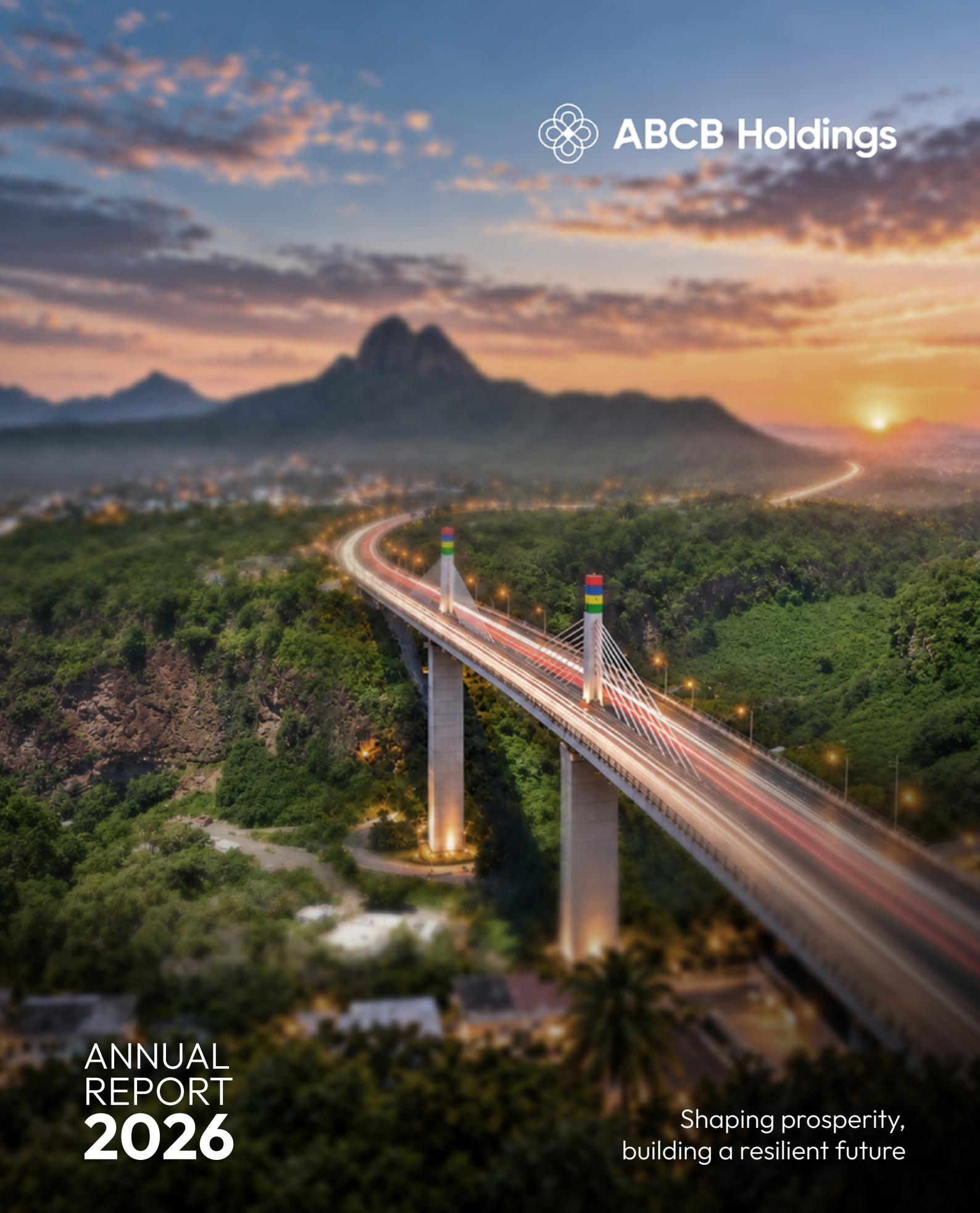

ABCB Holdings
ANNUAL
REPORT
2026
Shaping prosperity,
building a resilient future

# CORPORATE INFORMATION

### REGISTERED OFFICE & HEAD OFFICE

WEAL HOUSE, Duke of Edinburgh Avenue, Place d'Armes, 11328 Port Louis.
Tel: (230) 206 8000
Fax: (230) 208 0088
https://abcbholdings.mu/
BRN: C24212296

### EXTERNAL AUDITORS

**KPMG**
KPMG Centre
31 Cybercity, Ebène Mauritius

# BOARD OF DIRECTORS FOR THE YEAR ENDED 30 JUNE 2026

### CHAIRPERSON

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

### MANAGING DIRECTOR

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

### MEMBERS

Ah Foon Chui Yew Cheong (Mrs) G.O.S.K.
Prof. Donald Ah-Chuen, G.O.S.K.
Late Mr Vincent Ah-Chuen (Ceased to be a director on 10 June 2026)
Mr Bhanu Pratabsingh Jaddoo
Me Marie Danielle Low Kwan Sang (Appointed as director on 10 July 2025)

# BOARD COMMITTEES' COMPOSITION

### AUDIT & RISK MANAGEMENT COMMITTEE

Mr Bhanu Pratabsingh Jaddoo (Chairperson)
Mrs Ah Foon Chui Yew Cheong
Me Marie Danielle Low Kwan Sang

### GOVERNANCE COMMITTEE

Late Mr Vincent Ah-Chuen (Chairperson) (Ceased to be a member on 10 June 2026)
Mr Bhanu Pratabsingh Jaddoo
Me Marie Danielle Low Kwan Sang

### COMPANY SECRETARY & SHARE REGISTRY

Mr Mahesh Ittoo, ACG (Until 15 August 2026)
Ms Kétia Sénézan Poonisamy, ACG (Appointed on 15 August 2026)

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

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# Chairperson's Report

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

Chairperson of the Board

# CHAIRPERSON'S REPORT

ABCB Holdings Limited
Year ended 30 June 2026

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Chairperson's Report of ABCB Holdings Limited (the "Company") for the year ended 30 June 2026. This was the Company's first full financial year since its establishment and listing as the parent company of our banking and non-banking activities. It was a year of transition from reorganisation to implementation, during which the Board sought to ensure that the new structure delivers its intended objectives with sound governance, discipline and long-term flexibility.

The Board is pleased with the progress achieved during the year. At consolidated level, the Group delivered strong balance sheet growth, maintained customer confidence, strengthened its institutional framework and continued to invest in the foundations required for sustainable performance. These results were achieved in a challenging environment marked by global uncertainty, competitive pressures and heightened regulatory expectations.

## Group structure, governance and risk

The creation of ABCB Holdings Limited was a significant step in the Group's development. During the year, the Board focused on translating the holding company structure into effective governance, clearer accountability and improved oversight of subsidiary activities.

The structure now provides a clearer framework for overseeing the Group's banking arm, property interests and investment platform, while supporting responsible capital allocation, sound risk oversight and coherent future growth.

During the year, the Board strengthened oversight of strategy, financial reporting, risk management, internal controls and subsidiary governance, while remaining attentive to applicable corporate governance and regulatory expectations.

Risk governance remains fundamental to the Group's long-term success. The Board continues to emphasise a prudent approach to credit, liquidity, market, operational, compliance and technology-related risks, including operational resilience, cyber security, business continuity and regulatory compliance.

## Financial strength and shareholder value

For the year ended 30 June 2026, the Group reported total assets of MUR 41.7 billion, up 25.8% from MUR 33.1 billion. Our Customer deposits grew by 26.8% to MUR 36.6 billion, reflecting continued confidence in the banking arm. The loans and advances stood at MUR 19.1 billion, while investment securities rose to MUR 10.4 billion. The Group generated net interest income of MUR 832.3 million, net fee and commission income of MUR 82.4 million, other income of MUR 193.5 million and profit for the year of MUR 240.4 million.

These results demonstrate encouraging progress, but the Board remains mindful that growth must be supported by disciplined credit origination, prudent liquidity management, appropriate capital planning and cost discipline. These principles will remain central as the Company seeks to convert its stronger platform into sustainable earnings and long-term shareholder value.

## Strategic direction and group platform

ABC Banking Corporation Ltd ("the Bank") remains the Group's principal operating subsidiary and the main engine of performance. The Board will continue to support the Bank's development across its core business lines, while ensuring that growth remains aligned with the Group's risk appetite, capital capacity and long-term priorities.

The Group's strategic priorities remain measured growth, sound capital and funding planning, stronger governance, operational efficiency, digital capability and the development of people and talent. These priorities support the Group's ambition to strengthen its market position while preserving prudence, integrity and resilience.

## Outlook

Looking ahead, ABCB Holdings enters the new financial year with a stronger operating base, clearer governance arrangements and a more resilient platform for future development. The external environment is expected to remain uncertain, requiring continued focus, discipline and adaptability.

The Board will support management in pursuing opportunities consistent with the Group's financial strength, risk appetite and strategic purpose. Priorities will include preserving capital and liquidity resilience, strengthening governance and controls, deepening stakeholder confidence and ensuring that the benefits of the holding company structure are progressively realised.

## Acknowledgement

On behalf of the Board, I thank our shareholders for their continued confidence, as well as our customers, regulators, business partners and market stakeholders for their trust and engagement. I also extend my appreciation to the Managing Director, the management team and all employees for their dedication and professionalism during an important year of execution and consolidation.

The Board remains committed to guiding ABCB Holdings with prudence, integrity and long-term purpose as we continue to build a stronger and more diversified group for the benefit of shareholders and stakeholders.



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

# CORPORATE PROFILE

ABCB Holdings Limited is listed on the Official Market of the Stock Exchange of Mauritius. Through its subsidiaries, the Group provides banking, investment and property-related services, underpinned by a commitment to sound corporate governance, prudent risk management and sustainable value creation.

The Group's principal operating subsidiary, ABC Banking Corporation Ltd (the "Bank"), has evolved into a well-established financial institution recognised for its integrity, innovation and customer-centric approach. Since commencing banking operations in 2010, the Bank has delivered consistent growth, strengthening its position within the Mauritian financial services sector while expanding its reach across regional and international markets.

The Group's financial strength is reflected in the sustained growth of the Bank's customer deposits, which increased from MUR 2.0 billion in December 2010 to MUR 36.6 billion as at 30 June 2026. The shareholders' equity of the Group stood at MUR 2.79 billion as at same date. The Bank's successful issuance of MUR 700 million in bonds in March 2024 further demonstrated investor confidence in its business strategy, financial resilience and long-term prospects.

Established following the corporate reorganisation of ABC Banking Corporation Ltd under a Scheme of Arrangement in April 2025, ABCB Holdings Limited provides an efficient platform for managing the Group's banking and non-banking activities. The Group's portfolio comprises ABC Banking Corporation Ltd, ABCB Investments Ltd and ABCB Properties Ltd, which manages the Group's strategic property assets.

As the Group continues to evolve, ABCB Holdings Limited remains committed to enhancing its capabilities, strengthening its governance framework and pursuing opportunities that support sustainable growth. Through a disciplined approach and unwavering focus on its stakeholders, the Group is well positioned to create long-term value and contribute meaningfully to the financial landscape of Mauritius and beyond.



# Managing Director's Report

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

Managing Director

# MANAGING DIRECTOR'S REPORT

ABCB Holdings Limited
Year ended 30 June 2026

Dear Shareholders,

I am pleased to present the Managing Director's Report of ABCB Holdings Limited (ABCB Holdings) for the year ended 30 June 2026. Following a prior-year establishment period (04 April to 30 June 2025) and the listing of the holding company, the year under review marked an important phase of execution, consolidation and delivery. The results of ABCB Holdings' first full year of operations demonstrate the strength of its operating platform, the strength of its banking franchise and the benefits of enhanced group-level oversight.

## A year of execution and consolidation

During the year, ABCB Holdings evolved from a newly listed entity into a more specific group platform, with clearer monitoring arrangements across its banking, investment and property subsidiaries. The structure created through the reorganisation has enabled Holdings and its subsidiaries (the Group) to better align capital management, governance and strategic oversight, while ABC Banking Corporation Ltd remains the principal operating and revenue-generating subsidiary of the Group.

The Group also activated the implementation of its holding company model through the functioning of cooperative intra-group arrangements, the development of group-level policies and the alignment of shared services. These initiatives are essential to ensuring efficiency, transparency and regulatory compliance. They also reinforce ABCB Holdings' role as a strategic and financial parent, with a clear mandate to guide and support sustainable value creation across the Group.

## Financial performance

For the year ended 30 June 2026, the Group reported total assets of MUR 41.7 billion, compared to MUR 33.1 billion as at 30 June 2025, reflecting commendable balance sheet growth of 25.8%. Loans and advances to customers increased to MUR 19.1 billion, while investment securities rose to MUR 10.4 billion. Customer deposits grew to MUR 36.6 billion, compared to MUR 28.8 billion as at 30 June 2025, representing an increase of 27%, and underscoring sustained customer confidence in the Group's banking pillar and its ability to mobilise funding in a competitive market.

The Group generated net interest income of MUR 832.3 million, supported by the growth in earning assets and disciplined balance sheet management. Net fee and commission income stood at MUR 82.4 million, while other income contributed MUR 193.5 million. The year's performance reflects the continuing contribution of a diversified operating platform anchored by the Bank's core franchises and supported by the broader group structure.

Compared with the prior period which was also a 3-month period (incorporation date to 30 June 2025), and which included the initial effects of the corporate reorganisation and listing, the financial year ended 2026 provides a clearer view of the Group's ongoing performance as a listed holding company. The results demonstrate that the Group has maintained its growth trajectory while strengthening institutional discipline, governance and risk management.

## Banking franchise and business momentum

ABC Banking Corporation Ltd remained the core engine of the Group's performance. The Bank continued to serve a diversified client base across Corporate banking, Personal and Private banking, Global banking and Treasury activities. The growth in Loans and Advances was supported by a strong increase in customer deposits, reflecting the Group's focus on relationship-led growth, liquidity resilience and disciplined balance sheet expansion.

The Group's investment securities portfolio also expanded during the year, reflecting active liquidity and treasury management in a changing interest rate environment. This was complemented by continued emphasis on credit monitoring, expected credit loss discipline and portfolio quality, with prudent credit risk governance remaining central to the Group's operating model.

## Governance, risk and control environment

A key priority for the year was the further strengthening of group governance. ABCB Holdings continued to embed the responsibilities expected of a listed holding company, including oversight of subsidiary activities, group-level policies, financial reporting discipline and committee governance. The Group's governance framework remains aligned with regulatory expectations, the principles of the National Code of Corporate Governance and the requirements applicable to a listed entity.

## Strategic progress during the year

The Group's priorities during the year were centred around disciplined execution of the set strategies. Particular attention was given to capital and funding planning, operational efficiency, digital transformation, customer experience and the development of the non-banking subsidiaries within the holding company structure. These priorities are intended to support both near-term performance and the Group's longer-term resilience.

ABCB Properties Ltd and ABCB Investments Ltd remain important non-banking components of the Group's structure. The property holding arrangement supports clearer asset ownership and capital management, while the investment holding platform provides flexibility for future growth opportunities. The Group will continue to evaluate opportunities that are consistent with its risk appetite, capital capacity and objective of sustainable shareholder value creation.

## Digital transformation and operational resilience

The Group continued to invest in digital and operational transformation initiatives designed to improve service delivery, strengthen internal controls and enhance scalability. These initiatives cover several areas ranging from customer onboarding, treasury system, and workflow automation to digital channels and broader process modernisation. The objective is to build a more agile organisation capable of delivering efficient, secure and responsive services to customers, employees and stakeholders.

Operational resilience remains equally important. The Group continues to strengthen cyber resilience, business continuity planning, internal controls and data governance, recognising that trust, reliability and speedy execution are essential to the success of a financial services group.

## Market environment and outlook

The Mauritian economy continues to benefit from activity across financial services, tourism, construction and related sectors, while also operating within an external environment shaped by global interest rate developments, geopolitical uncertainty, climatic vulnerability, inflationary pressures and evolving regulatory expectations. In this context, the Group remains focused on disciplined growth, appropriate pricing of risk, prudent liquidity management and the continued diversification of income streams.

Looking ahead, ABCB Holdings will continue to build on the foundations established since its listing. Our strategy is to support measured growth in the Bank, optimise the use of capital across the Group, develop non-banking opportunities where appropriate and invest selectively in technology, people and governance. We remain committed to delivering sustainable value to shareholders while preserving the prudence, resilience and integrity expected of a regulated financial services group.

## Appreciation

On behalf of the Board and Management, I extend my sincere appreciation to our shareholders for their continued confidence and support. I also thank our customers, regulators, business partners and market stakeholders for their trust and collaboration. Most importantly, I thank our Board directors, Top Management, Managers and Staff across the Group for their dedication, professionalism and commitment during a year of execution, consolidation and growth. In the same context, I also need to thank and pay a special tribute to my younger brother Vincent Ah-Chuen, one of the founders of ABC Banking Corporation and a Board director of the ABCB Holdings Limited, who passed away prematurely on the 10th June 2026, for his very valuable and exceptional contribution to the ABCB financial group.

ABCB Holdings enters the next financial year with a stronger operating base, a clearer group platform and a disciplined approach to growth. We remain confident in our ability to pursue opportunities responsibly, strengthen our institutional capabilities and deliver long-term value for shareholders and other stakeholders.



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

**Managing Director**

# Built for progress

Strong foundations connect banking, investment and property to support Mauritius' continued development.



# CORPORATE GOVERNANCE REPORT

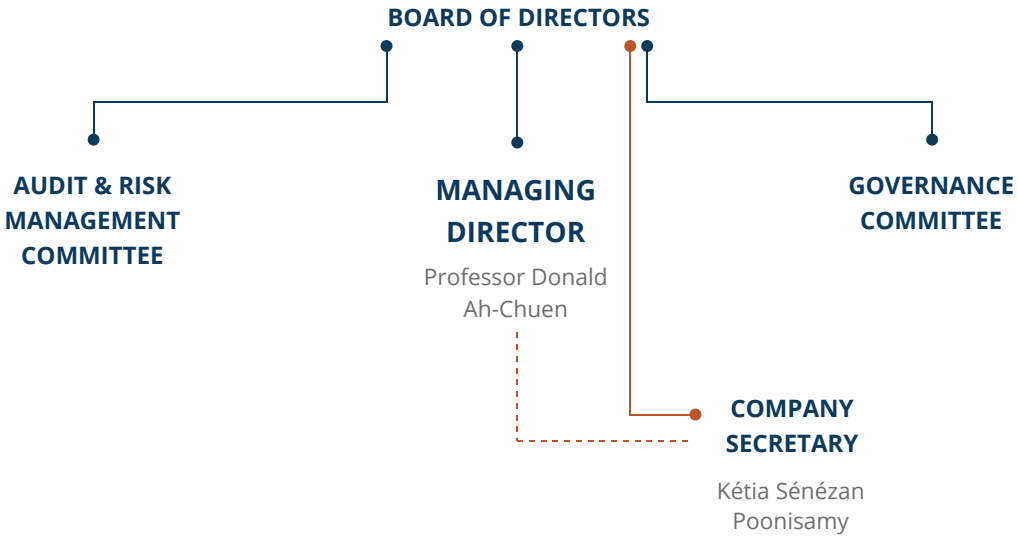
The Company maintains a suite of governance documents, including its Board Charter, senior leadership role descriptions and accountability arrangements, which support the effective discharge of responsibilities across the organisation. It has adopted a Code of Ethics and continues to align its governance practices with the principles of the National Committee on Corporate Governance and recognised industry standards. These documents are subject to regular review and approval by the appropriate authorities, with updates made annually or as required to reflect regulatory developments and decisions of the Board and its Committees. Key governance documents are publicly accessible on the Company's website, demonstrating its commitment to transparency.

## OUR GOVERNANCE FRAMEWORK

The Company's governance framework provides the structure through which the Board exercises effective oversight and promotes accountability, transparency and responsible decision-making across the Group. It supports the achievement of the Group's strategic objectives while ensuring compliance with applicable legal, regulatory and governance requirements.

The framework comprises clear systems of authorities, responsibilities and practices that guide decision-making, risk management, and oversight. It enables the Board and Management to act in the best interests of the Company and its stakeholders, including shareholders, customers, employees, regulators, and the wider community.

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



## THE BOARD AND ITS ROLE

The Board provides leadership and oversight to the Company and its subsidiaries, ensuring that the Group operates within a sound governance environment that supports the achievement of its strategic, business and social objectives. Through established governance principles, policies and controls, the Board promotes ethical and effective management while ensuring compliance with applicable legal and regulatory requirements.

The Board remains committed to maintaining high standards of corporate governance and periodically reviews its governance arrangements to ensure continued alignment with the National Code of Corporate Governance and other relevant regulatory requirements.

### Board Composition and Leadership

The Board comprises directors with diverse backgrounds, skills and experience, providing an appropriate balance of expertise and perspectives to support effective decision-making and oversight. The Company continues to recognise diversity as an important element of good governance and remains committed to promoting diversity across all dimensions when considering Board appointments.

As at 30 June 2026, female directors represented 40% of the Board, reflecting the Company's ongoing commitment to gender diversity and inclusive leadership. Directors are elected by shareholders at Annual Meetings, ensuring accountability and stakeholder representation.

Under the distinguished leadership of Chairperson Mrs Ah Foon Chui Yew Cheong, the Board provides strategic guidance and oversight of the Group. The Managing Director Prof. Donald Ah-Chuen is responsible for executing the Group's strategy and overseeing its day-to-day operations in accordance with the direction established by the Board.

The Board comprised 5 members during the financial year. Their profiles can be viewed on pages 16–19.

| DIRECTORS | CATEGORY |
|---|---|
| Prof. Donald Ah-Chuen | Executive (Managing Director) |
| Mrs Ah Foon Chui Yew Cheong | Independent Chairperson |
| Late Mr Vincent Ah-Chuen (Up to 10 June 2026) | Non-Executive |
| Mr Bhanu Pratabsingh Jaddoo | Independent |
| Me Marie Danielle Low Kwan Sang | Independent |

All Directors of the Company as at 30 June 2026 were residents in Mauritius.

# PROFILE OF DIRECTORS



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

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

Mrs Ah Foon Chui Yew Cheong is a member of the Wildlife Justice Commission (WJC) Council. She is also presently the Vice Chair of the Constitutional Review Commission set up under the Constitutional Review Commission Act 2026 to examine and recommend reforms to the Constitution of 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. 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 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.



**LATE MR VINCENT AH-CHUEN**

**NON-EXECUTIVE DIRECTOR**

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

Late Mr. Vincent Ah-Chuen was 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.

He also served as a Director of ABC Banking Corporation Ltd for several years, contributing to the Bank's growth and strategic development.

He was a member of the Mauritius Institute of Directors and the Chinese Chamber of Commerce. He was also actively involved in various social and cultural activities.

In December 2016, Late 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 directorships 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.

Mr Bhanu Pratabsingh Jaddoo is currently the Chairman of Airport Holdings Ltd and 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 operations of the Company's business is delegated to the Managing Director, Professor Donald Ah-Chuen, G.O.S.K. In discharging his responsibilities, he is supported by a team of relevant heads of departments of 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.

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

The organisation of the Board is depicted on page 14.

### Board Committees

The Board has set up 2 committees to facilitate the effective and efficient discharge of its duties and responsibilities, namely the Audit and Risk Management Committee and the Governance Committee. The Company Secretary acts as secretary for all meetings of the Board of Directors and its Committees. The terms of reference and composition of the Board Committees are summarised below.

### AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee supports 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 associated risks in terms of 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 are 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:

- Mr Bhanu Pratabsingh Jaddoo (Chairperson)
- Me Marie Danielle Low Kwan Sang
- Mrs Ah Foon Chui Yew Cheong

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

## GOVERNANCE COMMITTEE

The Governance Committee, 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:

- Late Mr. Vincent Ah-Chuen (Chairperson) (Up to 10 June 2026)
- Mr Bhanu Pratabsingh Jaddoo
- Me Marie Danielle Low Kwan Sang

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

## COMPANY SECRETARY

Mr Mahesh Ittoo was the Company Secretary of the Company until 15 August 2026.

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

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

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

The Company Secretary is 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. 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 annually and any updates are 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.
- 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 is requested to sign a letter of appointment that outlines the terms, duties, and responsibilities of the role.

All newly appointed Directors are invited to attend an induction session following their appointment, during which the Managing Director and Company Secretary provide an overview of 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 sub-committees.

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.

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

**Year ended 30 June 2026**

| | BOARD MEETING | AUDIT AND RISK MANAGEMENT COMMITTEE | GOVERNANCE COMMITTEE |
|---|---|---|---|
| AH-CHUEN Donald | 5 | - | - |
| AH-CHUEN Vincent | 4 | - | 2 |
| CHUI YEW CHEONG Ah Foon | 5 | 2 | - |
| JADDOO Bhanu Pratabsingh | 5 | 3 | 2 |
| LOW KWAN SANG Marie Danielle | 5 | 3 | 2 |
| Total Number of Meetings | 5 | 3 | 2 |

## 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 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 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 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, ensure that the consolidated and separate financial statements comply with all International Financial Reporting Standards. Any deviations are appropriately disclosed, explained, and quantified in the audit report and consolidated and separate financial statements.

## CORPORATE SOCIAL RESPONSIBILITY

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

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

| | | |
|---|---|---|
| **Rs 4.52M**<br>**SOCIAL CONTRIBUTION** | **21**<br>**ORGANISATIONS & PROJECTS IN MAURITIUS & RODRIGUES** | **10**<br>**SDGS ADVANCED** |

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

### Education: the foundation of social mobility

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

### Reducing poverty, hunger and inequality

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

### Health, inclusion and dignity

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

### Protecting the island's ecosystems

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

| SDG Goal | Key partners supported | Impact delivered |
|---|---|---|
|  | · Collège Technique St Gabriel · ABC Group Scholarship Scheme · TIPA · Mo'Zar · Maahebourg Espoir · Fondation Cours Jeanne D'Arc · A.P.E.I.M. | Scholarships for underprivileged students, arts-based learning, vocational training, and dedicated support for children with special educational needs. |
|  | · Lovebridge · Safire<br>· Mouvement pour le Progrès de Roche Bois · First Act is to Help (FAITH) | Family support, literacy programmes and social and educational reintegration for households facing hardship. |
|  | · Caritas Île Maurice | A daily breakfast programme sustaining vulnerable primary-school children. |
|  | · Association pour la Promotion de la Santé (APSA) · Magic Club | Diabetes prevention, access to foot-care services, and para-sport and disability inclusion. |
|  | · M-Kids Association | Menstrual dignity, rights awareness and livelihood pathways for girls and women. |
|  | · Mauritian Wildlife Foundation<br>· MMCO · We-Recycle · Action for Environment Protection | Biodiversity conservation in Rodrigues, marine ecosystem awareness, recycling and community environmental education. |

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

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

## 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 out amongst 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 by the Audit and Risk Management Committee, for approval by the Board. 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.

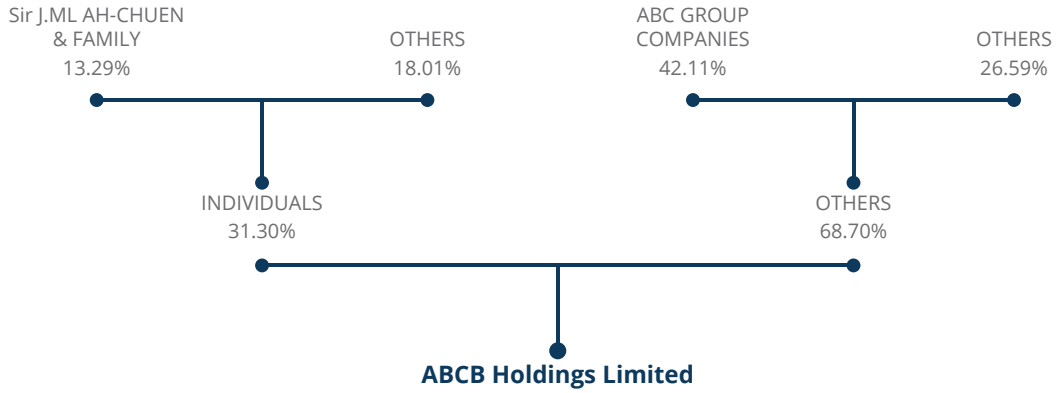
The remuneration of the external auditor for the financial year ended 30 June 2026 is contained in the Other Statutory Disclosures section on page 36.

