions payment services.

International Banking and interBank transactions fees include principally remittance fees recognised at a point in time when the Group executes remittances on behalf of the Group's customers.

Others include account maintenance fees, confirmation statement fees, cheque book fees and other service charges recognised at a point in time when the Group provides the services to the Group's customers.

28. NET TRADING INCOME

	The Group 2025
	MUR
Net foreign exchange gain	30,740,798

Net foreign exchange gain includes foreign exchange gains and losses arising on revaluation of the Group's assets and liabilities denominated in foreign currency, on foreign currency trading and on foreign currency spot and forward contracts.

29. OPERATING INCOME

	The Group 2025
	MUR
Other operating income	
Dividend income from equity instruments at FVOCI	462,422
Loss on disposal of property and equipment	(222,083)
Share of Loss from equity accounted investee	(2,082,005)
Others	4,117,782
	2,276,116

30. REVERSAL OF CREDIT IMPAIRMENT ON FINANCIAL ASSETS

	The Group 2025
	MUR
Due from Banks and balances with Central Bank	(48,953)
Loans and advances to customers	13,092,275
Investment in securities	(6,487,065)
Provision on guarantee (Note 35)	(8,604,872)
	(2,048,615)

The table below shows the ECL charges on financial instruments for the period recorded in the profit or loss:

	The Group 2025			
	Stage 1 Collective MUR	Stage 2 Collective MUR	Stage 3 Individual MUR	Total MUR
Financial assets				
Due from banks and restricted balances with Central bank	(48,953)	-	-	(48,953)
Loans and advances to customers	(36,717,133)	36,003,853	13,805,555	13,092,275
Investment securities				
Debt instruments at amortised cost	(471,544)	-	(6,298,535)	(6,770,079)
Debt instruments at fair value through OCI	283,013	-	-	283,013
	(188,531)	-	(6,298,535)	(6,487,066)
	(36,954,617)	36,003,853	7,507,020	6,556,256
Contingent liabilities	(8,963,712)	358,841	-	(8,604,871)
	(45,918,329)	36,362,694	7,507,020	(2,048,615)

31. PERSONNEL EXPENSES

	The Group 2025 MUR	The Company 2025 MUR
Wages and salaries	67,993,252	1,580,120
Retirement benefit costs (Note 37)	516,026	-
Others	16,176,281	-
	84,685,559	1,580,120

Others include mainly travelling allowances, directorship fees, medical benefits, training costs and other allowances.

32. OTHER OPERATING EXPENSES

	The Group 2025 MUR	The Company 2025 MUR
Motor vehicle expenses and insurance	4,899,314	-
Rates	53,750	-
Advertising and marketing	5,241,271	1,403,062
Information technology costs	14,847,642	4,025
Licences	1,235,186	20,896
Communication costs	3,765,882	-
Legal and professional fees	6,855,675	1,235,161
Maintenance costs	2,320,501	-
Others	11,774,390	148,750
	50,993,611	2,811,894

Others consist of postage and stationary, utilities, security, overseas travelling, subscription, lease of low-value assets being expensed and other operating costs.

33. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net profit attributable to the ordinary equity holders of the Group and the Company by the weighted average number of ordinary shares during the period.

	The Group 2025 MUR	The Company 2025 MUR
Profit/(Loss) after tax	64,170,962	(4,392,216)
Weighted average number of ordinary shares (Note 24)	76,271,872	76,271,872
Earnings per share		
Basic and diluted earnings per share	0.84	(0.06)

34. RELATED PARTY DISCLOSURES

(a) Subsidiary details

ABCB Holdings Limited has acquired 100% of the shares of ABC Banking Corporation Ltd and ABCB Investments Ltd during the period.

Therefore the acquired companies are the wholly owned subsidiaries of ABCB Holdings Limited.

(b) 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.

The Group

		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	*Other	Owed by related party	Owed to related party
		MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR
Directors and key management personnel	2025	17,559,658	123,578,175	1,159,117	230,006,392	2,496,653	20,075	123,578,175	230,006,392
Corporate shareholders with significant influence	2025	1,423,750	243,425,107	6,190,883	16,291,144	-	167,444	243,425,107	16,291,144
Enterprises that have a number of directors in common	2025	19,039,070	138,652,278	2,883,050	79,699,213	325,856	12,262,019	138,652,278	79,699,213
Enterprises under common control	2025	-	-	-	-	-	-	-	-
Total	2025	38,022,478	505,655,560	10,233,050	325,996,749	2,822,509	12,449,538	505,655,560	325,996,749

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 period ended 30 June 2025.

*Others includes principally insurance, training, marketing and communication costs.

The Company

		Ordinary shares issue during the year	Investment in subsidiary	Others	Owed to related party
		MUR	MUR	MUR	MUR
Enterprises under common control	2025	940,495,473	940,495,473	1,580,120	3,299,514

34. RELATED PARTY DISCLOSURES (CONT'D)

(b) Compensation of key management personnel

	The Group 2025	The Company 2025
	MUR	MUR
Short term employee benefits	11,159,050	1,643,902
Long term employee benefits	708,622	-

(c) The Group's top six exposures to related parties amount to MUR 318,298,487 . These represent 12.7% of Tier 1 Capital. None of these facilities were non-performing. Allowance for impairment losses amount to MUR 1,976,329 and the impairment expense on related party receivables are not material for the period ended 30 June 2025.

