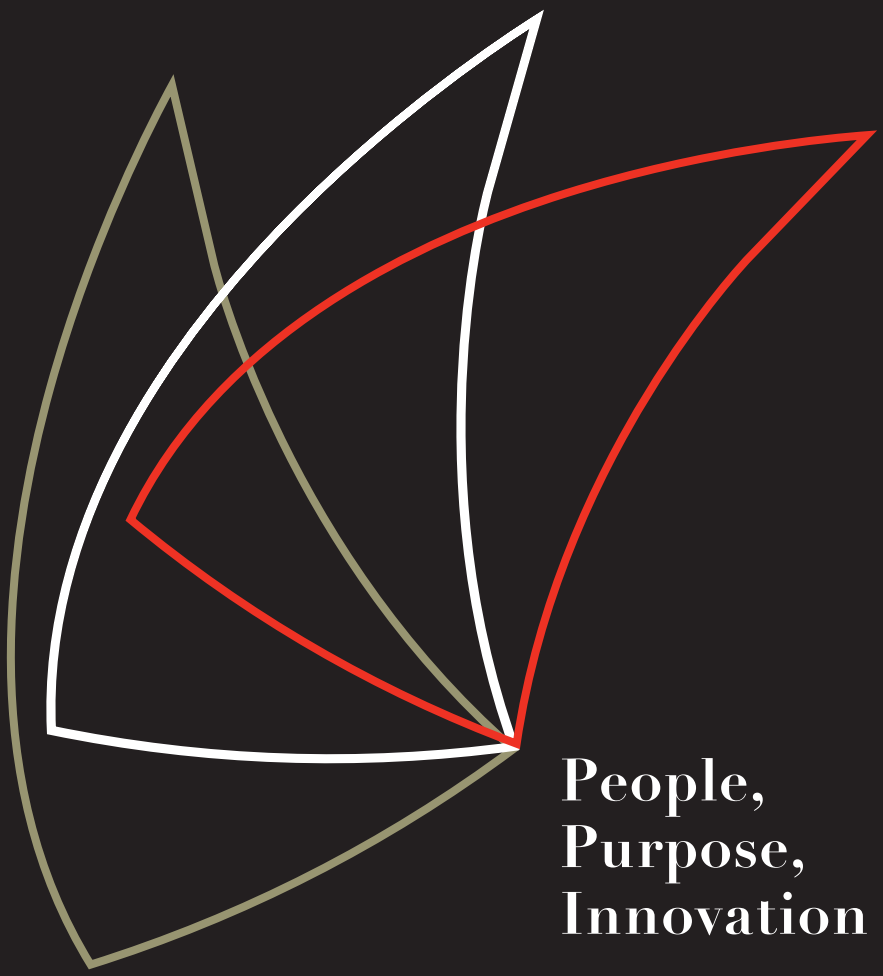
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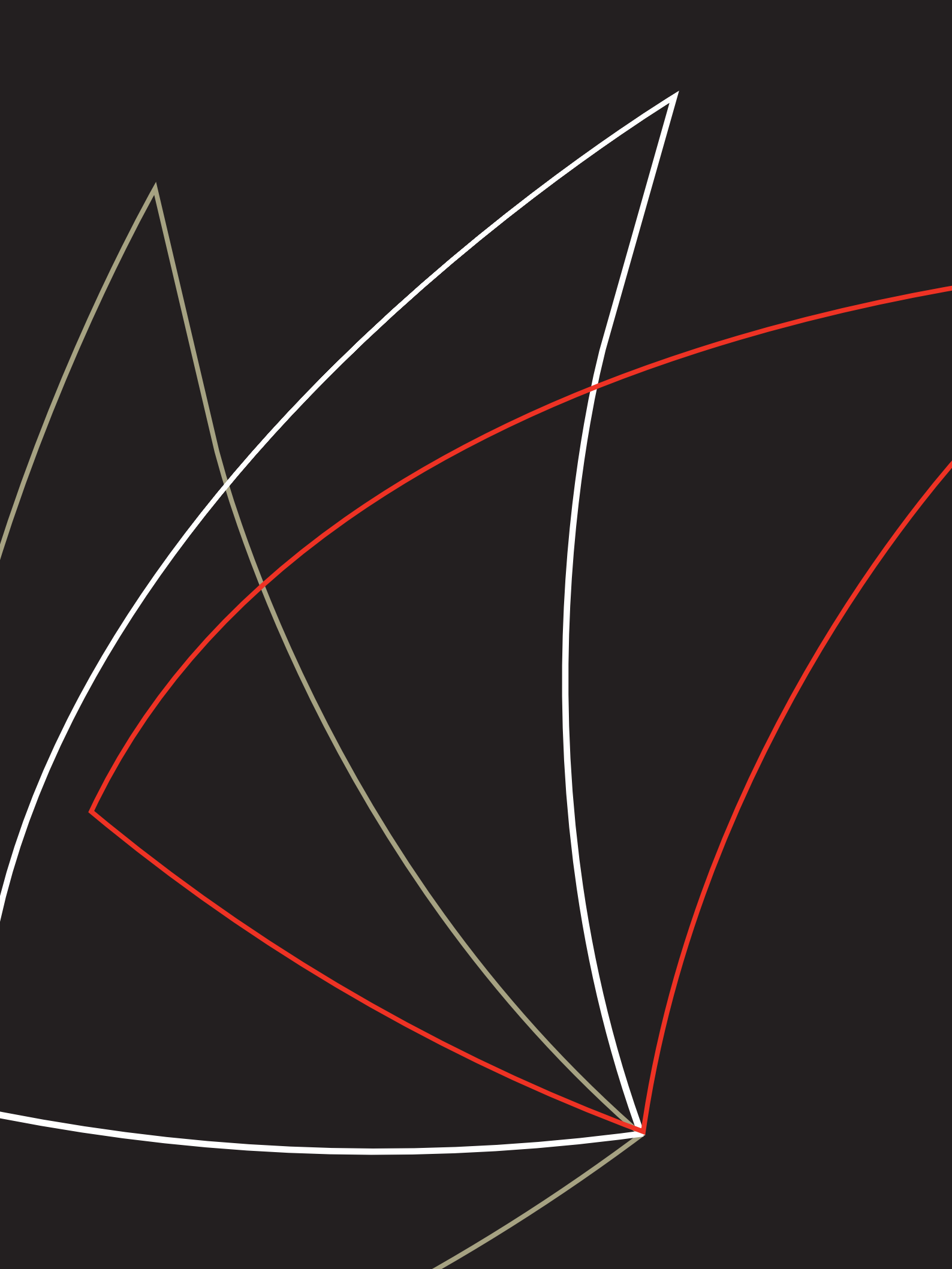


People,
Purpose,
Innovation

ANNUAL REPORT 2026

People, Purpose, Innovation

ANNUAL REPORT 2026



People, Purpose, Innovation

At AfrAsia, people, purpose and innovation are three complementary forces that shape who we are and how we move forward.

Together, they inspire us to think differently and continually improve the way we do business.

Drawing on our experience, deepening relationships and embracing change, we continue to evolve as an agile, resilient and forward-looking bank.

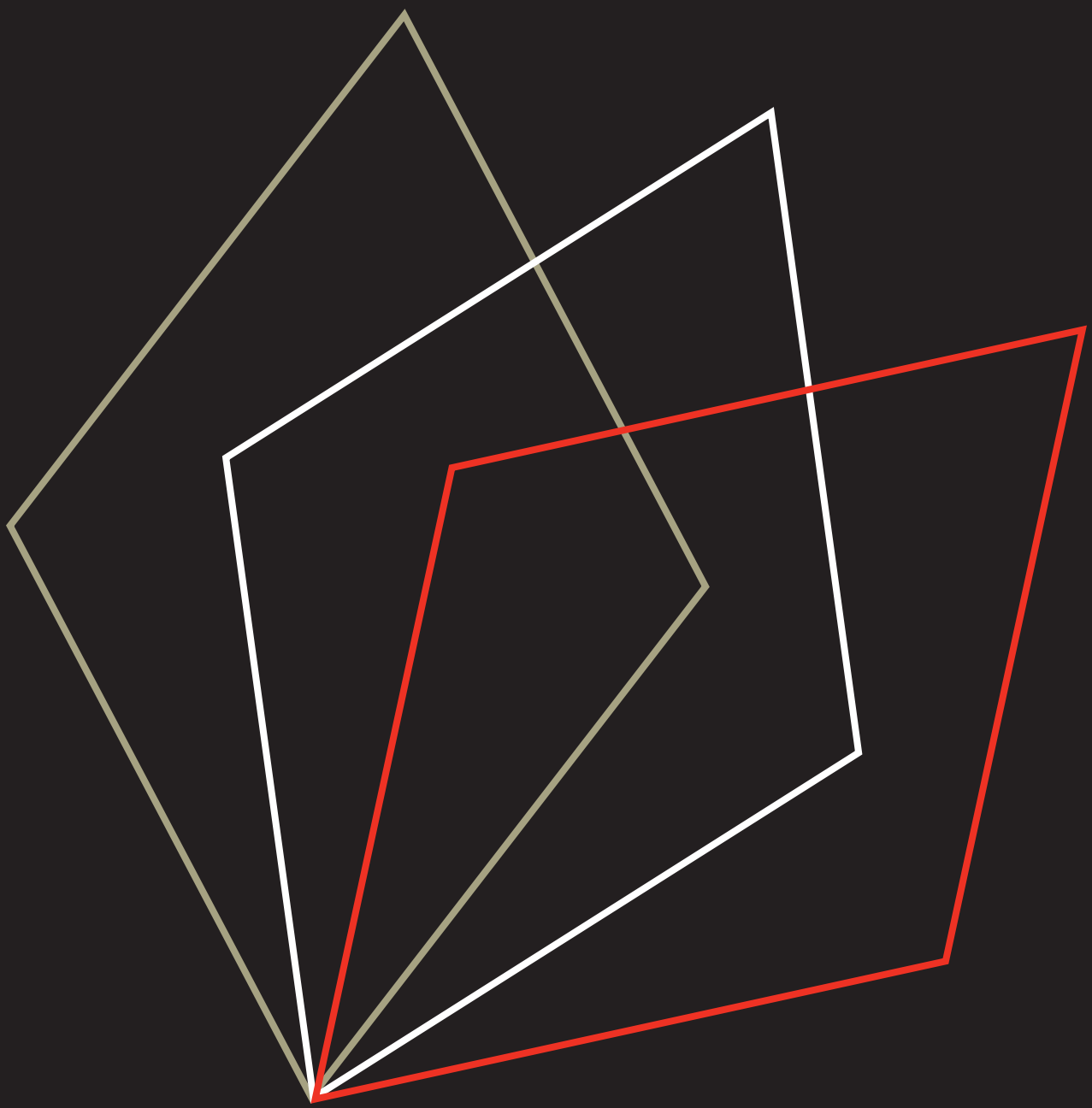


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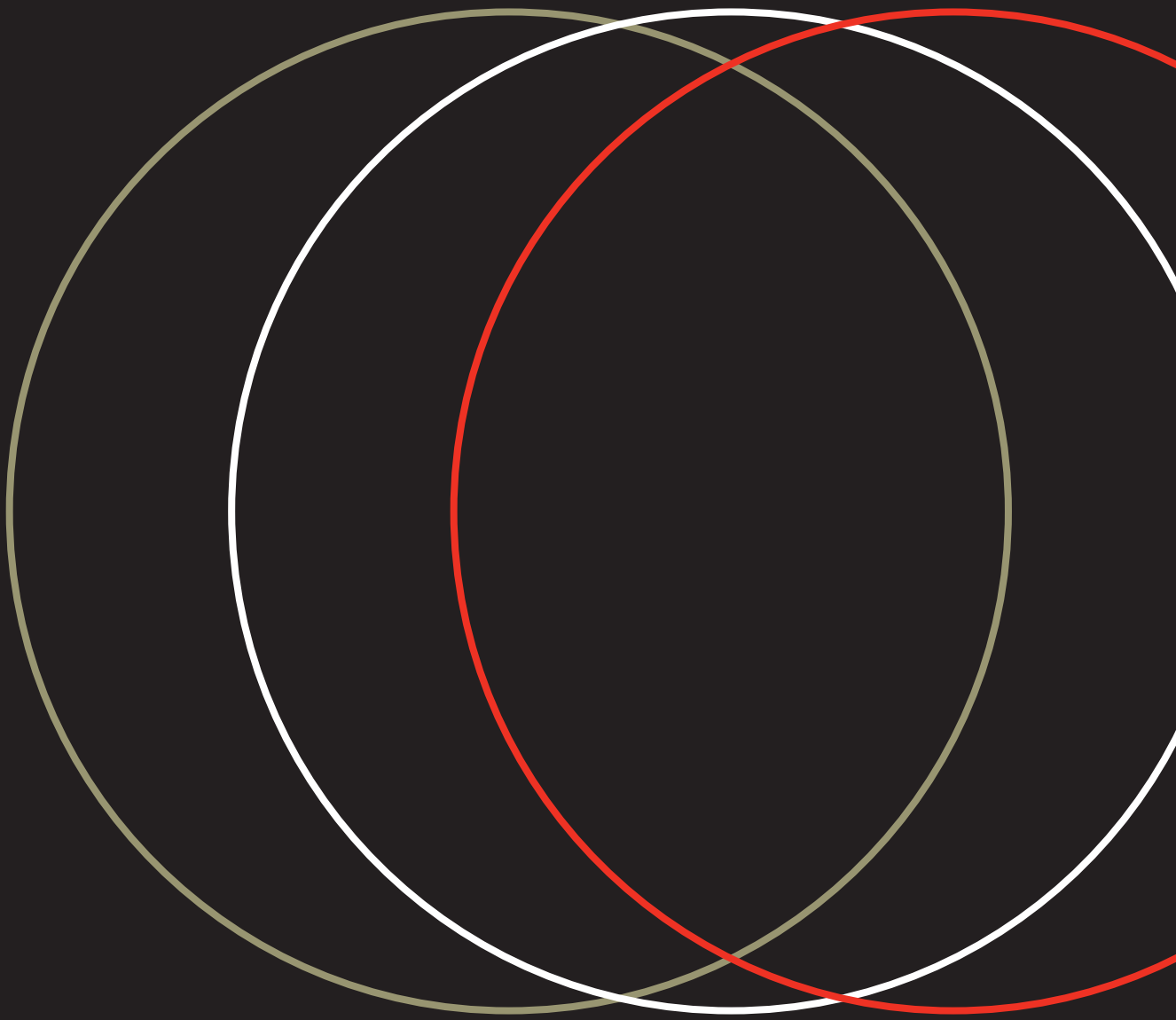
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Empowering People. Building Capabilities.

Transformation begins with people. Through renewed leadership, shared values and a culture of empowerment, we are nurturing talent, encouraging ambition and giving our people the confidence and opportunities to thrive and shape what comes next.

Chairperson's message



OLIVIER EMMANUEL JAUFFRET
Chairperson

Dear Shareholders,

The 2025-2026 financial year ("FY26") marks a defining chapter in AfrAsia Bank Limited's (the "Bank" or "AfrAsia Bank") history. With Access International becoming the Bank's majority shareholder through the acquisition of a 76% stake, the Bank entered a new phase of strategic opportunity and long-term growth.

The operating environment remained uncertain and complex: geopolitical tensions, trade policy uncertainty, divergent monetary policy paths, persistent inflationary pressures and an evolving regulatory landscape, all shaped the business context in which we operated. Against this backdrop, AfrAsia Bank delivered strong financial performance, strengthened client confidence and preserved the resilience of its balance-sheet.

The Board's priority has remained clear: to ensure that the Bank grows profitably and sustainably. Our ambition is not growth for its own sake, but sustainable, capital-efficient growth on the back of a high-performing organisational culture, exceptional people, disciplined execution, sound governance, deeper client relationships and specialist expertise.