## 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 2026, its subsidiaries were ABC Banking Corporation Ltd and ABCB Investments Ltd, and its shareholding structure was as follows:




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 | 319 |
| 1,000 – 9,999 | 251 |
| 10,000 – 19,999 | 62 |
| 20,000 – 49,999 | 61 |
| 50,000 – 99,999 | 33 |
| 100,000 – 499,999 | 62 |
| 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 ("regulator") by virtue of its shares listed 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 Companies 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 has put in place 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. The policy shall reflect 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. Matters of concern are addressed 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 are recorded and referred to whenever required.

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

| 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 |
| LOW KWAN SANG Marie Danielle | | | 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 2026 have been conducted in accordance with the above guidelines and the Code of Ethics.

## 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.

# STATEMENT OF COMPLIANCE

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

**Name of Public Interest Entity: ABCB Holdings Limited**
**Reporting Period: 30 June 2026**

Throughout the year ended 30 June 2026, 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: 25 September 2026



**Mrs 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 Mauritius 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 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 during the financial year ended 30 June 2026 were as follows:
Mrs Ah Foon Chui Yew Cheong
Prof. Donald Ah-Chuen
Late Mr Vincent Ah-Chuen
Mr Bhanu Pratabsingh Jaddoo
Me Marie Danielle Low Kwan Sang

Directors' interests in shares of the Company are set out on page 33 of the annual report. No directors have any service contract with the Company.

### Directors' Emoluments

During the financial year ended 30 June 2026, the non-executive directors of the Company have received emoluments amounting to MUR 4,820,000 (2025: nil) while its executive director has received emolument amounting to MUR 8,050,480 (2025: MUR 1,643,902).

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

| | Remuneration (MUR) | |
|---|---|---|
| **Director** | **Company** | **Group** |
| Prof. Donald Ah-Chuen | 8,050,480 | 8,444,455 |
| Mr David Brian Ah-Chuen | - | 12,235,000 |
| Mr Patrick Andrew Dean Ah-Chuen | - | 393,500 |
| Late Mr Vincent Ah-Chuen | 810,000 | 810,000 |
| Mrs Chui Yew Cheong Ah Foon | 2,300,000 | 2,300,000 |
| Ms Varuna Roy Bunwaree | - | 563,500 |
| Mr Max Danny Kim Shian Fon Sing | - | 607,500 |
| Ms Sareeta Goundan | - | 574,500 |
| Mr Bhanu Pratabsingh Jaddoo | 1,135,000 | 1,135,000 |
| Mr Michel Bruno Lalanne | - | 7,474,100 |
| Me Marie Danielle Low Kwan Sang | 575,000 | 575,000 |
| Mr Lakshmana Lutchmenarraidoo | - | 1,030,750 |
| Ms Laura Yee Min Wong Sun Thiong | - | 588,500 |

## 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:

| | 2026 MUR | 2025 MUR |
|---|---|---|
| Donations | – | – |
| Political donations | – | – |
| Total | – | – |

## Auditors

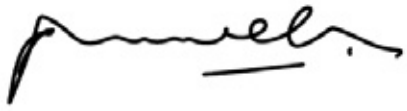
The fees payable to the auditors, Messrs. KPMG, for audit and other services during year 2026 were:

| | 2026 MUR | 2025 MUR |
|---|---|---|
| Audit Services | 1,092,500 | 1,715,800 |
| | 1,092,500 | 1,715,800 |

Date: 25 September 2026



**Mrs 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 2026, all such returns as are required of the Company under the Mauritius Companies Act 2001 in terms of section 166(d).



**Ms. Kétia Sénézan Poonisamy, ACG**

25 September 2026

**Company Secretary**

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of financial statements which give a true and fair view of the financial position, financial performance and cash flows of the 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:

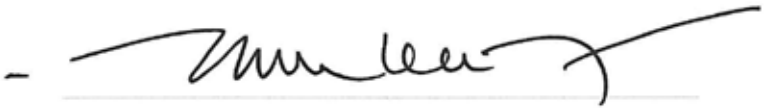
- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 2026.

Approved by the Board of Directors on 25 September 2026 and signed on its behalf by



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

**Chairperson of the Board**



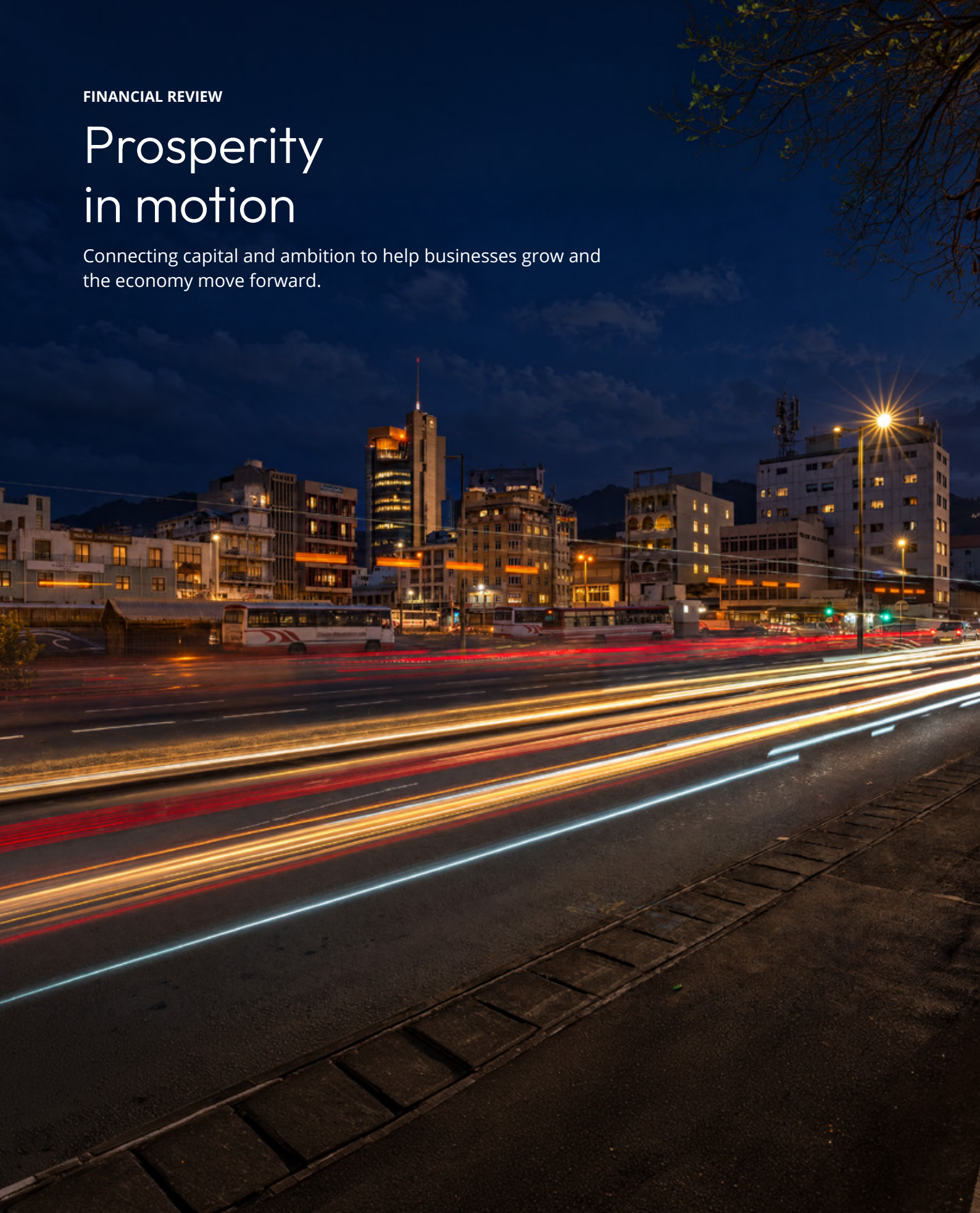
Mr Bhanu Pratabsingh Jaddoo

**Chairperson - Audit and Risk Management Committee**

FINANCIAL REVIEW

# Prosperity in motion

Connecting capital and ambition to help businesses grow and the economy move forward.



# FINANCIAL REVIEW

## OVERVIEW

At consolidated level, ABCB Holdings Limited (ABCB Holdings) achieved a Profit after tax of MUR 240.4 million for the financial year ended 30 June 2026.

The profit was driven by the performance of ABCB Holdings' main subsidiary, ABC Banking Corporation Ltd, which generated a PAT of MUR 297.0 million for the same period.

The table below displays the consolidated financial performance of ABCB Holdings for the year ended 30 June 2026.

| THE GROUP | YEAR ENDED 30 JUNE 2026 | PERIOD ENDED 30 JUNE 2025* |
|---|---|---|
| **Income Statement (MUR M)** | | |
| Net Interest Income | **832.3** | **178.1** |
| Operating Income | **1,108.3** | **232.6** |
| Profit before impairment | **384.7** | **83.9** |
| Profit before tax | **354.7** | **85.9** |
| Profit after tax | **240.4** | **64.2** |
| **Statements of Financial Position (MUR M)** | | |
| Total assets | **41,694.7** | **33,139.1** |
| Net loans and advances portfolio | **19,078.2** | **17,969.1** |
| Total deposit | **36,579.0** | **28,843.1** |
| Shareholders' equity | **2,793.4** | **2,644.0** |
| **Performance Ratios (%)** | | |
| Return on average total assets** | **0.6** | **0.2** |
| Return on equity** | **8.6** | **2.4** |
| Non-interest income to operating income | **24.9** | **23.4** |
| Loans and advances to deposit ratio | **52.2** | **63.1** |
| Cost to income ratio | **65.3** | **63.9** |
| **Investor Data** | | |
| Earnings per share (MUR)*** | **3.2** | **0.8** |

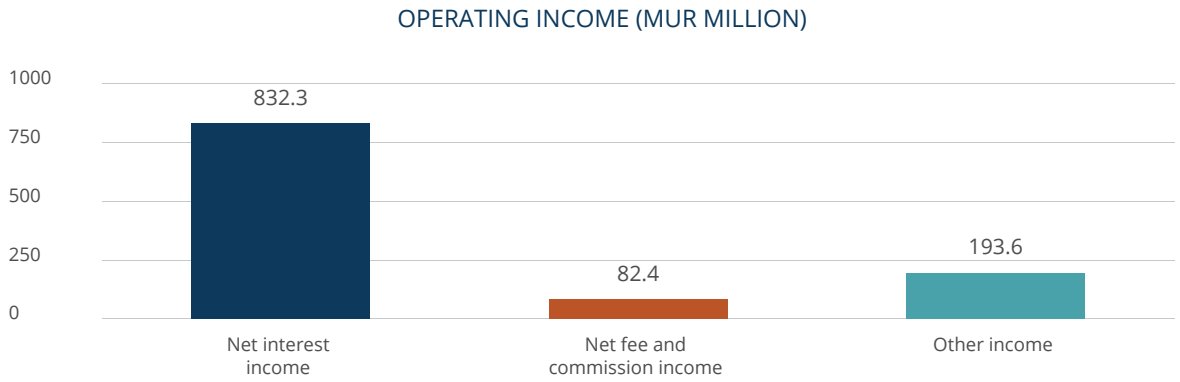
* 3 months ended 30 June 2025
** Based on profit after tax
*** Based on average number of shares

For the year ended 30 June 2026, the operating income stood at MUR 1,108.3 million and operating profit before impairment was at MUR 384.7 million.

## REVIEW OF CORE FINANCIAL PERFORMANCE

### Operating Income

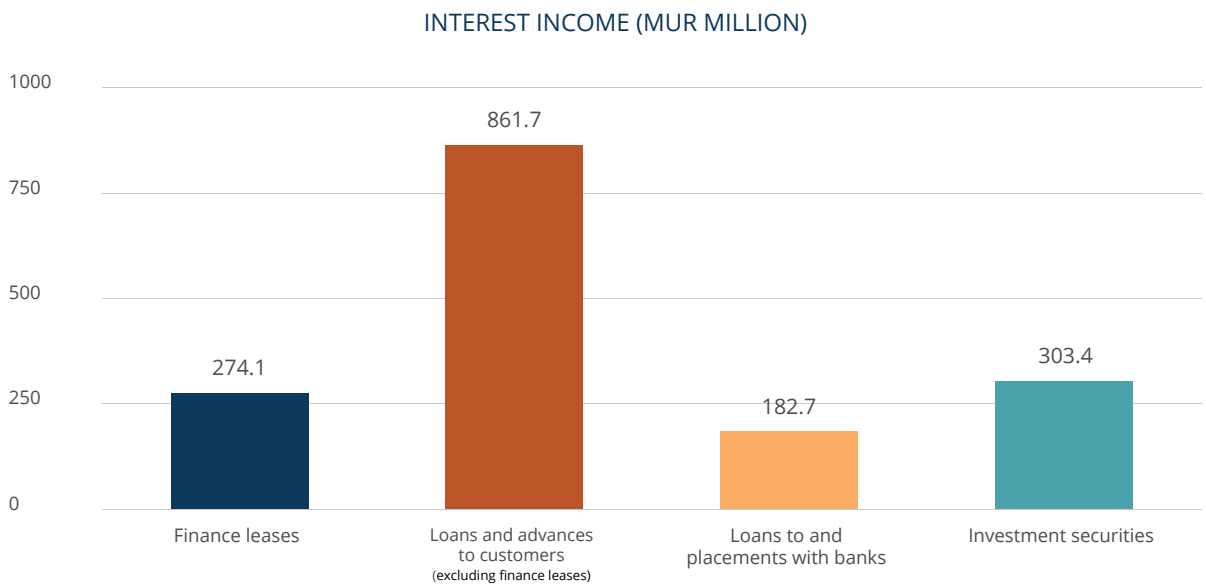
Operating income stood at MUR 1,108.3 million (period ended 30th June 2025: MUR 232.6 million) for the year ended 30 June 2026. Net interest income represents 75% of the Operating income whilst other income, which comprises mainly FX income, represents 17.5% of the total Operating income.




### Net Interest Income

ABCB Holdings generated an interest income of MUR 1,621.8 million (period ended 30th June 2025: MUR 178.1 million) for the year under review. The increase in the loan book and investment securities resulted in significant income growth. Similarly, interest expenses amounted to MUR 789.5 million. Net interest income stood at MUR 832.3 million as at 30 June 2026.

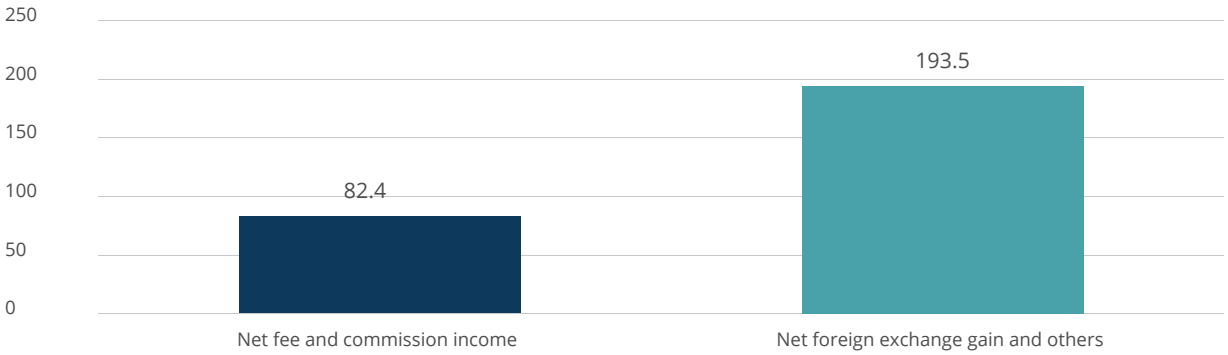
The chart below shows the component of Interest income for the year ended 30 June 2026:



## Non-Interest Income

Non-Interest Income of MUR 275.9 million (period ended 30th June 2025: MUR 54.5 million) was recorded, with the main contributor of non-interest income being FX income of MUR 193.5 million (period ended 30th June 2025: MUR 30.7 million).

NON-INTEREST INCOME (MUR MILLION)

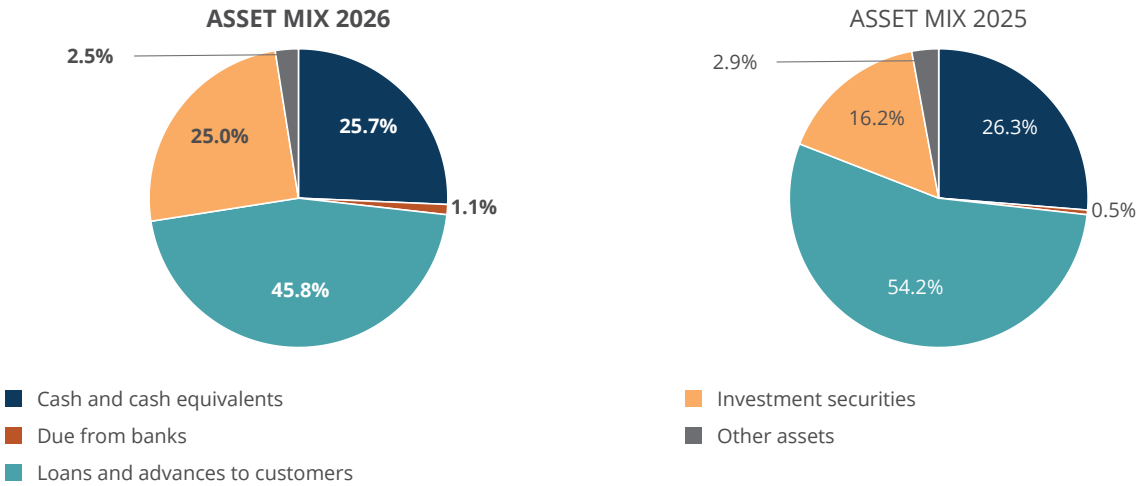



## Asset Mix

ABCB Holdings' total assets stood at MUR 41.7 billion as at 30 June 2026 (FY 2025: MUR 33.2 billion). The loans and advances portfolio and investment securities represented 45.8% and 25.0% respectively of the Bank's asset mix as at financial year end, 30 June 2026 (FY 2025: loan and advances portfolio 54.2% and Investment securities 16.2%).

The following chart represents the Bank's asset mix for the year compared to last year.

GROUP ASSET MIX (%)

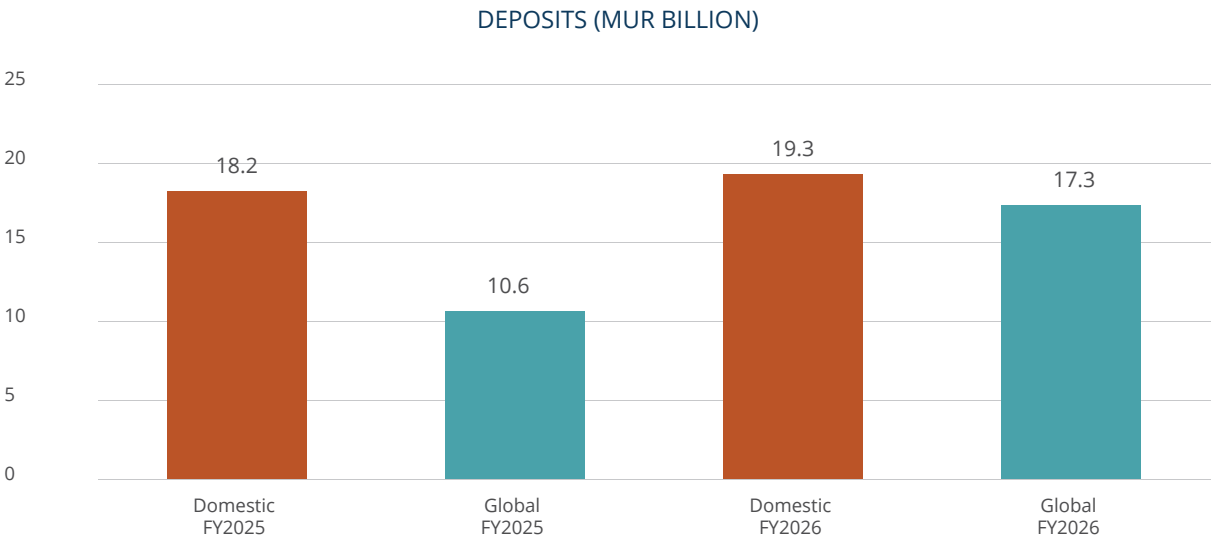


## Credit Exposure

Loans and advances to customers increased by 6.2% from MUR 18.0 billion at 30 June 2025 to reach MUR 19.1 billion at 30 June 2026. ABCB 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 1.4% as at 30 June 2026 compared to 2.1% last year.

## Deposits

Deposits from customers reached MUR 36.6 billion as at 30 June 2026. The chart below shows the deposit mix between domestic and Global banking businesses.




## Capital resources

A growth of 5.7% in shareholders' equity from MUR 2.6 billion at 30 June 2025 was recorded to reach MUR 2.8 billion at 30 June 2026. The Tier 1 Capital of banking was at MUR 2.6 billion and, considering its Total Capital base of MUR 3.5 billion and a total risk weighted assets of MUR 21.8 billion, the Bank achieved a satisfactory total capital adequacy ratio of 16.1%, above the regulatory requirement of 12.5%.



## Segment Performance

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

| | GROUP | BANKING | OTHER INVESTMENTS | ELIMINATIONS |
|---|---|---|---|---|
| | MUR | MUR | MUR | MUR |
| External Gross Income | **1,108,324,547** | **1,147,665,505** | **114,197,340** | **(153,538,298)** |
| Expenses | **(723,631,761)** | **(715,065,742)** | **(27,411,295)** | **18,845,276** |
| **Operating Profit before impairment** | **384,692,786** | **432,599,763** | **86,786,045** | **(134,693,022)** |
| Impairment charge | **(30,009,843)** | **(30,009,843)** | **-** | **-** |
| **Profit before tax** | **354,682,943** | **402,589,920** | **86,786,045** | **(134,693,022)** |
| Income Tax Expense | **(114,294,733)** | | | |
| **Profit for the year** | **240,388,210** | | | |
| **Other segment items** | | | | |
| Segment Assets | **41,694,652,774** | **42,069,476,564** | **3,975,290,711** | **(4,350,114,502)** |
| Total Assets | **41,694,652,774** | | | |
| Segment Liabilities | **38,901,278,545** | **39,088,795,253** | **763,808,402** | **(951,325,109)** |
| **Total Liabilities** | **38,901,278,545** | | | |

The other entities consist of ABCB Holdings Ltd, ABCB Investments Ltd and ABCB Properties Ltd. ABCB Investments is the investment arm of ABCB Holdings and has investments in diverse sectors. ABCB Investments is also the main shareholder of ABCB Properties Ltd which owns the properties of the group, rented to ABC Banking Corporation Ltd.

RISK REPORT

# Connecting opportunities

Bringing people, expertise and ambition together through relationships that open new possibilities.



# RISK REPORT

Effective risk management is fundamental to the achievement of ABCB Holdings Limited's strategic objectives and the preservation of long-term shareholder value. As a holding company with significant interests in banking and investment activities, the company operates in an increasingly complex and evolving business environment characterised by economic uncertainty, regulatory change, technological advancement, market volatility, and emerging environmental and social challenges.

The Board of Directors maintains overall responsibility for the governance and oversight of risk across the company and is committed to fostering a strong risk culture that supports informed decision-making, prudent risk-taking, and sustainable growth. Through established governance structures, policies, and control mechanisms, the company seeks to identify, assess, monitor, and manage risks that may affect its operations, financial performance, reputation, and strategic objectives.

The following sections outline the principal risks facing ABCB Holdings Limited and its subsidiaries, together with the key measures implemented to manage and mitigate those risks.

### 1.1 Risks associated with ABCB Holdings Limited

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

ABCB Holdings Limited (the company) derives a significant proportion of its value, earnings, and dividend income from its principal subsidiary, ABC Banking Corporation Ltd (the bank). Thus, the company's financial performance and long-term growth prospects remain closely linked to the operational and financial success of the bank.

Any deterioration in the business environment, financial performance, asset quality, regulatory standing, liquidity position, or strategic execution of its subsidiary could adversely affect the profitability, net asset value, cash flows, and dividend-paying capacity of ABCB Holdings Limited.

The board closely monitors the performance and risk profile of its subsidiaries through established governance structures and reporting mechanisms. The Managing Director of ABCB Holdings Limited is a non-executive director of ABC Banking Corporation Ltd and has an overview of the performance of the bank. The Managing Director reports on such performance to the Board of ABCB Holdings Limited.

#### 2. Reputational Risk

Reputational risk may arise from adverse public perception, negative media coverage, regulatory or compliance breaches, unethical conduct, poor customer outcomes, or association with high-risk individuals, entities, counterparties, or investments. As a holding company, ABCB Holdings Limited may also be exposed to reputational risk arising from the activities, conduct, or performance of its subsidiaries. As a listed entity, the company is subject to heightened scrutiny from regulators, investors, analysts, and other market participants, which may amplify the potential impact of adverse events on its reputation and stakeholder confidence.

The company mitigates this risk through the design and implementation of strict policies and procedures. Due diligence is undertaken at the company level and the directors, managers and staff of the company are subject to the same/similar strict policies and procedures. The company monitors on an ongoing basis any developments or issues relating to its investments, subsidiaries, counterparties and operating environment that may have an adverse effect on its reputation or confidence of its shareholders, regulators, customers and other stakeholders.

### 3. Tax and Regulatory Risk

ABCB Holdings Limited operates in a dynamic legal, regulatory, and tax environment. Changes in applicable laws, regulations, regulatory expectations, industry standards, or taxation frameworks may affect the company's business activities, strategic objectives, financial performance, and shareholder returns.

Any change to laws and regulations relating to the areas in which the company operates may impact the amount of tax payable. The levels of, and relief from, taxation may change, affecting the financial prospects of the company and/or the returns to shareholders.

The company mitigates this risk through the continuous monitoring of legal, regulatory and tax developments. Management assesses the potential impact of proposed regulatory and tax changes and takes appropriate actions to ensure compliance and minimise any adverse impact on the company's operations and financial performance.

### 4. Corporate Governance Risk

ABCB Holdings Limited recognises that effective corporate governance is critical to maintaining stakeholder confidence and supporting sustainable business performance. Governance risk may arise from weaknesses in oversight, internal controls, decision-making processes, or the management of conflicts of interest.

To mitigate these risks, the company maintains a robust governance framework supported by clear policies, defined responsibilities, regular board oversight, and a strong culture of ethics and accountability. The board periodically reviews governance practices to ensure compliance with regulatory requirements and evolving best practice standards.

### 5. Share Price Risk

The company's share price may be affected by its financial performance, the performance of its subsidiaries, market conditions, and investor sentiment. A decline in the share price could adversely impact shareholder value. The board remains focused on delivering sustainable long-term performance and maintaining transparent communication with shareholders.

### 6. Strategic Risk

The company's ability to deliver sustainable growth and achieve its strategic objectives may be affected by changes in economic conditions, market dynamics, regulatory developments, technological advancements, competitive pressures, or evolving stakeholder expectations.