35. CONTINGENT LIABILITIES

		The Group 2025
		MUR
(a)	**Instruments**	
(i)	Financial guarantees	149,003,700
	Less: Allowance for impairment losses	(316,146)
	Net financial guarantees	148,687,554
(ii)	Letters of credit and other obligations on account of customers	3,604,000
	Less: Allowance for impairment losses	(7,647)
	Net letters of credit and other obligations on account of customers	3,596,353
(b)	**Commitments**	
(i)	Undrawn credit facilities	2,335,559,008
	Less: Allowance for impairment losses	(4,828,255)
	Net undrawn credit facilities	2,330,730,753
	Net contingent liabilities	2,483,014,660

(a) (i) Financial guarantees

	The Group 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:

	The Group 2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
Acquisition of entity under common control	27,160,700	-	-	27,160,700
New exposures originated or purchased	135,670,000	-	-	135,670,000
Exposures derecognised or repaid (excluding write offs)	(13,827,000)	-	-	(13,827,000)
At 30 June 2025	149,003,700	-	-	149,003,700

35. CONTINGENT LIABILITIES (CONT'D)

(a) Instrument's (Cont'd)

(a) (i) Financial guarantees (Cont'd)

	The Group 2025			
ECL allowance	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade	**MUR**	**MUR**	**MUR**	**MUR**
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:

	The Group 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
Acquisition of entity under common control	149,006	-	-	149,006
New exposures originated or purchased	287,855	-	-	287,855
Exposures derecognised or repaid (excluding write offs)	(120,715)	-	-	(120,715)
At 30 June 2025	316,146	-	-	316,146

(iii) Letter of credit and other obligations on account of customers

	The Group 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

	The Group 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
Acquisition of entity under common control	-	-	-	-
New exposures originated or purchased	3,604,000	-	-	3,604,000
Exposures derecognised or repaid (excluding write offs)	-	-	-	-
At 30 June 2025	3,604,000	-	-	3,604,000

35. CONTINGENT LIABILITIES (CONT'D)

(a) Instrument's (Cont'd)

(a) (iii) Letter of credit and other obligations on account of customers (Cont'd)

	The Group 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

	The Group 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
Acquisition of entity under common control	-	-	-	-
New exposures originated or purchased	7,647	-	-	7,647
Exposures derecognised or repaid (excluding write offs)	-	-	-	-
At 30 June 2025	7,647	-	-	7,647

(b) (i) Undrawn credit facilities

	The Group 2025			
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade	**MUR**	**MUR**	**MUR**	**MUR**
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

An analysis of changes in the gross carrying amount is as follows:

	The Group 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
Acquisition of entity under common control	2,508,513,179	83,156	8,636,625	2,517,232,960
New exposures originated or purchased	2,329,466,358	6,092,650	-	2,335,559,008
Exposures derecognised or repaid (excluding write offs)	(2,508,513,179)	(83,156)	(8,636,625)	(2,517,232,960)
At 30 June 2025	2,329,466,358	6,092,650	-	2,335,559,008

35. CONTINGENT LIABILITIES (CONT'D)

(b) Commitments (Cont'd)

(b) (i) Undrawn credit facilities

ECL allowance	The Group 2025			
Internal rating grade	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
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:

	The Group 2025			
	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Acquisition of entity under common control	13,607,487	425	-	13,607,912
New exposures originated or purchased	4,468,989	359,266	-	4,828,255
Exposures derecognised or repaid (excluding write offs)	(13,607,487)	(425)	-	(13,607,912)
At 30 June 2025	4,468,989	359,266	-	4,828,255

36. PLEDGED ASSETS

The assets that have been pledged to secure the credit facilities with other commercial banks are as follows:

	The Group 2025
	MUR
Government of Mauritius (GOM) bonds, notes and bills	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

37. RETIREMENT BENEFIT OBLIGATION

(a) Defined contribution plan

The Group operates a defined contribution plan for all their employees. The assets of the plan are held separately from the Group 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 Group is reduced by the amount of forfeited contributions.

The total expenses recognised in statement of profit or loss of MUR 4,093,369 represents contributions payable to the plan by the Group.