Strategy in motion

Becoming part of Access International and the wider Access Group has significantly broadened AfrAsia Bank's strategic opportunities by providing access to a wider international banking ecosystem, deeper connectivity across Africa, enhanced trade finance expertise and stronger cross-border capabilities. While remaining firmly anchored in Mauritius, the Bank has expanded its international reach, with a particular focus on Africa.

At the same time, AfrAsia Bank has continued to operate under its established brand, preserving the client trust, market recognition and brand equity built over nearly two decades.

The combination of AfrAsia Bank's strong Mauritian franchise and international client base, Access International's presence in global financial centres and the wider Access Group's footprint across Africa, creates a compelling value proposition for clients operating across the continent and beyond.

Our strategic mission has become even clearer: to set the benchmark for sustainable banking practices, unlock the full potential of our people, create superior long-term value for our stakeholders and contribute to the Access Group's ambition of becoming the world's most respected African bank.

An important milestone during the year was the appointment of Vishal Kumar Joyram as Chief Executive Officer ("CEO"), effective 2 October 2025. The Board entrusted him with this responsibility in recognition of his extensive banking experience, proven leadership and strategic vision. I also wish to express my sincere appreciation to his predecessor and to the outgoing members of the Board, whose commitment and leadership helped position the Bank for its next phase of its development.

The Bank's strategic priorities continue to be centered on Private Banking, Corporate Banking and Global Business Banking, complemented by the addition of Trade Finance as a new growth pillar.

The Bank's financial performance reflects the successful execution of this strategy. Total assets increased by 20% to MUR 341.0bn, while loans and advances grew by 49% to MUR 112.6bn. Customer deposits rose by 20% to MUR 310.8bn, shareholders' equity increased by 19% to MUR 27.4bn, and the total capital adequacy ("CAR") ratio stood at 18.88%, comfortably above the regulatory requirement. Asset quality remained strong, with the non-performing loan ratio broadly stable at approximately 3%. Between July 2025 and February 2026, the Bank also strengthened its market position, increasing its share of customer deposits from approximately 12.7% to 14.1%, and its share of loans from approximately 6.9% to 8.8%.

These results demonstrate the Bank's ability to translate strategic vision into disciplined execution and sustainable financial performance.

Chairperson's message (cont'd)

Technology as a foundation for scale and service

Technology is a critical enabler for AfrAsia Bank's long-term growth, enhancing the Bank's ability to scale efficiently, compete effectively and deliver a consistent, high-quality client experience across markets. The Board views digital transformation not as a collection of technology projects, but as a strategic lever for business transformation that will shape the Bank's competitiveness for years to come.

Central to this transformation is the planned upgrade of the Bank's core banking system. This foundational investment will enhance operational efficiency, scalability, data quality and system integration while further strengthening cybersecurity and operational resilience. It will also provide a modern technology platform capable of supporting future innovation, including the responsible adoption of artificial intelligence where appropriate.

During the year, the Bank also strengthened its digital banking capabilities through the launch of an enhanced Internet Banking platform and the pilot of a new Mobile Banking application. These initiatives improve the customer experience by offering more intuitive navigation, greater self-service functionality, enhanced security and a more seamless digital banking experience. Importantly, these digital capabilities complement, rather than replace, the relationship-led service that remains central to AfrAsia Bank's distinctive client proposition.

Building trust through Governance

As a domestic systemically important bank, AfrAsia Bank's responsibilities extend well beyond financial performance. The Board has therefore maintained rigorous oversight of the Bank's capital strength, liquidity, asset quality, regulatory compliance, operational resilience, cybersecurity and the effective management of the transformation arising from the change in majority shareholding.

Sound governance remains fundamental to the Bank's long-term success. Robust risk management, a strong compliance culture, effective anti-money laundering controls and disciplined execution continue to underpin sustainable growth while safeguarding the interests of our clients, shareholders and other stakeholders. The principles of integrity, professionalism, accountability and ethical conduct remain the foundation upon which stakeholder trust is built.

The Board has continued to evolve in line with the Bank's new ownership structure and strategic ambitions, while preserving the independence and governance discipline expected of a leading financial institution. Through its Audit, Risk, Nomination, Remuneration and Governance and Cyber and Technology Committees, the Board has maintained active oversight on the Bank's strategic priorities, risk profile and control environment, ensuring that growth continues to be supported by sound governance and prudent decision-making.

We will continue to deepen our strategic alignment with Access International and the wider Access Group, while contributing to strengthening Mauritius's position as a leading International Financial Centre

People and Culture - our enduring advantage

AfrAsia Bank's transformation extends beyond strategy, technology and governance. It requires a culture that empowers people, rewards excellence and develops the next generation of leaders. The Board therefore regards organisational culture as a strategic asset and has made it a central pillar of the Bank's long-term success.

During the year, the Bank embraced six shared values – Leadership, Excellence, Empowered Employees, Passion for Customers, Professionalism and Innovation – which define how we make decisions, collaborate with one another and serve our clients. Through regular leadership communications, town halls and dedicated culture workshops, these values are becoming firmly embedded in the Bank's day-to-day behaviours and performance.

Particular emphasis has also been placed on strengthening meritocracy. A structured internal job posting system has been introduced to ensure that employees are given priority for career opportunities before external recruitment. This recognises internal talent, supports employee engagement, preserves institutional knowledge and reinforces career progression based on performance, capability and potential.

The Bank has also reinforced its performance management framework to make assessments more objective, transparent and closely aligned with strategic priorities. Greater emphasis is now placed on measurable outcomes, accountability and constructive feedback, ensuring that recognition, reward and career progression are increasingly linked to merit.

Developing future leaders is equally fundamental to the Bank's resilience and long-term success. A more structured succession planning framework has therefore been introduced to identify high-potential employees and prepare them for broader responsibilities through tailored development plans, targeted learning opportunities and recognised leadership and professional training programmes.

Ultimately, our ambition is to build an institution where excellence is expected, leadership is developed from within, accountability is embraced at every level and every employee is empowered to realise his or her full potential. We believe that this culture will become one of AfrAsia Bank's most enduring competitive advantages and a key driver of sustainable long-term value creation.

Looking ahead with confidence

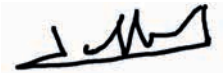
AfrAsia Bank enters its next chapter with a clear strategy, well-defined priorities and renewed leadership. We will continue to deepen our strategic alignment with Access International and the wider Access Group, while contributing to strengthening Mauritius's position as a leading International Financial Centre ("IFC"), serving as a bridge between Africa and global markets. At the same time, we will pursue carefully managed, capital-efficient growth across our core businesses – Corporate Banking, Private Banking, Global Business Banking and Trade Finance.

As we execute this strategy, we will preserve the strength of our balance-sheet, maintain rigorous standards of governance, risk management and compliance, reinforce operational resilience and continue investing in technology, customer experience and, above all, our people.

On behalf of the Board, I wish to express my sincere gratitude to our employees, shareholders, clients and all stakeholders for their continued trust and support. I am equally grateful to my fellow Board members for their wisdom, commitment and collective judgement throughout the year.

The foundations have been laid for the next phase of our journey. With the support of a committed majority shareholder, a clear strategic direction, a talented leadership team and dedicated employees, I am confident that AfrAsia Bank is well positioned to create lasting value for its clients, shareholders, employees and the communities it serves for many years to come.

Warm regards,



Olivier Emmanuel Jauffret
Chairperson

Chief Executive Officer's message



VISHAL KUMAR JOYRAM
Chief Executive Officer

Dear Esteemed Partners,

It is a privilege to share my first message as CEO of AfrAsia Bank. I am sincerely grateful to everyone who has welcomed me into this role at such a pivotal moment in the Bank's history, and to the Board of Directors for the trust they have placed in me.

Since assuming the role on 2 October 2025, my priorities have been to work with the Board to finalise our vision and strategy, now that we are part of Access International, a UK-regulated bank and our new anchor shareholder. In parallel, I have engaged with employees and clients to identify our key focus areas. Over the past months, we have translated our ambition into disciplined execution by building a more people-focused, scalable, connected and client-centric Bank.

Our ambition is not merely to grow bigger, but to grow better – by building stronger teams and relationships, achieving operational excellence, deepening our expertise and nurturing a culture grounded in our new values, enabling our people to deliver superior performance for all our stakeholders.

Having grown steadily to become Mauritius's second-largest bank by deposits and total assets as at March 2026, AfrAsia is well positioned to turn its refreshed strategy into sustained business momentum.

Translating Vision into Action

AfrAsia Bank is already recognised as a Mauritius-based international bank serving clients in more than 160 countries. With Access International, our UK-based shareholder holding a 76% stake, we now have a broader platform and a sharper strategic mandate to connect key markets across Europe, Asia and Africa.

Access Group's network spans more than 16 African countries and major financial centres including London, Paris, Dubai, Malta and Hong Kong, with representative offices in India, China and Lebanon. This gives our clients access to a wider African footprint and a strategic presence in key markets. As a leading African Banking Group, this provides us with a platform to deliver trade finance expertise, cross-border banking knowledge and support for more sophisticated client needs as we support our clients through our relationship-based approach. Our strategy therefore builds naturally on AfrAsia Bank's original DNA.

Our business model focuses on key segments: Private Banking, Investment Solutions, Corporate Banking, Global Business, Personal and Business Banking, and Trade Finance. With Africa's trade finance gap estimated at circa USD 120bn by the African Development Bank, Trade Finance has become a strategic initiative this FY, strengthening our ability to support trade with and within Africa.

Resilient Performance despite Global Economic Headwinds

AfrAsia Bank delivered resilient results despite global macroeconomic headwinds, declining international interest rates and market volatility. Profit before tax increased by 15% year-on-year ("y-o-y") to MUR 8.9bn, while net profit after tax rose by 8% to MUR 6.8bn. Operating income grew by 15%, supported by a 15% increase in net interest income to MUR 8.3bn, a 17% rise in net trading income to MUR 2.5bn and a 7% increase in net fee and commission income to MUR 1.1bn. The cost-to-income ratio stood at 24%.

During the year, the Bank diversified its lending base and increased its loan-to-deposit ratio from 29% to 36%. This growth was driven by higher transaction volumes, increased trade finance activity, growth in cards and domestic lending, stronger Treasury and Markets performance, expanding opportunities through Access Group-related corridors and continued client confidence reflected in the growth of our deposits base.

The improvement in the loan-to-deposit ratio reflects the Bank's disciplined execution of its plan to grow the asset book while maintaining strong liquidity. Our diversified income profile also helped absorb global interest-rate volatility. With profitability remaining resilient, investment in people, systems, controls and technology will remain a key priority.

Chief Executive Officer's message (cont'd)

Business Performance

Private Banking and Investment Solutions

Private Banking remains at the heart of our value proposition, built on trusted relationships, personalised service, and international investment expertise.

We continue to serve high-net-worth and international clients through bespoke investment solutions, cross-border advisory services, and tailored lending capabilities. Our relationship-led approach is complemented by digital tools that enhance the client experience and strengthen service delivery.

Our Private Banking offering has also been instrumental in facilitating a number of individual real estate investments and development projects in Mauritius. These transactions have made a meaningful contribution to the country's Foreign Direct Investment ("FDI"), underscoring our role in attracting international capital and supporting national economic development.

Corporate Banking

Corporate Banking remains a key growth engine for the Bank, supporting local corporates, regional groups, pan-African businesses, multinational corporations, and investment funds by leveraging Mauritius as an international financial centre.

During the year, we recorded strong asset growth across both our domestic and international portfolios, reflecting deeper client relationships, enhanced engagement, and sustained business origination. Over the FY, the Bank successfully supported a number of business partners across the hospitality, sports, and education sectors through tailored financing and advisory solutions. These initiatives have contributed to the development of strategic projects, reinforcing our commitment to the country's economic growth and social progress.

Global Business

Global Business remains a core pillar of the Bank's growth strategy, reflecting our commitment to advancing Mauritius as a leading International Financial Centre. Through innovative solutions, strong client relationships and strategic partnerships, we have been well positioned to capture new opportunities and deliver sustainable value for our stakeholders. Our long-standing relationships with Management Companies, swift turnaround time, deep expertise, excellent customer service, extensive experience, and international market access, position the Bank as a leading player in the Global Business industry.

Customer trust is vital for our Global Business segment, and our ability to deliver this is demonstrated by the sustained growth of our customer deposits and the broadening of our client portfolio, thus consolidating AfrAsia as the second largest balance sheet in Mauritius.

Trade Finance

Trade Finance has emerged as a strategic growth pillar, aligned with Africa's evolving trade and financing needs. Since the launch of this business line in the first half of the FY, we have achieved significant growth in trade finance volumes. We now support a growing base of importers, exporters, distributors, regional corporates, and financial institutions by providing solutions that unlock liquidity, mitigate counterparty risk, and facilitate cross-border trade.

Leveraging the Access Group's extensive African footprint and correspondent banking network, we have contributed to reinforcing Mauritius's position as a trusted IFC. Our participation in the Economic Development Board's roadshows in Nigeria, Côte d'Ivoire, and Ghana in May 2026 further strengthened trade and investment linkages between Mauritius and key African markets.

We are also proud to have been ranked #1 for Trade Finance Products in Mauritius in the Euromoney Trade Finance Survey 2026. This recognition reflects the strong momentum of our Trade Finance business, the confidence placed in us by our clients, and our commitment to delivering market-leading trade finance solutions.

Treasury and Markets

Our Treasury and Markets function continues to play a key role in diversifying the Bank's earnings while delivering bespoke treasury and foreign exchange solutions that meet the evolving needs of our clients.

We are also proud to have been recognised by Global Finance as the Best FX Bank in Mauritius 2026. This prestigious award evaluates institutions across a range of criteria, including transaction volumes, market share, global reach, customer service, reliability, resilience, innovation, and pricing competitiveness. The recognition reflects the strength of our foreign exchange expertise, execution capabilities, client advisory services, treasury solutions, international payment capabilities, and our ability to facilitate seamless cross-border transactions.

By investing in our people, cultivating a high-performance culture, and reinforcing our mutual values, we are building a stronger organisation that is well positioned to deliver sustainable growth and long-term value for our customers, shareholders, and the communities we serve.

Our new set of Values and Culture

Our transformation journey will only succeed if our people understand our strategy, believe in its purpose, and are empowered with the capabilities and tools to deliver it. Our people remain our greatest asset, and building a high-performing, engaged, and values-driven organisation continues to be a strategic priority.

Strengthening the Bank's leadership team has been a key focus over the past FY. Since my appointment as CEO in October 2025, we have made a number of strategic leadership appointments, including a Chief Commercial Officer to drive the Bank's commercial strategy and growth agenda, a Chief Operating Officer to enhance operational excellence and efficiency, a Head of Private Banking – International, to elevate the experience of our international private banking clients, as well as several other key Heads of Department to reinforce our organisational capabilities.

As CEO, I have placed strong emphasis on fostering an open, transparent, and inclusive culture. Through regular town hall meetings, focus groups, and one-to-one engagements with employees, I have sought to encourage meaningful dialogue, listen to our people, and strengthen employee engagement across the organisation.

Our ambition is to position the Bank among the leading employers in Mauritius by creating an environment where our people can thrive, grow, and perform to their full potential. Central to this ambition is the development of a strong organisational culture. Following approval by the Board, we introduced six core values that guide our behaviours, shape our decisions, and define how we serve our customers and work together:

- **Leadership** – taking ownership, inspiring others, and setting high standards.
- **Empowered Employees** – enabling our people to act with confidence, accountability, and initiative.
- **Excellence** – consistently delivering quality and striving for continuous improvement.
- **Professionalism** – upholding integrity, trust, ethics, and discipline in everything we do.
- **Innovation** – embracing new ideas and continuously improving the way we work and serve our customers.
- **Passion for Customers** – anticipating client needs and delivering exceptional service.

Inculcating these values into our everyday culture is a key priority. To this end, our Human Resources team has been leading a series of workshops and engagement initiatives to ensure these principles are translated into everyday behaviours across the Bank. At the same time, we are investing in learning and development, expanded opportunities for career progression and internal mobility across the Access Group, and strengthen our leadership pipeline, to equip our people with the skills needed for the future.