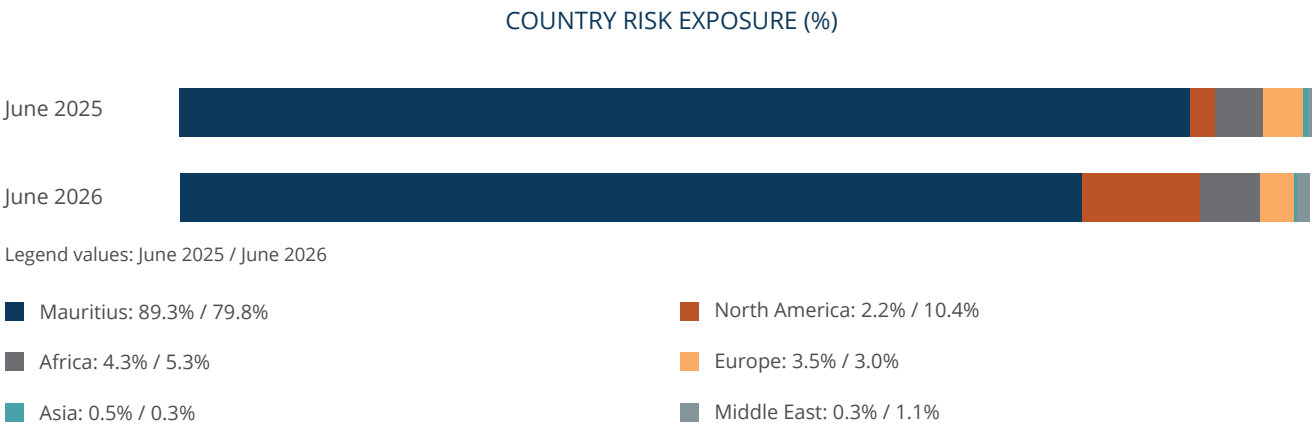
Failure to identify, adapt to, or effectively respond to these changes could adversely impact the company's financial performance, investment returns, and long-term shareholder value. The board regularly reviews the company's strategic priorities, monitors key developments in the operating environment, and assesses emerging risks and opportunities to support informed decision-making and long-term sustainability.

### 1.2 Risks associated with ABC Banking Corporation Ltd

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

In the course of its business activities, ABC Banking Corporation Ltd is subject to various risks including credit risk, liquidity risk, market risk, operational 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 remains exposed to risks that it may not currently be able to anticipate. These risks could affect its financial condition, results of operations, prospects and reputation. The investments, business, profitability and results of operations of ABC Banking Corporation Ltd may be adversely affected as a result of the difficult conditions in the bank's operating environment.

### 1.2.1 Country Risk




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 the bank believes that it has implemented a sound management of country risk through the identification, measurement and proactive monitoring of country risk exposures against approved country limits, a deterioration in the political, social or macroeconomic environment in the home countries of the bank'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 decreased to 79.8% during the year (June 2025: 89.3%). 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 the bank's assets and require additional provisions for problematic exposures.

The bank's asset quality improved during the financial year, with non-performing loans decreasing to MUR 278.2 million as at June 2026 from MUR 375.1 million as at June 2025. The NPL ratio improved from 2.1% as at June 2025 to 1.4% as at June 2026, driven by a fall in the absolute amount of non-performing loans coupled with growth in the loan and advances book, which grew from MUR 18.2 billion to MUR 19.3 billion over the corresponding period, representing a year-on-year increase of 6.2%.

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

### 1.2.3 Concentration risk

Concentration risk refers to risks related to exposures are concentrated among similar counterparties, products, sectors or geographic location, including the Mauritian market. Adverse developments affecting these exposures may have a negative impact on the quality of the bank's asset portfolio, and consequently on its financial performance and financial condition.

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 measure and monitor concentration risk.

### 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 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 ALM 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 Changes in market interest rates could have an adverse effect on the bank

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.

### 1.2.6 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.

### 1.2.7 Price risk

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

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

Investment in securities amounted to MUR 10.4 billion as at June 2026 compared to MUR 5.4 billion as at June 2025.

### 1.2.8 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. The bank 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.

### 1.2.9 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. The bank's LCR stood comfortably at 385% on a consolidated basis as at 30 June 2026 (June 2025:290%), which is well above the regulatory limit of 100%.

### 1.2.10 Contingent Funding

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

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

### 1.2.11 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.

While the bank has implemented a comprehensive operational risk management framework comprising robust 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
- Workplace Safety Risk
- Legal and Compliance Risk (Including AML/CFT)
- Technology, Cyber-security and Artificial Intelligence (AI) Risk
- Business Continuity Risk
- Fraud Risk
- Outsourcing Risk

## Management of Operational Risk

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

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

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

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

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

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

## Technology, Cyber Security and AI Risk

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

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

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

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

## Business Continuity Risk

### General Approach and Objectives

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

The objectives of the BCM Framework seek to:

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

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

### Mitigation and Management

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

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

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

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

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

- **Enterprise Resilience and Crisis Management Exercise**

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

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

- **Disaster Recovery Testing**

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

- **Continuous Improvement**

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

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

### Compliance, Anti-Money Laundering and Sanctions

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

The Compliance Department, headed by the Head of Legal and Compliance, is appointed by the Board and reports to the Audit Committee on a quarterly basis. The department is structured into three dedicated units: Regulatory Compliance, Financial Crime Compliance and Monitoring and Testing. The Financial Crime Compliance unit is led by the Senior Compliance Manager who is also the Money Laundering Reporting Officer (MLRO). This unit is responsible for investigating and reporting suspicious transactions to the Financial Intelligence Unit (FIU).

This segregation of responsibilities enhances the ability of the department in the identification, assessment and monitoring of compliance risks, facilitates the timely remediation of compliance deficiencies, and promotes a strong culture of compliance throughout the bank. Regular training programmes are also conducted to ensure that employees remain informed of regulatory developments and fully aware of the bank's compliance obligations.

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

### 1.2.12 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.

### 1.2.13 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 place a robust climate risk management framework and has embedded climate risk in its risk management cycle.

### 1.2.14 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.

### 1.2.15 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.

### 1.2.16 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.

### 1.2.17 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**

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## 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 2026 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 year then ended, and the notes to the financial statements, comprising material accounting policies and other explanatory information, as set out on pages 71 to 153.

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 2026, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by 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),* as applicable to audits of the financial statements of public interest entities. We have also fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key Audit 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.

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## Report on the Audit of the Consolidated and Separate Financial Statements

*Key Audit Matter (Continued)*

The key audit matters set out below relate to our audit of the consolidated financial statements. We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

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

Refer to the following notes to the consolidated financial statements:

– Note 5.4.1 - 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 - Allowance for / (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 |
|---|---|
| As at 30 June 2026, the Group's net loans and advances to customers amounted to MUR 19.1 billion (rounded), after deducting expected credit loss allowances of approximately MUR 169.5 million and deferred income of approximately MUR 85.5 million.<br><br>Gross credit impaired loans and advances classified in Stage 3 amounted to approximately MUR 278.2 million, against which the Group recognised Stage 3 expected credit loss allowances of approximately MUR 105.9 million, resulting in a net Stage 3 balance of approximately MUR 172.2 million.<br><br>Loans and advances to customers are measured at amortised cost using the effective interest rate method, less expected credit loss allowances. | **Our audit procedures included the following:**<br><br>• We obtained an understanding of the Group's credit risk management and expected credit loss processes and evaluated the design, implementation and, where relevant, operating effectiveness of key controls over credit origination, credit monitoring, staging, expected credit loss calculations, model governance and the approval of forward-looking macroeconomic information.<br><br>• We assessed whether the Group's accounting policies and expected credit loss methodologies were appropriate and consistent with the requirements of *IFRS 9, Financial Instruments (IFRS 9).*<br><br>• We involved our information technology specialists to evaluate relevant information technology controls supporting the completeness and accuracy of data used in the expected credit loss calculation including automated days-past-due information used in staging. |

## Report on the Audit of the Consolidated and Separate Financial Statements

*Key Audit Matter (Continued)*

The key audit matters set out below relate to our audit of the consolidated financial statements. We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

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

Refer to the following notes to the consolidated financial statements:
– Note 5.4.1 - 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 - Allowance for / (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 determination of expected credit losses requires significant judgement and the use of complex models and assumptions. The Group calculates expected credit losses using probability of default (PD), loss given default (LGD) and exposure at default (EAD), and applies a three-stage impairment approach:<br><br>Stage 1: 12-months expected credit losses.<br><br>Stage 2: Lifetime expected credit losses for exposures that have experienced a significant increase in credit risk but are not credit-impaired.<br><br>Stage 3: Lifetime expected credit losses for credit impaired exposures.<br><br>For Stage 1 and Stage 2 exposures, significant judgement is applied in determining whether there has been a significant increase in credit risk, estimating the PD, LGD and EAD, and incorporating probability weighted forward-looking macroeconomic information.<br><br>For Stage 3 exposures, significant judgement is applied in identifying credit-impaired loans, estimating expected future cash flows and assessing the value and recoverability of collateral. | **Stage 1 and Stage 2 exposures**<br><br>• We evaluated the completeness and accuracy of data used in the expected credit loss models. This included reconciling the population of loans and advances subject to expected credit losses to the Group's underlying records and, for a sample of exposures, agreeing relevant data inputs to supporting documentation.<br><br>With the assistance of our credit risk specialists, we have performed the following procedures:<br><br>• Assessed the appropriateness of the expected credit loss models and the PD, LGD and EAD parameters by reference to the requirements of IFRS 9, the Group's methodology and relevant available external information. |

## Report on the Audit of the Consolidated and Separate Financial Statements

*Key Audit Matter (Continued)*

The key audit matters set out below relate to our audit of the consolidated financial statements. We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

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

Refer to the following notes to the consolidated financial statements:
– Note 5.4.1 - 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 - Allowance for / (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 the consolidated financial statements, together with the complexity of the expected credit loss models and the significant judgements and estimation uncertainty involved, this was considered a key audit matter. | • Assessed the reasonableness of significant assumptions, including the criteria used to identify significant increases in credit risk, the selection and weighting of forward-looking macroeconomic scenarios and the macroeconomic variables incorporated into the expected credit loss models. This included consideration of historical default trends, benchmark data and back-testing of expected credit loss assumptions and outcomes.<br>• Reperformed selected expected credit loss calculations and compared the results with the amounts calculated by the Group.<br>• For a sample of loans and advances, assessed whether exposures had been allocated to the appropriate IFRS 9 stage.<br>**Stage 3 exposures**<br>• For a sample of Stage 3 loans and advances, we assessed whether the exposures had been appropriately identified as credit-impaired by considering relevant impairment indicators and the available supporting evidence. |

**TO THE SHAREHOLDERS OF ABCB HOLDINGS LIMITED**

## Report on the Audit of the Consolidated and Separate Financial Statements

*Key Audit Matter (Continued)*

The key audit matters set out below relate to our audit of the consolidated financial statements. We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

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

Refer to the following notes to the consolidated financial statements:
– Note 5.4.1 - Summary of material accounting policies - Financial assets and liabilities
– Note 5.7 - Summary of material accounting policies - Impairment of financial assets
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– Note 11 - Loans and advances to customers
– Note 30 - Allowance for / (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 |
|---|---|
| | • We evaluated the expected future cash flows used by management and assessed the recoverability and valuation of collateral. For selected collateral, we inspected supporting valuation reports and compared significant valuation inputs with relevant available market information.<br>• Where management used experts to value collateral, we evaluated the competence, capabilities and objectivity of management's experts with reference to their qualifications and industry experience. In addition, we assessed the appropriateness of the valuation techniques and significant assumptions applied against the Group's policy, industry standards and the requirements of *IFRS 9 and IFRS 13, Fair Value Measurement*.<br>• We independently developed an expected credit loss estimate for selected Stage 3 exposures and compared our estimate with the amount recognised by the Group.<br>• We assessed whether the expected credit loss disclosures in the consolidated financial statements were appropriate in accordance with *IFRS 7, Financial Instruments: Disclosures and IFRS 9.* |

# INDEPENDENT AUDITORS' REPORT

**TO THE SHAREHOLDERS OF ABCB HOLDINGS LIMITED**

## Report on the Audit of the Consolidated and Separate Financial Statements

*Emphasis of Matter*

We draw attention to Note 45 to the consolidated and separate financial statements which indicates that the comparative information presented as at and for the period ended 30 June 2025 has been restated. Our opinion is not modified in respect of this matter.

*Other Information*

The directors are responsible for the other information. The other information comprises the Corporate Information, Chairperson's Report, Corporate Profile, Managing Director's Report, Corporate Governance Report, Statement of Compliance, Other Statutory Disclosures, Secretary's Certificate, Statement of Directors' Responsibilities, Financial Review, Risk Report, Notice of Annual Meeting and Proxy Form, 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 the manner required by 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.

# INDEPENDENT AUDITORS' REPORT

**TO THE SHAREHOLDERS OF ABCB HOLDINGS LIMITED**

## Report on the Audit of the Consolidated and Separate Financial Statements

*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 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.
- 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 purposes of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITORS' REPORT

**TO THE SHAREHOLDERS OF ABCB HOLDINGS LIMITED**

## Report on the Audit of the Consolidated and Separate Financial Statements

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

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 Group and Company's shareholders, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Group and Company's shareholders, 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 Group and Company and the Group and Company's shareholders, 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 Group and 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 Group and Company as far as it appears from our examination of those records.

# INDEPENDENT AUDITORS' REPORT

**TO THE SHAREHOLDERS OF ABCB HOLDINGS LIMITED**

## Report on Other Legal and Regulatory Requirements

*Financial Reporting Act*

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

Initial

**KPMG**

Ebène, Mauritius

Signed by:

98F1767B08044A0...

**Valerie Wong Choi Wah**

*Licensed by FRC*

Date: 28 September 2026

FINANCIAL HIGHLIGHTS

# Growing together for a resilient future

Creating lasting value through responsible decisions that support people, communities and the world we share.



# CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2026

| | Notes | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2026 | 2025* | 2026 | 2025 |
| | | MUR | MUR | MUR | MUR |
| **ASSETS** | | | | | |
| Cash and cash equivalents | 8 | **10,708,863,096** | 8,709,698,556 | **17,958,563** | – |
| Due from banks | 9 | **474,460,324** | 159,523,736 | **–** | – |
| Derivative financial assets | 10 | **15,097,950** | 8,490,206 | **–** | – |
| Loans and advances to customers | 11 | **19,078,187,880** | *17,969,089,117 | **–** | – |
| Investment securities | 12 | **10,407,153,888** | 5,355,140,930 | **–** | – |
| Investment in associate | 14 | **40,181,476** | 3,839,535 | **–** | – |
| Investment in subsidiaries | 15 | **–** | – | **2,576,631,303** | 2,576,631,303 |
| Property and equipment and right-of-use assets | 16 | **515,851,183** | 527,519,304 | **–** | – |
| Intangible assets | 17 | **91,300,101** | 64,026,904 | **–** | – |
| Deferred tax assets | 18 | **32,088,076** | 15,420,198 | **–** | – |
| Other assets | 13 | **331,468,800** | 326,344,131 | **–** | – |
| **Total assets** | | **41,694,652,774** | 33,139,092,617 | **2,594,589,866** | 2,576,631,303 |
| **LIABILITIES** | | | | | |
| Deposits from customers | 19 | **36,578,950,819** | 28,843,057,342 | **–** | – |
| Derivative financial liabilities | 10 | **15,693,337** | 24,816,450 | **–** | – |
| Due to banks | 20 | **816,089,048** | 625,715,576 | **–** | – |
| Subordinated debts | 21 | **707,296,410** | 706,076,724 | **–** | – |
| Current tax liabilities | | **81,766,428** | 48,729,319 | **–** | – |
| Other liabilities | 23 | **701,482,503** | *246,720,304 | **29,936,993** | 4,392,216 |
| **Total liabilities** | | **38,901,278,545** | 30,495,115,715 | **29,936,993** | 4,392,216 |
| **Shareholders' Equity** | | | | | |
| Issued capital | 24 | **940,495,473** | 940,495,473 | **940,495,473** | 940,495,473 |
| Retained earnings/(accumulated losses) | | **1,214,040,246** | 1,151,456,985 | **(11,978,430)** | (4,392,216) |
| Other reserves | 25 | **638,838,510** | 552,024,444 | **1,636,135,830** | 1,636,135,830 |
| **Capital and reserves** | | **2,793,374,229** | 2,643,976,902 | **2,564,652,873** | 2,572,239,087 |
| **Total liabilities and equity** | | **41,694,652,774** | 33,139,092,617 | **2,594,589,866** | 2,576,631,303 |

These consolidated and separate financial statements have been approved and authorised for issue by the Board of Directors on **25 September 2026.**

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615). Refer to note 45 (a).

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

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

The notes set out on pages 71 to 153 form part of these consolidated and separate financial statements.

Auditors' report on pages 56 to 64.

# CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 30 JUNE 2026

| | Notes | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2026 | 2025* | 2026 | 2025* |
| | | MUR | MUR | MUR | MUR |
| Interest income | | **1,621,849,238** | 364,134,783 | **–** | – |
| Interest expense | | **(789,501,798)** | (186,017,003) | **–** | – |
| **Net interest income** | 26 | **832,347,440** | 178,117,780 | **–** | – |
| Fee and commission income | | **142,971,536** | 35,826,061 | **–** | – |
| Fee and commission expense | | **(60,525,649)** | (14,358,270) | **(15,218)** | (200) |
| **Net fee and commission income/ (expense)** | 27 | **82,445,887** | 21,467,791 | **(15,218)** | (200) |
| Net trading income | 28 | **194,215,775** | 30,740,798 | **–** | – |
| Other operating (loss)/ income | 29 | **(684,555)** | 2,276,116 | **87,712,653** | – |
| **Total other income** | | **193,531,220** | 33,016,914 | **87,712,653** | – |
| **Operating income/ (loss)** | | **1,108,324,547** | 232,602,485 | **87,697,435** | (200) |
| Personnel expenses | 31 | **(396,624,085)** | (84,685,559) | **(20,887,230)** | (1,580,122) |
| Depreciation and amortisation | 16,17 | **(53,448,797)** | (13,048,159) | **–** | – |
| Other operating expenses | 32 | **(273,558,879)** | (50,993,611) | **(5,751,735)** | (2,811,894) |
| **Non-interest expenses** | | **(723,631,761)** | (148,727,329) | **(26,638,965)** | (4,392,016) |
| **Operating profit/ (loss) before impairment** | | **384,692,786** | 83,875,156 | **61,058,470** | (4,392,216) |
| (Allowance for)/reversal of credit impairment on financial assets | 30 | **(30,009,843)** | 2,048,615 | **–** | – |
| **Operating profit/ (loss) before tax** | | **354,682,943** | 85,923,771 | **61,058,470** | (4,392,216) |
| Income tax expense | 22 | **(114,294,733)** | (21,752,809) | **–** | – |
| **Profit/ (loss) for the year/period** | | **240,388,210** | 64,170,962 | **61,058,470** | (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 | **(10,688,046)** | (6,747,148) | **–** | – |
| Remeasurement of retirement benefit obligation | 37 | **(122,973)** | 7,140,591 | **–** | – |
| **Total of items that will not be reclassified subsequently to profit or loss, net of tax** | | **(10,811,019)** | 393,443 | **–** | – |
| **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 | **1,909,199** | 283,014 | **–** | – |
| Net (loss)/gain on investments in debt instruments measured at fair value through other comprehensive income | 25 | **(13,444,379)** | 2,498,183 | **–** | – |
| **Total of items that may be reclassified subsequently to profit or loss, net of tax** | | **(11,535,180)** | 2,781,197 | **–** | – |
| **Other comprehensive (loss)/ income for the year/ period** | | **(22,346,199)** | 3,174,640 | **–** | – |
| **Total comprehensive income/ (loss) for the year/ period** | | **218,042,011** | 67,345,602 | **61,058,470** | (4,392,216) |
| **Earnings per share** | | | | | |
| Basic and diluted | 33 | **3.15** | 0.84 | **0.80** | (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 for the period ended 30 June 2025 have been prepared as from 2 April 2025 to 30 June 2025.

The notes set out on pages 71 to 153 form part of these consolidated and separate financial statements.

Auditors' report on pages 56 to 64.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 30 JUNE 2026

| | 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/(loss) | | – | 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 |
| **At 1 July 2025** | | **940,495,473** | **1,151,456,985** | **353,204,494** | **198,819,950** | **2,643,976,902** |
| Profit for the year ended to 30 June 2026 | | **–** | **240,388,210** | **–** | **–** | **240,388,210** |
| Other comprehensive (loss)/ income | | **–** | **(122,973)** | **–** | **(22,223,226)** | **(22,346,199)** |
| **Total comprehensive income for the year** | | **–** | **240,265,237** | **–** | **(22,223,226)** | **218,042,011** |
| Transfer to statutory reserve | | **–** | **(44,543,751)** | **44,543,751** | **–** | **–** |
| Transfer to other reserve | | **–** | **(64,493,541)** | **–** | **64,493,541** | **–** |
| Equity Dividends | | **–** | **(68,644,684)** | **–** | **–** | **(68,644,684)** |
| **At 30 June 2026** | | **940,495,473** | **1,214,040,246** | **397,748,245** | **241,090,265** | **2,793,374,229** |

The notes set out on pages 71 to 153 form part of these consolidated and separate financial statements.
Auditors' report on pages 56 to 64.

# SEPARATE STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 30 JUNE 2026

| The Company | Notes | Issued capital | Accumulated Losses | Other reserve | Total |
|---|---|---|---|---|---|
| | | MUR | MUR | MUR | MUR |
| **At 21 August 2024** | | – | – | – | – |
| Profit for the period | | – | (4,392,216) | – | (4,392,216) |
| **Total comprehensive income for the period** | | – | (4,392,216) | – | (4,392,216) |
| **Transaction 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 |
| **At 1 July 2025** | | **940,495,473** | **(4,392,216)** | **1,636,135,830** | **2,572,239,087** |
| Profit for the year | | **–** | **61,058,470** | **–** | **61,058,470** |
| **Total comprehensive income for the year** | | **–** | **61,058,470** | **–** | **61,058,470** |
| Equity Dividends | | **–** | **(68,644,684)** | **–** | **(68,644,684)** |
| **At 30 June 2026** | | **940,495,473** | **(11,978,430)** | **1,636,135,830** | **2,564,652,873** |

The notes set out on pages 71 to 153 form part of these consolidated and separate financial statements.
Auditors' report on pages 56 to 64.

# CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
## FOR THE YEAR ENDED 30 JUNE 2026

| | Notes | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2026** | 2025 | **2026** | 2025 |
| | | **MUR** | **MUR** | **MUR** | **MUR** |
| **Cash flows from operating activities** | | | | | |
| Profit / (loss) before taxation | | **354,682,943** | 85,923,771 | **61,058,470** | (4,392,216) |
| **Adjustments for:** | | | | | |
| Depreciation and amortisation | 16,17 | **53,448,797** | 13,048,159 | **–** | – |
| Reversal of credit impairment on financial assets | 30 | **30,009,843** | (2,048,615) | **–** | – |
| Retirement benefit costs | 37 | **6,514,927** | 516,026 | **–** | – |
| Exchange difference | | **(250,313,511)** | (8,015,876) | **–** | – |
| Dividend income from equity instruments at FVOCI | 29 | **(2,807,467)** | (462,422) | **(87,712,653)** | – |
| Net interest income | 26 | **(832,347,440)** | (178,117,780) | **–** | – |
| Share of loss of equity accounted investee | 14 | **5,702,610** | 2,082,005 | – | – |
| (Profit)/loss on disposal of property and equipment | 29 | **(420,809)** | 222,083 | **–** | – |
| **Cash flows before the net changes in operating assets and liabilities** | | **(635,530,107)** | (86,852,649) | **(26,654,183)** | (4,392,216) |
| **Net changes in operating assets and liabilities** | | | | | |
| Increase in loans and advances to customers | | **(1,131,088,281)** | *(1,212,448,849.00) | **–** | – |
| Increase in other assets | | **(5,124,669)** | (115,582,726) | **–** | – |
| (Increase)/decrease in derivative financial instruments | | **(15,730,857)** | 18,956,729 | **–** | – |
| (Increase)/decrease in due from banks | | **(315,212,770)** | 2,065,000 | **–** | – |
| Increase in deposits from customers | | **7,692,255,636** | 3,276,554,280 | **–** | – |
| Increase from due to banks | | **190,373,472** | **320,465,400 | – | – |
| Increase/(decrease) in other liabilities | | **450,243,444** | *(109,587,810.95) | **25,544,777** | 4,392,216 |
| | | **6,230,185,867** | **2,093,569,374 | **(1,109,406)** | – |
| Income tax paid | | **(97,925,502)** | (47,138,009) | **–** | – |
| Interest received | | **1,585,611,482** | 362,727,737 | **–** | – |
| Interest paid | | **(739,494,709)** | (175,692,159) | **–** | – |
| **Net cash generated/(used in) from operating activities** | | **6,978,377,138** | **2,233,466,943 | **(1,109,406)** | – |
| **Cash flows from investing activities** | | | | | |
| Purchase of investment securities | | **(9,302,505,732)** | (458,135,106) | **–** | – |
| Proceeds from sale and redemption of investment securities | | **4,249,846,615** | 546,745,981 | **–** | – |
| Purchase of property and equipment | 16 | **(17,674,545)** | (18,262,989) | **–** | – |
| Dividend received | 29 | **2,807,467** | 462,422 | **87,712,653** | – |
| Capital contribution in associate | 14 | **(42,044,551)** | – | – | – |
| Purchase of intangible assets | 17 | **(51,439,253)** | (7,058,224) | **–** | – |
| Proceeds from sale of property and equipment | | **480,733** | 1,565,217 | **–** | – |
| Cash from acquisition of entity under common control | 44 | **–** | 6,902,984,298 | **–** | – |
| **Net cash (used in)/generated from investing activities** | | **(5,160,529,266)** | 6,968,301,599 | **87,712,653** | – |
| **Cash flows from financing activities** | | | | | |
| Redemption of subordinated debts | | **–** | (500,000,000) | **–** | – |
| Repayment of principal portion of lease liabilities | | **(352,159)** | (85,862) | **–** | – |
| Dividend paid | 32 | **(68,644,684)** | – | **(68,644,684)** | – |
| **Net cash used in financing activities** | | **(68,996,843)** | **(500,085,862) | **(68,644,684)** | – |
| **Net increase in cash and cash equivalents** | | **1,748,851,029** | 8,701,682,680 | **17,958,563** | – |
| Net foreign exchange difference | | **250,313,511** | 8,015,876 | **–** | – |
| Net cash and cash equivalents at beginning of year | | **8,709,698,556** | – | **–** | – |
| **Net cash and cash equivalents at end of period** | 8 | **10,708,863,096** | 8,709,698,556 | **17,958,563** | – |

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

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615).

Refer to note 43 (a).

**Movement from due to banks has been reclassified from cash flows from financing activities to cash flows from operating activities.

Refer to note 45 (b).

The notes set out on pages 71 to 153 form part of these consolidated and separate financial statements.

Auditors' report on pages 56 to 64.

## 1. CORPORATE INFORMATION

ABCB Holdings Limited and its subsidiaries (together 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 (the "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 2001.

This led to the delisting of the Bank's shares from the Development & Enterprise Market and the listing of ABCB Holdings Limited shares on the main Board of the Stock Exchange of Mauritius on 4 April 2025.

The consolidated and separate financial statements for the year ended 30 June 2026 were authorised for issue in accordance with a resolution of the Directors on 25 September 2026.

## 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. For the current year, the results and operations of the Bank for the full financial year were consolidated.

## 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 2001 and the Financial Reporting Act 2004.

## 4. PRESENTATION OF FINANCIAL STATEMENTS

The Group and the Company present their statements 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 statements 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.

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.

## 4. PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

### Basis of consolidation (Cont'd)

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 marketplace. 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.

#### 5.3.2. 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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 5.3 Financial instruments - Initial recognition (Cont'd)

#### 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

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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 5.4. Financial assets and liabilities (Cont'd)

#### 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 is 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.

The share of profit or loss from the investment in associate is recognised in the statement of profit or loss as other income.