(b) Gratuity on retirement

The Group is required to pay gratuities on retirement of the Group's employees in accordance with Section 99 of the Workers' Rights Act 2019. The Group has engaged MUA Life Ltd to calculate the obligations arising out of the gratuities payable. For members of the Group's defined contribution plan, the obligation relates to the residual retirement gratuity and as a result 5 times the annual pension, relating to the Group's share of contributions, is offset from the retirement gratuity and this residual liability is recognised in the Group'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 Group's obligation in respect of their retirement gratuities is as follows:

	The Group 2025
	MUR
Present value of retirement benefit obligation	38,670,783
Fair value of plan assets	(448,368)
	38,222,415

37. RETIREMENT BENEFIT OBLIGATION (CONT'D)

(b) Gratuity on retirement (Cont'd)

Amounts recognised in the statement of profit or loss in respect of the retirement gratuities obligation are as follows:

	The Group 2025
	MUR
Current service cost	3,483,834
Net interest cost	2,515,911
Curtailment/Settlement gain/loss	(5,477,129)
Net cost for the period recognised in profit and loss	522,616
Remeasurement recognised in other comprehensive income	(7,803,928)
Net cost for the period	(7,281,312)

*Following a change in legislation in August 2022 as per the Workers' Rights Act 2019 and the Finance (Miscellaneous Provisions) Act 2022, the Group 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 Group 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 Group at retirement to those employees working 5-day weeks. Certain employees at the Group 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 Group 2025
	MUR
Changes in the present value of the obligation	
Present value of obligation at acquistion of entity under common control	46,147,406
Restatement	-
Interest cost	2,515,911
Current service cost	3,483,834
Past service costs	-
Benefits paid	(195,311)
Settlement gain	(5,477,129)
Expected obligation at end of period	46,474,711
Present value of obligation at end of period	38,670,783
Remeasurement recognised in other comprehensive income at end of period - gain	7,803,928
Deferred tax	(317,111)
Retirement pension net of deferred tax	7,486,817
Changes in the fair value of the plan assets	
Fair value of plan assets at start of period	368,876
Restatement	6,590
Contributions to plan assets *	136,847
Benefits paid out of plan assets	(63,945)
Fund expenses and life insurance	-
Expected fair value at end of period	448,368
Fair value of plan assets at end of period	448,368
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.

37. RETIREMENT BENEFIT OBLIGATION (CONT'D)

(b) Gratuity on retirement (Cont'd)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	The Group 2025
	Total
	MUR
Normal retirement age	65
Discount rate	5.77%
Future salary increases	5.00%
Annual proportion of employees leaving service	5% up to age 40, decreasing to 0% at 45 & nil thereafter
Actuarial table for employee mortality	PMA92_PFA92

Movements in the present value of the retirement gratuities in the current period is as follows:

	The Group 2025
	MUR
Opening retirement gratuities obligation	46,147,406
Current service cost	3,483,834
Interest cost	2,515,911
Benefits paid	(195,311)
Curtailment/Settlement (gain)	(5,477,129)
Net actuarial gain recognised in other comprehensive income	(7,803,928)
Present value of obligation at end of period	38,670,783

Significant actuarial assumptions for the determination of the defined contribution plan are discount rate, expected salary increase and longevity rates. The sensitivity analysis below have 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.

	The Group 2025
	MUR
Sensitivity	
Effect on present value of obligations:	
1% increase in discount rate	(30,949,810)
1% decrease in discount rate	48,504,435
1% increase in salary increase assumption	46,704,589
1% decrease in salary increase assumption	(32,384,394)
Effect of changing longevity - one year up	38,081,470
Effect of changing longevity - one year down	(39,224,815)

The sensitivity analysis presented above may not be representative of the actual change in the defined contribution obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

38. CAPITAL COMMITMENT

	The Group 2025
	MUR
Amount contracted for but not yet incurred	21,392,086

The above expenditure relates to IT projects.

39. EVENT AFTER REPORTING DATE

Fair Share Contribution ("FSC") levy, introduced in the Finance Act 2025, will be applicable to the Group as its chargeable income exceeds MUR 24 million. It is effective as from the year of assessment commencing 01 July 2025, i.e. post the financial period ended 30 June 2025. The FSC Levy was subsequently gazetted in the Finance (Miscellaneous Provisions) Act 2025 on 9 August 2025 and as such was not accounted for as at 30 June 2025 while preparing consolidated and separate financial statements.

40. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	The Group 2025				
	Subordinated debts	Due to banks	Lease liabilities	Ordinary Dividend	Total
Acquisition of entity under common control	1,201,207,795	296,665,800	313,638	-	1,498,187,233
Dividend declared	-	-	-	-	-
New leases	-	-	-	-	-
Cash flows	(500,000,000)	320,465,400	(85,862)	-	(179,620,462)
At 30 June 2025	701,207,795	617,131,200	227,776	-	1,318,566,771

41. SEGMENT INFORMATION

The Group has only one reportable operating segment based on its business activities, which is the Banking segment. Its revenues mainly arise from advances to customers and banks, investment in securities and equity instruments, bank placements, services provided deposit products, provision of card and other electronic channel services, trade finance facilities, trading activities and foreign currency operations.

“Others” represent ABCB Properties Ltd and ABCB Investments Ltd.

The accounting policies of the operating segment are the same as those described in the notes to these consolidated and separate financial statements.

All operating segments used by the Group meet the definition of a reportable segment under IFRS 8.