By investing in our people, cultivating a high-performance culture, and reinforcing our mutual values, we are building a stronger organisation that is well positioned to deliver sustainable growth and long-term value for our customers, shareholders, and the communities we serve.

Our commitment to excellent customer experience

At AfrAsia Bank, we believe that exceptional customer experience is the tangible expression of our culture, processes, and technology working seamlessly together. Our strategy is to continuously enhance our digital capabilities while preserving the trusted, relationship-led approach that has long distinguished our service offering.

Chief Executive Officer's message (cont'd)

Our commitment to excellent customer experience (cont'd)

In May 2026, we successfully launched our new Internet Banking ("IB") platform, marking an important milestone in our digital transformation journey. The enhanced platform delivers a more intuitive, secure, and seamless banking experience through faster access, a fully responsive interface across desktop, tablet, and mobile devices, and strengthened authentication features. It also offers a comprehensive suite of functionalities, including local and international transfers, bulk payments, real-time transaction confirmations and tracking, IBAN validation and auto-population, payment authorisation workflows, as well as card management, loan repayments, and electronic statements.

Building on this momentum, we are preparing to launch our new Mobile Banking Application later this year, further expanding our digital capability and thus, providing our customers with more banking channels, greater convenience, accessibility, and control over their banking experience.

Our commitment to operational excellence has also been recognised internationally. During the year, we received the Straight-Through Processing Excellence Award from Citibank for the 2025–2026 period, recognising the high quality of our automated international payment processing, exceptional processing accuracy, adherence to correspondent banking standards, and the efficient execution of commercial and treasury USD payment flows.

Together, these initiatives reflect our continued investment in delivering a secure, seamless, and world-class banking experience. By combining digital innovation with personalised relationship management, we remain committed to meeting the evolving expectations of our local and international clients while reinforcing our position as a leading international banking partner.



Building sustainable value for our stakeholders

Beyond our responsibilities to clients, employees, shareholders and other stakeholders, we remain committed to Mauritius's economic and social development. The acquisition of AfrAsia Bank by Access International represents a major source of FDI for the country, the more so that it will reinforce the positioning of Mauritius as a strong regional and international financial centre and develop local talents in banking and finance.

Furthermore, the Bank has been strongly committed to developing its sustainable finance portfolio, notably to support our clients across recycling, smart agriculture, renewable energy, healthcare infrastructure and sustainability-linked bond issuance among others.

Our activities in responsible banking also encompasses strategic climate financing and the development of the national climate finance ecosystem. AfrAsia Bank is the only nominated Bank to pursue the Green Climate Fund Direct Access Entity accreditation. The Bank is also part of the Bank of Mauritius Taskforce on Climate-Risk Supervision. We are equally pleased to participate in the Green Climate Fund ("GCF") Readiness Programme and to contribute to the National Green Taxonomy. Besides, we are a founding board member of the UN Global Compact Mauritius and Indian Ocean Network.

Internally, we continue to encourage our team members to make a difference through the employee-led AfrAsia Go Green Initiative through the AfrAsia Environment Squad. We were proud to have significant participation from our employees in sustainability initiatives and activities including Earth Hour, Sustainability Month, Coral Nursery Clean-up, Coastal Planting, Pinktober, Movember and International Women's Day.

Through the AfrAsia Foundation's initiatives, in the realm of environmental education, we continue to work with Reef Conservation to support coastal restoration and mangrove-related programmes among others. The AfrAsia Foundation also upholds our support to the AfrAsia School, helping to expand educational opportunities for less privileged children, and for the Mauritian and African youth.

Building sustainable value for our stakeholders (cont'd)

Since 2014, the AfrAsia Foundation has also supported breast cancer awareness and early detection through its partnership with Link to Life, contributing to more than 12,300 breast cancer screenings. The inaugural AfrAsia Bank Charity Classic Swing held in August 2025 raised close to MUR 3.0m for Breast Cancer Care Mauritius, and the second edition hosted in July 2026 built on this success, raising a further MUR 5.3m to support this health cause.



Compliance and Risk Management

As we pursue our growth ambitions, regulatory compliance and disciplined risk management remain fundamental to our decision-making and business practices. In an increasingly complex regulatory environment, coupled with the continued expansion of our cross-border activities, it is essential that the Bank remains vigilant, agile, and consistent in the application of the highest standards of governance and compliance.

Maintaining a robust risk and compliance culture is a shared responsibility across the organisation. From developing a thorough understanding of our clients and their activities to proactively identifying emerging risks and escalating concerns in a timely manner, every employee plays a vital role in safeguarding the integrity of the Bank and the financial system in which we operate.

We continue to strengthen our governance framework by enhancing accountability, deepening regulatory awareness, and promoting the responsible use of data and technology. These efforts ensure that we remain resilient, trusted, and well positioned to deliver sustainable growth while meeting the expectations of our regulators, customers, shareholders, and other stakeholders.

The Way Forward

As we look ahead, our priority is to translate the Bank's strategic advantages into disciplined, capital-efficient, and sustainable growth.

We will continue to deepen our corridor banking proposition, expand relationships with both local and international clients, facilitate trade and investment flows, leverage the extensive expertise and network of the Access Group, and selectively broaden our market presence. Our growth strategy will remain disciplined, underpinned by prudent risk management and the efficient allocation of capital and liquidity across our strategic business segments.

Technology will continue to be a key enabler of our transformation. As we prepare for the implementation of our next-generation core banking system, we are investing in a platform that will strengthen operational resilience, modernise our technology infrastructure, improve scalability, and enhance process efficiency. Together with our ongoing digital transformation initiatives, these investments will further elevate the customer experience and position the Bank for long-term growth.

Our people remain the heartbeat of our organisation and the driving force behind our success. We will continue to invest in attracting, developing, and retaining talented individuals while fostering a culture of empowerment, accountability, collaboration, and continuous learning. With a clear strategy, a strong organisational culture, the commitment of our shareholders, the strength of the Access Group, the determination of our people, and the enduring trust of our clients, AfrAsia Bank is well positioned to embark on its next chapter of sustainable growth and value creation.

I would like to conclude by expressing my sincere appreciation to our Board of Directors for their guidance, to our employees for their dedication and professionalism, to our clients for their continued trust, and to all our stakeholders for their invaluable support throughout the year. Together, as One Team, we will continue to build a stronger Bank, create lasting value, and shape a more prosperous future.

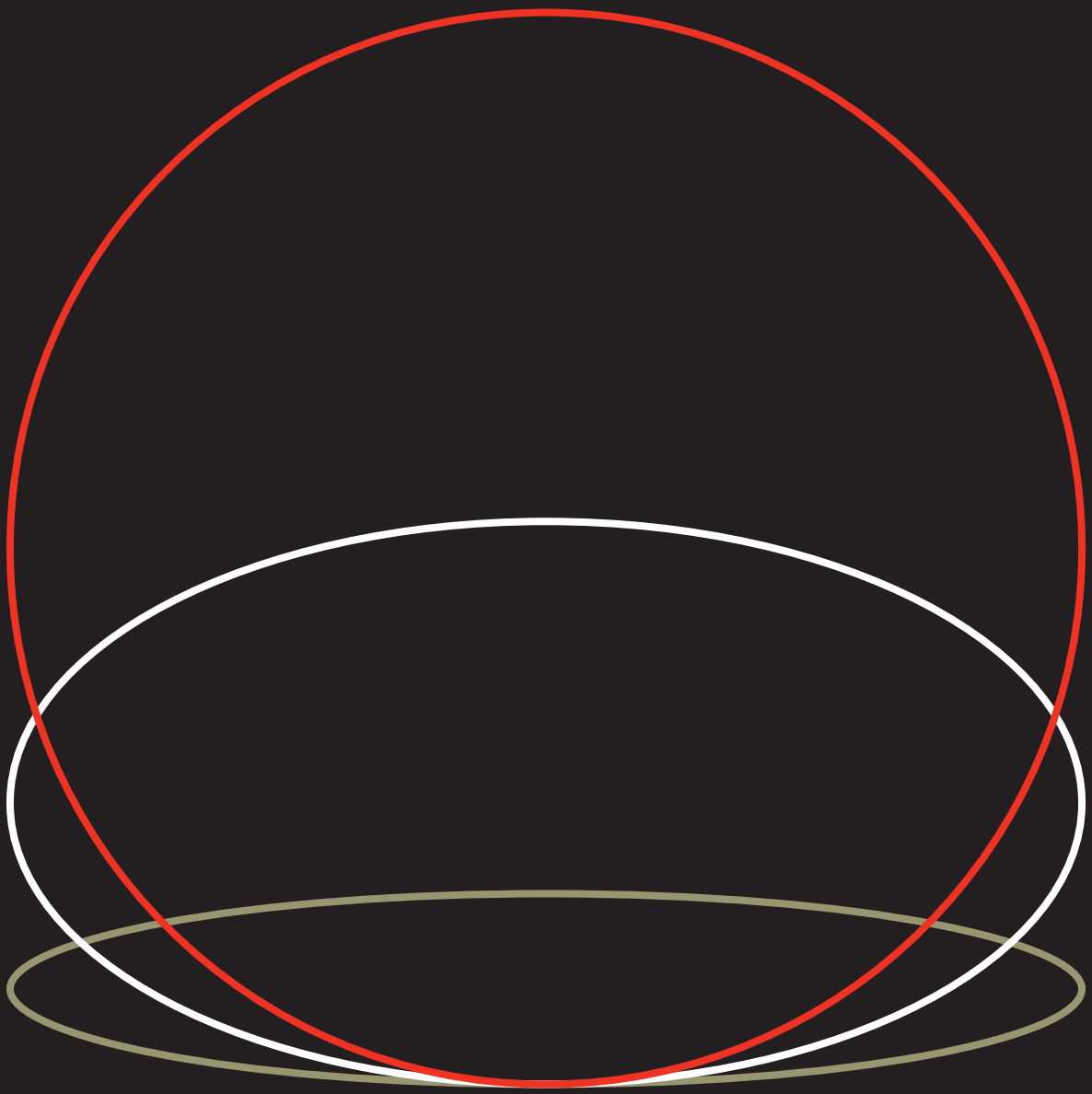
Yours sincerely,



Vishal Kumar Joyram
Chief Executive Officer

Building Trust. Deepening Connections.

Trust is at the heart of every lasting relationship. As our client community grows, we continue to listen, understand their ambitions and anticipate their needs, building connections that stand the test of time.



Management discussion and analysis

The following provides the management discussion and analysis ("MD&A") of the financial results of AfrAsia Bank for the year ended 30 June 2026. It also contains management views on forward-looking objectives based on its current beliefs and expectations, which are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those anticipated. There is no assurance that actual results will align with any outlook expressed herein, and the Bank undertakes no obligation to update its forward-looking objectives.

Figures may not sum precisely due to rounding; percentages are calculated on unrounded figures.

FINANCIAL HIGHLIGHTS

	30 June 2024	30 June 2025	30 June 2026
Statement of Profit or Loss and Other Comprehensive Income (MUR'm)			
Total operating income	9,916	10,359	**11,873**
Total comprehensive income	6,942	6,304	**6,859**
Total operating expenses	1,739	2,223	**2,819**
Statement of Financial Position (MUR'm)			
Total assets	261,746	283,402	**340,983**
Total deposits	240,248	258,175	**310,840**
Total net loans & advances	62,505	75,689	**112,592**
Performance Ratios (%)			
Return on equity	39	29	**26**
Return on average assets	3	2	**2**
Cost-to-income	18	21	**24**
Net loan-to-deposit	26	29	**36**
Capital Management (%)			
Capital adequacy ratio	20.55	20.30	**18.88**

Chief Financial Officer's statement

INTRODUCTION

This FY marked the beginning of a new chapter in AfrAsia Bank's history, with The Access Bank UK ("TABUK") acquiring a 76% shareholding in the Bank and becoming its majority shareholder. This has strengthened the Bank's ability to leverage the wider Access Group network, broadened its international reach and accelerated its long-term growth ambitions.

Despite prevailing interest rate volatility and a more challenging tax environment, the Bank delivered a record profit before tax and achieved a return on equity of 26%. This performance reflects the resilience of its diversified business model and its ability to execute efficiently in a complex operating environment characterised by evolving monetary policy, geopolitical uncertainties and foreign exchange volatility.

The global interest rate landscape remained dynamic throughout the year. The first half was characterised by policy rate reductions by the U.S. Federal Reserve ("Fed") and the Bank of England ("BoE"). During the second half, however, the BoE and the European Central Bank ("ECB") increased rates in response to renewed inflationary pressures, while locally, the Monetary Policy Committee ("MPC") of the Bank of Mauritius followed suit.

These developments resulted in a downward pressure on asset yields with concurrent reduction in funding costs. Such volatility reinforced the importance of disciplined asset-liability management and pricing. Simultaneously, the depreciation of the Mauritian rupee against the Euro, U.S. Dollar and British Pound generated favourable foreign exchange translation effects on the Bank's foreign currency-denominated assets and liabilities.

FINANCIAL HEADLINES

The top-line

The Bank delivered another year of strong operating performance with total operating income reaching a record MUR 11.9bn, up 15% y-o-y. This growth path was the result of strategic decisions and balance sheet optimisation aimed at managing the net interest income ("NII") outcome. NII grew to reach MUR 8.3bn, with a meaningful increase in volumes and effective asset positioning and management, as the Bank prudently reallocated some of its exposure to the African continent in line with TABUK-related synergies. The top line was further supported by the combined effect of a beneficial movement within the deposit mix, as more relative deposit growth was observed within current accounts compared to fixed deposit balances.

Non-interest income rose by 14% y-o-y, underpinned by broad-based growth in both net trading income and net fee and commission income. The uplift in fee and commission income was attributable to increased transactional volumes across the Bank's diversified product base, with card-related and loan fees registering notable gains. This performance was however moderated by a decline in custody income. Net trading income increased by 17%, reflecting the Bank's strong foreign exchange dealing activity and prudent treasury management in the context of evolving market conditions. Impairment charge was lower by MUR 218.8m compared to the prior year, driven by the Bank's review of its Expected Credit Loss ("ECL") methodology during the year.

The Bank's cost base reflected exceptional increases across several expenditure categories during the year, namely personnel costs, higher depreciation and amortisation charges, and increased other operating expenses relating to legal provisions, IT costs and insurance. As a result, the cost-to-income ratio increased to 24% for the FY under review, a three-percentage-point deterioration y-o-y.

Notwithstanding the growth recorded in total operating income, overall performance was impacted by a significant increase in tax expense. The Bank's effective tax rate rose to 22.9%, from 18.3% in the prior year, driven principally by the introduction of the Fair Share Contribution and Additional Fair Share Contribution under the Finance Act 2025.

Chief Financial Officer's statement (cont'd)

FINANCIAL HEADLINES (CONT'D)

The balance sheet remains strong

Customer deposits increased by 20% y-o-y to MUR 310.8bn; this growth was driven by both organic business expansion and favourable foreign-currency translation effects, arising principally from the depreciation of the Mauritian Rupee against the US Dollar. The Bank continues to benefit from a stable and diversified deposit base across domestic and Global Business clients, reinforcing its position as a leading participant within the Mauritius IFC.

Total assets expanded by 20% to MUR 341.0bn, with growth underpinned by disciplined capital deployment across higher-return asset classes. Loans and advances recorded the strongest growth, increasing by 49% over the year as the Bank continued to support clients across both domestic and international markets. Growth was particularly strong within the International Corporate Banking segment, driven by increased trade finance activity, consistent with the Bank's strategic objective of expanding its international banking franchise in line with synergies within the Access Group. Consequently, the loan-to-deposit ratio increased to 36%, reflecting improved balance sheet utilisation. Asset quality remained resilient, with the non-performing advances ratio staying at par at 3%. The coverage ratio decreased to 60%, primarily reflecting the repayment of facilities and adequate security cover held for new non-performing assets ("NPA"). Notwithstanding this movement, the overall credit quality remained sound.