#### 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.

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

**5.4. Financial assets and liabilities (Cont'd)**

**5.4.5. Derivatives recorded at fair value through profit or loss (Cont'd)**

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.

**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 FVTPL, 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 credit 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.

**5.4.9. 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. Gains 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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 5.4.10. Due to banks

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

### 5.5. Reclassification of financial assets and liabilities

The 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 :

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

### 5.6.2. Financial liabilities

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

### 5.7. Impairment of financial assets

### 5.7.1. Overview of ECL principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss ("12mECL") as outlined in note 5.7.2. The Group's policies for determining if there has been a significant increase in credit risk are set out in note 42(b).

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

#### 5.7.1. Overview of the ECL principles (Cont'd)

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.

Definition of default

The Group considers a financial asset to be in default when:

1. the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held);

2. the borrower is more than 90 days past due on any material credit obligation to the Group. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or

3. it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Group considers indicators that are:

1. qualitative: e.g. breaches of covenant;

2. quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and

3. based on data developed internally and obtained from external sources

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

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

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

For financial assets for which the 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 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).
- 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: 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 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.

#### 5.7.3. Debt instruments measured at fair value through OCI

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

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

### 5.7. Impairment of financial assets (Cont'd)

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

For POCI financial assets, the 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. On the occurrence of certain events, the Group has the right to cancel and/or reduce the facilities with a 30 days' 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 its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the 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 is 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.

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 actions are foreclosing on collateral and the value of collateral is such that there is 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 assets ' in the statements of profit or loss.

There was no amount written off during the financial period.

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

### 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 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.

### 5.13. 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 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.

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

### 5.14. Interest income and expenses (Cont'd)

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 do 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 global 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 risk of changes in value.

### 5.18. Property and equipment

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

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

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

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

In determining the classification of a property in consolidated financial statements, the assessment 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.

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

### 5.18. Property and equipment (Cont'd)

*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.

- Offices (right-of-use assets) 2 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.

### 5.20. 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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 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.

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 services that entitle them to the contributions.

### 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.

#### 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 assessment beginning 1 July 2024.

#### Fair Share Contribution ("FSC")

The main component of the Group's Fair Share Contribution ("FSC") is derived from the Bank.

In accordance with the Finance Act 2025, the Bank is subject to the fair share contribution ("FSC") which will be applied for the period from 1 July 2025 to 30 June 2028. The Bank meets the statutory eligibility criteria of having annual supplies and a chargeable income, each exceeding MUR 24 million and is therefore within the scope of FSC.

Under the applicable rates for banking institutions, the Bank is liable to FSC at a rate of 5% of its chargeable income. In addition, the Bank is required to account for a supplementary FSC at a rate of 2.5% on its chargeable income arising specifically from transactions with residents (excluding transactions with global business entities). To ensure that the total tax burden remains equitable, the law provides for a relief mechanism whereby the aggregate amount of the FSC, income tax, CSR, CCR levy, special levy on banks shall not exceed 35% of the Bank's chargeable income.

The FSC is declared and settled electronically on a quarterly basis. For the first three quarters, the Bank has elected to compute its FSC liability based on the actual results for each respective quarter. The fourth quarter return serves as a final reconciliation for the full 12-month accounting year, net of amounts already paid in respect of the preceding quarters.

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

### 5.23.2. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised as income tax benefits or expenses in the statement of profit or loss except for tax related to the fair value remeasurement of available-for-sale assets, financial instruments at FVOCI, foreign exchange differences and which are charged or credited to statement of other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 5.23.3. Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added taxes except:

- Where the value added taxes incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added taxes recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

### VAT Reverse Charge

The Mauritius Revenue Authority ("MRA") is of the view that the reverse charge mechanism applies to the banking industry; however, there are still uncertainties on the applicability of this measure as at the reporting date.

### 5.24. 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. 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.

### 5.26. Operating expenses

Expenses are accounted in statement of profit or loss on an accrual basis and in accordance with the substance of relevant agreements.

### 5.27. 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.

### 5.28. 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 2025 (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.

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

### 5.28. New and amended standards and interpretations (Cont'd)

#### 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.

The Group and the Company have made an assessment of adopting this new standard and concluded that it did not have a significant impact on the Group's consolidated and separate financial statements.

There are no other standards, amendments to existing standards and interpretation effective I July 2025 that have a material effect on the financial statements of the Group and Company.

### 5.29 New and revised standards in issue but not yet effective

At the date of issuance of the Group 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 Company, these standards are described and the Group and Company intend to adopt these standards when they become effective.

| **New pronouncements** | **Effective for annual periods beginning on or after:** |
|---|---|
| - Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 Financial Instruments: Disclosures | 01-Jan-26 |
| - Annual Improvements to IFRS Accounting Standards - Amendments to: | 01-Jan-26 |
| *- IFRS 1 First-time Adoption of International Financial Reporting Standards;* | |
| *- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS7;* | |
| *- IFRS 9 Financial Instruments;* | |
| *- IFRS 10 Consolidated Financial Statements; and* | |
| *- IAS 7 Statement of Cash flows* | |
| *- IFRS 18 Presentation and Disclosure in Financial Statements* | 01-Jan-27 |
| *- The Effects of Changes in Foreign Exchange Rates* | 01-Jan-27 |
| *- IFRS 20 Regulatory Assets and Regulatory Liabilities* | 01-Jan-29 |

The Group and the Company is in the process of making an assessment of the impact on adoption of the amendments and do not expect any significant impact on its results of operations and financial position, except for IFRS 18 Presentation and Disclosure in Financial Statements as disclosed below.

#### IFRS 18 Presentation and Disclosure in Financial Statements

The amendments apply for annual reporting periods beginning on or after 1 January 2027 with early adoption permitted.

IFRS 18 promotes a more structured income statement, in particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories being, operating, investing and financing activities, based on a company's main business activities. However, the company's net profit will not change.

IFRS 18 also requires companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.

IFRS 18 also requires the disclosure of Management Performance Indicators ("MPMs") which are subject to audit. They are designed to capture some but not all 'non-GAAP' measures. The standard requires MPMs to be:

- a subtotal of income and expenses;
- used in public communications outside the financial statements; and
- reflective of management's view of financial performance.

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

### 5.29 New and revised standards in issue but not yet effective (Cont'd)

For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconciled to an amount determined under IFRS Accounting Standards. Furthermore, a company must state that it provides management's view of financial performance and is not necessarily comparable to those of other companies. Any changes or new MPMs must also be explained.

The Group and the Company is in the process of making an assessment of the impact on adoption of the amendments particularly with respect to the structure of statement of profit or loss and other comprehensive income, the statement of cash flows and the additional disclosure for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements, including for items currently labelled as "other".

## 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 consolidated and separate financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

### (a) Significant accounting judgements, estimates and assumptions

### 6.1 Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The 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 Retirement benefit obligation

The present value of retirement gratuities under The Workers' Rights Act 2019 is recognised in the statement of financial position as a liability. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the 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)

### 6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

#### 6.3 Retirement benefit obligation (Cont'd)

- 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 the consolidated 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.

#### 6.4 Deferred tax assets

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilised.

#### (b) Other accounting judgements, estimates and assumptions

#### 6.5 Provisions and other contingent liabilities

Provision is recognised in the financial statements when the 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. 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.

#### 6.7. Asset lives and residual values of property and equipment

The Group and the Company reviews the estimated useful lives of property and equipment and intangible assets at the end of each reporting period. The cost of the property and equipment and intangible assets are depreciated and amortised over the estimated useful life of the asset. The estimated life is based on expected usage of the asset and expected physical wear and tear which depends on operational factors.

### 7. CAPITAL MANAGEMENT

The 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 ("Central Bank") 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 are detailed in the notes. For the year ended 30 June 2026 and at that date, the Bank has complied with the regulatory requirement for both share capital and reserves. The Bank manages its capital with the aim of maximising the return to the shareholders and other stakeholders.

The Bank's capital adequacy ratio is analysed as follows:

| | The Bank | |
|---|---|---|
| | **2026** | 2025 |
| | **%** | % |
| CET1* capital ratio | **11.8** | 11.5 |
| Tier 1 capital ratio | **11.8** | 11.5 |
| Total capital ratio | **16.1** | 15.9 |

Minimum capital adequacy ratios under the Guideline on Scope of Application of Basel III and Eligible Capital:

## 7. CAPITAL MANAGEMENT (CONT'D)

| | 2026 | 2025 |
|---|---|---|
| | % | % |
| CET1 capital ratio | **6.5** | 6.5 |
| CET1 capital ratio plus Capital Conservation Buffer | **9.0** | 9.0 |
| Tier 1 capital ratio | **8.0** | 8.0 |
| Total capital ratio | **10.0** | 10.0 |
| Total capital ratio plus Capital Conservation Buffer | **12.5** | 12.5 |

**Common Equity Tier 1*

## 8. CASH AND CASH EQUIVALENTS

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | MUR | MUR | MUR | MUR |
| Cash in hand | **24,344,019** | 23,193,094 | **–** | – |
| Balances with Central Bank | **1,755,300,600** | 1,778,513,866 | **–** | – |
| Balances with banks | **1,991,138,046** | 1,319,307,902 | **17,958,563** | – |
| Loans to and placements with banks | **6,938,080,431** | 5,588,683,694 | **–** | – |
| | **10,708,863,096** | 8,709,698,556 | **17,958,563** | – |

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 include minimum cash reserve requirement which represents 9% of the average deposit liability base held over the preceding 28 days period.

The Group and the Company hold 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 | |
|---|---|---|
| | 2026 | 2025 |
| | MUR | MUR |
| Placement with banks | **474,866,700** | 159,657,412 |
| Less: Expected credit losses | **(406,376)** | (133,676) |
| | **474,460,324** | 159,523,736 |

Due from banks relates to placement with SBM Bank (Mauritius) Ltd at the rate of 3.6% per annum, having an original maturity of more than 3 months.

### 9.1 Impairment allowance for due from banks

The table below shows the credit quality and the maximum exposure to credit risk based on the 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 | |
|---|---|---|
| | 2026 | 2025 |
| **Internal rating grade** | MUR | MUR |
| Performing | | |
| Investment grade | **474,866,700** | 159,657,412 |
| Standard Monitoring | **–** | – |
| Watchlist | **–** | – |
| Unrated | **–** | – |
| Non - performing | | |
| Default | **–** | – |
| Gross carrying amount | **474,866,700** | 159,657,412 |
| Expected Credit Losses | **(406,376)** | (133,676) |
| | **474,460,324** | 159,523,736 |

## 9. DUE FROM BANKS (CONT'D)

### 9.1 Impairment allowance for due from banks (Cont'd)

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

| | 2026 | 2025 |
|---|---|---|
| | MUR | MUR |
| Gross carrying amount as at 1 July | **159,657,412** | – |
| New assets originated or purchased | **474,866,700** | 159,657,412 |
| Assets derecognised or repaid (excluding write offs) | **(159,657,412)** | – |
| At 30 June | **474,866,700** | 159,657,412 |

| **ECL allowance** | 2026 | 2025 |
|---|---|---|
| | MUR | MUR |
| **Internal rating grade** | | |
| Performing | | |
| Investment grade | **406,376** | 133,676 |
| Standard Monitoring | **–** | – |
| Watchlist | **–** | – |
| Unrated | **–** | – |
| Non-performing | | |
| Default | **–** | – |
| Total | **406,376** | 133,676 |

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

| | 2026 | 2025 |
|---|---|---|
| | MUR | MUR |
| **ECL allowance as at 1 July** | **133,676** | – |
| Acquisition of entity under common control | **–** | 182,629 |
| Increase/(decrease) in expected credit losses | **406,376** | (48,953) |
| Assets derecognised or repaid (excluding write offs) | **(133,676)** | – |
| **At 30 June** | **406,376** | 133,676 |

The due from banks exposure is classified under stage 1 as at 30 June 2026 (30 June 2025: Stage 1)

## 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**

| **30 June 2026** | MUR | MUR | MUR |
|---|---|---|---|
| | **Notional amount** | **Assets** | **Liabilities** |
| Foreign exchange contracts | **1,096,672,777** | **15,097,950** | **15,693,337** |

The Group

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

As at 30 June, the Group had 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.

## 10. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

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.

There have been no transfers in the fair value hierarchy during the year.

| | The Group | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | MUR |
| **Assets** | | |
| Level 2 | **15,097,950** | 8,490,206 |
| | **15,097,950** | 8,490,206 |
| **Liabilities** | | |
| Level 2 | **15,693,337** | 24,816,450 |
| | **15,693,337** | 24,816,450 |

## 11. LOANS AND ADVANCES TO CUSTOMERS

| | The Group | |
|---|---|---|
| | **2026** | 2025* |
| | **MUR** | MUR |
| **Loans and overdrafts** | | |
| Retail | **3,924,217,443** | 4,177,109,445 |
| Corporate | **11,705,149,495** | 10,360,839,819 |
| | **15,629,366,938** | 14,537,949,264 |
| Less: Allowance for impairment losses (note 11 (c) ) | **(135,037,817)** | (121,333,763) |
| | **15,494,329,121** | 14,416,615,501 |
| **Investment in finance leases** | | |
| Retail | **1,982,423,165** | 1,864,521,478 |
| Corporate | **1,721,467,539** | 1,808,526,901 |
| | **3,703,890,704** | 3,673,048,379 |
| Less: Allowance for impairment losses (note 11 (c) ) | **(34,484,712)** | (48,117,148) |
| | **3,669,405,992** | 3,624,931,231 |
| Less: Deferred income | **(85,547,233)** | (72,457,615) |
| **Net loans and advances to customers** | **19,078,187,880** | *17,969,089,117 |
| **Total Corporate** | **13,426,617,034** | 12,169,366,720 |
| Less: Allowance for impairment losses (note 11 (c) ) | **(140,058,836)** | (137,766,007) |
| **Net corporate lending** | **13,286,558,198** | 12,031,600,713 |
| **Total Retail** | **5,906,640,608** | 6,041,630,923 |
| Less: Allowance for impairment losses (note 11 (c) ) | **(29,463,693)** | (31,684,904) |
| **Net retail lending** | **5,877,176,915** | 6,009,946,019 |
| Less: Deferred income | **(85,547,233)** | *(72,457,615) |
| | **19,078,187,880** | *17,969,089,117 |

Deferred income relates to fee income generated on credit facilities disbursed by the Group and amortised over the term of the facilities as part of the effective interest rate.

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615).

Refer to note 45 (a).

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

**(a) Investment in finance leases**

| | The Group | |
|---|---|---|
| | 2026 | 2025 |
| **Future minimum lease payments can be analysed as follows:** | MUR | MUR |
| Gross investment in finance leases: | | |
| Up to 1 year | **1,153,347,010** | 1,100,753,511 |
| Over 1 year and up to 2 years | **1,009,612,010** | 967,129,324 |
| Over 2 years and up to 3 years | **828,907,091** | 837,781,546 |
| Over 3 years and up to 4 years | **629,862,870** | 644,920,886 |
| Over 4 years and up to 5 years | **408,936,630** | 434,765,439 |
| Over 5 years | **341,620,362** | 341,805,031 |
| | **4,372,285,973** | 4,327,155,737 |
| Allocation of unearned finance income | **(668,395,269)** | (654,107,358) |
| **Present value of minimum lease payments** | **3,703,890,704** | 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 is 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.

**(b) Credit concentration of risk by industry sectors**

| | The Group | |
|---|---|---|
| | 2026 | 2025* |
| | MUR | MUR |
| *Sectorial concentration of loans and advances (gross of impairment)* | | |
| Manufacturing | **596,912,573** | 1,063,325,487 |
| Construction | **1,156,780,491** | 737,784,831 |
| Professional | **74,088,477** | 433,658,307 |
| Traders | **1,471,387,993** | 1,413,508,351 |
| Tourism | **824,040,135** | 1,109,439,862 |
| Transport | **560,857,083** | 547,295,122 |
| Financial and business services | **5,887,045,347** | 3,870,616,199 |
| Personal | **5,886,032,717** | 6,039,646,298 |
| Agriculture | **166,988,806** | 154,973,335 |
| Global Business Licence holders | **140,739,847** | 223,337,909 |
| Information and communication technology | **83,139,266** | 89,969,829 |
| Others | **2,485,244,907** | 2,527,442,113 |
| Less: Deferred income | **(85,547,233)** | *(72,457,615) |
| | **19,247,710,409** | *18,138,540,028 |

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

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615).

Refer to note 45 (a).

| | The Group | |
|---|---|---|
| | 2026 | 2025* |
| **Analysed as follows:** | MUR | MUR |
| Loans and overdrafts | **15,629,366,938** | 14,537,949,264 |
| Investment in finance leases | **3,703,890,704** | 3,673,048,379 |
| Less: Deferred income | **(85,547,233)** | *(72,457,615) |
| | **19,247,710,409** | *18,138,540,028 |

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615).

Refer to note 45 (a).

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

(b) Credit concentration of risk by industry sectors (Cont'd)

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 | |
|---|---|---|
| | 2026 | 2025 |
| | MUR | MUR |
| Manufacturing | **30,299,025** | 38,446,549 |
| Construction | **490,676,966** | 156,025,475 |
| Traders | **1,078,451,813** | 730,718,359 |
| Tourism | **699,995,248** | 599,174,332 |
| Transport | **85,243,902** | 91,228,456 |
| Financial and business services | **4,040,862,618** | 2,719,704,288 |
| Agriculture | **189,347,297** | – |
| Global Business Licence holders | **481,807,836** | 440,055,171 |
| Information and communication technology | **14,385,686** | – |
| Others | **6,351,894,378** | 2,319,640,049 |
| | **13,462,964,769** | 7,094,992,679 |

### (c) Impairment allowance for loans and advances

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 | | | |
|---|---|---|---|---|
| | 2026 | | | |
| **Gross carrying amount** | Stage 1 | Stage 2 | Stage 3 | Total |
| **Internal rating grade** | MUR | MUR | MUR | MUR |
| Performing | | | | |
| Investment grade | **5,954,780,739** | **2,281,841** | **–** | **5,957,062,580** |
| Standard monitoring | **6,837,274,179** | **59,810,248** | **–** | **6,897,084,427** |
| Watchlist | **–** | **393,564,307** | **–** | **393,564,307** |
| Unrated | **38,365,653** | **1,162,066** | **–** | **39,527,719** |
| Non - performing | | | | **–** |
| Default | **–** | **–** | **139,378,001** | **139,378,001** |
| **Total** | **12,830,420,571** | **456,818,462** | **139,378,001** | **13,426,617,034** |
| Less: Deferred income | | | | **(59,329,765)** |
| | | | | **13,367,287,269** |

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

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | MUR |
| **Gross carrying amount as at 1 July** | **11,291,054,012** | **661,661,479** | **216,651,230** | **12,169,366,721** |
| New assets originated or purchased | **9,973,309,336** | **28,069,950** | **5,219,185** | **10,006,598,471** |
| Assets derecognised or repaid (excluding write offs) | **(8,748,576,486)** | **(140,220,556)** | **(105,782,615)** | **(8,994,579,657)** |
| Transfers to Stage 1 | **2,569,696,283** | **(2,547,710,192)** | **(21,986,091)** | **–** |
| Transfers to Stage 2 | **(2,491,983,031)** | **2,501,620,120** | **(9,637,089)** | **–** |
| Transfers to Stage 3 | **–** | **(54,913,379)** | **54,913,379** | **–** |
| Foreign exchange adjustments | **236,920,457** | **8,311,042** | **–** | **245,231,499** |
| **At 30 June 2026** | **12,830,420,571** | **456,818,464** | **139,377,999** | **13,426,617,034** |
| Less: Deferred income | | | | **(59,329,765)** |
| | | | | **13,367,287,269** |

### 11. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)
### (c) Impairment allowance for loans and advances (Cont'd)

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| **ECL allowance** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| **Internal rating grade** | **MUR** | **MUR** | **MUR** | **MUR** |
| Performing | | | | |
| Investment grade | **8,290,659** | **–** | **–** | **8,290,659** |
| Standard Monitoring | **11,984,842** | **9,945,134** | **–** | **21,929,976** |
| Watchlist | **–** | **3,519,530** | **–** | **3,519,530** |
| Unrated | **369,398** | **331,109** | **–** | **700,507** |
| Non - performing | | | | |
| Default | **–** | **–** | **105,618,164** | **105,618,164** |
| **Total** | **20,644,899** | **13,795,773** | **105,618,164** | **140,058,836** |

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

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| | **MUR** | **MUR** | **MUR** | **MUR** |
| **ECL allowance as at 1 July** | **18,341,083** | **28,145,700** | **91,279,224** | **137,766,007** |
| Additional provisions during the period | **55,834,198** | **111,124,567** | **38,242,061** | **205,200,826** |
| Assets derecognised or repaid (excluding write offs) | **(143,411,077)** | **(39,977,423)** | **(19,769,833)** | **(203,158,333)** |
| Transfers to Stage 1 | **91,234,026** | **(91,234,026)** | **–** | **–** |
| Transfers to Stage 2 | **(4,594,051)** | **12,121,276** | **(7,527,225)** | **–** |
| Transfers to Stage 3 | **–** | **(3,393,937)** | **3,393,937** | **–** |
| Changes to model parameters | **2,748,407** | **(2,990,384)** | **–** | **(241,977)** |
| Foreign exchange adjustments | **492,313** | **–** | **–** | **492,313** |
| **At 30 June 2026** | **20,644,899** | **13,795,773** | **105,618,164** | **140,058,836** |

Both the gross carrying amount and ECL allowance of the corporate portfolio increased during the year.
This is mainly due to the recalibration of the Group's IFRS 9 models.

| | 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 | 76,475,639 | 2,721,605 | – | 79,197,244 |
| Non - performing | | | | |
| Default | – | – | 216,651,230 | 216,651,230 |
| Total | 11,291,054,012 | 661,661,479 | 216,651,230 | 12,169,366,721 |
| Less: Deferred income | | | | (50,251,694) |
| | | | | 12,119,115,027 |

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

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

**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 | 660,352 | 2,086,204,262 |
| 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 | 1,309,709,206 | (1,307,831,557) | (1,877,649) | – |
| Transfers to Stage 2 | (1,019,997,881) | 1,024,263,651 | (4,265,770) | – |
| Transfers to Stage 3 | – | (2,795,453) | 2,795,453 | – |
| Foreign exchange adjustments | 64,383,057 | 24,796,346 | 5,357,448 | 94,536,851 |
| At 30 June 2025 | 11,291,054,011 | 661,661,479 | 216,651,230 | 12,169,366,720 |
| Less deferred income | | | | (50,251,693) |
| | | | | 12,119,115,027 |

| | 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 |

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

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

**Retail Lending**

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| **Gross carrying amount** | **MUR** | **MUR** | **MUR** | **MUR** |
| **Internal rating grade** | | | | |
| Performing | | | | |
| Investment grade | **2,920,361,259** | **110,277,426** | **–** | **3,030,638,685** |
| Standard Monitoring | **2,210,428,497** | **36,930,515** | **–** | **2,247,359,012** |
| Watchlist | **–** | **13,601,898** | **–** | **13,601,898** |
| Unrated | **474,790,747** | **1,475,324** | **–** | **476,266,071** |
| Non - performing | | | | |
| Default | **–** | **–** | **138,774,942** | **138,774,942** |
| **Total** | **5,605,580,503** | **162,285,163** | **138,774,942** | **5,906,640,608** |
| Less: Deferred income | | | | **(26,217,468)** |
| | | | | **5,880,423,140** |

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

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | **MUR** | **MUR** | **MUR** | **MUR** |
| **Gross carrying amount as at 1 July** | **5,798,310,649** | **83,971,796** | **159,348,478** | **6,041,630,923** |
| New assets originated or purchased | **1,332,460,460** | **20,471,447** | **4,232,876** | **1,357,164,783** |
| Assets derecognised or repaid (excluding write offs) | **(1,368,343,822)** | **(83,860,978)** | **(60,074,854)** | **(1,512,279,654)** |
| Transfers to Stage 1 | **1,103,665,091** | **(1,069,554,966)** | **(34,110,125)** | **–** |
| Transfers to Stage 2 | **(1,279,354,806)** | **1,284,608,335** | **(5,253,529)** | **–** |
| Transfers to Stage 3 | **–** | **(74,632,096)** | **74,632,096** | **–** |
| Foreign exchange adjustments | **18,842,931** | **1,281,625** | **–** | **20,124,556** |
| **At 30 June 2026** | **5,605,580,503** | **162,285,163** | **138,774,942** | **5,906,640,608** |
| Less: Deferred income | | | | **(26,217,468)** |
| | | | | **5,880,423,140** |

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| **ECL allowance** | **MUR** | **MUR** | **MUR** | **MUR** |
| **Internal rating grade** | | | | |
| Performing | | | | |
| Investment grade | **7,775,589** | **6,388,002** | **–** | **14,163,591** |
| Standard monitoring | **6,616,194** | **6,009,074** | **–** | **12,625,268** |
| Watchlist | **–** | **896,950** | **–** | **896,950** |
| Unrated | **1,211,093** | **251,849** | **–** | **1,462,942** |
| Non - performing | | | | |
| Default | **–** | **–** | **314,942** | **314,942** |
| **Total** | **15,602,876** | **13,545,875** | **314,942** | **29,463,693** |

**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 ECL amount is as follows:

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | MUR |
| **ECL allowance as at 1 July** | **8,572,102** | **22,420,765** | **692,037** | **31,684,904** |
| Additional provisions during the period | **22,023,181** | **213,904,786** | **399,526** | **236,327,493** |
| Provisions released during the year (excluding write-offs) | **(193,217,211)** | **(38,675,177)** | **(8,304,748)** | **(240,197,136)** |
| Transfers to Stage 1 | **173,309,889** | **(173,128,267)** | **(181,622)** | **–** |
| Transfers to Stage 2 | **(2,567,778)** | **2,579,029** | **(11,251)** | **–** |
| Transfers to Stage 3 | **–** | **(7,721,000)** | **7,721,000** | **–** |
| Changes to model parameters | **7,462,424** | **(5,870,559)** | **–** | **1,591,865** |
| Foreign exchange adjustments | **20,269** | **36,298** | **–** | **56,567** |
| **At 30 June** | **15,602,876** | **13,545,875** | **314,942** | **29,463,693** |

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

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Gross carrying amount | MUR | MUR | MUR | MUR |
| Internal rating grade | | | | |
| Performing | | | | |
| Investment grade | 3,005,507,523 | 20,716,715 | – | 3,026,224,238 |
| Standard monitoring | 2,312,604,143 | 42,272,797 | – | 2,354,876,940 |
| Watchlist | – | 16,286,923 | – | 16,286,923 |
| Unrated | 480,198,983 | 4,695,361 | – | 484,894,344 |
| Non - performing | | | | – |
| Default | – | – | 159,348,478 | 159,348,478 |
| Total | 5,798,310,649 | 83,971,796 | 159,348,478 | 6,041,630,923 |
| Less: Deferred income | | | | (22,205,922) |
| | | | | 6,019,425,001 |

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

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | 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 | 588,686,625 | 9,280,350 | 2,756,543 | 600,723,518 |
| Assets derecognised or repaid (excluding write offs) | (426,692,582) | (3,968,281) | (4,619,266) | (435,280,129) |
| Transfers to Stage 1 | 347,819,961 | (346,381,926) | (1,438,035) | – |
| Transfers to Stage 2 | (346,995,544) | 347,263,836 | (268,292) | – |
| Transfers to Stage 3 | (884,601) | (120,337,907) | 121,222,508 | – |
| Foreign exchange adjustments | 49,117,208 | 1,179,479 | 3,163,409 | 53,460,096 |
| At 30 June 2025 | 5,798,310,650 | 83,971,796 | 159,348,477 | 6,041,630,923 |
| Less: Deferred income | | | | (22,205,922) |
| | | | | 6,019,425,001 |