Period ended 30 June 2025	Group	Banking	Others	Eliminations
	MUR	MUR	MUR	MUR
Interest income	364,134,783	364,134,783	-	-
Interest expense	(186,017,003)	(186,017,003)	-	-
Net interest income	178,117,780	178,117,780	-	-
Fee and commission income	35,826,061	35,826,061	-	-
Fee and commission expense	(14,358,270)	(14,358,070)	(200)	-
Net fee and commission income	21,467,791	21,467,991	(200)	-
Other Income	33,016,914	181,574,565	48,813	(148,606,464)
Operating income	232,602,485	381,160,336	48,613	(148,606,464)
Personnel expenses	(84,685,559)	(83,105,439)	(1,580,120)	-
Depreciation and amortisation	(13,048,159)	(16,476,902)	-	3,428,743
Other operating expenses	(50,993,611)	(47,897,917)	(3,095,694)	-
Non interest expenses	(148,727,329)	(147,480,258)	(4,675,814)	3,428,743
Operating profit/(loss) before impairment	83,875,156	233,680,078	(4,627,201)	(145,177,721)
Allowance for credit impairment	2,048,615	2,048,615	-	-
Profit/(loss) before tax	85,923,771	235,728,693	(4,627,201)	(145,177,721)
Income tax expense	(21,752,809)	(21,752,809)	-	-
Profit/(loss) for the period	64,170,962	213,975,884	(4,627,201)	(145,177,721)
Other segment items				
Segment Assets	33,211,550,232	33,523,501,076	3,906,377,257	(4,218,328,101)
Total Assets	33,211,550,232	33,523,501,076	3,906,377,257	(4,218,328,101)
Segment Liabilities	30,567,573,330	30,729,719,252	674,373,156	(836,519,077)
Total Liabilities	30,567,573,330	30,729,719,252	674,373,156	(836,519,077)

The Company had no reportable operating segment during the period.

42. RISK MANAGEMENT

Introduction

Risk is inherent in the Group’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 Group’s continuing profitability and the Group is accountable for their risk exposures. The Group is exposed to credit risk, interest rate risk, liquidity risk and market risk. It is also subject to operating risk.

The Group manages its risk exposure through their 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 Group’s strategic planning process.

Risk management structure

The Board of Directors recognises that the Group encounters risk in every aspect of their 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 of the Bank 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 Executive Committee and the Asset and Liability Committee of the Bank. 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 Group.

42. RISK MANAGEMENT (CONT'D)

Board of Directors

The Board of Directors as well as the Group's senior management is 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.

	The Group 2025	
	Carrying Value	Fair Value
	MUR	MUR
Financial assets		
Cash and cash equivalents at amortised cost	8,709,698,556	8,709,698,556
Due from Banks at amortised cost	159,523,736	159,523,736
Derivative financial assets at FVPL	8,490,206	8,490,206
Loans and advances to customers at amortised cost	18,041,546,732	17,684,912,489
Investment in securities:	5,355,140,930	5,205,981,950
Debt instruments at FVOCI	1,217,755,941	1,217,755,941
Debt instruments at amortised cost	4,101,615,112	3,952,456,132
Equity instruments at FVOCI	35,769,877	35,769,877
Other assets at amortised cost**	291,886,312	291,886,312
	32,566,286,472	32,060,493,249
Financial liabilities		
Due to banks	625,715,576	625,715,576
Derivative financial liabilities at FVPL	24,816,450	24,816,450
Deposits from customers at amortised cost	28,843,057,342	28,675,170,907
Subordinated debts at amortised cost	706,076,724	700,000,000
Other liabilities at amortised cost**	208,307,161	208,307,161
	30,407,973,253	30,234,010,094

**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.

For loans and advances to non-Bank customers, all the fixed loans and advances maturing after one year have been fair valued based on the current prevailing lending rate.

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.

42. RISK MANAGEMENT (CONT'D)

(a) Fair values (Cont'd)

(i) Valuation principles (Cont'd)

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.

	The Group			
	Level 1 MUR	Level 2 MUR	Level 3 MUR	Total 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

Reconciliation of fair value measurement of level 3 investments	The Group 2025 Total MUR
Acquisition of entity under common control	165,894,685
Remeasurement recognised in OCI	(8,746,641)
Additions	812
Accrued interest	(2,433,478)
Disposal	(88,998,666)
As at June 2025	65,716,712

The following table shows the reconciliation of the opening and closing amounts of Level 3 financial assets & liabilities measured at fair value:

	The Group 2025					
	At July 2024 MUR	Additions MUR	Accrued interest MUR	Disposal MUR	Other comprehensive income MUR	At June 2025 MUR
Financial Assets						
Investment securities (debt and equity instruments)						
- Debt securities at FVOCI	153,774,937	812	(2,433,478)	(88,864,390)	353	62,478,234
- Equity securities	12,119,748	-	-	(134,277)	(8,746,993)	3,238,478
	165,894,685	812	(2,433,478)	(88,998,667)	(8,746,640)	65,716,712

(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.

42. RISK MANAGEMENT (CONT'D)

(a) Fair values (Cont'd)

(ii) Valuation techniques (Cont'd)

(a) Debt securities (Cont'd)

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 Group 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 Group 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 5.64% to 7.65% and credit spreads ranging from 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 0.009m , while a decrease of 0.5% in discount rates would result in a higher fair value by 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 0.203m , while a decrease of 10% in credit spreads would result in a higher fair value by 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.