Investment securities remained the Bank's largest asset class, increasing to MUR 173.7bn. The portfolio comprised predominantly of high-quality sovereign securities, providing a stable earnings base while preserving balance sheet resilience. During the year, management actively rebalanced the asset mix by reducing interbank placements and selectively redeploying liquidity into higher-yielding assets, optimising risk-adjusted returns without compromising liquidity or capital strength.

The Bank maintained a highly resilient liquidity profile throughout the year. Cash and balances with banks and due from banks represented 12% of total assets, providing flexibility to respond to evolving market opportunities and client funding requirements. Liquidity metrics remained comfortably above regulatory thresholds, with the Liquidity Coverage Ratio at 182% and the Net Stable Funding Ratio at 149%, demonstrating the strength of the Bank's funding structure and its conservative liquidity management framework.

Shareholders' equity increased by 19% to MUR 27.4bn, primarily with strong retained earnings generated during the year. The Bank continued to deliver attractive shareholder returns with the payment of ordinary dividends of MUR 2.2bn, complemented by distributions of MUR 197.3m to Series 1 and Series 2 Class A shareholders.

The Bank's capital position remained robust, with total regulatory capital increasing to MUR 26.8bn. Common Equity Tier 1 capital reached MUR 23.9bn while Tier 1 capital amounted to MUR 25.3bn. Despite the strong growth in risk-weighted assets supporting business expansion, the total Capital Adequacy Ratio remained at a healthy 18.88%, comfortably exceeding regulatory requirements and providing capacity to support future strategic growth initiatives.

Outlook

The global economic landscape remains increasingly complex, with heightened geopolitical tensions, evolving trade policies and continued uncertainty surrounding global supply chains creating a more challenging operating environment for financial institutions. The escalation of the conflict in the Middle East has contributed to renewed volatility in energy prices, shipping costs and foreign exchange markets, while rising trade protectionism and tariff measures continue to weigh on global growth and cross-border investment. Against this backdrop, central banks are expected to maintain a cautious and data-dependent approach to monetary policy as they balance inflation risks against slowing economic activity.

Chief Financial Officer's statement (cont'd)

FINANCIAL HEADLINES (CONT'D)

Mauritius has demonstrated fair economic resilience, supported by the financial services and tourism sectors, although growth is expected to moderate amid weaker external demand and global uncertainty. Inflation has remained within the Bank of Mauritius' target range, but upside risks persist following higher global energy and food prices, prompting the Monetary Policy Committee to increase the Key Rate to 4.75% in May 2026. At the same time, fiscal consolidation and elevated public debt are expected to drive key policy priorities going forward.

Concluding remarks

While the year ahead is expected to remain characterised by uncertainty, AfrAsia Bank enters the new financial year from a position of strength. Our resilient balance sheet, strong liquidity and capital buffers, diversified business model and disciplined risk management framework provide a solid foundation to navigate evolving market conditions while capturing emerging opportunities.

The Bank will continue to execute its strategic priorities with a focus on sustainable growth, disciplined capital allocation, operational efficiency and continued investment in technology, data capabilities and cybersecurity. Leveraging its presence across key IFCs, including Africa and Dubai, together with the broader Access Group network, AfrAsia remain well positioned to support increasing cross-border business flows and create sustainable long-term value for our shareholders, customers, employees and the communities we serve.

As part of its continued strategic alignment with the Access Group, the Bank has approved a change to its financial year-end from 30 June to 31 December, subject to the necessary regulatory and statutory approvals. Once effective, the timing of the Bank's financial reporting and presentation of its financial statements will be aligned with the revised financial year-end.



MARIE JENNIFER JEAN-LOUIS
Chief Financial Officer

Global economic outlook

FY26 was defined by a shift from resilient growth to a more difficult macro environment shaped by geopolitical risk, higher energy prices and renewed inflation pressure. Before the escalation in the Middle East, global activity had been supported by resilient private demand, easier financial conditions and strong investment linked to artificial intelligence. However, the war shock led the IMF to revise its reference forecast for global growth to 3.1% in 2026 and 3.2% in 2027, well below pre-pandemic averages. *[IMF, World Economic Outlook, April 2026]*.

The Organisation for Economic Co-operation and Development's ("OECD") June 2026 Economic Outlook is slightly more cautious. Under its time-limited disruption scenario, the OECD expects global growth to slow from 3.4% in 2025 to 2.8% in 2026, before recovering to 3.1% in 2027. The OECD also expects G20 inflation to rise to 4.0% in 2026, from 3.4% in 2025, before easing to 3.1% in 2027 as energy and food price pressures gradually fade. *[OECD, Global Economic Outlook, June 2026]*.

The key issue is that the current shock is not a normal demand slowdown. It is mainly a supply-side inflation shock, driven by higher energy prices, freight disruption, weaker confidence and tighter financial conditions. In this scenario, cutting rates too early is more hazardous because it can allow inflation expectations to become entrenched. Hence, the overall outlook has become more fragile: growth is slowing, but inflation is still too high for central banks to pivot back to easing.

The International Monetary Fund ("IMF") reference forecast assumes a short-lived conflict and a 19% rise in energy prices in 2026. More adverse scenarios would involve deeper supply disruption, tighter financial conditions and weaker global growth. *[IMF, WEO Press Briefing, April 2026*].

Among the major developed economies, the United States ("U.S.") remains more resilient, but the recent data show clear moderation. Real Gross Domestic Product ("GDP") increased at an annualized rate of 2.1% in Quarter ("Q") 1 2026, compared with 0.5% in Q4 2025. The U.S. Bureau of Economic Analysis attributed the Q1 increase to investment, exports, government spending and consumer spending. *[U.S. Bureau of Economic Analysis, Q1 2026 GDP Third Estimate]*.

The U.S. labour market also softened into June. Nonfarm payroll employment increased by only 57,000 in June, while the unemployment rate stood at 4.2% and the labour-force participation rate declined to 61.5%. This matters because a lower unemployment rate is not always a clean sign of labour-market strength. In this case, part of the decline in unemployment came from fewer people participating in the labour force, which points to a cooler underlying labour market. *[U.S. Bureau of Labor Statistics, Employment Situation, June 2026]*.

Inflation remains the main constraint on U.S. policy. U.S. CPI rose 4.2% y-o-y in May 2026, with energy prices up 23.5% y-o-y, while core Consumer Price Index ("CPI"), excluding food and energy, rose **2.9%**. Core inflation below headline inflation suggests the shock is still energy-led, but the level remains too high for the Fed to declare victory. [U.S. Bureau of Labor Statistics, CPI, May 2026].

The Fed therefore kept policy restrictive. At its June 2026 meeting, the Federal Open Market Committee ("FOMC") maintained the federal funds target range at 3.50% to 3.75%. The June Summary of Economic Projections showed 2026 real GDP growth at 2.2%, unemployment at 4.3%, headline Personal Consumption Expenditures ("PCE") inflation at 3.6%, core PCE inflation at 3.3%, and the median year-end federal funds rate at 3.8%. The message is straightforward: the Fed is not yet in easing mode because inflation risk still dominates the reaction function. *[Federal Reserve, FOMC Statement, 17 June 2026 and Federal Reserve, Summary of Economic Projections, June 2026]*.

Europe remains weaker. Eurostat reported that euro-area GDP decreased by 0.2% quarter-on-quarter in Q1 2026, while employment increased by 0.1%, in line with a classic late-cycle mix where activity is weak, but labour markets have not yet fully adjusted. *[Eurostat, GDP and Employment, Q1 2026]*. Euro-area inflation eased in June but remains above the ECB's target.

Eurostat's flash estimate showed annual inflation at 2.8% in June 2026, down from 3.2% in May, with energy inflation at 8.7% and services inflation at 3.2%. [Eurostat, Euro Area Inflation Flash Estimate, June 2026]. The ECB raised its key interest rates by 25 bps in June. Its staff projections showed headline inflation averaging 3.0% in 2026, 2.3% in 2027 and 2.0% in 2028. For inflation excluding energy and food, the ECB expects 2.5% in 2026, 2.5% in 2027 and 2.2% in 2028. [European Central Bank, Monetary Policy Decisions, 11 June 2026].

Global economic outlook (cont'd)

China continues to offer growth, but not the same global impulse as in previous cycles. The OECD projects Chinese growth at 4.5% in 2026 and 4.3% in 2027, with high energy import dependence, weaker property investment and cautious household consumption acting as headwinds. This matters because China remains central to global commodity demand, manufacturing activity and emerging-market sentiment. [OECD, China Economic Outlook, June 2026].

FINANCIAL MARKETS

Equity markets were volatile but ultimately resilient. U.S. equities closed the first half of 2026 higher despite war risk, inflation pressure and a more restrictive policy backdrop. The S&P 500 gained 14.9% in Q2 2026, and the Nasdaq rose 21.4%, its strongest quarterly performance since 2020, while the Dow gained around 13%, its best quarter since 2022. *[Reuters, U.S. Stock Market Quarter-End Review, 30 June 2026]*.

The key point is that the rally was not a simple broad-based risk-on move. Market leadership was concentrated in technology, semiconductors and AI-related infrastructure. That creates a concentration risk amid a high earnings story. The AI theme remains important because it has moved beyond a pure technology story. AI investment is now a macro story as well. It affects capital expenditure, semiconductor demand, data-centre construction, electricity demand, productivity expectations and supply-chain inflation.

In roughly 18 months, the aggregate annual AI infrastructure commitment from the five largest U.S cloud and technology companies has increased from approximately USD 449bn in 2025 to a projected USD 800bn in 2026. This explains why AI-linked companies can support equity-market earnings even when central banks remain restrictive [Reuters]. Global equity markets also ended Q2 strongly, helped by the AI rally and the sharp fall in oil prices. The MSCI All-World Index gained 14.5% in Q2 2026, while emerging-market equities rose 23% and Europe's STOXX 600 gained around 10%. *[Reuters, Global Markets Quarter-End Review, 30 June 2026]*.

Oil was the dominant macro variable. Brent crude settled at USD 72.92 per barrel on 30 June 2026, while WTI settled at USD 69.50 per barrel, close to pre-war levels after a sharp conflict-related spike earlier in the year. Brent fell more than 20% in June and 38% for the quarter, making it the steepest quarterly decline since the COVID-era oil shock. *[Reuters, Oil Market Update, 30 June 2026]*.

The investment implication is that energy remains the transmission channel between geopolitics, inflation expectations, central-bank policy and bond yields. If oil stabilises around current levels, the inflation impulse should fade gradually. If oil rises again because of renewed disruption, inflation expectations and long-end yields could reprice quickly.

Bond markets repriced around inflation risk rather than recession risk. After the Fed's June meeting, the 2-year Treasury yield rose to 4.2%, while markets priced a materially higher probability of a rate hike by October. *[Reuters, Treasury Yields After June FOMC Meeting]*.

Gold dropped from a high of **USD 5,417** on 28 January and a low of **USD 3,999** on 24 June. *[Bloomberg, World Gold Council, Gold Mid-Year Outlook 2026]*. The core message on gold is nuanced. Structurally, central-bank demand and reserve diversification remain supportive.

The U.S. dollar regained support as rate-cut expectations faded, with the dollar index at around **101.6** on 24 June 2026, after softer June payrolls reduced near-term rate-hike expectations. The short-term and long-term messages are different: cyclically, the dollar can remain supported by higher U.S. rates; structurally, reserve diversification remains a headwind. *[Bloomberg, Reuters, Dollar Market Update, 6 July 2026]*.

Global economic outlook (cont'd)

LOOKING FORWARD

The second half of 2026 depends on three variables: energy prices, inflation persistence and central-bank reaction functions. If oil remains near current levels and supply routes continue to normalise, headline inflation should gradually ease. That would reduce pressure on central banks and allow markets to focus again on earnings growth. If energy prices rise again or core inflation proves sticky, the Fed and ECB will have limited room to ease policy, and rate volatility could return quickly.

The base case is not a global recession but a more fragile expansion. The U.S. still has better growth momentum than Europe, but the labour market is cooling, and real wages remain under pressure from inflation. Europe is closer to stagnation, with weak GDP growth and still-elevated inflation. China should continue to grow, but at a slower pace than in previous cycles. This creates an environment where nominal growth remains positive, but policy mistakes and external shocks matter more.

Local economic outlook

The Mauritian economy continued to expand in 2025, though at a more moderate pace than the strong post-pandemic rebound of the previous two years. Real GDP grew by 3.2% in 2025, down from 4.9% in 2024, and Statistics Mauritius forecasts growth of 3.0% for 2026. The slowdown reflects softer global demand, the fiscal consolidation measures announced in Budget 2026/27, and continued uncertainty in the international economic environment.

Structural constraints continue to weigh on the medium-term growth outlook. These include an elevated public debt burden, persistent labour shortages, slowing productivity growth, and mounting pressure on public finances. The authorities have reiterated their commitment to gradually reducing the debt-to-GDP ratio over the medium term through fiscal consolidation and improved public sector efficiency, though execution risk remains a key variable to watch. A central objective so far has been to avoid a downgrade of the country's sovereign credit rating by agencies such as Moody's.

Inflation

Average inflation is now projected at around 5.5% in 2026, above the Bank of Mauritius' 2%–5% target range. On a y-o-y basis, inflation eased from 4.3% in May to 3.7% in June 2026, while headline (12-month average) inflation remained stable at 4.1%. Even so, inflationary pressures have shown signs of persistence during 2026, driven by higher energy prices, imported food costs and exchange rate developments.

Monetary Policy and the Yield Curve

The Bank of Mauritius ("BOM") maintained a tightening bias through the first half of 2026. At its meeting on 20 May 2026, the MPC raised the Key Rate by 25 basis points to 4.75%, its highest level since 2013, citing elevated global inflation risks stemming from geopolitical tensions, rising energy prices, and heightened uncertainty around global trade. This followed an extended period of stability, with the Key Rate held at 4.50% across five consecutive meetings between February 2025 and February 2026. The Mauritian yield curve has remained relatively elevated across all maturities, with medium- and long-term yields continuing to reflect tighter monetary conditions, persistent inflation risk, and higher government financing needs.

Tourism

Tourism continues to support economic activity, although momentum moderated over the course of 2026. Statistics Mauritius projects tourist arrivals of around 1.5m for 2026. Over the first four months of 2026, arrivals rose by 4.0% y-o-y to 464,208 visitors, while tourism earnings climbed by a stronger 22.6% y-o-y to MUR 39.5bn over the same period, suggesting that higher average spend per visitor is currently doing more work than volume growth.

That said, May 2026 recorded softer arrivals, which were almost stagnant (+0.1% y-o-y) amid higher airfares and rising geopolitical uncertainty, pointing to downside risk for the 2026 projection.



Local economic outlook (cont'd)

Labour Market

Labour market conditions remain tight despite the broader growth slowdown. The unemployment rate stood at 5.7% in Q1 2026, down from 6.0% a year earlier, though slightly above the historic low of 5.4% recorded in Q4 2025 as employment fell by 7,200 over the quarter. The y-o-y improvement was supported by stronger female participation, with the number of unemployed falling by 1,900 over twelve months to 33,300. Even so, labour shortages continue to constrain activity across several sectors.

Foreign Currency Exchange

Since July 2025, the BOM has intervened 16 times on the market for a net total amount of USD 240m at an average rate of 45.90, with the latest in June 2026 at 47.25 in this FY. In this period, the rupee exchange rate has appreciated by 5.5% against the US dollar, despite losing steam against the euro and the pound sterling.

Looking Forward

The Mauritian economy is expected to grow at a more moderate pace over the medium term. Fiscal consolidation under Budget 2026/27 is likely to weigh on domestic demand in the near term, while public infrastructure projects should provide an offsetting boost to investment and employment. Statistics Mauritius forecasts 3.0% GDP growth for 2026, while the Bank of Mauritius currently expects growth closer to 2.8% under its baseline scenario, a gap that will narrow or widen depending on how tourism and energy costs evolve over the second half of the year.