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

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

#### Retail Lending (Cont'd)

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| ECL allowance | MUR | MUR | MUR | MUR |
| Internal rating grade | | | | |
| Performing | | | | |
| Investment grade | 4,211,045 | 5,672,397 | – | 9,883,442 |
| Standard monitoring | 3,548,419 | 9,426,639 | – | 12,975,058 |
| Watchlist | – | 3,418,916 | – | 3,418,916 |
| Unrated | 812,638 | 3,902,813 | – | 4,715,451 |
| Non - performing | | | | |
| Default | – | – | 692,037 | 692,037 |
| Total | 8,572,102 | 22,420,765 | 692,037 | 31,684,904 |

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

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | 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 |

#### (d) Allowance for credit impairment by industry sectors

| | The Group | | | | | |
|---|---|---|---|---|---|---|
| | 2026 | | | | | |
| | Gross amount of loans | Non performing loans | Stage 1 | Stage 2 | Stage 3 | Total Expected Credit Losses |
| | MUR | MUR | MUR | MUR | MUR | MUR |
| Manufacturing | 596,912,573 | 17,884,487 | 963,395 | 2,421,946 | 1,901,587 | 5,286,928 |
| Construction | 1,156,780,491 | 83,488,397 | 2,871,358 | 757,865 | 77,904,729 | 81,533,952 |
| Professional | 74,088,477 | – | 116,113 | – | – | 116,113 |
| Traders | 1,471,387,993 | 6,441,134 | 1,572,716 | 475,225 | 150,879 | 2,198,820 |
| Tourism | 824,040,136 | 245,191 | 416,657 | 1,083,631 | – | 1,500,288 |
| Transport | 560,857,083 | 2,057,783 | 2,096,641 | 5,551,554 | 70,312 | 7,718,507 |
| Financial and business services | 5,887,045,348 | 27,143,311 | 10,443,517 | 295,748 | 25,626,459 | 36,365,724 |
| Personal | 5,886,032,717 | 138,704,628 | 15,571,442 | 13,545,874 | 244,630 | 29,361,946 |
| Agriculture | 166,988,806 | – | 86,928 | 2 | – | 86,930 |
| Global Business Licence holders | 140,739,847 | – | 40,686 | – | – | 40,686 |
| Information and communication technology | 83,139,266 | – | 338,238 | 106,798 | – | 445,036 |
| Others** | 2,485,244,905 | 2,188,010 | 1,730,084 | 3,103,005 | 34,510 | 4,867,599 |
| Less: Deferred income | (85,547,233) | – | – | – | – | – |
| **Total** | 19,247,710,409 | 278,152,941 | 36,247,775 | 27,341,648 | 105,933,106 | 169,522,529 |

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

### Allowance for credit impairment by industry sectors (Cont'd)

| | The Group | | | | | |
|---|---|---|---|---|---|---|
| | 2025* | | | | | |
| | Gross amount of loans | Non performing loans | Stage 1 | Stage 2 | Stage 3 | Total Expected Credit Losses |
| | MUR | MUR | MUR | MUR | MUR | MUR |
| Manufacturing | 1,063,325,487 | 16,323,819 | 1,183,656 | 4,734,246 | – | 5,917,902 |
| Construction | 737,784,831 | 80,385,099 | 1,013,846 | 3,640,274 | 75,682,387 | 80,336,507 |
| Professional | 433,658,307 | – | 302,501 | – | – | 302,501 |
| Traders | 1,413,508,351 | 1,146,635 | 1,865,904 | 3,093,115 | 260,378 | 5,219,397 |
| Tourism | 1,109,439,862 | – | 813,579 | 1,989,310 | – | 2,802,889 |
| Transport | 547,295,122 | 1,628,013 | 1,502,230 | 10,311,982 | 611,005 | 12,425,217 |
| Financial and business services | 3,870,616,199 | 27,630,987 | 7,458,397 | 3,127,867 | 14,725,454 | 25,311,718 |
| Personal | 6,039,646,298 | 158,480,450 | 8,567,727 | 22,420,765 | 692,037 | 31,680,529 |
| Agriculture | 154,973,335 | – | 156,710 | – | – | 156,710 |
| Global Business Licence holders | 223,337,909 | 85,737,173 | 96,282 | 62,508 | – | 158,790 |
| Information and communication technology | 89,969,829 | – | 158,422 | – | – | 158,422 |
| Others** | 2,527,442,113 | 3,799,245 | 3,793,931 | 1,186,398 | – | 4,980,329 |
| Less: Deferred income | *(72,457,615) | – | – | – | – | – |
| Total | 18,138,540,028 | 375,131,421 | 26,913,185 | 50,566,465 | 91,971,261 | 169,450,911 |

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

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615).

Refer to note 45 (a).

## 12. INVESTMENT SECURITIES

| | | The Group | |
|---|---|---|---|
| | | 2026 | 2025 |
| | | MUR | MUR |
| Debt instruments at FVOCI | note 12(a) | **7,230,272,411** | 1,217,755,941 |
| Equity instruments at FVOCI | note 12(b) | **74,913,512** | 35,769,877 |
| Debt instruments at amortised cost | note 12(c) | **3,101,967,965** | 4,101,615,112 |
| | | **10,407,153,888** | 5,355,140,930 |

### (a) Debt instruments at FVOCI

| | The Group | | | | | |
|---|---|---|---|---|---|---|
| | Up to 3 months | 3-12 months | 1 to 3 years | Over 3 years | No Specific Maturity | 2026 |
| | MUR | MUR | MUR | MUR | MUR | MUR |
| Bank of Mauritius treasury bills | **1,667,697,480** | **95,860,000** | **–** | **–** | **–** | **1,763,557,480** |
| Bank of Mauritius bonds and notes | **–** | **–** | **101,385,816** | **–** | **–** | **101,385,816** |
| Government of Mauritius treasury bills | **127,438,200** | **–** | **–** | **–** | **–** | **127,438,200** |
| Government of Mauritius bonds and notes | **–** | **25,207,094** | **101,155,164** | **–** | **–** | **126,362,258** |
| Foreign sovereign bonds | **731,967,535** | **1,098,651,392** | **3,042,247,191** | **–** | **–** | **4,872,866,118** |
| Corporate bonds | **–** | **13,941,899** | **163,901,678** | **60,649,883** | **169,079** | **238,662,539** |
| | **2,527,103,215** | **1,233,660,385** | **3,408,689,849** | **60,649,883** | **169,079** | **7,230,272,411** |

| | Up to 3 months | 3-12 months | 1 to 3 years | Over 3 years | No Specific Maturity | 2025 |
|---|---|---|---|---|---|---|
| | MUR | MUR | MUR | MUR | MUR | 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 treasury bills | – | – | – | – | – | – |
| Government of Mauritius bonds and notes | – | 19,718,400 | 124,834,142 | – | – | 144,552,542 |
| Foreign sovereign bonds | 446,967,751 | 44,627,708 | – | – | – | 491,595,459 |
| Corporate bonds | – | – | 13,787,467 | 218,867,975 | 50,090,101 | 282,745,544 |
| | 644,887,751 | 165,288,505 | 138,621,609 | 218,867,975 | 50,090,101 | 1,217,755,941 |

## 12. INVESTMENT SECURITIES (CONT'D)

**(a) Debt instruments at FVOCI (Cont'd)**

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| **Gross carrying amount** | Stage 1 | Stage 2 | Stage 3 | Total |
| **Internal rating grade** | MUR | MUR | MUR | MUR |
| Performing | | | | |
| Investment grade | 7,040,256,456 | – | – | 7,040,256,456 |
| Standard monitoring | 89,477,526 | – | – | 89,477,526 |
| Watchlist | – | – | – | – |
| Unrated | 100,538,429 | – | – | 100,538,429 |
| Non - performing | | | | |
| Default | – | – | – | – |
| Total | 7,230,272,411 | – | – | 7,230,272,411 |

Total gross carrying amount of **MUR 7.23m** includes the fair value loss of MUR 9.5m (note 25). The fair value loss of MUR 9.5m is included in the line gross carrying amount in the following reconciliation.

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

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | MUR |
| **Gross carrying amount as at 1 July** | 1,217,755,941 | – | – | 1,217,755,941 |
| New assets originated or purchased | 6,648,582,549 | – | – | 6,648,582,549 |
| Assets derecognised or repaid (excluding write offs) | (860,104,911) | – | – | (860,104,911) |
| Transfers to Stage 1 | – | – | – | – |
| Transfers to Stage 2 | – | – | – | – |
| Transfers to Stage 3 | – | – | – | – |
| Amounts written off | – | – | – | – |
| Foreign exchange adjustments | 224,038,832 | – | – | 224,038,832 |
| **At 30 June** | 7,230,272,411 | – | – | 7,230,272,411 |

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| **ECL allowance** | MUR | MUR | MUR | MUR |
| **Internal rating grade** | | | | |
| Performing | | | | |
| Investment grade | 2,514,244 | – | – | 2,514,244 |
| Standard monitoring | 1,123,272 | – | – | 1,123,272 |
| Watchlist | – | – | – | – |
| Unrated | 304,601 | – | – | 304,601 |
| Non - performing | | | | |
| Default | – | – | – | – |
| **Total** | 3,942,117 | – | – | 3,942,117 |

**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 | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | MUR |
| **ECL allowance as at 1 July** | **2,032,917** | **–** | **–** | **2,032,917** |
| Increase in expected credit losses | **2,476,091** | **–** | **–** | **2,476,091** |
| Assets derecognised or repaid (excluding write offs) | **(665,590)** | **–** | **–** | **(665,590)** |
| Transfers to Stage 1 | **–** | **–** | **–** | **–** |
| Transfers to Stage 2 | **–** | **–** | **–** | **–** |
| Transfers to Stage 3 | **–** | **–** | **–** | **–** |
| Amounts written off | **–** | **–** | **–** | **–** |
| Foreign exchange adjustments | **98,699** | **–** | **–** | **98,699** |
| **At 30 June** | **3,942,117** | **–** | **–** | **3,942,117** |

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| Gross carrying amount | Stage 1 | Stage 2 | Stage 3 | Total |
| Internal rating grade | MUR | MUR | MUR | MUR |
| Performing | | | | |
| Investment grade | 985,486,981 | – | – | 985,486,981 |
| Standard Monitoring | 80,384,189 | – | – | 80,384,189 |
| Watchlist | – | – | – | – |
| Unrated | 151,884,771 | – | – | 151,884,771 |
| Non - performing | | | | |
| Default | – | – | – | – |
| Total | 1,217,755,941 | – | – | 1,217,755,941 |

Total gross carrying amount of MUR 1,217.8m includes the fair value gain of MUR 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 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | 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 |

## 12. INVESTMENT SECURITIES (CONT'D)

### (a) Debt instruments at FVOCI (Cont'd)

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| ECL allowance | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | MUR |
| Internal rating grade | | | | |
| Performing | | | | |
| Investment grade | 735,337 | – | – | 735,337 |
| Standard monitoring | 962,936 | – | – | 962,936 |
| Watchlist | – | – | – | – |
| Unrated | 334,644 | – | – | 334,644 |
| Non - performing | | | | |
| Default | – | – | – | – |
| Total | 2,032,917 | – | – | 2,032,917 |

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

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | 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 2026, the Group had corporate shares of **MUR 74,913,512** (2025: MUR 35,769,877) classified as equity instruments at FVOCI.

The Group did not have any disposal in equity instruments at FVOCI during the financial year 2026.

**Equity instruments are as follows:**

| | **2026** | 2025 |
|---|---|---|
| | **MUR** | **MUR** |
| Mauritius Commercial Bank Ltd | **48,160,430** | 473,275 |
| Mauritius Union Assurance Ltd | **23,505,425** | 31,214,193 |
| Others | **3,247,657** | 4,082,409 |
| | **74,913,512** | 35,769,877 |

## 12. INVESTMENT SECURITIES (CONT'D)

**(c) Debt instruments at amortised cost**

| | The Group | | | | |
|---|---|---|---|---|---|
| | Up to 3 months | 3-12 months | 1 to 3 years | over 3 years | 2026 |
| | MUR | MUR | MUR | MUR | MUR |
| Bank of Mauritius treasury bills | – | – | – | – | – |
| Bank of Mauritius bonds and notes | – | – | – | – | – |
| Government of Mauritius bonds and notes | 453,554,410 | 505,940,536 | 43,693,487 | 781,915,587 | 1,785,104,020 |
| Foreign sovereign bonds | – | – | 49,499,508 | – | 49,499,508 |
| Corporate bonds | 60,676,714 | 79,736,965 | 960,311,405 | 249,934,897 | 1,350,659,981 |
| Gross carrying amount | 514,231,124 | 585,677,501 | 1,053,504,400 | 1,031,850,484 | 3,185,263,509 |
| Expected credit losses | (340,207) | (374,620) | (81,935,017) | (645,700) | (83,295,544) |
| | 513,890,917 | 585,302,881 | 971,569,383 | 1,031,204,784 | 3,101,967,965 |

| | Up to 3 months | 3-12 months | 1 to 3 years | over 3 years | 2025 |
|---|---|---|---|---|---|
| | MUR | MUR | MUR | MUR | MUR |
| Bank of Mauritius treasury bills | 65,934,505 | – | – | – | 65,934,505 |
| Bank of Mauritius bonds and notes | 100,985,670 | 50,771,755 | – | – | 151,757,425 |
| Government of Mauritius bonds and notes | 49,789,349 | 198,234,578 | 963,625,228 | 822,685,403 | 2,034,334,558 |
| Foreign sovereign bonds | – | 360,601,130 | 48,246,900 | – | 408,848,030 |
| Corporate bonds | 192,122,979 | 50,806,162 | 680,464,703 | 572,657,268 | 1,496,051,112 |
| Gross carrying amount | 408,832,503 | 660,413,625 | 1,692,336,831 | 1,395,342,670 | 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 | 1,640,758,985 | 1,392,108,393 | 4,101,615,112 |

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| **Gross carrying amount** | MUR | MUR | MUR | MUR |
| **Internal rating grade** | | | | |
| Performing | | | | |
| Investment grade | 2,717,123,087 | – | – | 2,717,123,087 |
| Standard Monitoring | 190,618,438 | – | – | 190,618,438 |
| Watchlist | – | 29,884,000 | – | 29,884,000 |
| Unrated | 125,188,587 | – | – | 125,188,587 |
| Non - performing | | | | |
| Default | – | – | 122,449,397 | 122,449,397 |
| **Total** | 3,032,930,112 | 29,884,000 | 122,449,397 | 3,185,263,509 |

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

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | MUR |
| **Gross carrying amount as at 1 July** | 4,040,004,350 | – | 116,921,268 | 4,156,925,618 |
| New assets originated or purchased | 83,327,517 | – | – | 83,327,517 |
| Assets derecognised or repaid (excluding write offs) | (1,073,448,007) | (9,416) | – | (1,073,457,423) |
| Transfers to Stage 1 | – | – | – | – |
| Transfers to Stage 2 | (29,893,416) | 29,893,416 | – | – |
| Transfers to Stage 3 | – | – | – | – |
| Amounts written off | – | – | – | – |
| Foreign exchange adjustments | 12,939,668 | – | 5,528,129 | 18,467,797 |
| **At 30 June** | 3,032,930,112 | 29,884,000 | 122,449,397 | 3,185,263,509 |

**12. INVESTMENT SECURITIES (CONT'D)**

**(c) Debt instruments at amortised cost (Cont'd)**

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| **ECL allowance** | MUR | MUR | MUR | MUR |
| **Internal rating grade** | | | | |
| Performing | | | | |
| Investment grade | **1,648,117** | **–** | **–** | **1,648,117** |
| Standard monitoring | **2,392,963** | **–** | **–** | **2,392,963** |
| Watchlist | **–** | **17,592** | **–** | **17,592** |
| Unrated | **407,025** | **–** | **–** | **407,025** |
| Non - performing | | | | |
| Default | **–** | **–** | **78,829,848** | **78,829,848** |
| **Total** | **4,448,105** | **17,592** | **78,829,848** | **83,295,545** |

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

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | MUR |
| **Gross carrying amount as at 1 July** | **5,506,262** | **–** | **49,804,256** | **55,310,518** |
| Increase in expected credit losses | **148,923** | **–** | **25,466,721** | **25,615,644** |
| Assets derecognised or repaid (excluding write offs) | **(1,221,591)** | **(77,470)** | **–** | **(1,299,061)** |
| Transfers to Stage 1 | **–** | **–** | **–** | **–** |
| Transfers to Stage 2 | **(95,062)** | **95,062** | **–** | **–** |
| Transfers to Stage 3 | **–** | **–** | **–** | **–** |
| Amounts written off | **–** | **–** | **–** | **–** |
| Foreign exchange adjustments | **109,573** | **–** | **3,558,870** | **3,668,443** |
| **At 30 June** | **4,448,105** | **17,592** | **78,829,847** | **83,295,544** |

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Gross carrying amount | MUR | MUR | MUR | MUR |
| Internal rating grade | | | | |
| Performing | | | | |
| Investment grade | 3,530,781,876 | – | – | 3,530,781,876 |
| Standard monitoring | 182,465,117 | – | – | 182,465,117 |
| Watchlist | – | – | – | – |
| Unrated | 326,757,357 | – | – | 326,757,357 |
| Non - performing | | | | |
| Default | – | – | 116,921,280 | 116,921,280 |
| Total | 4,040,004,350 | – | 116,921,280 | 4,156,925,630 |

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

## 12. INVESTMENT SECURITIES (CONT'D)

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | 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 | 4,040,004,350 | – | 116,921,280 | 4,156,925,630 |

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| ECL allowance | MUR | MUR | MUR | MUR |
| Internal rating grade | | | | |
| Performing | | | | |
| Investment grade | 2,271,710 | – | – | 2,271,710 |
| Standard monitoring | 2,185,782 | – | – | 2,185,782 |
| Watchlist | – | – | – | – |
| Unrated | 1,048,770 | – | – | 1,048,770 |
| Non - performing | | | | |
| Default | – | – | 49,804,256 | 49,804,256 |
| Total | 5,506,262 | – | 49,804,256 | 55,310,518 |

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

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | 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 | 5,506,262 | – | 49,804,256 | 55,310,518 |

## 13. OTHER ASSETS

| | The Group | |
|---|---|---|
| | 2026 | 2025 |
| | MUR | MUR |
| Deposits | **196,206,140** | 171,390,749 |
| Less: Expected credit losses | **(27,111)** | (23,627) |
| Non-banking assets acquired in satisfaction of debts | **5,489,164** | 4,925,000 |
| Other receivables | **129,800,607** | 150,052,009 |
| | **331,468,800** | 326,344,131 |

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

### 13. OTHER ASSETS (CONT'D)

Expected credit losses are calculated on deposits. There has been no change in staging classification during the financial year. All ECL allowances were classified as stage 1 in 2026 and 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 2026 MUR | The Group 2025 MUR |
|---|---|---|---|---|---|
| Leasing Company (Seychelles) Limited | Ordinary | Seychelles | **38%** | **40,181,476** | 3,839,535 |
| | | | | **40,181,476** | **3,839,535** |

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

**Leasing Company (Seychelles) Limited**

| | The Group 2026 MUR | The Group 2025 MUR |
|---|---|---|
| **(i) Summarised statement of financial position:** | | |
| Current assets | **11,149,305** | 17,694,496 |
| Non-current assets | **42,125,869** | 996,189 |
| Current liabilities | **12,052,851** | 9,061,163 |
| Non-current liabilities | **1,442,654** | – |
| Equity attributable to owners | **39,779,670** | 3,659,218 |
| **(ii) Summarised statement of profit or loss and other comprehensive income:** | | |
| Revenue | **3,046,464** | – |
| Loss | **(5,702,610)** | (11,272,498) |

Leasing Company (Seychelles) Limited prepares its management accounts in Seychellois Rupees (SCR). As at 30 June 2026, the Group translated the statement of financial position balances using the closing exchange rate and the statement of profit or loss balances using the average exchange rate for the year.

**(c) Movement in associate**

| | The Group 2026 MUR | The Group 2025 MUR |
|---|---|---|
| **At 01 July** | **3,839,535** | – |
| Additions | **–** | 5,921,540 |
| Capital contribution | **42,044,551** | – |
| Share of loss | **(5,702,610)** | (2,082,005) |
| **At 30 June** | **40,181,476** | 3,839,535 |

### 15. INVESTMENT IN SUBSIDIARIES

| | The Company 2026 MUR | The Company 2025 MUR |
|---|---|---|
| **At cost** | | |
| Equity investment at cost | **2,576,631,303** | – |
| Additions during the year | **–** | 2,576,631,303 |
| Less: Accumulated impairment loss | **–** | – |
| **Carrying amount** | **2,576,631,303** | 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 | 2026 MUR | 2025 MUR |
|---|---|---|---|---|---|
| ABC Banking Corporation Ltd | Ordinary Shares | Mauritius | **100%** | **940,495,472** | 940,495,472 |
| ABC Banking Corporation Ltd | Capital Contribution | Mauritius | **100%** | **1,636,135,830** | 1,636,135,830 |
| ABCB Investments Ltd | Ordinary Shares | Mauritius | **100%** | **1** | 1 |
| | | | | **2,576,631,303** | 2,576,631,303 |

### 15. INVESTMENT IN SUBSIDIARIES (CONT'D)

During the period ended 30 June 2025, the Company had acquired 100% in both subsidiaries. The 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 year ended 30 June 2026 (2025: Nil).

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

| | The Group | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Right-of-use assets | | | | | | | |
| | Freehold land* | Buildings* | Freehold land* | Buildings* | Improvement to buildings* | Computer equipment | Motor vehicles | Fixtures & fittings | Offices | Total |
| | MUR | MUR | MUR | MUR | 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 | 23,195,000 | 87,539,993 | 679,749 | 794,647,636 |
| Additions | – | – | 177,694,245 | 291,418,562 | – | 9,839,210 | 5,000,000 | – | – | 483,952,017 |
| Disposals | (123,435,858) | (338,885,438) | – | – | (106,964,611) | – | (2,829,999) | – | – | (572,115,906) |
| At 30 June 2025 | – | – | 177,694,245 | 291,418,562 | – | 123,786,197 | 25,365,001 | 87,539,993 | 679,749 | 706,483,747 |
| **At 1 July 2025** | **–** | **–** | **177,694,245** | **291,418,562** | **–** | **123,786,197** | **25,365,001** | **87,539,993** | **679,749** | **706,483,747** |
| Acquisition of entity under common control | **–** | **–** | **–** | **–** | **–** | | | | | **–** |
| Additions | **–** | **–** | **–** | **–** | **–** | **17,058,720** | **–** | **615,825** | **–** | **17,674,545** |
| Disposals | **–** | **–** | **–** | **–** | **–** | **(106,532)** | **(1,000,000)** | **–** | **–** | **(1,106,532)** |
| **At 30 June 2026** | **–** | **–** | **177,694,245** | **291,418,562** | **–** | **140,738,385** | **24,365,001** | **88,155,818** | **679,749** | **723,051,760** |
| **DEPRECIATION** | | | | | | | | | | |
| Acquisition of entity under common control | – | 47,794,557 | – | – | 55,802,322 | 97,119,722 | 13,255,323 | 61,589,016 | 226,583 | 275,787,523 |
| Charge for the year | – | – | – | 2,035,166 | – | 3,953,725 | 484,594 | 1,348,271 | 84,968 | 7,906,724 |
| Disposals | – | (47,794,557) | – | – | (55,802,322) | – | (1,132,925) | – | – | (104,729,804) |
| At 30 June 2025 | – | – | – | 2,035,166 | – | 101,073,447 | 12,606,992 | 62,937,287 | 311,551 | 178,964,443 |
| **At 1 July 2025** | **–** | **–** | **–** | **2,035,166** | **–** | **101,073,447** | **12,606,992** | **62,937,287** | **311,551** | **178,964,443** |
| Acquisition of entity under common control | **–** | **–** | **–** | **–** | **–** | | | | | **–** |
| Charge for the year | **–** | **–** | **–** | **5,828,372** | **–** | **15,083,040** | **2,963,000** | **5,408,330** | **–** | **29,282,742** |
| Disposals | **–** | **–** | **–** | **–** | **–** | **(46,608)** | **(1,000,000)** | **–** | **–** | **(1,046,608)** |
| **At 30 June 2026** | **–** | **–** | **–** | **7,863,538** | **–** | **116,109,879** | **14,569,992** | **68,345,617** | **311,551** | **207,200,577** |
| **NET BOOK VALUE** | | | | | | | | | | |
| **At 30 June 2026** | **–** | **–** | **177,694,245** | **283,555,024** | **–** | **24,628,506** | **9,795,009** | **19,810,201** | **368,198** | **515,851,183** |
| At 30 June 2025 | – | – | 177,694,245 | 289,383,396 | – | 22,712,750 | 12,758,009 | 24,602,706 | 368,198 | 527,519,304 |

## 16. PROPERTY, EQUIPMENT AND RIGHT-OF-USE ASSETS (CONT'D)

Management has reviewed the carrying value of its property and equipment and is of the opinion that as at 30 June 2026, the carrying value has not suffered any impairment except those disclosed elsewhere.

*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.

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 year are analysed below.

| | The Group | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | **MUR** |
| **As at 1 July** | **382,211** | – |
| Acquisition of entity under common control | **–** | 464,346 |
| Additions | **–** | – |
| Accretion of interest | **7,030** | 3,727 |
| Payments | **(359,189)** | (85,862) |
| **At 30 June** (note 23) | **30,052** | 382,211 |

| The following are the amounts recognised in profit or loss: | The Group | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | **MUR** |
| Depreciation on right-of-use-assets | **339,875** | 84,968 |
| Interest expense on lease liability (note 26) | **7,030** | 3,727 |
| Low value leases being expensed | **173,420** | 26,680 |
| Short term leases being expensed | **3,827,111** | 2,140,303 |
| Total amounts recognised in profit or loss | **4,347,436** | 2,255,678 |

| | The Group | | | |
|---|---|---|---|---|
| **Lease liability** | **Up to 1 year** | **1 to 3 years** | **After 3 years** | **Total** |
| | MUR | MUR | MUR | MUR |
| **As at 30 June 2026** | | | | |
| Undiscounted cash flows (note 23) | **30,052** | **–** | **–** | **30,052** |
| As at 30 June 2025 | | | | |
| Undiscounted cash flows (note 23) | 382,211 | **–** | **–** | 382,211 |

Lease activities consist of rental of 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 4,359,719** (2025: MUR 2,247,845) in respect of rental payments.

## 17. INTANGIBLE ASSETS

| Computer software | The Group | |
|---|---|---|
| | 2026 | 2025 |
| **COST** | **MUR** | **MUR** |
| **At 1 July** | **151,151,548** | – |
| Acquisition of entity under common control | **–** | 144,093,324 |
| Additions | **51,439,253** | 7,058,224 |
| **At 30 June** | **202,590,801** | 151,151,548 |
| **AMORTISATION** | | |
| **At 1 July** | **87,124,644** | – |
| Acquisition of entity under common control | **–** | 81,983,215 |
| Charge for the year/period | **24,166,056** | 5,141,429 |
| **At 30 June** | **111,290,700** | 87,124,644 |
| **NET BOOK VALUE** | | |
| **At 30 June** | **91,300,101** | 64,026,904 |

None of the intangible assets are internally generated.

The intangible assets have not been impaired during the year under review and in the prior period.