42. RISK MANAGEMENT (CONT'D)

(b) Credit Risk

Credit risk is the risk that the Group will incur a loss because their customers, clients or counterparties fail to discharge their contractual obligations. The Group manages and control 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 Group 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:

	The Group
	Maximum exposure to credit risk
	2025
	MUR
Fund based exposures:	
Cash and cash equivalents	8,686,505,462
Due from Banks	159,523,736
Derivative financial assets	8,490,206
Loans and advances to customers	18,041,546,732
Investment securities	5,319,371,053
Other assets	291,886,313
Total credit risk exposure	32,507,323,502
Non-fund based exposures:	
Financial guarantees	149,003,700
Letter of credit and other obligations on account of customers	3,604,000
Undrawn credit facilities	2,335,559,008
Total credit risk exposure	2,488,166,708

An analysis of the Group'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 8, 9, 10, 11, 12 and 35.

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 Group's financial assets:

	The Group 2025
	MUR
Manufacturing	1,058,365,579
Construction	723,769,904
Professional	438,064,355
Traders	1,616,492,691
Tourism	1,120,777,462
Transport	536,823,065
Financial and Business services	11,716,404,065
Personal	6,085,527,328
Agriculture	155,061,941
Global Business Licence Holders	290,617,929
Government	5,372,606,474
Information and communication technology	179,685,172
Others	3,885,973,320
	33,180,169,285

42. RISK MANAGEMENT (CONT'D)

(b) Credit Risk (Cont'd)

The table below shows the sectorial split by industry sector of financial guarantees and other commitments:

	The Group 2025
	MUR
Manufacturing	212,893,042
Construction	20,115,416
Professional	9,153,205
Traders	417,066,444
Tourism	145,623,502
Transport	86,331,788
Financial and Business services	391,570,932
Personal	405,401,659
Agriculture	67,036,043
Global Business Licence Holders	317,703,140
Others	415,271,537
	2,488,166,708

An analysis of credit exposures, including non-fund based facilities, for advances to non-bank customers using the Group's credit grading system is given below:

	The Group 2025			
	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Grades:				
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
	19,571,438,718	751,725,925	375,999,708	20,699,164,351

The Company was not exposed to any credit risk for the period.

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 Group does not extend credit to clients categorised as grade 8 or 9.

There were MUR 2,542,613 loans and advances whose terms have been renegotiated during the financial year 2025.

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 Group's and the Company's credit grading system, refer to note 12(a).

Internal credit risk ratings

In order to minimise credit risk, the Group has tasked their Risk Management Committee of the Bank to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The Group'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 Group 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 Group will also consider individual factors that would represent strengths in favour of or weaknesses against the approval of credit facilities.

(b) Credit Risk (Cont'd)

The Group 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 Group'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 Group 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 Group has reasonable and supportable information that demonstrate otherwise.

The Group 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 Group 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 Group's policy to regularly monitor its loan portfolio.

The main considerations for the impairment assessment of the Group'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 Group addresses impairment assessment in two areas: individually assessed allowances and collectively assessed allowances.

Furthermore the Group 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 Group's impairment methodology for assets carried at amortised cost comprises individual impairment losses and collective impairment.

Individually assessed allowances (Stage 3)

The Group 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 fuly collaterised 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 Group 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 Group will measure the loss allowance based on lifetime rather than 12-month expected credit loss. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of 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 Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

42. RISK MANAGEMENT (CONT'D)

(b) Credit Risk (Cont'd)

Impairment assessment (Cont'd)

For corporate lending, forward-looking information includes the future prospects of the industries in which the Group'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 Group 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 Group 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 Group 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.

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 Group 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 Group 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 Group 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 Group, 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 Group 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 Group 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 Group's default rate.

The Group considers three macro economic scenarios in its probability default model namely baseline, upside and downside which is detailed as per below table:

			The Group					
			Actual		Forecast			
Key drivers	Expected Credit Loss Scenario	Assigned Weightage	2024	2025	2026	2027	2028	2029
GDP Growth Rate	Upside	5%	9.9%	8.2%	8.2%	8.2%	8.2%	8.2%
	Base case	75%	4.7%	3.0%	3.0%	3.0%	3.0%	3.0%
	Downside	20%	-0.5%	-2.2%	-2.2%	-2.2%	-2.2%	-2.2%

(b) Credit Risk (Cont'd)

Impairment assessment (Cont'd)

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:

	The Group							
30 June 2025	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 (5%)	6,888,300	1,584,245	16,190	241,413	101,646	2,765,526	7,865	11,605,185
Base case (75%)	103,324,503	23,763,677	242,845	3,621,191	1,524,689	41,482,888	117,978	174,077,771
Downside (20%)	27,553,204	6,336,982	64,759	965,651	406,584	11,062,104	31,461	46,420,745
Total	137,766,007	31,684,904	323,794	4,828,255	2,032,919	55,310,518	157,304	232,103,701
Effect of multiple economic scenarios	1,445,159	494,259	9,959	136,200	-	-	-	2,085,577

The following table outline the impact on expected credit loss from applying a 100% weighting to each scenario:

	The Group							
30 June 2025	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	12,169,366,720	6,041,630,923	149,003,700	2,335,559,008	1,262,272,812	4,156,925,618	8,951,172,381	35,065,931,162
Expected credit loss								
Upside	128,778,863	28,511,692	263,555	3,996,101	2,032,918	55,310,518	157,304	219,050,951
Base case	136,320,848	31,190,645	313,835	4,692,055	2,032,918	55,310,518	157,304	230,018,123
Downside	145,432,123	34,331,673	376,193	5,547,041	2,032,918	55,310,518	157,304	243,187,770

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.