Economic performance from here will continue to hinge on the evolution of global geopolitical tensions, energy prices, and tourism demand. While inflationary pressures remain elevated and downside risks to global growth persist, continued structural reform, prudent fiscal management, and a credible monetary policy framework should help strengthen Mauritius' macroeconomic resilience over the medium term.

Business segments overview

GLOBAL BUSINESS BANKING

The Global Business Banking segment recorded solid performance during the year, driven by new client acquisition, stronger client engagement and increased cross-selling of transactional banking, treasury, and foreign exchange solutions. Improved operational efficiency enhanced the account opening experience and service delivery, while strengthening relationships with management companies and strategic partners generated new business opportunities and referrals.

FY26 marked another year of progress as we continued to strengthen our international footprint and enhance our value proposition for cross-border clients. We continue to serve a diverse client base comprising corporates, funds, trading companies, procurement hubs, high-net-worth individuals, family offices, and management companies across Africa, the Middle East, Europe, and Asia. The expansion of our presence through the Dubai Branch Office in the Dubai International Financial Centre ("DIFC") has strengthened our ability to connect markets and facilitate international business. The strategic partnership with TABUK has further expanded our capabilities, creating new opportunities in corporate banking, trade finance, treasury, and transaction banking solutions.

The target areas for the next FY are to:

- Continue to strengthen our relationship with our key Management Company/important clients and partners through regular interaction, strategic collaboration/joint trips, and include Access Bank PLC's subsidiaries in countries where they are present to drive sustainable business growth and referrals;
- Maximise opportunities across the Group's network and our Representative and Branch Offices;
- Enhance cross-selling across the Bank's value chain, especially treasury, credit, and private banking;

Business segments overview (cont'd)

GLOBAL BUSINESS BANKING (CONT'D)

- Strengthen employee engagement by investing in the development and retention of our talented people; and
- Leverage digital innovation to enhance client experience, streamline processes, and improve operational efficiency.

CORPORATE BANKING

Domestic:

AfrAsia Bank's Domestic Corporate Banking delivered another strong year of performance, with advances growing by 29%, driven by robust demand from the Construction & Real Estate and Healthcare sectors. Fee-based income increased by 33%, supported by higher Garantie Financière d'Achèvement and foreign exchange activity, while healthy net interest margins were maintained.

The target areas for the next FY are to:

- Drive operational excellence and competitiveness by reducing turnaround times, streamlining internal processes, and delivering innovative, well-structured banking solutions;
- Strengthen client relationships through targeted engagement and networking initiatives that unlock cross-selling opportunities and reinforce the Bank's position as the preferred banking partner for large and mid-sized corporates;
- Expand the Bank's presence in strategic sectors aligned with national economic priorities and offering strong growth potential, including property and real estate, healthcare, tourism, financial services, and sustainability-linked projects; and
- Support corporate clients in their regional expansion ambitions, particularly across Africa, by leveraging the Bank's international network and expertise to provide cross-border financing, trade finance solutions, and strategic advisory services throughout their growth journey.

International:

International Corporate Banking delivered exceptional performance during the year, with assets growing by 69%, reflecting the successful execution of the Bank's Africa-focused strategy. Growth was driven by expanding demand for structured trade finance and cross-border financing solutions, supported by increasing investment, regional trade integration and infrastructure development across the continent. Leveraging Mauritius's position as an IFC, the Bank continued to facilitate trade and investment flows between Africa and global markets while strengthening its presence across Sub-Saharan Africa and selected West African markets. The Financial Institutions portfolio also recorded outstanding growth of 54%, underpinned by expanded trade finance facilities and stronger partnerships with commercial banks, multilateral institutions and development finance institutions across Africa.

The target areas for the next FY are to:

- Strengthen the Bank's presence across selected African markets by positioning AfrAsia as a trusted trade finance partner for corporates, commercial banks and development finance institutions;
- Expand the Bank's product suite through innovative financing solutions spanning structured lending, transaction banking and trade finance;
- Support sustainable economic development by financing strategic projects and productive sectors across Africa; and
- Deliver a differentiated client experience through relationship-led banking, deep market expertise and strong execution capabilities.

Business segments overview (cont'd)

CONSUMER BANKING

Personal and Business Banking:

Personal and Business Banking delivered another resilient performance in FY26 despite a challenging interest rate environment. The asset portfolio expanded by 9%, while the liabilities book recorded a healthy 22% growth. The business continued to focus on sustainable growth through disciplined relationship management, targeted client acquisition and strong customer retention initiatives. Enhanced collaboration across business units and proactive client engagement enabled the Bank to strengthen relationships, identify new opportunities and reinforce its position as a trusted financial partner. The Business Banking team remained focused on supporting established businesses through tailored financing solutions while expanding the utilisation of the Bank's trade finance and non-funded product offerings.

The target areas for the next FY are to:

- Continue strengthening customer service excellence through ongoing optimisation of service delivery, improved turnaround times and proactive relationship management to maintain high customer retention levels;
- Expand relationships with top mid-tier companies while pursuing opportunities with institutional and parastatal clients to grow quality assets and deposits;
- Reinforce strategic partnerships with real estate developers, promoters, agents and automobile dealerships to support financing opportunities and broaden the Bank's customer base; and
- Continue supporting trading businesses and medium-sized enterprises through tailored financing solutions, trade finance products and other value-added banking services.

Private Banking:

In FY26, the Private Banking team strengthened partnerships with leading real estate developers, expanded client engagement through targeted roadshows across West Africa and key international markets, and enhanced its investment and financing solutions, including Lombard and securities-backed lending. Greater focus was placed on deepening existing client relationships, reactivating dormant portfolios and enhancing synergies with Wealth Management, resulting in a more integrated offering and stronger cross-business collaboration across the Bank.

During the year, increased geopolitical uncertainty in the United Arab Emirates ("UAE") and the wider Gulf region reinforced Mauritius' attractiveness as a stable and well-regulated wealth and investment hub. Leveraging this opportunity, together with enhanced collaboration across Access Bank's African network, the Bank expanded its reach and further strengthened Mauritius' role as a gateway connecting African and global wealth markets.

The target areas for the next FY are to:

- Continue a structured review of our existing portfolio and optimise engagement to unlock untapped value within our current book;
- Deepen and formalise our ongoing dialogue with Access Bank entities across Botswana, Namibia, Democratic Republic of the Congo and Ghana among others, converting relationships into active investment solution mandates;
- Grow hybrid financing solutions such as Lombard and securities-backed lending alongside investment portfolios, offering clients a more complete and flexible wealth management experience; and
- Continue targeted roadshows across West Africa and key European hubs to deepen existing relationships and selectively onboard new sophisticated clients.

Business segments overview (cont'd)

CONSUMER BANKING (CONT'D)

Investment Solutions:

The department enhanced its investment proposition by expanding clients' access to global markets across diverse asset classes, while strengthening personalised wealth management and advisory services through data-driven insights and advanced investment research. These initiatives supported strong performance, with Assets Under Management ("AUM") increasing by 38% and Wealth Management income rising by 39%, driven by higher client activity, mandate growth and value-added investment solutions.

Key priorities for FY26 included delivering high-quality securities services to asset managers and individual clients, while expanding the Bank's investment solutions capabilities. The launch of the first phase of the Shariah-compliant investment offering, providing access to global Sukuk and Shariah-compliant equities, marked a key strategic milestone in strengthening the Bank's position as an innovative investment solutions provider connecting Africa, the Middle East and international markets. The Bank also continued to expand its sub-custodian network and Islamic investment capabilities to enhance market access and execution efficiency, reinforcing its competitive positioning.

The target areas for the next FY are to:

- Drive growth in AUM through the introduction and expansion of alternative investment offerings tailored to evolving client needs;
- Increase Assets Under Custody ("AUC") by strengthening engagement with Family Offices and attracting new custody mandates;
- Review and enhance tariff structures to ensure competitive pricing while supporting sustainable revenue growth; and
- Develop and offer structured investment solutions in Mauritian Rupees to meet the growing demand for local currency investment opportunities.

TREASURY & MARKETS

Treasury & Markets delivered a resilient performance during the year, generating net interest income of MUR 6.8bn, compared with MUR 7.3bn in the previous year. The decline primarily reflected the strategic reallocation of the Bank's balance sheet towards higher-yielding lending assets, in line with broader balance sheet optimisation objectives, together with the impact of a lower interest rate environment. Trading income reached a record MUR 2.5bn, up from MUR 2.1bn in the prior year, supported by strong performance across foreign exchange ("FX") sales, FX trading and fixed income trading activities. This achievement was particularly noteworthy against the backdrop of heightened market volatility arising from geopolitical tensions, including the ongoing conflict in the Middle East.

Throughout the year, Treasury maintained a disciplined approach to liquidity and balance sheet management through proactive cash flow forecasting, funding optimisation and active management of liquidity positions, while ensuring continued compliance with regulatory requirements. The Bank's bond portfolios were prudently managed in a challenging fixed-income environment, balancing risk, return and liquidity considerations. The FX Sales and Trading teams continued to deliver strong results by leveraging deep client relationships, providing tailored hedging and treasury solutions, exercising disciplined risk management and capitalising on opportunities presented by evolving market conditions.

Business segments overview (cont'd)

TREASURY & MARKETS (CONT'D)

The target areas for the next FY are to:

- Efficient liquidity management with a strong focus on adaptability, responsiveness to market trends, and ensuring optimal funding support for business growth;
- Strengthen Group-wide collaboration, particularly across our African footprint, to deliver integrated solutions, deepen client relationships, and unlock broader business opportunities;
- Continue to identify and capitalise on synergies and cross-selling opportunities across departments through greater product integration and collaboration; and
- Establish centralised channels for real-time market intelligence and client feedback, enhancing responsiveness and enabling teams to collectively address evolving client needs and emerging market trends.

SOUTH AFRICAN REPRESENTATIVE OFFICE

The South Africa Representative Office delivered a year of consolidation and disciplined growth, strengthening its role as a regional gateway to Mauritius for high-net-worth individuals, family offices, intermediaries and corporates seeking offshore banking solutions. Leveraging Mauritius' stable regulatory environment and multi-currency capabilities, the office continued to support wealth diversification, offshore structuring and cross-border business needs amid evolving market conditions.

Key achievements included strengthening referral networks across Southern and Eastern Africa, expanding client engagement through targeted briefings and events, growing multi-currency banking solutions, and supporting corporate clients with cross-border payments, trade finance and treasury requirements. The office also continued to facilitate strategic introductions across sectors, including commodities, agriculture, professional services and international business.

The target areas for the next FY are to:

- Accelerate growth in our client base, intermediary partnerships, group collaboration and strategic influence;
- Increase Corporate referral activity from regional trade, agri-export/import and professional services sectors:
- Formalise coverage plans and intermediary partnerships in Southern and Eastern African markets, driven by regular in-market client and intermediary engagement visits, to strengthen local presence;
- Strengthen compliance by refreshing AML/CFT training and due diligence protocol in line with evolving South African and Mauritian regulatory requirements; and
- Enhance Client and Intermediary experience.

Current year performance against objectives and future growth

OBJECTIVES	OUTCOME	TARGET FOR THE NEXT PERIOD*
Total Operating Income The Bank's total operating income was expected to remain broadly in line with FY25.	The Bank achieved a total operating income of MUR 11.9bn, i.e., 15% above the prior year target.	The Bank's total operating income is expected to close at MUR 6.8bn for the 6 months ending 31 December 2026.
Total Operating Expenses The Bank's total operating expenses were projected to increase by approximately 27%.	The Bank's total operating expenses were MUR 2.8bn, 27% higher y-o-y.	Over the 6 months ending 31 December 2026, the Bank's operating expenses are expected to amount to MUR 2.0bn.
Loans and advances The Bank's loan book was expected to increase with a net loan-to-deposit ratio to be greater than 30%.	Net loans and advances to banks and customers grew by 49% y-o-y with a loan-to-deposit ratio of 36%.	The Bank's lending portfolio is expected to further expand, with the net loan-to-deposit ratio to be greater than 35%.
Deposits Customer deposits were forecasted to rise by 5%.	The growth in deposits was 20% higher than FY25.	Customer deposits are forecasted to grow by 6%.
Asset Quality The Bank's specific credit loss provisions for average loans were forecasted to be at 4%. The net impaired loans to average loans were expected to remain at par.	The Bank's specific credit loss provisions for average loans stood at 3%. The net impaired loans to average loans remained at par.	The Bank's specific credit loss provisions for average loans are expected to stand at 4%. The net impaired loans to average loans are expected to remain at par.
Capital Management The capital adequacy ratio was projected to exceed 20.00%.	The capital adequacy ratio stood at 18.88%, which was below the target set and above the regulatory limit.	The capital adequacy ratio is expected to be above 16.00%.
Return on Equity Return on equity was expected to be above 30%.	Return on equity stood at 26% for FY26.	Return on equity is expected to be at 25%.
Cost-to-Income The cost-to-income ratio was anticipated to be below 30%.	The cost-to-income ratio stood at 24%, in line with the target.	The cost-to-income ratio is expected to be less than 30%.

*The Bank has approved a change in the financial year of the Bank from 30 June to 31 December subject to regulatory and statutory approvals. Therefore, the date for presentation of financial statements will change accordingly.

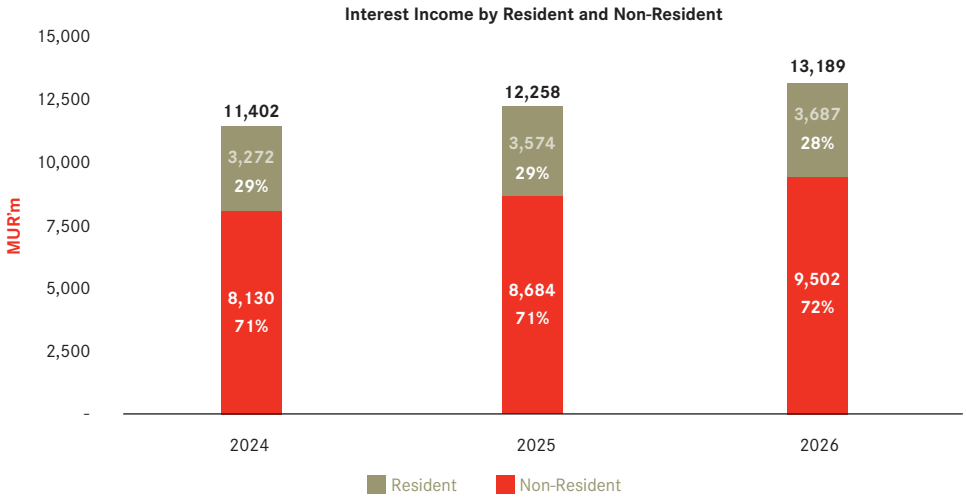
Profit or loss and other comprehensive income review

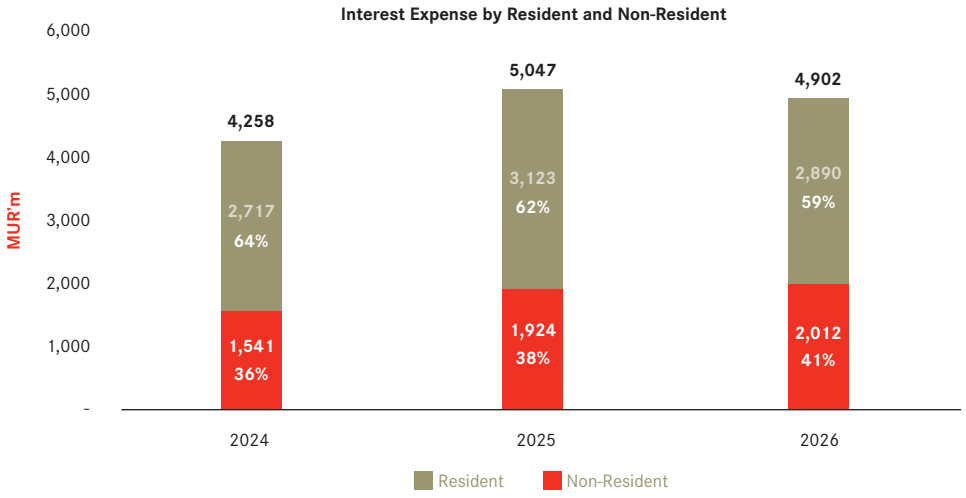
Net Interest Income

AfrAsia Bank delivered a growth of 15% in net interest income ("NII"), reaching MUR 8.3bn vis-à-vis the prior FY.