## 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 | |
|---|---|---|
| | 2026 | 2025 |
| | **MUR** | **MUR** |
| **As at 1 July** | **15,420,198** | – |
| Acquisition of entity under common control | **–** | 9,356,260 |
| Accelerated tax depreciation | **(6,103,695)** | 6,755,046 |
| Impairment allowance | **19,059,071** | (48,838) |
| Retirement benefit obligations | **3,712,502** | (642,270) |
| **As at 30 June** | **32,088,076** | 15,420,198 |

## 18. DEFERRED TAX ASSETS (CONT'D)

**Analysed as:**

| | The Group | | | |
|---|---|---|---|---|
| | Statement of financial position | | Statement of profit or loss and other comprehensive income | |
| | **2026** | 2025 | **2026** | 2025 |
| | **MUR** | **MUR** | **MUR** | MUR |
| Accelerated tax depreciation | **(13,755,635)** | (7,651,940) | **(6,103,695)** | 6,755,046 |
| Impairment allowance | **38,882,303** | 19,823,232 | **19,059,071** | (48,838) |
| Retirement benefit obligations | **6,961,408** | 3,248,906 | **3,712,502** | (642,270) |
| | **32,088,076** | 15,420,198 | **16,667,878** | 6,063,938 |

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

| | The Group | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | **MUR** |
| Profit or loss (Note 22) | **15,873,165** | 6,727,272 |
| Other comprehensive income | **794,713** | (663,334) |
| | **16,667,878** | 6,063,938 |

## 19. DEPOSITS FROM CUSTOMERS

| | The Group | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | **MUR** |
| **Retail customers** | | |
| Savings accounts | **5,513,231,166** | 5,099,442,320 |
| Current accounts | **2,152,396,384** | 1,515,875,563 |
| Term deposits with remaining term to maturity: | | |
| Up to 3 months | **2,054,840,557** | 1,098,207,120 |
| Over 3 months and up to 6 months | **768,217,397** | 874,393,703 |
| Over 6 months and up to 12 months | **1,375,915,550** | 1,282,939,025 |
| Over 1 year and up to 5 years | **4,525,234,267** | 4,717,902,000 |
| **Corporate customers** | | |
| Savings accounts | **229,679,808** | 204,434,691 |
| Current accounts | **14,312,475,588** | 9,449,429,170 |
| Term deposits with remaining term to maturity: | | |
| Up to 3 months | **2,121,072,804** | 2,008,648,560 |
| Over 3 months and up to 6 months | **1,046,164,362** | 517,143,885 |
| Over 6 months and up to 12 months | **1,941,450,865** | 1,475,858,718 |
| Over 1 year and up to 5 years | **538,272,071** | 598,782,587 |
| | **36,578,950,819** | 28,843,057,342 |

The Group receives cash collaterals as security on various loan arrangements. As at 30 June 2026, an amount of **MUR 437.6m** (2025: MUR 319.8m) held as cash collaterals were included in deposit from customers.

## 20. DUE TO BANKS

| | The Group | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | **MUR** |
| Interbank borrowing (include Repo) | **792,598,400** | 617,131,200 |
| Accrued interest | **23,490,648** | 8,584,376 |
| At 30 June | **816,089,048** | 625,715,576 |

Due to banks relate to borrowings from Standard Bank (Mauritius) Limited and The Mauritius Commercial Bank Limited at a rate of 4.45% and 3.6% respectively and having a maturity of less than 12 months. For year 2025: Due to banks relate to borrowings from Bank One Limited and Standard Bank (Mauritius) Limited at a rate of 3.8% and 4.5% respectively and having a maturity of less than 12 months.

## 21. SUBORDINATED DEBTS

| | The Group | |
|---|---|---|
| | 2026 | 2025 |
| | MUR | 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** | 700,000,000 |
| Interest accrued | **10,344,656** | 10,233,425 |
| Less issue cost | **(3,048,246)** | (4,156,701) |
| | **707,296,410** | 706,076,724 |
| **At 30 June** | **707,296,410** | 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 year/period.

The components of income tax expense for the year/period ended 30 June are:

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | MUR | MUR | MUR | MUR |
| Current income tax | **130,814,688** | 28,480,081 | **–** | – |
| Under provision in previous years | **(646,790)** | – | **–** | – |
| Deferred tax (credit)/charge | **(15,873,165)** | (6,727,272) | **–** | – |
| **Income tax expense** | **114,294,733** | 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 | | The Company | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | MUR | MUR | MUR | MUR |
| Accounting profit/(loss) before tax | **354,682,943** | 85,923,771 | **61,058,470** | (4,392,215) |
| At statutory income tax rate of 5%/15% | **53,202,441** | 12,888,566 | **9,158,771** | (658,832) |
| Non-deductible expenses* | **12,205,882** | 2,073,415 | **–** | – |
| Exempt income** | **(22,194,606)** | (514,195) | **(13,156,898)** | – |
| Corporate social responsibility | **7,654,946** | 3,880,363 | **–** | – |
| Special levy | **46,921,699** | 4,977,802 | **–** | – |
| Fair share contribution | **33,469,247** | – | **–** | – |
| Income tax overprovision for the previous year | **(646,790)** | – | **–** | – |
| Corporate climate responsibility | **9,166,446** | 5,174,130 | **–** | – |
| Deferred tax credit | **(15,873,165)** | (6,727,272) | **–** | – |
| Deferred tax asset not recognised | **10,468,002** | – | **3,998,127** | 658,832 |
| Tax loss utilised | **(24,330)** | – | **–** | – |
| Effect of subsidiaries taxed at different rate | **(40,258,992)** | – | **–** | – |
| Tax effect on consolidation adjustments | **20,203,953** | – | **–** | – |
| **Tax expense** | **114,294,733** | 21,752,809 | **–** | – |

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

**Exempt income consist mainly of dividend and profit on disposal.

### 22. INCOME TAX EXPENSE (CONT'D)

The Company has not recognised deferred tax asset, amounting to **MUR 3,998,127** (2025: 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 | MUR |
|---|---|---|
| 2025 | 2030 | 658,832 |
| **2026** | **2031** | **3,998,127** |

#### 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 chargeable income.

#### Fair Share Contribution (FSC)

Fair Share Contribution is applicable for income derived from 1 July 2025 to 30 June 2026. It is calculated as 5% of total chargeable income and an additional of 2.5 % on chargeable income arising from transactions with residents (excluding global business entities).

### 23. OTHER LIABILITIES

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2026** | 2025* | **2026** | 2025 |
| | **MUR** | **MUR** | **MUR** | **MUR** |
| Unallocated receipts | **519,037,981** | 57,245,306 | **–** | – |
| Employee benefit liability (note 37) | **45,277,448** | 38,222,415 | **–** | – |
| Bankers' drafts | **16,465,483** | 19,623,217 | **–** | – |
| Other payables | **117,163,506** | 126,095,108 | **29,936,993** | 4,392,216 |
| ECL on contingent liabilities (note 30 and 35) | **3,508,033** | 5,152,047 | **–** | – |
| Lease liability | **30,052** | 382,211 | **–** | – |
| | **701,482,503** | *246,720,304 | **29,936,993** | 4,392,216 |

Employee benefit liability is composed of retirement gratuities payable under the Workers' Rights Act 2019 .

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

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

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615).Refer to Note 45 (a).

### 24. ISSUED CAPITAL

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **MUR** | MUR | **MUR** | **MUR** |
| **Ordinary shares of MUR 10 each** | | | | |
| Issued, authorised and fully paid capital | **762,718,720** | 762,718,720 | **762,718,720** | 762,718,720 |
| Share premium | **177,776,753** | 177,776,753 | **177,776,753** | 177,776,753 |
| **At 30 June** | **940,495,473** | 940,495,473 | **940,495,473** | 940,495,473 |

## 24. ISSUED CAPITAL (CONT'D)

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **MUR** | MUR | **MUR** | MUR |
| Issued, authorised and fully paid | | | | |
| **At 1 July** | **940,495,473** | – | **940,495,473** | – |
| Issued during the year/period | **–** | 940,495,473 | **–** | 940,495,473 |
| **At 30 June** | **940,495,473** | 940,495,473 | **940,495,473** | 940,495,473 |
| Number of shares | | | | |
| **At 1 July** | **76,271,872** | – | **76,271,872** | – |
| Issued during the year/period | **–** | 76,271,872 | **–** | 76,271,872 |
| **At 30 June** | **76,271,872** | 76,271,872 | **76,271,872** | 76,271,872 |

Rights conferred to an ordinary share are the following: right to one vote on a poll at a meeting of the 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 ended 30 June 2025.

During the year, the Company declared and paid a dividend of **MUR 0.90** per ordinary share for an amount of **MUR 68,644,684**.

## 25. OTHER RESERVES

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **MUR** | **MUR** | **MUR** | **MUR** |
| Net unrealised investment fair value reserve | **(48,241,398)** | (26,018,172) | **–** | – |
| Regulatory reserve | **289,331,663** | 224,838,122 | **–** | – |
| Statutory reserve | **397,748,245** | 353,204,494 | **–** | – |
| Other reserves | **–** | – | **1,636,135,830** | 1,636,135,823 |
| | **638,838,510** | 552,024,444 | **1,636,135,830** | 1,636,135,823 |

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 *IFRS 9 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 | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | **MUR** |
| Transfer from other reserve | **(26,018,172)** | (24,155,811) |
| Expected credit loss allowance relating to debt instruments designated at fair value through other comprehensive income | **1,909,199** | 389,743 |
| Net loss on investments in equity instruments designated at fair value through other comprehensive income | **(10,688,046)** | (6,671,622) |
| Net (loss)/gain on investments in debt instruments designated at fair value through other comprehensive income | **(13,444,379)** | 4,419,518 |
| **At 30 June** | **(48,241,398)** | (26,018,172) |

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 | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | MUR |
| Transfer to statutory reserve for the year/period | **44,543,751** | 57,094,920 |
| **At 30 June** | **44,543,751** | 57,094,920 |

## 26. NET INTEREST INCOME

| | The Group | |
|---|---|---|
| | 2026 | 2025 |
| | MUR | MUR |
| **Interest income** | | |
| Loans and advances to customers (excluding finance leases)** | **861,678,581** | 203,068,581 |
| Finance leases** | **274,098,802** | 65,737,087 |
| Loans to and placements with banks | **182,657,753** | 47,030,531 |
| Investment securities: | | |
| At FVOCI | **152,058,713** | 8,981,311 |
| At amortised cost | **150,507,319** | 39,087,374 |
| Others | **848,070** | 229,899 |
| | **1,621,849,238** | 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.

| | The Group | |
|---|---|---|
| | 2026 | 2025 |
| | MUR | MUR |
| **Interest expense** | | |
| Deposits from customers | **728,526,910** | 169,695,535 |
| Subordinated debts | **41,708,454** | 11,613,381 |
| Borrowed funds* | **19,259,404** | 4,704,360 |
| Lease liabilities (note 16) | **7,030** | 3,727 |
| | **789,501,798** | 186,017,003 |
| **Net interest income** | **832,347,440** | 178,117,780 |

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

## 27. NET FEE AND COMMISSION INCOME

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | MUR | MUR | MUR | MUR |
| **Fee and commission income** | | | | |
| Card and related fee income | **40,485,372** | 10,425,955 | **–** | – |
| Global banking | **65,023,618** | 8,218,783 | **–** | – |
| Interbank transaction fees | **12,600,998** | 3,029,518 | **–** | – |
| Others* | **24,861,548** | 14,151,805 | **–** | – |
| | **142,971,536** | 35,826,061 | **–** | – |

*Others relates to fees earned by the bank on trade finance products and other banking services provided

| | | | | |
|---|---|---|---|---|
| **Fee and commission expense** | | | | |
| Card and related fee expense | **44,334,749** | 10,654,828 | **–** | – |
| Interbank transaction fees | **16,190,900** | 3,703,442 | **15,218** | 200 |
| | **60,525,649** | 14,358,270 | **15,218** | 200 |
| **Net fee and commission income / (expense)** | **82,445,887** | 21,467,791 | **(15,218)** | (200) |

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

Global 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 | |
|---|---|---|
| | 2026 | 2025 |
| | MUR | MUR |
| Net foreign exchange gain | **194,215,775** | 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 | |
|---|---|---|
| **Other operating income** | 2026 | 2025 |
| | MUR | MUR |
| Dividend income from equity instruments at FVOCI | **2,807,467** | 462,422 |
| Loss on disposal of property and equipment | **420,809** | (222,083) |
| Share of loss from equity accounted investee | **(5,702,610)** | (2,082,005) |
| Others | **1,789,779** | 4,117,782 |
| | **(684,555)** | 2,276,116 |

## 30. ALLOWANCE FOR/(REVERSAL) OF CREDIT IMPAIRMENT ON FINANCIAL ASSETS

| | The Group | |
|---|---|---|
| | 2026 | 2025 |
| | MUR | MUR |
| Due from banks and balances with Central Bank | **276,182** | (48,953) |
| Loans and advances to customers | **1,483,448** | 13,092,275 |
| Investment in securities | **29,894,225** | (6,487,065) |
| Provision on guarantee (Note 35) | **(1,644,012)** | (8,604,872) |
| | **30,009,843** | (2,048,615) |

*A reversal charge of **MUR 1.5m** on repossessed assets has been included in the allowance for credit impairment on loans and advances to customers (2025: ECL charge of MUR 1.3m).

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

| | The Group 2026 | | | |
|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | Collective | Collective | Individual | |
| | MUR | MUR | MUR | MUR |
| **Financial assets** | | | | |
| Due from banks and restricted balances with Central Bank | **276,182** | **–** | **–** | **276,182** |
| Loans and advances to customers | **9,334,590** | **(23,224,817)** | **15,373,675** | **1,483,448** |
| Investment securities | | | | |
| Debt instruments at amortised cost | **(1,058,157)** | **17,592** | **29,025,589** | **27,985,024** |
| Debt instruments at fair value through OCI | **1,909,200** | **–** | **–** | **1,909,200** |
| | **851,043** | **17,592** | **29,025,589** | **29,894,224** |
| | **10,461,815** | **(23,207,225)** | **44,399,264** | **31,653,854** |
| **Contingent liabilities** | **(1,954,798)** | **310,786** | **–** | **(1,644,012)** |
| | **8,507,017** | **(22,896,439)** | **44,399,264** | **30,009,842** |

## 30. ALLOWANCE FOR/(REVERSAL) OF CREDIT IMPAIRMENT ON FINANCIAL ASSETS (CONT'D)

| | The Group 2025 | | | |
|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | Collective | Collective | Individual | |
| | MUR | MUR | MUR | MUR |
| Financial assets | | | | |
| Due from banks and restricted balances with Central Bank | (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 | | The Company | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | MUR | MUR | MUR | MUR |
| Wages and salaries | **310,992,566** | 67,993,252 | **15,051,750** | 1,580,122 |
| Retirement benefit costs (note 37) | **6,514,927** | 516,026 | **–** | – |
| Others | **79,116,592** | 16,176,281 | **5,835,480** | – |
| | **396,624,085** | 84,685,559 | **20,887,230** | 1,580,122 |

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

## 32. OTHER OPERATING EXPENSES

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | MUR | MUR | MUR | MUR |
| Motor vehicle expenses and insurance | **30,233,670** | 4,899,314 | **–** | – |
| Rates | **546,340** | 53,750 | **–** | – |
| Advertising and marketing | **27,602,242** | 5,241,271 | **102,956** | 1,403,062 |
| Information technology costs | **85,421,015** | 14,847,642 | **2,900** | 4,025 |
| Licences | **5,800,865** | 1,235,186 | **234,098** | 20,896 |
| Communication costs | **16,818,242** | 3,765,882 | **–** | – |
| Legal and professional fees | **31,779,982** | 6,855,675 | **4,270,881** | 1,235,161 |
| Maintenance costs | **17,870,011** | 2,320,501 | **–** | – |
| Others* | **57,486,512** | 11,774,390 | **1,140,900** | 148,750 |
| | **273,558,879** | 50,993,611 | **5,751,735** | 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 year.

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | MUR | MUR | MUR | MUR |
| Profit/(loss) after tax | **240,388,210** | 64,170,962 | **61,058,470** | (4,392,216) |
| Weighted average number of ordinary shares (note 24) | **76,271,872** | 76,271,872 | **76,271,872** | 76,271,872 |
| **Earnings per share** | | | | |
| Basic and diluted earnings per share | **3.15** | 0.84 | **0.80** | (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 in financial year 2025.

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 | *Others | Owed by related party | Owed to related party |
| | | MUR | MUR | MUR | MUR | MUR | MUR | MUR | MUR |
| Directors and key management personnel | **2026** | **4,859,163** | **99,544,507** | **4,954,205** | **244,592,719** | **8,883,061** | **239,782** | **99,544,507** | **244,592,719** |
| | 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 | **2026** | **245,059,087** | **253,564,239** | **19,195,375** | **26,194,495** | **–** | **1,064,200** | **253,564,239** | **26,194,495** |
| | 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 | **2026** | **26,387,626** | **130,861,174** | **10,651,242** | **64,758,348** | **234,831** | **13,150,949** | **130,861,174** | **64,758,348** |
| | 2025 | 19,039,070 | 138,652,278 | 2,883,050 | 79,699,213 | 325,856 | 19,544,279 | 138,652,278 | 79,699,213 |
| Enterprises under common control | **2026** | **–** | **–** | **–** | **–** | **–** | **727,032,455** | **–** | **–** |
| | 2025 | – | – | – | – | – | 672,845,784 | – | – |
| **Total** | **2026** | **276,305,876** | **483,969,920** | **34,800,822** | **335,545,562** | **9,117,892** | **741,487,386** | **483,969,920** | **335,545,562** |
| | 2025 | 38,022,478 | 505,655,560 | 10,233,050 | 325,996,749 | 2,822,509 | 692,577,582 | 505,655,560 | 325,996,749 |

The above mentioned outstanding balances arose from the ordinary course of business. Credit facilities are secured except for short term money market lines. An amount of **MUR 1,500,000** has been provided as guarantee to the related party namely Speedfreight Ltd for the year ended 30 June 2026 (2025:MUR 1,500,000). An amount of MUR 3,491,320 has been provided as letter of credit to related party ABC Marketing Ltd for the year ended 30 June 2026.

## 34. RELATED PARTY DISCLOSURES (CONT'D)

### (b) Transactions with related parties (Cont'd)

*Terms and conditions of transactions with related parties*

*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 | **2026** | **–** | **940,495,473** | **20,887,230** | **5,751,735** |
| control | 2025 | 940,495,473 | 940,495,473 | 1,580,120 | 3,299,514 |

| | The Group | | The Company | |
|---|---|---|---|---|
| **(b) Compensation of key management personnel** | **2026** | 2025 | **2026** | 2025 |
| | **MUR** | **MUR** | **MUR** | MUR |
| Short term employee benefits | **89,462,705** | 11,159,050 | **8,050,480** | 1,643,902 |
| Long term employee benefits | **4,609,375** | 708,622 | **–** | – |

(c) The Groups' top six outstanding exposure to related parties amount to **MUR 331 967 733** (2025:MUR 318,298,487) . These represent 12.91% of Tier 1 Capital. None of these facilities were non-performing (2025:Nil). Allowance for impairment losses amount to **MUR 174,121** (2025:MUR 1,976,329) and the impairment expense on related party receivables are not material for the year ended 30 June 2026.

## 35. CONTINGENT LIABILITIES

| | | The Group | |
|---|---|---|---|
| | | **2026** | 2025 |
| | | **MUR** | MUR |
| **(a)** | **Instruments** | | |
| (i) | Financial guarantees | **370,962,146** | 149,003,700 |
| | Less: Allowance for impairment losses | **(374,512)** | (316,146) |
| | Net financial guarantees | **370,587,634** | 148,687,554 |
| (ii) | Letters of credit and other obligations on account of customers | **131,301,940** | 3,604,000 |
| | Less: Allowance for impairment losses | **(118,711)** | (7,647) |
| | Net letters of credit and other obligations on account of customers | **131,183,229** | 3,596,353 |

### (b) Commitments

| | | |
|---|---|---|
| (i) Undrawn credit facilities | **2,425,501,144** | 2,335,559,008 |
| Less: Allowance for impairment losses | **(3,014,812)** | (4,828,255) |
| Net undrawn credit facilities | **2,422,486,332** | 2,330,730,753 |
| Net contingent liabilities | **2,924,257,195** | 2,483,014,660 |

The balances disclosed relate to financial guarantees and loan commitments, which are off-balance sheet exposures. These exposures are subject to the expected credit loss requirements of *IFRS 9,* and the related provisions recognised in respect of such exposures are included in the statement of financial position.

## 35. CONTINGENT LIABILITIES (CONT'D)

### (a) Instruments (Cont'd)

#### (a) (i) Financial guarantees

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| **Gross carrying amount** | MUR | MUR | MUR | MUR |
| **Internal rating grade** | | | | |
| Performing | | | | |
| Investment grade | – | – | – | – |
| Standard monitoring | 369,962,146 | – | – | 369,962,146 |
| Watchlist | – | 1,000,000 | – | 1,000,000 |
| Unrated | – | – | – | – |
| Non-performing | | | | |
| Default | – | – | – | – |
| **Total** | 369,962,146 | 1,000,000 | – | 370,962,146 |

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

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | MUR |
| **Gross carrying amount as at 1 July** | 149,003,700 | – | – | 149,003,700 |
| New exposures originated or purchased | 360,886,146 | 1,000,000 | – | 361,886,146 |
| Exposures derecognised or repaid (excluding write offs) | (139,927,700) | – | – | (139,927,700) |
| **At 30 June** | 369,962,146 | 1,000,000 | – | 370,962,146 |

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| **ECL allowance** | MUR | MUR | MUR | MUR |
| **Internal rating grade** | | | | |
| Performing | | | | |
| Investment grade | – | – | – | – |
| Standard monitoring | 334,484 | – | – | 334,484 |
| Watchlist | - | 40,028 | – | 40,028 |
| Unrated | – | – | – | – |
| Non-performing | | | | |
| Default | – | – | – | – |
| **Total** | 334,484 | 40,028 | – | 374,512 |

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

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | MUR |
| **Gross carrying amount as at 1 July** | 316,146 | – | – | 316,146 |
| New exposures originated or purchased | 365,293 | 40,028 | – | 405,321 |
| Exposures derecognised or repaid (excluding write offs) | (346,955) | – | – | (346,955) |
| **At 30 June** | 334,484 | 40,028 | – | 374,512 |

**35. CONTINGENT LIABILITIES (CONT'D)**

**(a) Instruments (cont'd)**

**(a) (i) Financial guarantees (cont'd)**

| | 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 |

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| ECL allowance | MUR | MUR | MUR | MUR |
| Internal rating grade | | | | |
| Performing | | | | |
| Investment grade | 257,554 | – | – | 257,554 |
| Standard monitoring | 58,592 | – | – | 58,592 |
| Watchlist | – | – | – | – |
| Unrated | – | – | – | – |
| Non-performing | | | | |
| Default | – | – | – | – |
| Total | 316,146 | – | – | 316,146 |

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

| | 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 | 316,146 | – | – | 316,146 |

## 35. CONTINGENT LIABILITIES (CONT'D)

### (a) Instruments (cont'd)

### (a) (ii) Letter of credit and other obligations on account of customers

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| **Gross carrying amount** | Stage 1 | Stage 2 | Stage 3 | Total |
| **Internal rating grade** | MUR | MUR | MUR | MUR |
| Performing | | | | |
| Investment grade | 127,810,620 | – | – | 127,810,620 |
| Standard monitoring | 3,491,320 | – | – | 3,491,320 |
| Watchlist | – | – | – | – |
| Unrated | – | – | – | – |
| Non-performing | | | | – |
| Default | – | – | – | – |
| **Total** | 131,301,940 | – | – | 131,301,940 |

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | MUR |
| **Gross carrying amount as at 1 July** | 3,604,000 | – | – | 3,604,000 |
| New exposures originated or purchased | 131,301,940 | – | – | 131,301,940 |
| Exposures derecognised or repaid (excluding write offs) | (3,604,000) | – | – | (3,604,000) |
| **At 30 June** | 131,301,940 | – | – | 131,301,940 |

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| **ECL allowance** | Stage 1 | Stage 2 | Stage 3 | Total |
| **Internal rating grade** | MUR | MUR | MUR | MUR |
| Performing | | | | |
| Investment grade | 115,554 | – | – | 115,554 |
| Standard monitoring | 3,157 | – | – | 3,157 |
| Watchlist | – | – | – | – |
| Unrated | – | – | – | – |
| Non-performing | | | | – |
| Default | – | – | – | – |
| **Total** | 118,711 | – | – | 118,711 |

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | MUR |
| **Gross carrying amount as at 1 July** | 7,647 | – | – | 7,647 |
| New exposures originated or purchased | 118,711 | – | – | 118,711 |
| Exposures derecognised or repaid (excluding write offs) | (7,647) | – | – | (7,647) |
| **At 30 June** | 118,711 | – | – | 118,711 |

**35. CONTINGENT LIABILITIES (CONT'D)**

**(a) Instruments (cont'd)**

**(a) (ii) Letter of credit and other obligations on account of customers (cont'd)**

| | 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 | 3,604,000 | – | – | 3,604,000 |

| | 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 | 7,647 | – | – | 7,647 |

## 35. CONTINGENT LIABILITIES (CONT'D)

### (b) Commitments

**(b) (i) Undrawn credit facilities**

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| **Gross carrying amount** | MUR | MUR | MUR | MUR |
| **Internal rating grade** | | | | |
| Performing | | | | |
| Investment grade | 1,676,915,303 | 11,575,515 | – | 1,688,490,818 |
| Standard monitoring | 691,472,016 | 150,000 | – | 691,622,016 |
| Watchlist | – | 871,512 | – | 871,512 |
| Unrated | 44,516,798 | – | – | 44,516,798 |
| Non-performing | | | | – |
| Default | – | – | – | – |
| **Total** | 2,412,904,117 | 12,597,027 | – | 2,425,501,144 |

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

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | MUR |
| **Gross carrying amount as at 1 July** | 2,329,466,358 | 6,092,650 | – | 2,335,559,008 |
| New exposures originated or purchased | 2,412,904,117 | 12,597,027 | – | 2,425,501,144 |
| Exposures derecognised or repaid (excluding write offs) | (2,329,466,358) | (6,092,650) | – | (2,335,559,008) |
| **At 30 June** | 2,412,904,117 | 12,597,027 | – | 2,425,501,144 |

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| **ECL allowance** | MUR | MUR | MUR | MUR |
| **Internal rating grade** | | | | |
| Performing | | | | |
| Investment grade | 1,628,512 | 590,792 | – | 2,219,304 |
| Standard monitoring | 740,368 | 4,345 | – | 744,713 |
| Watchlist | – | 34,884 | – | 34,884 |
| Unrated | 15,911 | – | – | 15,911 |
| Non-performing | | | | |
| Default | – | – | – | – |
| **Total** | 2,384,791 | 630,021 | – | 3,014,812 |

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

| | The Group | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | MUR |
| **ECL allowance as at 1 July** | 4,468,989 | 359,266 | – | 4,828,255 |
| New exposures originated or purchased | 2,384,791 | 630,021 | – | 3,014,812 |
| Exposures derecognised or repaid (excluding write offs) | (4,468,989) | (359,266) | – | (4,828,255) |
| **At 30 June** | 2,384,791 | 630,021 | – | 3,014,812 |

**35. CONTINGENT LIABILITIES (CONT'D)**

**(b) Commitments (Cont'd)**

**(b) (i) Undrawn credit facilities (Cont'd)**

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Gross carrying amount | **MUR** | **MUR** | **MUR** | **MUR** |
| Internal rating grade | | | | |
| Performing | | | | |
| Investment grade | 1,685,288,780 | 6,013,684 | – | 1,691,302,464 |
| Standard monitoring | 603,432,492 | – | – | 603,432,492 |
| Watchlist | – | 35,565 | – | 35,565 |
| Unrated | 40,745,086 | 43,401 | – | 40,788,487 |
| Non-performing | | | | – |
| Default | – | – | – | – |
| Total | 2,329,466,358 | 6,092,650 | – | 2,335,559,008 |

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 | 2,329,466,358 | 6,092,650 | – | 2,335,559,008 |

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| ECL allowance | **MUR** | MUR | **MUR** | **MUR** |
| Internal rating grade | | | | |
| Performing | | | | |
| Investment grade | 3,243,353 | 355,943 | – | 3,599,296 |
| Standard monitoring | 1,186,275 | – | – | 1,186,275 |
| Watchlist | – | 1,884 | – | 1,884 |
| Unrated | 39,361 | 1,439 | – | 40,800 |
| Non-performing | | | | – |
| Default | – | – | – | – |
| Total | 4,468,989 | 359,266 | – | 4,828,255 |

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

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | **MUR** | **MUR** | **MUR** | **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 | 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 | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | MUR |
| Government of Mauritius (GOM) bonds, notes and bills | **397,100,000** | 397,100,000 |

The significant terms for pledging GOM bonds, notes and bills pledged as collateral are as follows:

(1) securities cannot be traded

(2) if securities are maturing, they are to be replaced

(3) there will usually be a haircut on the credit line as compared to the pledged asset

## 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 18,606,791** (2025: 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 | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | MUR |
| Present value of retirement benefit obligation | **45,511,655** | 38,670,783 |
| Fair value of plan assets | **(234,207)** | (448,368) |
| | **45,277,448** | 38,222,415 |

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

| | The Group | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | **MUR** |
| Current service cost | **4,292,013** | 3,483,834 |
| Net interest cost | **2,222,914** | 2,515,911 |
| Curtailment/Settlement gain/loss | **–** | (5,477,129) |
| **Net cost for the year/ period recognised in profit and loss** | **6,514,927** | 522,616 |
| Remeasurement recognised in other comprehensive income | | |
| | **917,687** | (7,803,928) |
| **Net cost for the year/ period** | **7,432,614** | (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.