42. 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 calculated on a collective basis by incorporating borrower-specific information and forward-looking macroeconomic information in the models. The Group groups its exposures into segments on the basis of shared credit risk characteristics with the different segments reflecting differences in probability defaults. In addition, the Group performs procedures to ensure that the groups of exposures continue to share credit characteristics, and to re-segment the portfolio when necessary, in light of changes in credit characteristics over time.

Loss given default is the magnitude of the likely loss if there is a default. The Group 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 Group 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 Group 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 Group 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 Group's policy is to dispose of any repossessed asset at its market value within a reasonable timeframe. In its normal course of business, the Group does not physically repossess properties or other assets, but engage external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

42. 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 (Cont'd)

	The Group 2025 MUR	Principal type of collateral held
Fund based exposures:		
Cash and cash equivalents	8,686,505,462	Unsecured
Due from Banks	159,523,736	Unsecured
Derivative financial assets	8,490,206	Unsecured
Loans and advances to customers	18,041,546,732	Real estate
Investment securities	5,319,371,053	Unsecured
Other assets	291,886,313	Unsecured
Non-fund based exposures:		
Financial guarantees	149,003,700	Unsecured
Letter of credit and other obligations on account of customers	3,604,000	Unsecured
Undrawn credit facilities	2,335,559,008	Unsecured

In addition to the types of collaterals included in the table above, the Group 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.

Credit quality by class of financial assets

	The Group 2025			
	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
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	-	67,117,013	5,319,371,054
Other assets	893,165,858	-	-	893,165,858
	32,062,390,778	695,066,810	351,145,460	33,108,603,048

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

	The Group 2025 Amount in arrears			
	Less than 30 days MUR	31 to 89 days MUR	More than or equal to 90 days MUR	Total MUR
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

42. RISK MANAGEMENT (CONT'D)

(b) Credit Risk (Cont'd)

Credit quality by class of financial assets (Cont'd)

	The Group 2025 Amount in arrears			
	Less than 30 days MUR	31 to 89 days MUR	More than or equal to 90 days MUR	Total MUR
Investment in finance leases				
Retail	1,829,331	1,645,262	1,011,062	4,485,655
Corporate	3,658,210	2,736,796	2,634,781	9,029,787
	5,487,541	4,382,058	3,645,843	13,515,442
	92,364,731	124,944,381	159,984,502	377,293,614

Under the Group'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:

	The Group 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

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:

	The Group 2025 MUR
Loans and advances (Note 11(c))	375,999,709
Expected Credit Losses on loans and advances under Stage 3 (Note 11(c))	91,971,261
	91,971,261

(c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet their payment obligations when they fall due under normal and stress circumstances. The types of liquidity risk that the Group faces can be categorized into two main types:

- Funding liquidity risk appears when the Group cannot fulfil their payment obligations because of an inability to obtain new funding.
- Market liquidity risk appears when the Group is unable to sell or transform their liquidity buffer into cash without significant losses.

Liquidity risk management encompasses the processes and strategies the Group uses to:
- Assess their ability to meet their 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 Group faces, the Group maintains a liquidity contingency plan which is tested regularly to ensure their 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 Group also runs liquidity stress tests to determine the level of liquidity that should be kept to meet financial obligations under stress conditions.

The liquidity coverage ratio providing an overview of how the Group would behave under stress conditions has been implemented as from the year 2018 and since then, the Group remain highly liquid reflecting a quarterly average of 276% for financial year 2025.

42. RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (Cont'd)

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Group'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 Group expect that many customers will not request repayment on the earliest date the Group could be required to pay and the table does not reflect the expected cash flows indicated by the Group's deposit retention history.

Maturity analysis of financial liabilities

The Group 2025

		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
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

*Other liabilities amounting to MUR 132,452,396 for the current financial period exclude VAT, TDS, deferred income and ECL on contingent liabilities since these are not regarded as financial liabilities.

The Company 2025

		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
Other liabilities	4,392,216	-	-	-	-	4,392,216
Total financial liabilities	4,392,216	-	-	-	-	4,392,216

(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 Group'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.

The Group 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

The Company was not exposed to interest rate risk for the current period.

(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 Group'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:

42. RISK MANAGEMENT (CONT'D)

(d) Market Risk (Cont'd)

(ii) Price risk (Cont'd)

The Group	Change in price	2025
	%	MUR
Statement of other comprehensive income	+10	9,504,925
Statement of other comprehensive income	-10	(9,504,925)

The Company was not exposed to any price risk for the current period.