The Bank's interest income increased by 8% y-o-y, primarily attributable to the continued growth in interest-earning assets. The Bank increased its exposure to relatively higher-yielding loans while maintaining prudent risk management, contributing to an improvement in interest income during the FY. Furthermore, the Bank increased its investments in short-term sovereign securities as part of its treasury management and balance sheet optimisation.

Interest expense declined marginally by 3%, largely driven by lower cost of funds ("COF") in line with lower deposit pricing, despite a growth in the Bank's fixed deposits.

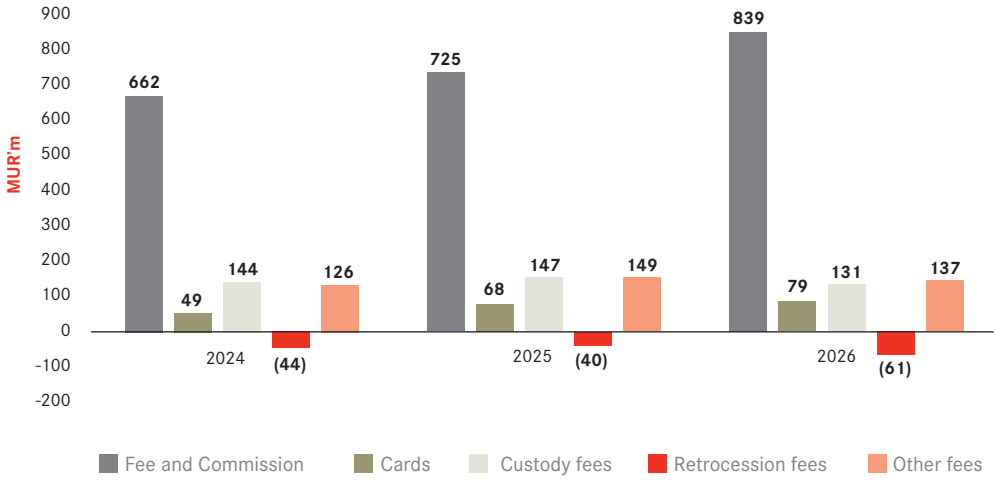




Profit or loss and other comprehensive income review (cont'd)

Net Fee and Commission Income

Net fee and commission income increased by 7%, from MUR 1.0bn in FY25 to MUR 1.1bn in FY26 on account of a rise in commissions on overseas transfers, cards income related to cross-currency and spending volume, partly offset by higher retrocession fees and lower net custody income.

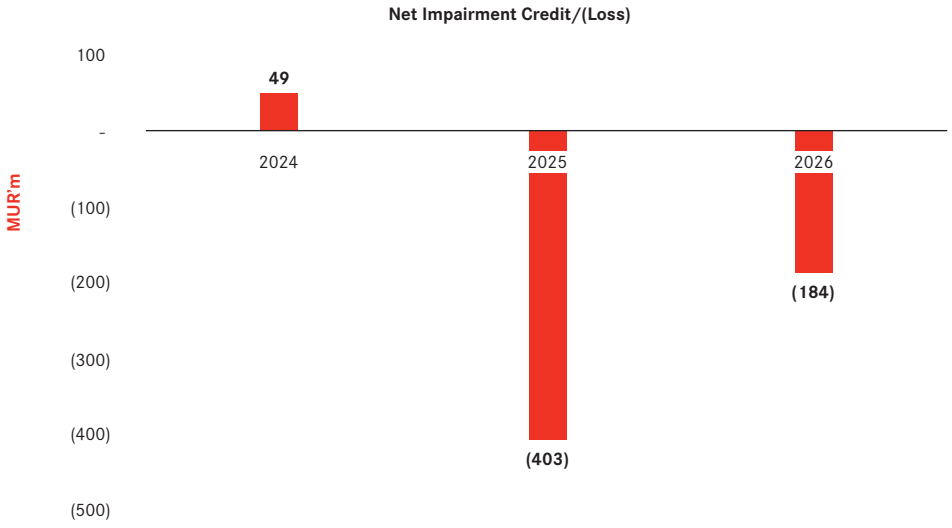


Net Trading Income

During the current FY, the Bank's net trading income increased by 17% to MUR 2.5bn, compared with MUR 2.1bn in the previous FY. Representing 21% of the Bank's operating income, net trading income was primarily driven by the Bank's active foreign exchange business, supported by sustained client activity, prudent treasury management and disciplined foreign currency exposure management amid evolving market conditions.

Net Impairment Credit/(Loss) on Financial Assets

For the financial year under review, a net impairment loss of MUR 184.4m was recorded compared to MUR 403.3m in FY25. The lower impairment charge was primarily driven by the Bank's review of its ECL methodology during the year. This was partly offset by the impact of growth in the loan portfolio and additional impairment recognised on certain restructured and deteriorating credit exposures.



Profit or loss and other comprehensive income review (cont'd)

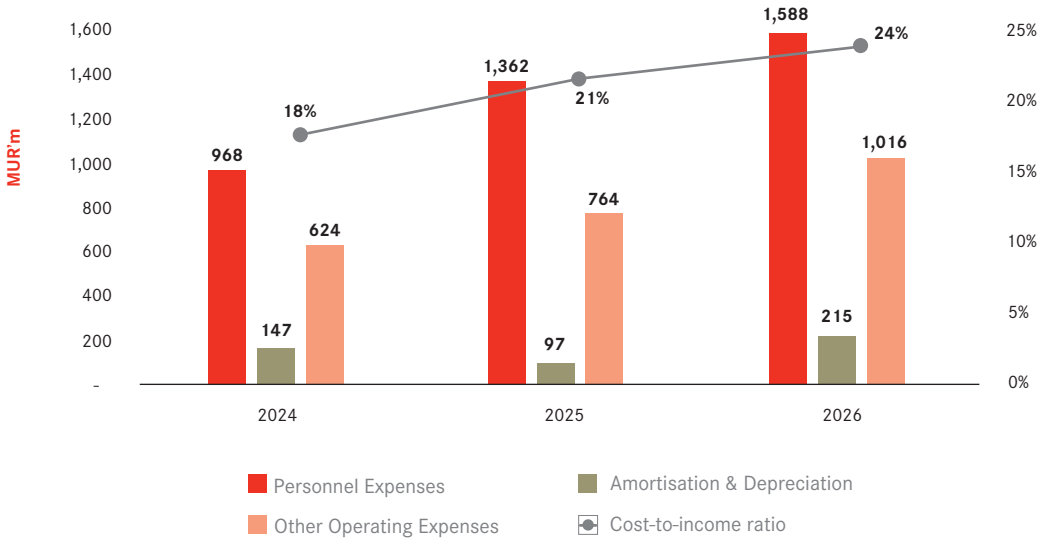
Total Operating Expenses

Total operating expenses rose by 27% y-o-y, to MUR 2.8bn for FY26, reflecting an increase of MUR 595.5m.

Personnel expenses increased by 17% or MUR 226.4m, consistent with the Bank's continued investment in human capital to support business growth. The headcount as at 30 June 2026 stood at 533, vis-à-vis 561 in the prior year.

Other operating expenses rose by 33% or MUR 251.1m to reach MUR 1,016.0m, primarily on the back of higher exceptional provisions compared to a reversal recorded last year.

Depreciation and amortisation costs rose by MUR 118.0m or 122% due to the impact of capitalised assets brought into use during the year.



Taxation

The Bank's total tax expense increased significantly from MUR 1.4bn in FY25 to MUR 2.0bn in FY26, increasing the Bank's effective tax rate ("ETR") from 18.3% in FY25 to 22.9% in FY26. This was primarily driven by higher taxable profits and the introduction of the Fair Share Contribution ("FSC") and Additional Fair Share Contribution ("AFSC") under the Finance Act 2025.

Please refer to Note 11 in Section B for more details.

Financial position review

Total Assets

The Bank's total assets grew by 20% y-o-y to reach MUR 341.0bn as at 30 June 2026. This growth was facilitated by sustained growth in the Bank's deposits. The funds were primarily channelled towards investment securities and loans and advances, while balances with interbank placements and nostros declined.

From an asset distribution standpoint, investment securities held the largest share of the Bank's asset book (FY26: 51% vs. FY25: 46%), followed by loans and advances (FY26: 33% vs. FY25: 27%) and cash and balances with banks and due from banks (FY26: 12% vs. FY25: 24%).



The Bank's financial assets from an industry perspective, without taking into account any collateral held or other credit enhancements, are as follows:

	GROSS MAXIMUM EXPOSURE		
Sectors – MUR'm	**2024**	**2025**	**2026**
	Total	**Total**	**Total**
Agriculture	866	1,150	**2,294**
Construction, infrastructure and real estate	7,110	6,437	**9,353**
Financial and business services	114,134	120,396	**109,942**
Government and parastatal bodies	101,591	109,290	**156,826**
Information, communication and technology	2,205	1,691	**1,350**
Manufacturing	9,150	8,867	**10,232**
Personal	4,659	5,337	**5,934**
Professional	1,291	8,245	**8,012**
Transport	1,320	3,329	**2,366**
Tourism	4,107	3,723	**3,279**
Traders	11,160	9,474	**18,130**
Others	4,670	5,570	**13,602**
Total	**262,263**	**283,509**	**341,320**

Please refer to Note 37 (b) in Section B for more details.

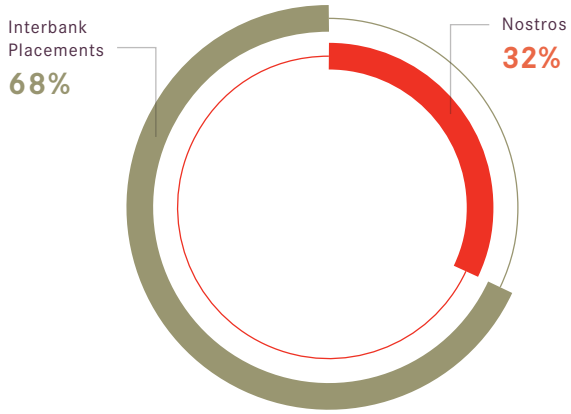
Financial position review (cont'd)

Cash and Balances with Banks and Due from Banks

Cash and balances with banks, comprising primarily Nostro balances, and due from banks, consisting mainly of interbank placements, amounted to MUR 41.7bn as at 30 June 2026, a 39% decrease y-o-y. The reduction reflected the strategic deployment of excess liquidity into higher-yielding loans and advances and investment securities as part of the Bank's balance sheet optimisation strategy.

Due from banks declined by 48% to MUR 28.3bn (FY25: MUR 54.4bn), primarily as a result of lower interbank placements and the reduction of collateralised placements, as available liquidity was redirected towards customer lending and investment securities.

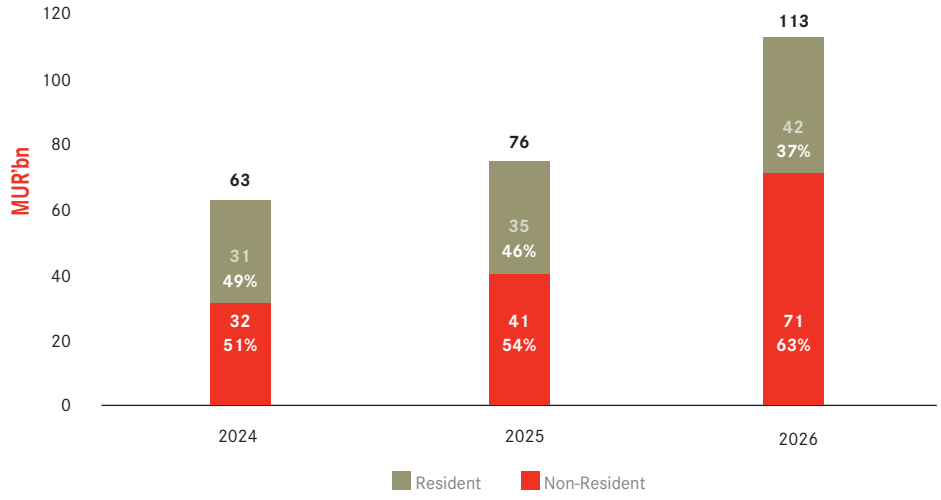
Nostro current account balances also decreased by 5% to MUR 13.4bn, reflecting the more efficient utilisation of liquid assets while maintaining adequate operational and regulatory liquidity buffers.



Loans and Advances to Banks and Customers

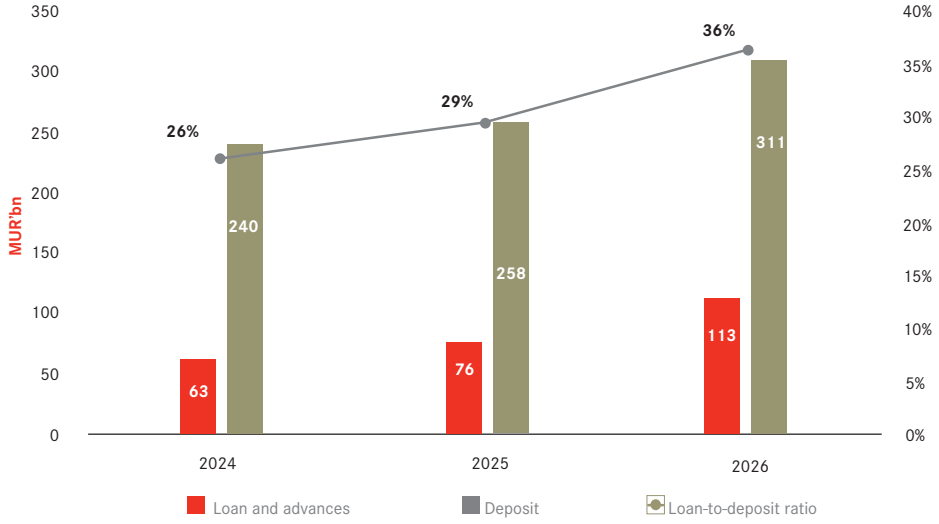
Total net loans and advances delivered a robust growth of 49% y-o-y, to stand at MUR 112.6bn as at 30 June 2026. This growth stemmed from the Bank's continued focus on pursuing its cross-border trade finance activities within its prudent risk appetite, further positioning the Bank as a trusted banking partner in Africa. On the domestic front, lending activities were bolstered by demand from key sectors driving growth. Additionally, 61% of the Bank's loans and advances are classified as long-term, with remaining contractual maturities exceeding 12 months.

The Bank's net loan-to-deposit ("LTD") ratio increased to 36%, up from 29% in the previous year, reflecting a stronger proportionate growth in net loans and advances to banks and customers, which rose by 49%, compared with a 20% increase in deposits from banks and customers.