## 37. RETIREMENT BENEFIT OBLIGATION (CONT'D)

### (a) Defined contribution plan (Cont'd)

### (b) Gratuity on retirement (Cont'd)

| | The Group | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | MUR |
| **Changes in the present value of the obligation** | | |
| Present value of obligation at start of period | **38,670,783** | – |
| Present value of obligation at acquisition of entity under common control | **–** | 46,147,406 |
| Restatement | **–** | – |
| Interest cost | **2,222,914** | 2,515,911 |
| Current service cost | **4,292,013** | 3,483,834 |
| Past service costs | **–** | – |
| Benefits paid | **(591,742)** | (195,311) |
| Settlement gain | **–** | (5,477,129) |
| Expected obligation at end of year/period | **44,593,968** | 46,474,711 |
| Present value of obligation at end of year/period | **45,511,655** | 38,670,783 |
| Remeasurement recognised in other comprehensive income at end of year/period - gain/(losses) | **(917,687)** | 7,803,928 |
| Deferred tax | **794,713** | (317,111) |
| Retirement pension net of deferred tax | **(122,974)** | 7,486,817 |
| **Changes in the fair value of the plan assets** | | |
| Fair value of plan assets at start of year/period | **448,368** | 368,876 |
| Restatement | **–** | 6,590 |
| Contributions to plan assets * | **46,074** | 136,847 |
| Benefits paid out of plan assets | **(260,235)** | (63,945) |
| Fund expenses and life insurance | **–** | – |
| **Expected fair value at end of year/ period** | **234,207** | 448,368 |
| **Fair value of plan assets at end of year/ period** | **234,207** | 448,368 |
| **Remeasurement recognised in other comprehensive income at end of year/ period -gain/(loss)** | **–** | – |

*The plan assets relate to contributions made to the Portable Retirement Gratuity Fund ("PRGF") introduced in January 2022 under the Workers' Rights Act 2019.

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

| | The Group | |
|---|---|---|
| | **2026** | 2025 |
| Normal retirement age | **65** | 65 |
| Discount rate | **5.64%** | 5.77% |
| Future salary increases | **5.00%** | 5.00% |
| Annual proportion of employees leaving service | **5% up to age 40, decreasing to 0% at 45 & nil thereafter** | 5% up to age 40, decreasing to 0% at 45 & nil thereafter |
| Actuarial table for employee mortality | **PMA92_PFA92** | PMA92_PFA92 |

## 37. RETIREMENT BENEFIT OBLIGATION (CONT'D)

### (b) Gratuity on retirement (Cont'd)

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

| | The Group | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | **MUR** |
| Opening retirement gratuities obligation | **38,670,783** | 46,147,406 |
| Current service cost | **4,292,013** | 3,483,834 |
| Interest cost | **2,222,914** | 2,515,911 |
| Benefits paid | **(591,742)** | (195,311) |
| Curtailment/Settlement loss | **–** | (5,477,129) |
| Net actuarial gain/(loss) recognised in other comprehensive income | **917,687** | (7,803,928) |
| **Present value of obligation at end of year/period** | **45,511,655** | 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 has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

| | The Group | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | **MUR** |
| Sensitivity | | |
| Effect on present value of obligations: | | |
| 1% increase in discount rate | **(35,592,477)** | (30,949,810) |
| 1% decrease in discount rate | **58,060,198** | 48,504,435 |
| 1% increase in salary increase assumption | **55,713,923** | 46,704,589 |
| 1% decrease in salary increase assumption | **(37,480,109)** | (32,384,394) |
| Effect of changing longevity - one year up | **44,772,246** | 38,081,470 |
| Effect of changing longevity - one year down | **(46,206,616)** | (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 | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | **MUR** |
| Amount contracted for but not yet incurred | **27,926,516** | 21,392,086 |

The above expenditure relates to IT projects.

## 39. EVENT AFTER REPORTING DATE

There have been no events subsequent to the reporting date which require adjustment of or disclosure in the financial statements or notes thereto.

## 40. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

| | Subordinated debts | Lease liabilities | Ordinary Dividend | Total |
|---|---|---|---|---|
| Acquisition of entity under common control | 1,208,165,775 | 464,346 | – | 1,208,630,121 |
| Dividend declared | – | – | – | – |
| New leases | – | – | – | – |
| Cash flows | (500,000,000) | (85,862) | – | (500,085,862) |
| Non Cash flow items | | | | |
| Accrued interest | 2,067,650 | 3,727 | – | 2,071,377 |
| Deferred issue costs | (4,156,701) | – | – | (4,156,701) |
| At 30 June 2025 | 706,076,724 | 382,211 | – | 706,458,935 |
| **At 1 July 2025** | **706,076,724** | **382,211** | **–** | **706,458,935** |
| Dividend declared | **–** | **–** | **68,644,685** | **68,644,685** |
| New leases | **–** | **–** | **–** | **–** |
| Cash flows | **–** | **–** | **(68,644,685)** | **(68,644,685)** |
| Capital repayment | **–** | **(352,159)** | – | **(352,159)** |
| Interest repayment | **–** | **(7,030)** | – | **(7,030)** |
| Non Cash flow items | | | | |
| Accrued interest | **4,267,933** | **7,030** | **–** | **4,274,963** |
| Deferred issue costs | **(3,048,247)** | **–** | **–** | **(3,048,247)** |
| **At 30 June 2026** | **707,296,410** | **30,052** | **–** | **707,326,462** |

## 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.

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

| | 2026 | | | | 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Group** | **Banking** | **Others** | **Eliminations** | Group | Banking | Others | Eliminations |
| | **MUR** | **MUR** | **MUR** | **MUR** | **MUR** | **MUR** | **MUR** | **MUR** |
| Interest income | **1,621,849,238** | **1,664,749,238** | **–** | **(42,900,000)** | 364,134,783 | 364,134,783 | – | – |
| Interest expense | **(789,501,798)** | **(800,695,307)** | **(42,900,000)** | **54,093,509** | (186,017,003) | (186,017,003) | – | – |
| *Net interest income* | **832,347,440** | **864,053,931** | **(42,900,000)** | **11,193,509** | 178,177,780 | 178,117,780 | – | – |
| Fee and commission income | **142,971,536** | **142,971,536** | **–** | **–** | 35,826,061 | 35,826,061 | – | – |
| Fee and commission expense | **(60,525,649)** | **(60,510,431)** | **(15,218)** | **–** | (14,373,288) | (14,358,070) | (200) | – |
| *Net fee and commission income* | **82,445,887** | **82,461,105** | **(15,218)** | **–** | 21,467,991 | 21,467,991 | (200) | – |
| Other Income | **193,531,220** | **201,150,469** | **157,112,558** | **(164,731,807)** | 33,016,914 | 181,574,565 | 48,813 | (148,606,464) |
| Operating income | **1,108,324,547** | **1,147,665,505** | **114,197,340** | **(153,538,298)** | 232,602,485 | 381,160,336 | 48,613 | (148,606,464) |
| Personnel expenses | **(396,624,085)** | **(375,736,855)** | **(20,887,230)** | **–** | (84,685,559) | (83,105,439) | (1,580,120) | – |
| Depreciation and amortisation | **(53,448,797)** | **(71,057,529)** | **–** | **17,608,732** | (13,048,159) | (16,476,902) | – | 3,428,743 |
| Other operating expenses | **(273,558,879)** | **(268,271,358)** | **(6,524,065)** | **1,236,544** | (50,993,611) | (47,897,917) | (3,095,694) | – |
| *Non interest expenses* | **(723,631,761)** | **(715,065,742)** | **(27,411,295)** | **18,845,276** | (148,727,329) | (147,480,258) | (4,675,814) | 3,428,743 |
| Operating profit/(loss) before impairment | **384,692,786** | **432,599,763** | **86,786,045** | **(134,693,022)** | 83,875,156 | 233,680,078 | (4,627,201) | (145,177,721) |
| Allowance for /Reversal of credit impairment | **(30,009,843)** | **(30,009,843)** | **–** | **–** | 2,048,615 | 2,048,615 | – | – |
| Profit/(loss) before tax | **354,682,943** | **402,589,920** | **86,786,045** | **(134,693,022)** | 85,923,771 | 235,728,693 | (4,627,201) | (145,177,721) |
| Income tax expense | **(114,294,733)** | **(105,631,580)** | **(8,663,153)** | **–** | (21,752,809) | (21,752,809) | – | – |
| | | | | | | – | | – |
| Profit/(loss) for the period | **240,388,210** | **296,958,340** | **78,122,892** | **(134,693,022)** | 64,170,962 | 213,975,884 | (4,627,201) | (145,177,721) |
| **Other segment items** | | | | | | | | |
| Segment Assets | **41,694,652,773** | **42,069,476,564** | **3,975,290,711** | **(4,350,114,502)** | 33,211,550,232 | 33,523,501,076 | 3,906,377,257 | (4,218,328,101) |
| **Total Assets** | **41,694,652,773** | **42,069,476,564** | **3,975,290,711** | **(4,350,114,502)** | 33,211,550,232 | 33,523,501,076 | 3,906,377,257 | (4,218,328,101) |
| Segment Liabilities | **38,901,278,546** | **39,088,795,253** | **763,808,402** | **(951,325,109)** | 30,567,573,331 | 30,729,719,252 | 674,373,156 | (836,519,077) |
| **Total Liabilities** | **38,901,278,546** | **39,088,795,253** | **763,808,402** | **(951,325,109)** | 30,567,573,331 | 30,729,719,252 | 674,373,156 | (836,519,077) |

The Company had no reportable operating segment during the year/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.

### 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 | | | |
|---|---|---|---|---|
| | 2026 | | 2025* | |
| | **Carrying Value** | **Fair Value** | Carrying Value | Fair Value |
| | **MUR** | **MUR** | **MUR** | **MUR** |
| **Financial assets** | | | | |
| Cash and cash equivalents at amortised cost | **10,708,863,096** | **10,708,863,096** | 8,709,698,556 | 8,709,698,556 |
| Due from Banks at amortised cost | **474,460,324** | **474,460,324** | 159,523,736 | 159,523,736 |
| Derivative financial assets at FVPL | **15,097,950** | **15,097,950** | 8,490,206 | 8,490,206 |
| Loans and advances to customers at amortised cost | **19,078,187,880** | **18,702,814,334** | *17,969,089,117 | 17,684,912,489 |
| Investment in securities: | **10,407,153,888** | **10,296,426,391** | 5,355,140,930 | 5,205,981,950 |
| Debt instruments at FVOCI | **7,230,272,411** | **7,230,272,411** | 1,217,755,941 | 1,217,755,941 |
| Debt instruments at amortised cost | **3,101,967,965** | **2,991,240,468** | 4,101,615,112 | 3,952,456,132 |
| Equity instruments at FVOCI | **74,913,512** | **74,913,512** | 35,769,877 | 35,769,877 |
| Other assets at amortised cost** | **297,268,095** | **297,268,095** | 291,886,312 | 291,886,312 |
| | **40,981,031,233** | **40,494,930,190** | 32,493,828,857 | 32,060,493,249 |
| **Financial liabilities** | | | | |
| Due to banks | **816,089,048** | **816,089,048** | 625,715,576 | 625,715,576 |
| Derivative financial liabilities at FVPL | **15,693,337** | **15,693,337** | 24,816,450 | 24,816,450 |
| Deposits from customers at amortised cost | **36,578,950,819** | **36,313,053,593** | 28,843,057,342 | 28,675,170,907 |
| Subordinated debts at amortised cost | **707,296,410** | **700,000,000** | 706,076,724 | 700,000,000 |
| Other liabilities at amortised cost** | **650,462,891** | **650,462,891** | 208,307,161 | 208,307,161 |
| | **38,768,492,505** | **38,495,298,869** | 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.

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615).

Refer to note 45 (a).

Management has assessed the fair value of the Company's investments in subsidiaries and concluded that their carrying amounts approximate their fair values at the reporting date.

## 42. RISK MANAGEMENT (CONT'D)

### (a) Fair values (cont'd)

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, foreign exchange risk, probability of default and loss given default estimates. As a result, loans and advances fall under Level 3 of the fair value hierarchy.

For investment securities, all the government bonds and BOM bonds have been fair valued based on the latest weighted yield rate.

For deposits from non-Bank customers, all the term deposits maturing after one year have been fair valued based on the current prevailing savings rate.

Due to banks relates to placement with banks which are short term in nature and contracted at market interest rates, thereby resulting in a fair value which is not materially different from its carrying value.

Subordinated debts relates to bonds issued by the Bank at market rates. Hence, the fair value of these bonds are not materially different from their carrying value.

The carrying amounts of cash and cash equivalents, other assets (which includes sundry debtors - deposits, non-banking assets acquired in satisfaction of debts and other receivables) & other liabilities are not materially different from their fair value.

Except for the levels in which the financial assets and financial liabilities are shown in the table of fair value measurement hierarchy, the fair values of the other financial assets and financial liabilities are categorised in Level 3.

### Fair value measurement hierarchy

### (i) Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices).

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no changes in the above valuation techniques during the year.

The table below analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

| | The Group | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | MUR | MUR | MUR | MUR |
| **2026** | | | | |
| **Financial assets** | | | | |
| **Investment securities (debt and equity instruments)** | | | | |
| - Debt securities | **6,729,017,455** | **440,605,073** | **60,649,883** | **7,230,272,411** |
| - Equity securities | **72,603,866** | **–** | **2,309,646** | **74,913,512** |
| **Derivatives - Foreign exchange contracts** | **–** | **15,097,950** | **–** | **15,097,950** |
| | **6,801,621,321** | **455,703,023** | **62,959,529** | **7,320,283,873** |
| **Financial liabilities** | | | | |
| Derivatives - Foreign exchange contracts | **–** | **15,693,337** | **–** | **15,693,337** |

**42. RISK MANAGEMENT (CONT'D)**
**(a) Fair values (Cont'd)**
**Fair value measurement hierarchy (Cont'd)**
**(i) Valuation principles (Cont'd)**

| | The Group | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | MUR | MUR | MUR | MUR |
| 2025 | | | | |
| Financial assets | | | | |
| Investment securities (debt and equity instruments) | | | | |
| - Debt securities | 188,889,464 | 966,388,243 | 62,478,234 | 1,217,755,941 |
| - Equity securities | 32,531,399 | – | 3,238,478 | 35,769,877 |
| Derivatives - Foreign exchange contracts | – | 8,490,206 | – | 8,490,206 |
| | 221,420,863 | 974,878,449 | 65,716,712 | 1,262,016,024 |
| Financial liabilities | | | | |
| Derivatives - Foreign exchange contracts | – | 24,816,450 | – | 24,816,450 |

There have been no financial assets or financial liabilities measured at fair value that were transferred between Level 1 and Level 2, or between Level 2 and 3 during the year.

In prior years, debt securities previously included those debt instruments accounted at amortised cost.

| **2026** | **The Group** |
|---|---|
| **Reconciliation of fair value measurement of level 3 investments** | **Total** |
| | **MUR** |
| **As at July 2025** | **65,716,712** |
| Remeasurement recognised in OCI | **6,913,719** |
| Additions | **576,925** |
| Accrued interest | **1,648** |
| Disposal | **(10,249,475)** |
| **As at June** | **62,959,529** |

| 2025 | The Group |
|---|---|
| | 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 | 65,716,712 |

**42. RISK MANAGEMENT (CONT'D)**

**(a) Fair values (Cont'd)**

**Fair value measurement hierarchy (Cont'd)**

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

| | The Group | | | | | |
|---|---|---|---|---|---|---|
| | At July 2025 | Additions | Accrued interest | Disposal | Other comprehensive income | At June 2026 |
| | MUR | MUR | MUR | MUR | MUR | MUR |
| **Financial Assets** | | | | | | |
| Investment securities (debt and equity instruments) | | | | | | |
| - Debt securities at FVOCI | **62,478,234** | **–** | **1,648** | **3,275** | **(1,833,274)** | **60,649,883** |
| - Equity securities | **3,238,478** | **576,925** | **–** | **(10,252,750)** | **8,746,993** | **2,309,646** |
| | **65,716,712** | **576,925** | **1,648** | **(10,249,475)** | **6,913,719** | **62,959,529** |

| | Acquisition of entity under common control | Additions | Accrued interest | Disposal | Other comprehensive income | At June 2025 |
|---|---|---|---|---|---|---|
| | MUR | MUR | MUR | MUR | MUR | MUR |
| Financial Assets | | | | | | |
| Investment securities (debt and equity instruments) | | | | | | |
| - Debt securities at FVOCI | 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.

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.

## 42. RISK MANAGEMENT (CONT'D)

### (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 **5.22% to 6.90%** (2025: 5.64% to 7.65%) and credit spreads ranging from **0.28% to 1.99%** (2025: 0.37% to 2.38%) depending on the relevant sector.

Changes in the significant unobservable inputs to reasonable possible alternatives would lead to different resulting fair values. Sensitivity data is calculated by adjusting model inputs to reasonable changes within the fair value methodology.

An increase of 0.5% in discount rates across the Level 3 investment securities would result in a lower fair value by **MUR 0.007m** (2025: MUR 0.009m), while a decrease of 0.5% in discount rates would result in a higher fair value by **MUR 0.007m**(2025: MUR 0.009m).

An increase of 10% in credit spreads across the Level 3 investment securities would result in a lower fair value by **MUR 1.473m** (2025: MUR0.203m), while a decrease of 10% in credit spreads would result in a higher fair value by **MUR 1.471m** (2025: MUR 0.209m).

The financial instruments within level 3 of the fair value hierarchy are measured at FVOCI. Thus, any changes in the significant unobservable inputs would not have any impact on the statement of profit or loss.

### (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 | |
| | 2026 | 2025* |
| | MUR | MUR |
| **Fund based exposures:** | | |
| Cash and cash equivalents | **10,684,519,077** | 8,686,505,462 |
| Due from Banks | **474,460,324** | 159,523,736 |
| Derivative financial assets | **15,097,950** | 8,490,206 |
| Loans and advances to customers | **19,078,187,880** | *17,969,089,117 |
| Investment securities | **10,332,240,376** | 5,319,371,053 |
| Other assets | **297,268,095** | 291,886,313 |
| **Total credit risk exposure** | **40,881,773,702** | 32,434,865,887 |
| **Non-fund based exposures:** | | |
| Financial guarantees | **370,962,146** | 149,003,700 |
| Letter of credit and other obligations on account of customers | **131,301,940** | 3,604,000 |
| Undrawn credit facilities | **2,425,501,144** | 2,335,559,008 |
| **Total credit risk exposure** | **2,927,765,230** | 2,488,166,708 |

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615). Refer to note 45 (a).

## 42. RISK MANAGEMENT (CONT'D)

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 | |
|---|---|---|
| | **2026** | 2025* |
| | **MUR** | **MUR** |
| Manufacturing | **592,342,842** | 1,058,365,579 |
| Construction | **1,138,147,916** | 723,769,904 |
| Professional | **79,235,931** | 438,064,355 |
| Traders | **1,673,526,075** | 1,616,492,691 |
| Tourism | **836,887,761** | 1,120,777,462 |
| Transport | **555,482,626** | 536,823,065 |
| Financial and Business services | **15,533,571,610** | 11,716,404,065 |
| Personal | **5,932,114,902** | 6,085,527,328 |
| Agriculture | **167,206,353** | 155,061,941 |
| Global Business Licence Holders | **184,342,607** | 290,617,929 |
| Government | **10,582,490,002** | 5,372,606,474 |
| Information and communication technology | **180,361,718** | 179,685,172 |
| Others | **3,515,596,300** | 3,885,973,320 |
| | **40,971,306,643** | 33,180,169,285 |
| Less: Deferred income | **–** | *(72,457,615) |
| | **40,971,306,643** | *33,107,711,670 |

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615).

Refer to note 45 (a).

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

| | **2026** | 2025 |
|---|---|---|
| | **MUR** | **MUR** |
| Manufacturing | **231,912,289** | 212,893,042 |
| Construction | **346,047,420** | 20,115,416 |
| Professional | **117,024,696** | 9,153,205 |
| Traders | **656,644,415** | 417,066,444 |
| Tourism | **382,702,441** | 145,623,502 |
| Transport | **95,467,776** | 86,331,788 |
| Financial and Business services | **243,662,007** | 391,570,932 |
| Personal | **201,427,887** | 405,401,659 |
| Agriculture | **126,832,779** | 67,036,043 |
| Global Business Licence Holders | **319,946,785** | 317,703,140 |
| Information and communication technology | **4,004,385** | – |
| Others | **202,092,351** | 415,271,537 |
| | **2,927,765,231** | 2,488,166,708 |

## 42. RISK MANAGEMENT (CONT'D)

### (b) Credit risk (Cont'd)

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 | | | |
|---|---|---|---|---|
| | 2026 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| **Grades:** | **MUR** | **MUR** | **MUR** | **MUR** |
| Performing | | | | |
| 1 to 3 - Investment grade | **10,615,762,548** | **124,134,783** | **–** | **10,739,897,331** |
| 4 to 7 - Standard monitoring | **10,176,733,464** | **96,890,763** | **–** | **10,273,624,227** |
| 8 - Watchlist | **–** | **409,037,720** | **–** | **409,037,720** |
| Unrated | **557,673,198** | **2,637,390** | **–** | **560,310,588** |
| Non-performing | | | | **–** |
| 9 - Default | **–** | **–** | **278,152,941** | **278,152,941** |
| | **21,350,169,210** | **632,700,656** | **278,152,941** | **22,261,022,807** |
| **Less deferred income** | | | | **(85,547,233)** |
| | | | | **22,175,475,574** |

| | The Group | | | |
|---|---|---|---|---|
| | 2025 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Grades: | **MUR** | **MUR** | **MUR** | **MUR** |
| Performing | | | | |
| 1 to 3 - Investment grade | 10,101,079,154 | 142,786,164 | – | 10,243,865,318 |
| 4 to 7 - Standard monitoring | 8,872,939,858 | 152,786,772 | – | 9,025,726,630 |
| 8 - Watchlist | – | 448,692,622 | – | 448,692,622 |
| Unrated | 597,419,706 | 7,460,367 | – | 604,880,073 |
| Non-performing | | | | |
| 9 - Default | – | – | 375,999,708 | 375,999,708 |
| | 19,571,438,718 | 751,725,925 | 375,999,708 | 20,699,164,351 |
| Less deferred income | | | | (72,457,615) |
| | | | | 20,626,706,736 |

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 no loans and advances whose terms have been renegotiated during the financial year 2026. (There were MUR 2,542,613 loans and advances whose terms have been renegotiated in 2025).

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.

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.

## 42. RISK MANAGEMENT (CONT'D)

### (b) Credit risk (Cont'd)

| External Credit Assessment (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 demonstrates otherwise.

The Group has monitoring procedures in place to ensure that the criteria used to identify significant increases in credit risk 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 fully collateralised no impairment allowance is recognised. The impairment losses are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

#### Collectively assessed allowance (Stage 1 and Stage 2)

##### 1. Inputs, assumptions and techniques used in estimating impairment

Refer to note 5.7 Impairment of financial assets.

##### 2. Significant increase in credit risk

The 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 expected credit losses rather than 12-month expected credit loss. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the 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)**

**Collectively assessed allowance (Stage 1 and Stage 2) (Cont'd)**

**Significant increase in credit risk (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.

**42. RISK MANAGEMENT (CONT'D)**

**(b) Credit risk (Cont'd)**

**Collectively assessed allowance (Stage 1 and Stage 2) (Cont'd)**

**4. Incorporation of forward-looking information (Cont'd)**

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** | **2025** | **2026** | **2027** | **2028** | **2029** | **2030** |
| GDP Growth Rate | Upside | **10%** | **3.2%** | **5.0%** | **5.0%** | **5.0%** | **5.0%** | **5.0%** |
| | Base case | **75%** | **3.2%** | **3.0%** | **3.0%** | **3.0%** | **3.0%** | **3.0%** |
| | Downside | **15%** | **3.2%** | **1.1%** | **1.1%** | **1.1%** | **1.1%** | **1.1%** |

**Analysis of inputs to the expected credit loss model under multiple economic scenarios**

The following tables outline the impact of multiple scenarios on the allowance.

This table shows both the contribution to total expected credit loss of each probability weighted scenario in addition to the total incremental effect on expected credit loss of applying multiple economic scenarios compared to the expected credit loss that would have resulted from applying a 100% weighting to the base case scenario:

| | The Group | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **30 June 2026** | **Corporate lending** | **Retail lending** | **Financial guarantees** | **Undrawn credit facilities** | **Investment securities at FVOCI** | **Investment securities at amortised cost** | **Other assets** | **Total** |
| | **MUR** | **MUR** | **MUR** | **MUR** | **MUR** | **MUR** | **MUR** | **MUR** |
| **Upside (10%)** | 13,265,861 | 2,815,385 | 36,760 | 238,264 | 394,212 | 8,329,554 | 43,349 | 25,123,385 |
| **Base case (75%)** | 104,618,854 | 22,114,159 | 361,683 | 2,233,232 | 2,956,588 | 62,471,658 | 325,114 | 195,081,288 |
| **Downside (15%)** | 22,174,121 | 4,534,149 | 94,780 | 543,316 | 591,318 | 12,494,332 | 65,023 | 40,497,039 |
| **Total** | 140,058,836 | 29,463,693 | 493,223 | 3,014,812 | 3,942,118 | 83,295,544 | 433,486 | 260,701,712 |
| **Effect of multiple economic scenarios** | 567,031 | (21,852) | 10,980 | 37,170 | – | – | – | 593,329 |

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

| **30 June 2026** | **Corporate lending** | **Retail lending** | **Financial guarantees** | **Undrawn credit facilities** | **Investment securities at FVOCI** | **Investment securities at amortised cost** | **Other assets** | **Total** |
|---|---|---|---|---|---|---|---|---|
| | **MUR** | **MUR** | **MUR** | **MUR** | **MUR** | **MUR** | **MUR** | **MUR** |
| **Gross exposure** | 13,367,287,271 | 5,880,423,138 | 502,264,086 | 2,425,501,144 | 7,234,258,117 | 3,185,263,511 | 11,302,337,537 | 43,897,334,804 |
| **Expected credit loss** | | | | | | | | |
| **Upside** | 132,658,610 | 28,153,846 | 367,599 | 2,382,640 | 3,942,118 | 83,295,544 | 433,486 | 251,233,843 |
| **Base case** | 139,491,805 | 29,485,545 | 482,243 | 2,977,642 | 3,942,118 | 83,295,544 | 433,486 | 260,108,383 |
| **Downside** | 147,827,476 | 30,227,661 | 631,867 | 3,622,107 | 3,942,118 | 83,295,544 | 433,486 | 269,980,259 |

Measurement of expected credit loss : The key inputs into the measurement of expected credit loss are the following:
(i) probability of default (PD);
(ii) loss given default (LGD);
(iii) exposure at default (EAD).
These parameters are derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

**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 estimated at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the probability default for large corporate counterparties.