(iii) Foreign exchange risk

Foreign exchange risk is the risk that the Group's foreign currency positions will be negatively affected by movements in exchange rates between one currency and another. The Group 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 Group has a single VaR framework used as a basis for calculating Risk Management VaR.

The framework is employed across the Group 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 Group 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 Group 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 2025 amounted to MUR 385,953.

The Group 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 Group nevertheless opted for cautiousness.

The following table demonstrates the sensitivity to a reasonable possible change in exchange rate of the major currencies of the Group, with all other variables held constant, and the impact on the Group's profit and equity.

		The Group		
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

The Group's monetary assets and liabilities as at 30 June is as follows:

	The Group 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	-	-	-	-	-
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	9,227,007,802	1,028,100,013	15,652,557,938
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)	(1,278,669,426)	22,192,927	176,758,457

The Company was not exposed to any foreign exchange risk for the period.

42. RISK MANAGEMENT (CONT'D)

(e) Maturities of assets and liabilities (Cont'd)

The table below summarises the maturity profile of the Group's and the Company'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 Group's and the Company's liquidity expectations. Financial liabilities are based on undiscounted contractual repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date the Group could be required to pay and the table does not reflect the expected cash flows indicated by the Group's and the Company's deposit retention history.

The Group 2025

	Notes	No specific maturity MUR	Less than 3 months MUR	3 to 12 months MUR	Sub total less than 12 months MUR	1 to 3 years MUR	Over 3 years MUR	Sub total more than 12 months MUR	Total 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	1,830,958,441	1,614,210,646	3,445,169,087	5,410,451,449
Other assets	13	291,886,312	-	-	291,886,312	-	-	-	291,886,312
Total		791,113,341	12,834,469,253	4,402,819,634	17,237,288,887	5,540,547,236	9,222,098,436	14,762,645,672	32,791,047,900
Less allowance for credit impairment									(224,761,431)
									32,566,286,469
Liabilities									
Due to banks	20	-	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	19	-	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	21	-	10,233,425	-	10,233,425	-	695,843,299	695,843,299	706,076,724
Other liabilities**	23	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		739,218,164	(6,942,054,821)	146,216,670	(6,795,838,151)	1,772,727,118	6,511,013,678	8,283,740,796	2,227,102,809
Less allowance for credit impairment			-	-		-	-		(224,761,431)
									2,002,359,378
Contingent liabilities and commitments	35								
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

**Other liabilities amounting to MUR 132,452,396 for the current financial year (June 2024: MUR 116,233,482; June 2023:MUR 96,404,649) exclude VAT, TDS, deferred income and ECL on contingent liabilities since these are not regarded as financial liabilities.

42. RISK MANAGEMENT (CONT'D)

(e) Maturities of assets and liabilities (Cont'd)

		The Company 2025							
	Notes	No specific maturity MUR	Less than 3 months MUR	3 to 12 months MUR	Sub total less than 12 months MUR	1 to 3 years MUR	Over 3 years MUR	Sub total more than 12 months MUR	Total MUR
Assets									
Investment in subsidiaries	15	**2,576,631,303**	**-**	**-**	**-**	**-**	**-**	**-**	**2,576,631,303**
Total		**2,576,631,303**	**-**	**-**	**-**	**-**	**-**	**-**	**2,576,631,303**
									2,576,631,303
Liabilities									
Other liabilities	23	4,392,216	-	-	-	-	-	-	4,392,216
Total		4,392,216	-	-	-	-	-	-	4,392,216
									4,392,216

(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 Group and the Company cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Group and the Company are 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.

(g) Climate risk

The Group via the Bank and their clients may be 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.

The Bank 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.

43. Going Concern

The Company has made a loss of MUR 4,392,216 for the period ended 30 June 2025 and the Company is in net current liability position as its total current liabilities exceeded its total current assets by MUR 4,392,216 as of that date. The Company commenced operations during the period and is in its early stages. Management has prepared a cash flow forecast which demonstrates that the Company will have sufficient financial resources for the next twelve months from the date of approval of the financial statements.

The Group has generated profit of MUR 64,170,962 for the period ended 30 June 2025

Accordingly, the consolidated and separate financial statements are prepared on the basis of accounting policies applicable to a going concern basis. This basis presumes that the funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

The directors and management have assessed the Group's and the Company's ability to continue as a going concern and are satisfied that the Group and the Company have the resources to continue in business for the foreseeable future. Furthermore, they are not aware of any material uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern. Hence, these consolidated and separate financial statements continue to be prepared on the going concern basis.

44. Acquisition of subsidiary through common control transaction

The net assets of ABC Banking Corpoaration Ltd were transferred on the of 4th April 2025, the net assets acquired on that date are as follows:

	MUR
ASSETS	
Cash and cash equivalents	6,902,984,298
Due from banks	159,841,575
Derivative financial assets	15,796,618
Loans and advances to customers	16,746,027,275
Investment securities	5,437,878,460
Property, equipment and right-of-use assets	518,860,110
Intangible assets	62,110,108
Deferred tax assets	9,356,261
Other assets	210,761,405
Total Assets	30,063,616,110
LIABILITIES	
Due to banks	301,243,587
Deposits from customers	25,563,449,528
Derivative financial liabilities	13,166,133
Preference shares	-
Subordinated debts	1,208,165,775
Current tax liabilities	29,061,835
Other liabilities	371,897,950
Total Liabilities	27,486,984,808
Purchase Consideration*	2,576,631,302
Represented by:	
Share capital	940,495,472
Other reserves	1,636,135,830
	2,576,631,302

* The consideration has been made by way of share transfer, on a non-cash basis and represents the net assets acquired.