Financial position review (cont'd)

Loans and Advances to Banks and Customers (cont'd)



The credit portfolio of the Bank, together with its distributed concentration across sectors, is tabulated below:

Sectors – MUR'm	2024	2025	2026
	Total	Total	Total
Other Non-Financial Corporations			
Agriculture, forestry and fishing	626	643	**632**
Mining and quarrying	1,850	1,691	**8,530**
Manufacturing	4,141	4,804	**10,181**
Electricity, gas, steam and air conditioning supply	1,776	1,356	**1,307**
Water supply; sewage, waste management and remediation activities	18	8	**3**
Construction	860	795	**3,042**
Wholesale and retail trade; and repair of motor vehicles and motorcycles	4,519	6,912	**14,261**
Transportation and storage	1,348	1,933	**1,396**
Accommodation and food service activities	3,769	2,969	**2,576**
Information and communication	1,259	1,216	**1,105**
Real estate activities	4,204	4,916	**5,024**
Professional, scientific and technical activities	2,952	3,746	**4,133**
Administrative and support service activities	738	575	**638**
Education	5	5	**18**
Human health and social work activities	525	360	**1,287**
Arts, entertainment and recreation	282	309	**282**
Other service entities	-	-	**-**
Other Financial Corporations	4,823	4,924	**6,410**
Households	4,599	5,333	**5,933**
Banks	14,699	20,987	**32,238**
Non-Bank Deposit Taking Institutions	1,620	3,029	**2,013**
Central Government	2,578	3,336	**2,598**
Public Non-Financial Corporations	1,125	2,177	**4,337**
Global Business Corporations (GBCs)	6,143	5,984	**7,352**
Gross Loans and advances to banks and customers	**64,459**	**78,008**	**115,296**

Financial position review (cont'd)

Loans and Advances to Banks and Customers (cont'd)

From a sector standpoint, the Other Non-Financial Corporations sector leads with 47% (2025: 41%) of the credit portfolio followed by the Banks sector with a 28% (2025: 27%) contribution.

Please refer to Note 41 (c) in Section B for details on segmentation.

Allowance for Impairment Losses

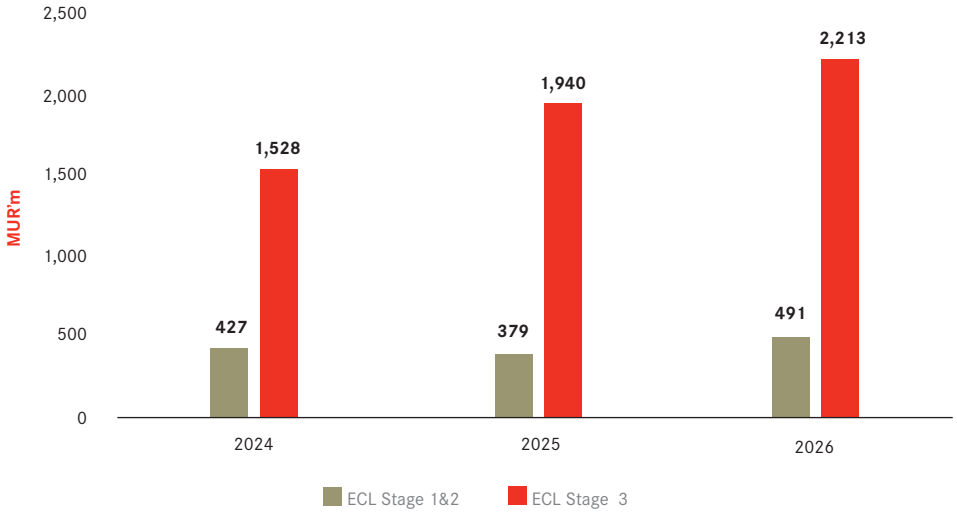
The allowance for impairment losses increased by 17% as compared to last year, standing at MUR 2.7bn as at 30 June 2026.

During the financial year, the Bank reviewed its ECL methodology to ensure that it continued to reflect the prevailing credit risk environment and the characteristics of the loan portfolio. The review resulted in enhancements to the ECL model and assumptions.

Stage 1 and 2 provisions increased by 30% driven by the substantial growth in the asset book, the reclassification of exposures to Stage 1 and change in ECL model. Stage 3 provisions rose to MUR 2.2bn in FY26 from MUR 1.9bn in FY25, mainly driven by downgrade of files with significant exposures.

The Bank's NPA stood at MUR 3.7bn as at 30 June 2026, compared to MUR 2.3bn at the end of June 2025. Despite the increase in absolute terms, the Bank's NPA ratio remained steady at 3%, the same as in 2025.

The Bank's coverage ratio decreased from 86% in 2025 to 60% in 2026, mainly due to repayment of facilities and adequate security cover held for new NPAs.



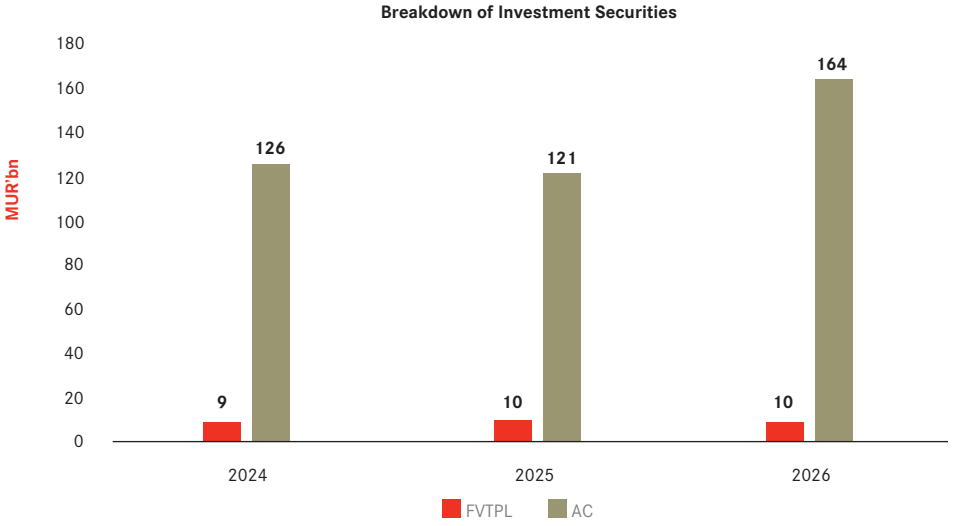
* (The above includes interest component)

Financial position review (cont'd)

Investment Securities

Investment securities grew by 33%, from MUR 130.6bn to MUR 173.7bn as at 30 June 2026, on account of the Bank's increased investment in debt instruments measured at amortised cost ("AC"), primarily in foreign securities.

The majority of the securities portfolio resided in debt instruments held at AC at 94% as at 30 June 2026, which is further segregated into foreign sovereign securities (79%), local and foreign corporate bonds and notes (12%) and local sovereign securities (9%).



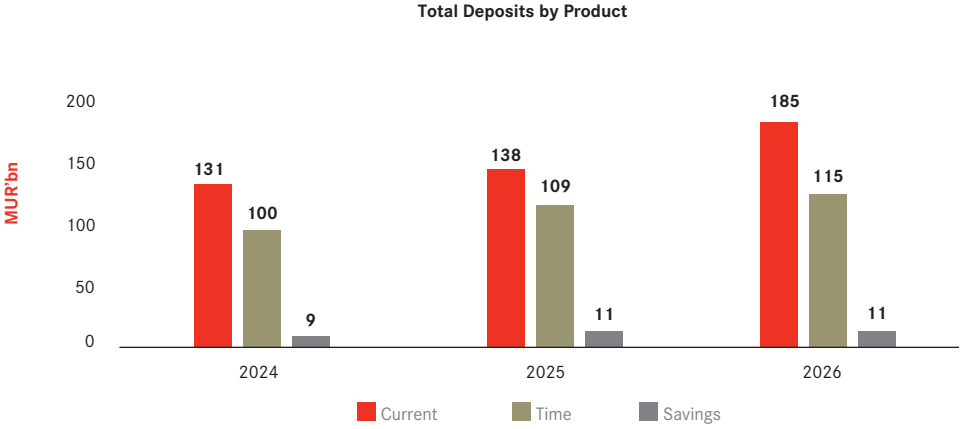
Liabilities

Deposits from Banks and Customers

The Bank's total deposits increased from MUR 258.2bn to MUR 310.8bn, marking a 20% growth y-o-y.

This was achieved by sustained commercial efforts to reinforce the Bank's funding base and support its business growth, alongside the continued confidence of its clients. Moreover, the higher deposits were partly underpinned by positive foreign exchange revaluation effects, given the significant portion of the deposit base denominated in foreign currencies.

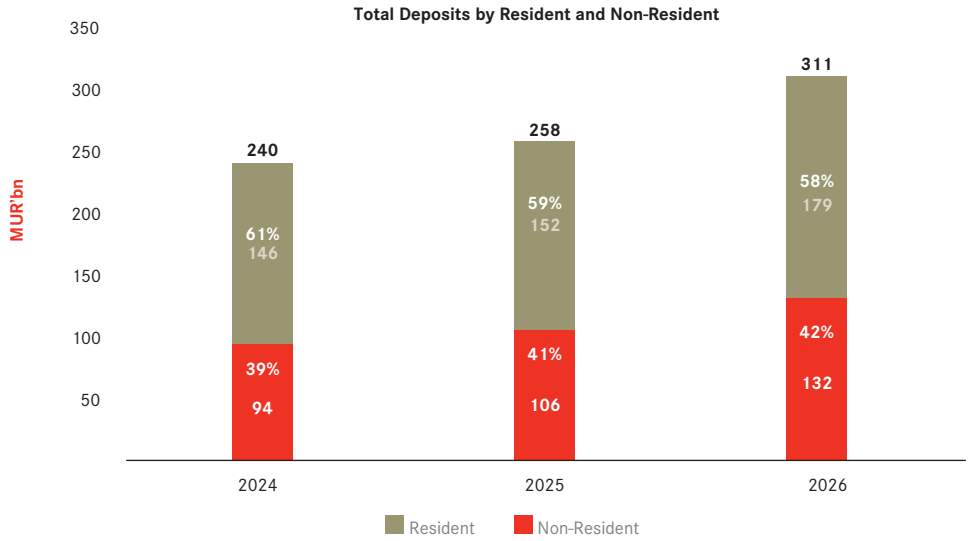
The current account and savings account ("CASA") deposits reported a 31% increase y-o-y whilst term deposits increased by 5%, reflecting the customers' preference and business needs.



Financial position review (cont'd)

Liabilities (cont'd)

Deposits from Banks and Customers (cont'd)

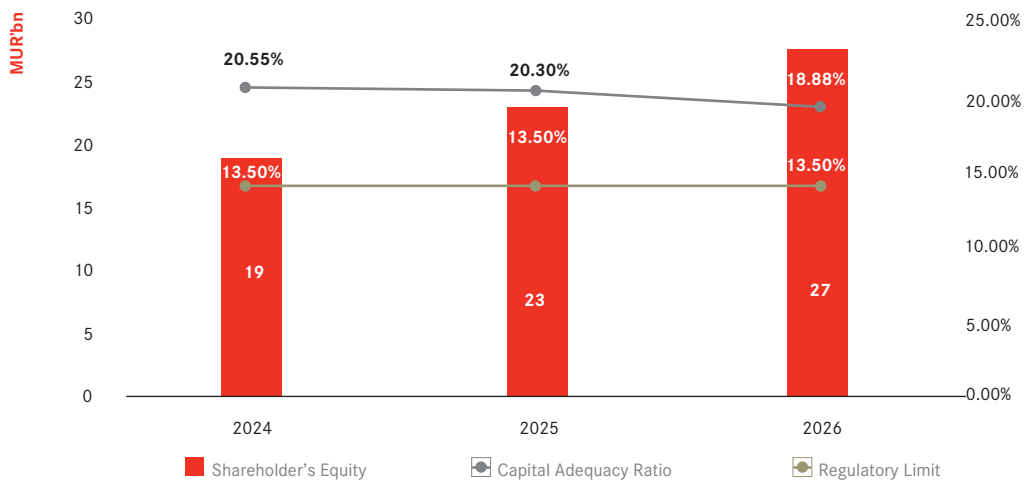


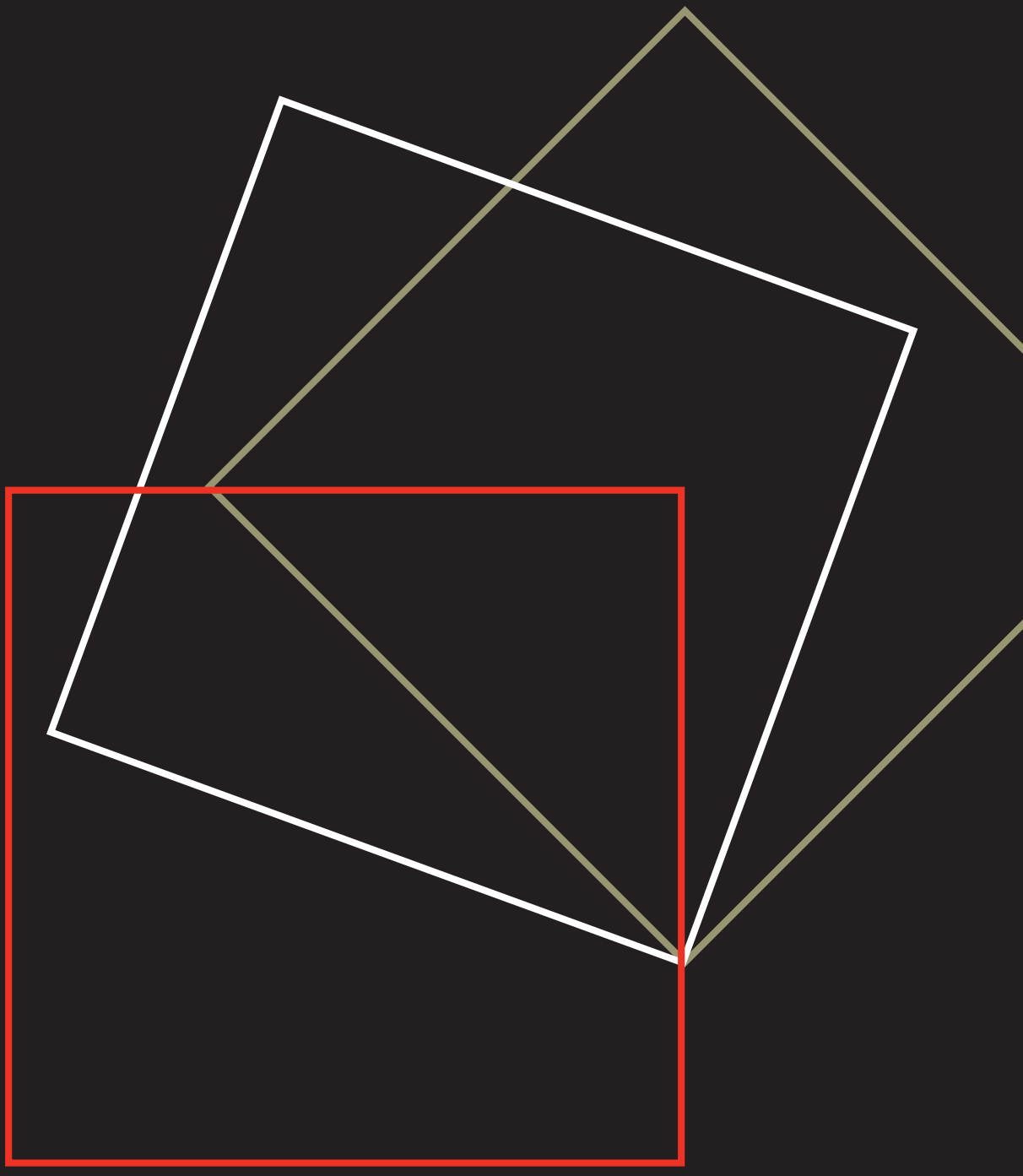
Shareholders' Equity and Capital Adequacy Ratio

The shareholders' equity of the Bank witnessed a growth of 19% y-o-y, increasing from MUR 22.9bn to MUR 27.4bn as of 30 June 2026 on the back of higher retained earnings resulting from the Bank's sustained profitability during the year. On the dividends' side, Class A dividends of MUR 0.2bn and Ordinary Dividends of MUR 2.2bn were paid out of retained earnings during the year under review.

The total regulatory capital of the Bank reached MUR 26.8bn as of 30 June 2026, compared to the total regulatory capital of MUR 22.5bn as of the prior FY. The Common Equity Tier 1 ("CET1") capital and Tier 1 capital stood at MUR 23.9bn and MUR 25.3bn, respectively, on the back of a net profit after tax of MUR 6.8bn for the FY.

The Bank's total CAR reached 18.88% as of the end of the FY ended 30 June 2026, a decrease of 1.42% from 20.30% in the prior FY.