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.

A first level of probability default segmentation performed by the Group is in terms of customer type: corporate, retail, investment in sovereign securities and investment in financial institutions.

The corporate probability default segment is further segmented by the economic sector in which an obligor operates while the retail probability default segment takes into consideration the number of years that an obligor has been a client of the Group as a variable for segmentation.

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.

## 42. RISK MANAGEMENT (CONT'D)

### (b) Credit risk (Cont'd)

The main kinds of collateral and credit enhancements for each class of asset subject to credit risk are set below:

| | The Group | | |
|---|---|---|---|
| | **2026** | 2025* | **Principal type of collateral held** |
| | **MUR** | **MUR** | |
| **Fund based exposures:** | | | |
| Cash and cash equivalents | **10,684,519,077** | 8,686,505,462 | Unsecured |
| Due from Banks | **474,460,324** | 159,523,736 | Unsecured |
| Derivative financial assets | **15,097,950** | 8,490,206 | Unsecured |
| Loans and advances to customers | **19,078,187,880** | *17,969,089,117 | Real estate |
| Investment securities | **10,332,240,376** | 5,319,371,053 | Unsecured |
| Other assets | **297,268,095** | 291,886,313 | Unsecured |
| **Non-fund based exposures:** | | | |
| Financial guarantees | **370,962,146** | 149,003,700 | Unsecured |
| Letter of credit and other obligations on account of customers | **131,301,940** | 3,604,000 | Unsecured |
| Undrawn credit facilities | **2,425,501,144** | 2,335,559,008 | Unsecured |

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615).

Refer to note 45 (a).

Fund based exposures do not include cash in hand and investment in equity.

The exposures do not include impact on collateral.

## 42. RISK MANAGEMENT (CONT'D)

### (b) Credit risk (Cont'd)

**Credit quality by class of financial assets**

| | The Group | | | |
|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | MUR |
| **2026** | | | | |
| Cash and cash equivalents | **10,684,519,077** | **–** | **–** | **10,684,519,077** |
| Due from banks | **474,460,326** | **–** | **–** | **474,460,326** |
| Derivative financial assets | **15,097,950** | **–** | **–** | **15,097,950** |
| Loans and advances to customers | **18,399,753,296** | **591,761,981** | **172,219,835** | **19,163,735,112** |
| Investment securities | **10,258,798,007** | **29,866,408** | **43,619,551** | **10,332,283,966** |
| Other assets | **1,058,272,701** | **–** | **–** | **1,058,272,701** |
| | **40,890,901,357** | **621,628,389** | **215,839,386** | **41,728,369,132** |
| **Less deferred income** | | | | **(85,547,233)** |
| | **40,890,901,357** | **621,628,389** | **215,839,386** | **41,642,821,899** |

| | The Group | | | |
|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | MUR | MUR | MUR | MUR |
| 2025 | | | | |
| Cash and cash equivalents | 8,686,505,462 | – | – | 8,686,505,462 |
| Due from banks | 159,523,736 | – | – | 159,523,736 |
| Derivative financial assets | 8,490,206 | – | – | 8,490,206 |
| Loans and advances to customers | 17,062,451,475 | 695,066,810 | 284,028,447 | 18,041,546,732 |
| Investment securities | 5,252,254,041 | – | 67,117,012 | 5,319,371,053 |
| Other assets | 893,165,858 | – | – | 893,165,858 |
| | 32,062,390,778 | 695,066,810 | 351,145,459 | 33,108,603,047 |
| Less deferred income | | | | *(72,457,615) |
| | 32,062,390,778 | 695,066,810 | 351,145,459 | 33,036,145,432 |

* Deferred income on processing fees has been reclassified from other liabilities to loans and advances to customers (2025: MUR 72,457,615).

Refer to note 45 (a).

Expected credit loss on cash and cash equivalents has been assessed to be immaterial due to cash deposited in entities with high credit risk ratings.

Ageing analysis of past due but not impaired loans by class of financial assets

| | The Group | | | |
|---|---|---|---|---|
| | Amount in arrears | | | |
| | Less than 30 days | 31 to 89 days | More than or equal to 90 days | Total |
| | MUR | MUR | MUR | MUR |
| **2026** | | | | |
| Loans and advances to customers | | | | |
| Loans and overdrafts | | | | |
| Retail | **20,830,524** | **480,865** | **3,973,008** | **25,284,397** |
| Corporate | **9,647,445** | **248,472** | **26,080,634** | **35,976,551** |
| | **30,477,969** | **729,337** | **30,053,642** | **61,260,948** |

| | Amount in arrears | | | |
|---|---|---|---|---|
| | Less than 30 days | 31 to 89 days | More than or equal to 90 days | Total |
| | MUR | MUR | MUR | MUR |
| Investment in finance leases | | | | |
| Retail | **2,714,694** | **1,574,360** | **1,221,819** | **5,510,873** |
| Corporate | **3,588,623** | **2,297,584** | **1,563,743** | **7,449,950** |
| | **6,303,317** | **3,871,944** | **2,785,562** | **12,960,823** |
| | **36,781,286** | **4,601,281** | **32,839,204** | **74,221,771** |

## 42. RISK MANAGEMENT (CONT'D)

### (b) Credit risk (Cont'd)

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

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

| | Amount in arrears | | | |
|---|---|---|---|---|
| | Less than 30 days | 31 to 89 days | More than or equal to 90 days | Total |
| | **MUR** | **MUR** | **MUR** | **MUR** |
| Investment in finance leases | | | | |
| Retail | 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** | |
|---|---|---|
| | **2026** | |
| | Gross Carrying | Loss Allowance |
| | **MUR** | **MUR** |
| 0 - 30 days (Stage 1) | **18,436,001,007** | **36,247,775** |
| 0 - 30 days (Stage 2) | **414,838,403** | **6,246,833** |
| 31 - 89 days (Stage 2) | **204,258,992** | **21,093,854** |
| | **19,055,098,402** | **63,588,462** |
| **Less deferred income** | **(85,547,232)** | **–** |
| | **18,969,551,170** | **63,588,462** |

| | The Group | |
|---|---|---|
| | 2025 | |
| | Gross Carrying | Loss Allowance |
| | **MUR** | **MUR** |
| 0 - 30 days (Stage 1) | 17,155,576,677 | 26,913,184 |
| 0 - 30 days (Stage 2) | 446,735,076 | 14,146,058 |
| 31 - 89 days (Stage 2) | 298,898,199 | 36,420,404 |
| | 17,901,209,952 | 77,479,646 |
| Less deferred income | (72,457,615) | – |
| | 17,828,752,337 | 77,479,646 |

## 42. RISK MANAGEMENT (CONT'D)

### (b) Credit risk (Cont'd)

#### 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 | |
|---|---|---|
| | **2026** | 2025 |
| | **MUR** | **MUR** |
| Loans and advances (note 11(c)) | **278,152,941** | 375,999,708 |
| Expected Credit Losses on loans and advances under Stage 3 (note 11(c)) | **105,933,106** | 91,971,261 |
| | **105,933,106** | 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 Group continues to maintain a strong liquidity position throughout the financial year, with an average quarterly Liquidity Coverage Ratio (LCR) of **512%** (2025: 276%), consistently remaining well above regulatory thresholds and reflecting its prudent liquidity management and resilience under stressed conditions.

#### Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the 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 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 deposit retention history.

#### Maturity analysis of financial liabilities

| | The Group | | | | | |
|---|---|---|---|---|---|---|
| | Current | | | Non Current | | Total |
| **2026** | **No specific maturity** | **Less than 3 months** | **3 to 12 months** | **1 to 3 years** | **Over 3 years** | |
| | **MUR** | **MUR** | **MUR** | **MUR** | **MUR** | **MUR** |
| Due to banks | **–** | **470,817,370** | **351,211,331** | **–** | **–** | **822,028,701** |
| Derivative financial liabilities | **–** | **12,851,320** | **2,842,017** | **–** | **–** | **15,693,337** |
| Deposits from customers | **–** | **5,923,720,769** | **7,304,109,571** | **6,765,803,841** | **17,297,395,674** | **37,291,029,855** |
| Subordinated debts | **–** | **20,466,848** | **20,466,848** | **122,801,087** | **904,668,478** | **1,068,403,261** |
| Other liabilities* | **44,426,090** | **550,262,676** | **47,234,457** | **39,347,548** | **6,057,037** | **687,327,807** |
| **Total financial liabilities** | **44,426,090** | **6,978,118,983** | **7,725,864,224** | **6,927,952,476** | **18,208,121,189** | **39,884,482,961** |
| **Contingent liabilities and commitments** | **44,426,090** | **550,262,675** | **213,908,338** | **39,317,495** | **6,057,037** | **853,971,635** |

## 42. RISK MANAGEMENT (CONT'D)

### (c) Liquidity risk (Cont'd)

### Maturity analysis of financial liabilities (Cont'd)

| 2025 | The Group | | | | | |
|---|---|---|---|---|---|---|
| | 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 14,151,024** for the current financial year (June 2025: MUR 132,452,396) exclude VAT, TDS and ECL on contingent liabilities since these are not regarded as financial liabilities.

**(c) Liquidity risk**

| **2026** | The Company | | | | | |
|---|---|---|---|---|---|---|
| | Current | | | Non Current | | Total |
| | No specific maturity | Less than 3 months | 3 to 12 months | 1 to 3 years | Over 3 years | |
| | MUR | MUR | MUR | MUR | MUR | MUR |
| Other liabilities | **29,936,993** | **–** | **–** | **–** | **–** | **29,936,993** |
| **Total financial liabilities** | **29,936,993** | **–** | **–** | **–** | **–** | **29,936,993** |

| 2025 | The Company | | | | | |
|---|---|---|---|---|---|---|
| | Current | | | Non Current | | Total |
| | No specific maturity | Less than 3 months | 3 to 12 months | 1 to 3 years | Over 3 years | |
| | 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.

There has been no changes in the method and assumptions used by the Bank compared to the previous years.

| **2026** | **The Group** | | |
|---|---|---|---|
| Currency | **Increase/ (decrease) in basis points** | **Effect on profit before tax MUR m** | **Effect on Equity MUR m** |
| EUR | **50** | **12.3** | **0.0** |
| USD | **50** | **25.6** | **24.7** |
| MUR | **50** | **0.3** | **11.7** |

| 2025 | The Group | | |
|---|---|---|---|
| Currency | Increase/ (decrease) in basis points | Effect on profit before tax MUR m | Effect on Equity 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 year.

## 42. RISK MANAGEMENT (CONT'D)

### (d) Market risk (Cont'd)

#### (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:

There has been no changes in the method and assumptions used by the Group compared to the previous years.

| **The Group** | **Change in price** | **2026** | 2025 |
|---|---|---|---|
| | **%** | **MUR** | **MUR** |
| **Statement of other comprehensive income** | +10 | **8,650,198** | 9,504,925 |
| **Statement of other comprehensive income** | -10 | **(8,650,198)** | 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 2026 amounted to **MUR 334,080** (2025: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 reasonably 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.

There has been no changes in the method and assumptions used by the Group compared to the previous years.

| | | **The Group** | | |
|---|---|---|---|---|
| | | **Impact on profit after tax and equity** | | |
| | | **EUR** | **GBP** | **USD** |
| **30 June 2026** | **5%** | **74,183,377** | **(161,689)** | **289,113,613** |
| | **−5%** | **(74,183,377)** | **161,689** | **(289,113,613)** |

| | | The Group | | |
|---|---|---|---|---|
| | | 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 |

## 42. RISK MANAGEMENT (CONT'D)

### (d) Market risk (Cont'd)

### (iii) Foreign exchange risk (Cont'd)

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

| 2026 | The Group | | | | |
|---|---|---|---|---|---|
| | EUR | GBP | USD | Others | Total |
| | MUR | MUR | MUR | MUR | MUR |
| Cash and cash equivalents | 2,361,556,742 | 390,277,431 | 5,749,569,104 | 903,564,748 | 9,404,968,025 |
| Due from Banks | – | – | 474,460,324 | – | 474,460,324 |
| Derivative financial assets | 8,967,011 | 13,648 | 5,780,935 | 336,358 | 15,097,952 |
| Loans and advances to customers | 2,620,923,607 | – | 4,884,105,403 | – | 7,505,029,010 |
| Investment securities | – | – | 5,292,312,525 | – | 5,292,312,525 |
| Other assets | 56,000,846 | 1,107,450 | 185,315,026 | 38,581,009 | 281,004,331 |
| | 5,047,448,206 | 391,398,529 | 16,591,543,317 | 942,482,115 | 22,972,872,167 |
| Derivative financial liabilities | 945,103 | – | 5,091,876 | 9,656,357 | 15,693,336 |
| Deposits from customers | 4,409,496,844 | 500,745,122 | 16,398,695,856 | 1,117,679,090 | 22,426,616,912 |
| Other liabilities | 15,849,899 | 7,736,645 | 364,796,833 | 146,511,627 | 534,895,004 |
| | 4,426,291,846 | 508,481,767 | 16,768,584,565 | 1,273,847,074 | 22,977,205,252 |
| **Net position** | 621,156,360 | (117,083,238) | (177,041,248) | (331,364,959) | (4,333,085) |

| 2025 | The Group | | | | |
|---|---|---|---|---|---|
| | EUR | GBP | USD | Others | Total |
| | MUR | MUR | MUR | MUR | MUR |
| Cash and cash equivalents | 1,892,259,917 | 381,829,546 | 4,071,367,929 | 1,017,799,553 | 7,363,256,945 |
| Due from Banks | – | – | 159,657,413 | – | 159,657,413 |
| Derivative financial assets | 213,897 | – | 3,428,728 | 4,847,581 | 8,490,206 |
| Loans and advances to customers | 3,047,821,927 | – | 3,742,575,315 | – | 6,790,397,242 |
| Investment securities | – | – | 1,273,725,178 | – | 1,273,725,178 |
| Other assets | 71,991,682 | 3,333,154 | 135,910,652 | 5,452,879 | 216,688,367 |
| | 5,012,287,423 | 385,162,700 | 9,386,665,215 | 1,028,100,013 | 15,812,215,351 |
| Derivative financial liabilities | 22,750,178 | – | 74,000 | 1,992,272 | 24,816,450 |
| Deposits from customers | 3,546,728,625 | 386,895,655 | 10,437,449,413 | 990,299,785 | 15,361,373,478 |
| Other liabilities | 7,079,127 | 761,582 | 68,153,815 | 13,615,029 | 89,609,553 |
| | 3,576,557,930 | 387,657,237 | 10,505,677,228 | 1,005,907,086 | 15,475,799,481 |
| Net position | 1,435,729,493 | (2,494,537) | (1,119,012,013) | 22,192,927 | 336,415,870 |

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

# NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

## 42. RISK MANAGEMENT (CONT'D)

### (e) Maturities of assets and liabilities

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 discounted 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 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2026 | | | | | | | |
| | Notes | No specific maturity | Less than 3 months | 3 to 12 months | Sub total less than 12 months | 1 to 3 years | Over 3 years | Sub total more than 12 months | Total |
| | | MUR | MUR | MUR | MUR | MUR | MUR | MUR | MUR |
| **Assets** | | | | | | | | | |
| Cash and cash equivalents | 8 | – | 10,708,863,096 | – | 10,708,863,096 | – | – | – | 10,708,863,096 |
| Due from banks | 9 | – | 474,460,324 | – | 474,460,324 | – | – | – | 474,460,324 |
| Derivative financial assets | 10 | – | 9,541,330 | 5,556,620 | 15,097,950 | – | – | – | 15,097,950 |
| Loans and advances to customers | 11 | 335,535,801 | 2,766,470,324 | 2,340,104,207 | 5,106,574,531 | 6,354,112,123 | 7,601,140,558 | 13,955,252,681 | 19,397,363,013 |
| Investment securities | 12 | 75,082,591 | 3,041,334,339 | 1,819,337,886 | 4,860,672,225 | 4,462,194,249 | 1,092,500,367 | 5,554,694,616 | 10,490,449,432 |
| Other assets | 13 | 297,268,095 | – | – | – | – | – | – | 297,268,095 |
| **Total** | | 707,886,486 | 17,000,669,413 | 4,164,998,713 | 21,165,668,126 | 10,816,306,372 | 8,693,640,925 | 19,509,947,297 | 41,383,501,910 |
| Less allowance for credit impairment | | | | | | | | | (252,793,075) |
| | | | | | | | | | 41,130,708,835 |
| **Liabilities** | | | | | | | | | |
| Due to banks | 20 | – | 470,328,904 | 345,760,123 | 816,089,027 | – | – | – | 816,089,027 |
| Derivative financial liabilities | 10 | – | 12,851,320 | 2,842,017 | 15,693,337 | – | – | – | 15,693,337 |
| Deposits from customers | 19 | – | 26,383,696,307 | 5,131,748,172 | 31,515,444,479 | 4,031,718,318 | 1,031,788,022 | 5,063,506,340 | 36,578,950,819 |
| Subordinated debts | 21 | – | 10,344,656 | – | 10,344,656 | – | 696,951,754 | 696,951,754 | 707,296,410 |
| Other liabilities** | 23 | 44,426,090 | 550,262,676 | 47,234,457 | 597,497,133 | 39,347,548 | 6,057,037 | 45,404,585 | 687,327,807 |
| **Total** | | 44,426,090 | 27,427,483,863 | 5,527,584,769 | 32,955,068,632 | 4,071,065,866 | 1,734,796,813 | 5,805,862,679 | 38,805,357,401 |
| **Net liquidity gap** | | 663,460,397 | (10,426,814,449) | (1,362,586,056) | (11,789,400,506) | 6,745,240,506 | 6,958,844,112 | 13,704,084,618 | 2,578,144,510 |
| Less allowance for credit impairment | | | | | | | | | (252,793,075) |
| | | | | | | | | | 2,325,351,435 |
| **Contingent liabilities and commitments** | 35 | | | | | | | | |
| **Contingent liabilities** | | | | | | | | | |
| Financial guarantees | | – | 4,718,000 | 151,424,476 | 156,142,476 | 159,239,621 | – | 159,239,621 | 315,382,097 |
| Letter of credit and other obligations on account of customers | | – | 131,301,940 | – | 131,301,940 | – | – | – | 131,301,940 |
| **Commitments** | | | | | | | | | |
| Undrawn credit facilities | | – | 1,550,319,692 | 72,788,796 | 1,623,108,488 | 55,580,049 | 802,392,656 | 857,972,705 | 2,481,081,193 |
| | | – | 1,686,339,632 | 224,213,272 | 1,910,552,904 | 214,819,670 | 802,392,656 | 1,017,212,326 | 2,927,765,230 |

## 42. RISK MANAGEMENT (CONT'D)

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

| | Notes | The Group 2025* | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | No specific maturity | Less than 3 months | 3 to 12 months | Sub total less than 12 months | 1 to 3 years | Over 3 years | Sub total more than 12 months | Total |
| | | MUR | MUR | MUR | MUR | MUR | MUR | MUR | MUR |
| Assets | | | | | | | | | |
| Cash and cash equivalents | 8 | – | 8,709,698,556 | – | 8,709,698,556 | – | – | – | 8,709,698,556 |
| Due from banks | 9 | – | 159,523,736 | – | 159,523,736 | – | – | – | 159,523,736 |
| Derivative financial assets | 10 | – | 4,031,524 | 4,458,682 | 8,490,206 | – | – | – | 8,490,206 |
| Loans and advances to customers | 11 | 413,367,051 | 2,907,495,183 | 3,572,658,822 | 6,480,154,005 | 3,709,588,795 | 7,535,430,175 | 11,245,018,970 | 18,138,540,026 |
| 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 |
| Total | | 791,113,341 | 12,834,469,253 | 4,402,819,634 | 17,237,288,887 | 5,540,547,236 | 9,149,640,821 | 14,690,188,057 | 32,718,590,285 |
| Less allowance for credit impairment | | | | | | | | | (224,761,431) |
| | | | | | | | | | 32,493,828,854 |
| 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 | 33,412,571 | 34,914,734 | 68,327,305 | 291,803,384 |
| Total | | 51,895,177 | 19,776,524,074 | 4,256,602,964 | 24,033,127,038 | 3,767,820,118 | 2,673,627,143 | 6,406,447,261 | 30,491,469,476 |
| Net liquidity gap | | 739,218,164 | (6,942,054,821) | 146,216,670 | (6,795,838,151) | 1,772,727,118 | 6,476,013,678 | 8,283,740,796 | 2,227,120,809 |
| 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 |
| Total | | – | 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 14,151,024** for the current financial year (June 2025: MUR 132,452,396) exclude VAT, TDS, deferred income and ECL on contingent liabilities since these are not regarded as financial liabilities.

# NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

## 42. RISK MANAGEMENT (CONT'D)

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

| 2026 | Notes | The Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | No specific maturity | Less than 3 months | 3 to 12 months | Sub total less than 12 months | 1 to 3 years | Over 3 years | Sub total more than 12 months | Total |
| | | MUR | MUR | MUR | MUR | MUR | MUR | MUR | MUR |
| **Assets** | | | | | | | | | |
| 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** |

| 2025 | | The Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | No specific maturity | Less than 3 months | 3 to 12 months | Sub total less than 12 months | 1 to 3 years | Over 3 years | Sub total more than 12 months | Total |
| | | MUR | MUR | MUR | MUR | MUR | MUR | MUR | MUR |
| Assets | | | | | | | | | |
| 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 |

## 42. RISK MANAGEMENT (CONT'D)

### (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 is in a net current liability position as its total current liabilities exceeded its total current assets by **MUR 11,978,430** as at 30 June 2026 (30 June 2025: MUR 4,392,216). The Company commenced operations last year 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 240,388,210** for the year ended 30 June 2026 (Period ended 30 June 2025: MUR 64,170,962)

As disclosed in Note 42(e), the Group's current liabilities exceed its current assets primarily due to the nature of banking operations, whereby long-term assets are funded by customer deposits that are contractually short-term or repayable on demand. The resulting maturity mismatch is inherent to the banking business and is actively managed within the Group's liquidity risk framework. The Bank also maintains liquidity buffers, including deposits with the Bank of Mauritius, to support its liquidity position.

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 Corporation Ltd were transferred on the 4th April 2025, the net assets acquired on that date are as follows:

| | 2025 |
|---|---|
| | 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.

### 45. Restatement of comparatives

#### (a) Deferred processing fees

The Group via the Bank earns processing fees on financial instruments (loans and advances to customers). These are fees generated on credit facilities disbursed by the Bank, are collected upfront and are recognised over the term of the facilities. The Bank has assessed and concluded that the processing fees meet the requirements set by IFRS 9 and the recognition of these fees (together with any incremental costs) form an essential part of the effective interest rates of the corresponding financial instruments under IFRS 9 and are correctly reported under interest income.

Historically, the unamortised portion of these fees was recognised separately as deferred income within "other liabilities" rather than being offset against the carrying amount of the related loans. As a result, Loans and Advances to Customers and Other Liabilities were both overstated by the amount of the unamortised deferred fees. The error has been corrected by reclassifying the deferred fees from Other Liabilities and netting them against the related loans and advances in accordance with IFRS. In order to comply with the requirements of IFRS 9, these are being reclassified and netted off against loans and advances to customers.

The Group was established following a corporate reorganisation effective 2 April 2025. As a result, Group information for the earliest prior period is not available and the impact of the correction on that period has therefore not been presented.

The following tables summarise the impacts of the restatement.

The Group
Statement of financial position

| | Previously Reported | Adjustment | Restated |
|---|---|---|---|
| 30-Jun-25* | MUR | MUR | MUR |
| Loans and advances to customers | 18,041,546,732 | (72,457,615) | 17,969,089,117 |
| Total assets | 33,211,550,232 | (72,457,615) | 33,139,092,617 |
| Other Liabilities | 319,177,919 | (72,457,615) | 246,720,304 |
| Total Liabilities | 30,567,573,330 | (72,457,615) | 30,495,115,715 |

## 45. RESTATEMENT OF COMPARATIVE INFORMATION (CONT'D)

### (a) Deferred processing fees (Cont'd)

Statement of cash flows

| | Previously Reported | Adjustment | Restated |
|---|---|---|---|
| | **MUR** | **MUR** | **MUR** |
| 30-Jun-25 | | | |
| (Increase)/Decrease in loans and advances to customers | (1,284,906,464) | 72,457,615 | (1,212,448,849) |
| (Increase)/Decrease in other liabilities | (37,130,196) | (72,457,615) | (109,587,811) |

The adjustment did not have any other impact which requires further disclosure.

### (b) Movement on due to banks

The main component of the Group's operating activities is driven by the Bank.

Movements in amounts due to banks have been reclassified from financing to operating activities to better reflect their nature as part of the Bank's normal treasury and funding operations. Comparative amounts have been restated accordingly. The change is presentational only and has no impact on the Group's financial position, results, or net cash flows.

Statement of cash flows

| | Previously Reported | Adjustment | Restated |
|---|---|---|---|
| | **MUR** | MUR | **MUR** |
| Cash flows from operating activities | | | |
| 30-Jun-25 | | | |
| Increase from due to banks | – | 320,465,400 | 320,465,400 |
| | | | |
| Cash flows from financing activities | | | |
| 30-Jun-25 | | | |
| Increase from due to banks | 320,465,400 | (320,465,400) | – |

# 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 04 December 2026 at 14.00 to transact the following business:

1. To consider the Annual Report for the financial year ended 30 June 2026.

2. To receive the report of KPMG Mauritius, External Auditors of the Group and the Company.

3. To consider and adopt the Audited Financial Statements of the Group and the Company for the financial year ended 30 June 2026.

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 Sydney AH YOONG**

   (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) **Ms Marie Danielle LOW KWAN SANG**

6. To fix the remuneration of the Directors.

7. To re-appoint KPMG Mauritius as External Auditors of the Group and the Company for the financial year ending 30 June 2027 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.

**Kétia Sénézan Poonisamy, ACG**

Company Secretary

11 November 2026

# NOTICE OF ANNUAL MEETING

**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, Ms. Kétia Sénézan Poonisamy, 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 2026.

**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 09 November 2026.

**Note 4** The minutes of proceedings of the Annual Meeting of Shareholders of ABCB Holdings Limited held on 28 November 2025 are available for inspection at the Registered Office of the Company during normal office hours.

**Note 5** The minutes of proceedings of the Annual Meeting of Shareholders to be held on 04 December 2026 shall be available for inspection at the Registered Office of the Company as from 15 January 2027 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 _____ as my / our proxy to vote for me / us on my / our behalf at the Annual Meeting of the Company to be held on Friday 04 December 2026 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 2026 | | | |
| 2 | To receive the report of KPMG, External Auditors of the Company | | | |
| 3 | To consider and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2026 | | | |
| 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:<br>(i) Professor Donald AH-CHUEN, G.O.S.K<br>(ii) Mr Sydney AH YOONG<br>(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:<br>(i) Mr. Bhanu Pratabsingh JADDOO<br>(ii) Ms. Marie Danielle LOW KWAN SANG | | | |
| 6 | To fix the remuneration of the Directors | | | |
| 7 | To re-appoint KPMG as External Auditors of the Company for the financial year ending 30 June 2027 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 _____ 2026

# NOTES

# NOTES

# NOTES

ABCB Holdings

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Republic of Mauritius.

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