CAUTIONARY NOTE

This report contains several forward-looking statements with respect to the financial position and business strategy of ABCB Holdings Limited. 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.

ABCB Holdings Limited does not undertake to update any forward-looking statement that may be made from time to time by the organisation or on its behalf.

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of Shareholders of ABCB Holdings Limited (the "Company") will be held at the Company's premises on 4th Floor, Plantation House, Duke of Edinburgh Avenue, Place d'Armes, Port Louis, on Friday 28 November 2025 at 14.00 to transact the following business:

1. To consider the Annual Report for the financial year ended 30 June 2025.
2. To receive the report of **KPMG (Mauritius)**, External Auditors of the Company.
3. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2025.
4. To re-elect (by way of separate resolutions) as directors of the Company to hold office until the conclusion of the next Annual Meeting of Shareholders, in accordance with Section 138 (6) of the Companies Act 2001 the following persons[2] who have been nominated by the Board on the recommendation of the Governance Committee:
   - (i) Professor Donald **AH-CHUEN**, G.O.S.K
   - (ii) Mr. Vincent **AH-CHUEN**
   - (iii) Mrs. Ah Foon **CHUI YEW CHEONG**, G.O.S.K
5. To re-elect (by way of separate resolutions) as directors of the Company to hold office until the conclusion of the next Annual Meeting of Shareholders, the following persons[2] who have been nominated by the Board on the recommendation of the Governance Committee:
   - (i) Mr. Bhanu Pratabsingh **JADDOO**
   - (ii) Me. Marie Danielle **LOW KWAN SANG**
6. To fix the remuneration of the Directors.
7. To re-appoint **KPMG (Mauritius)** as External Auditors of the Company for the financial year ending 30 June 2026 pursuant to recommendation of the Audit & Risk Management Committee through the Board of Directors and to authorize the Board of Directors to fix their remuneration.

By order of the Board.

Mahesh Ittoo, ACG, MCSI
Company Secretary
05 November 2025

Note 1 A member of the Company entitled to attend and vote at this meeting but who is unable to attend may appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company. The appointment should be made in writing and the instrument (copy annexed) must be deposited with the Secretary, Mr. Mahesh Ittoo, c/o ABCB Holdings Limited, WEAL HOUSE, Duke of Edinburgh Avenue, Place d'Armes, 11328 Port Louis not less than 24 hours before the meeting.

Note 2 The profiles and categories of the directors proposed for re-election are set out in the Annual Report 2025.

Note 3 For the purpose of this meeting and in compliance with Section 120 of the Companies Act 2001, the shareholders who are entitled to receive notice and attend the meeting shall be those shareholders whose names are registered in the Company's register as at 02 November 2025.

Note 4 The minutes of proceedings of the Annual Meeting of Shareholders to be held on 28 November 2025 shall be available for inspection at the Registered Office of the Company as from 09 January 2026 during normal office hours.

PROXY FORM

I/ We ________________ of ________________ being a member/ members of ABCB Holdings Limited, hereby appoint ________________ of ________________ or failing him / her ________________ of ________________ on my / our behalf at the Annual Meeting of the Company to be held on Friday 28 November 2025 or at any adjournment thereof.

I/We desire my/our vote(s) to be cast on the Ordinary Resolutions as follows:

		For	Against	Abstain
1	To consider the Annual Report for the financial year ended 30 June 2025			
2	To receive the report of KMPG (Mauritius), External Auditors of the Company			
3	To consider and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2025			
4	To re-elect (by way of separate resolutions) as directors of the Company to hold office until the conclusion of the next Annual Meeting of Shareholders, in accordance with Section 138 (6) of the Companies Act 2001 the following persons who have been nominated by the Board on the recommendation of the Governance Committee: (i) Professor Donald AH-CHUEN, G.O.S.K (ii) Mr. Vincent AH-CHUEN (iii) Mrs. Ah Foon CHUI YEW CHEONG, G.O.S.K			
5	To re-appoint (by way of separate resolutions) as directors of the Company to hold office until the conclusion of the next Annual Meeting of Shareholders, the following persons who have been nominated by the Board on the recommendation of the Governance Committee: (i) Mr. Bhanu Pratabsingh JADDOO (ii) Me. Marie Danielle LOW KWAN SANG			
6	To fix the remuneration of the Directors			
7	To re-appoint KMPG (Mauritius) as External Auditors of the Company for the financial year ending 30 June 2026 pursuant to recommendation of the Audit & Risk Management Committee through the Board of Directors and to authorize the Board of Directors to fix their remuneration			

Signature: ……………………..............................………………

Signed this .... day of ………………….. 2025

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ABCB Holdings

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