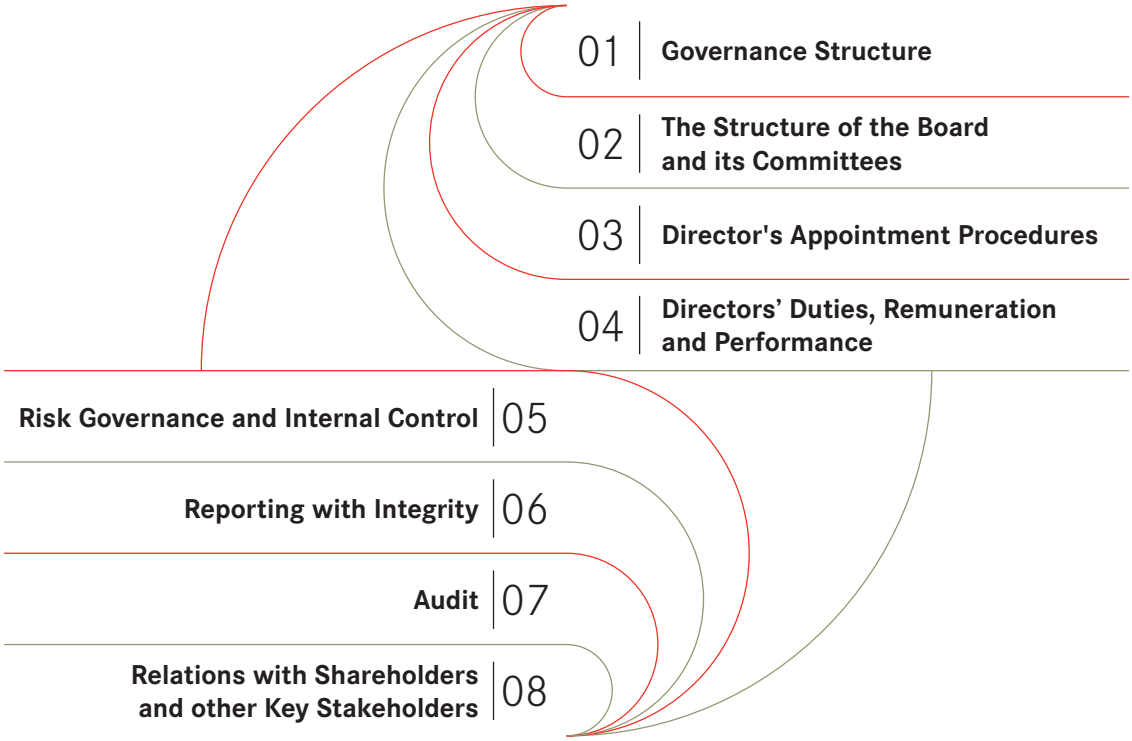


Connecting Markets. Unlocking Opportunities.

Our reach is expanding. As part of a wider international banking network, we are opening new corridors, enhancing our trade finance capabilities and connecting businesses opportunities across Africa and beyond.

Corporate governance report

The following disclosures set out the Bank's application of the eight principles of the National Code of Corporate Governance for Mauritius (2016). These principles are depicted below:



Principle one – Governance structure

Introductory

The Board of Directors ("Board") of AfrAsia Bank believes that good governance is key for building a strong foundation for the institution. The Board is committed to maintaining a solid governance framework that protects stakeholders' interests and promotes transparency, ethical behaviour, and responsible decision-making throughout the Bank.

AfrAsia Bank and its Board have taken all the necessary steps, in line with applicable laws, regulations, and best practices, to maintain and continually improve the Bank's governance standards.

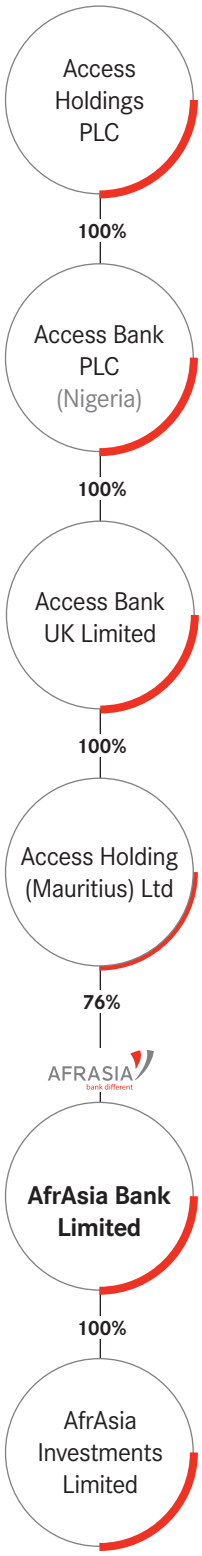
The Bank has a dedicated, unitary Board with the right mix of skills, knowledge, experience, and independence to manage the organisation's affairs and ensure compliance with all legal and regulatory requirements.

The Board's roles, responsibilities, and composition are clearly defined in the Board Charter. In addition, AfrAsia Bank has a Board-approved Conduct and Ethics Policy that commits the Bank to recruiting suitable candidates and building a culture of mutual respect and ethical conduct. The Bank promotes transparency, and all employees and Directors are made aware of their roles and responsibilities.

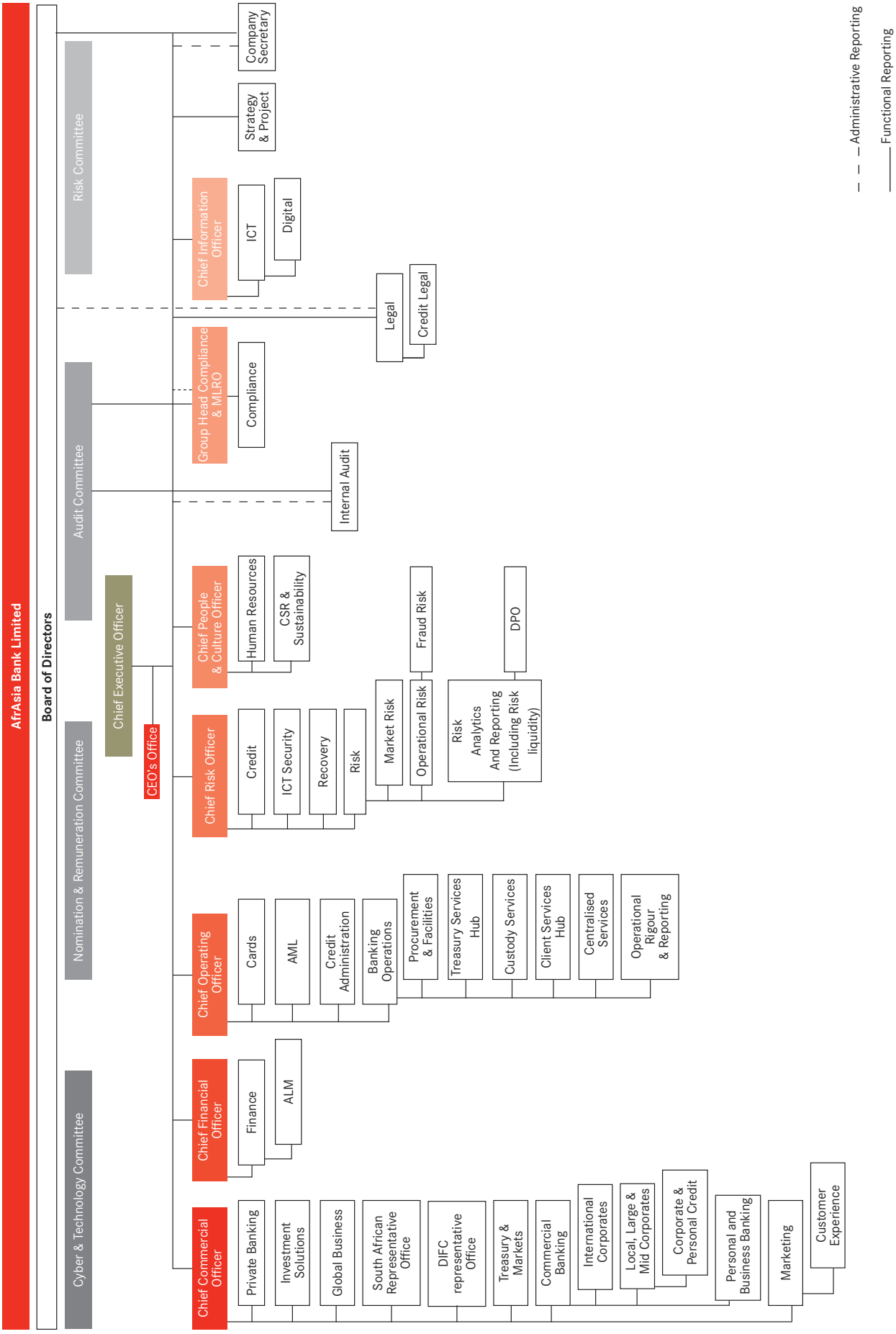
A copy of the Bank's Conduct and Ethics Policy is available on its website as follows:

(https://www.afrasiabank.com/media/3222/conduct-and-ethics-policy-staff.pdf)

Our Group Structure as of 30 June 2026



Our Governance Structure as of 30 June 2026



Principle one – Governance structure (cont'd)

Key Governance Roles

The Board sets the Bank's ethical and governance framework, encouraging its members, management, and employees to maintain the highest standards of integrity, transparency, and accountability.

The Board Charter ("Charter"), reviewed and approved by the Board as needed, sets out the key governance roles within the Bank and their responsibilities. This supports the Bank's strategic objectives and helps ensure effective compliance with sound governance practices.

The Bank ensures a clear division of roles and responsibilities between the Board, the Chairperson of the Board, and the CEO, reflecting its commitment to an appropriate balance of power and the avoidance of any undue concentration of authority.

The position statements for key governance roles are available on the website as follows:

Key Positions	Website Link
Chairperson of the Board	*https://www.afrasiabank.com/media/15008/position-statement-of-the-chairperson-annex-1.pdf*
Chief Executive Officer	*https://www.afrasiabank.com/media/15009/position-statement-of-the-chief-executive-officer-annex-2.pdf*
Company Secretary	*https://www.afrasiabank.com/media/15010/position-statement-of-the-company-secretary.pdf*

Principle two – The structure of the board and its committees

The Board holds overall responsibility for the stewardship of the Bank, playing a central role in embedding sound governance practices across every aspect of its operations.

The powers and duties of the Board are set out in the Bank's Constitution and Charter. In exercising these duties, the Board remains mindful of its statutory obligations under applicable legislation, including the Banking Act 2004 (as amended), the Financial Reporting Act 2004 (as amended), the Financial Services Act 2007 (as amended), and the Companies Act 2001 (as amended).

During the financial year, no alternate directors were appointed, so that each Director could remain fully and directly engaged in Board deliberations and decisions, in turn strengthening the quality of oversight and contribution.

The overall Governance Framework featuring Board Charter regarding the roles and responsibilities of the Board are available for consultation on the Bank's website:

(https://www.afrasiabank.com/en/about/corporate-governance/governance-framework)

The Bank has revoked its existing constitution and has adopted a new constitution effective 17th August 2026.

Prior Approval of the Board

In accordance with the Companies Act 2001 and the Bank's Constitution, the Board retains certain powers which shall not be delegated. These include the following:

- Issue of other shares;
- Consideration for the issue of shares;
- Shares not paid for in cash;
- Authorisation of distribution;
- Shares issued in lieu of dividend;
- Shareholder discount;
- Purchase of own shares;
- Redemption at the option of the Bank;
- Restrictions on giving financial assistance;
- Change of Registered Office;
- Approval of amalgamation proposal;
- Short form amalgamation; and
- Transfer of shares.

Principle two – The structure of the board and its committees (cont'd)

Board Size

The Board is designed to have sufficient resources to fulfil its responsibilities efficiently, while remaining lean enough to support decision-making. In deciding on the right Board size, the Bank looks at factors such as its scale of operations (turnover and workforce), the geographical spread of its activities, the complexity and diversity of its business lines, the extent of regulatory oversight, the number of Board committees required, and its level of public accountability.

Board Composition

In line with the Bank's Constitution, it is stipulated that the Board of Directors shall consist of a minimum number of at least 5 directors.

As at 30 June 2026, the Board comprised 9 qualified directors drawn from a range of local and international backgrounds, providing a balanced mix of knowledge, skills, expertise and independence across various sectors. In line with the Code, the Board includes 2 Executive Directors, ensuring an appropriate executive management presence at Board level.

As at 30 June 2026, AfrAsia Bank did not meet the minimum threshold of 40% Independent Non-Executive Directors as required under the Bank of Mauritius' Guideline on Corporate Governance and the Banking Act 2004 (as amended). The Board is cognisant of this composition gap and has already initiated the appropriate action for compliance.

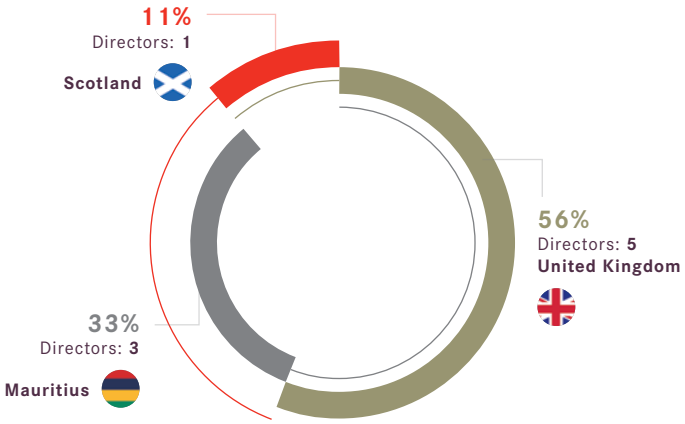
All Directors are re-elected on an annual basis by way of separate resolutions at the Annual General Meeting ("AGM"). The last AGM was held on 16 December 2025.

Principle two – The structure of the board and its committees (cont'd)

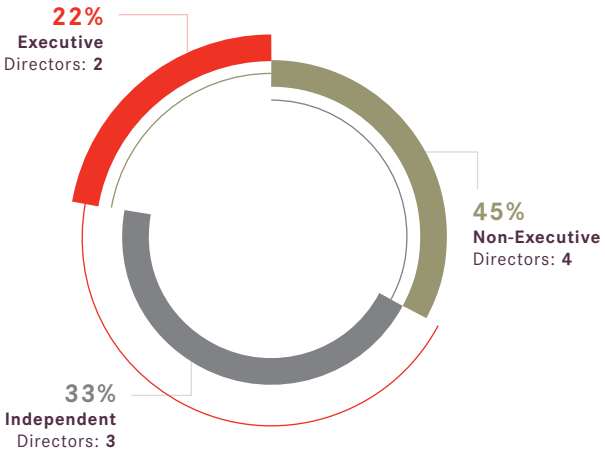
Board Composition (cont'd)

The Board Composition at a glance is set out below:

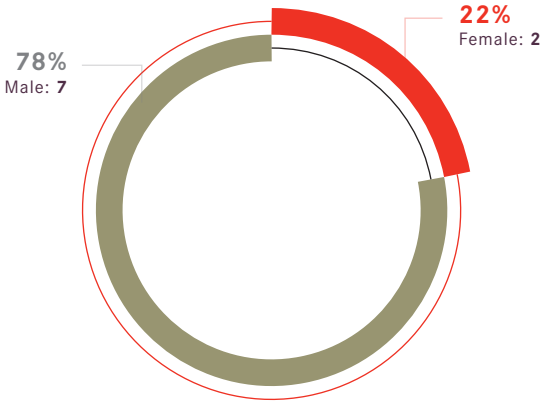
BY RESIDENCY



BY CATEGORY OF DIRECTORSHIP



BY GENDER



Total board members : 9

Principle two – The structure of the board and its committees (cont'd)

Board Composition (cont'd)

Below are the **appointments** made during the financial year under review:

03 September 2025	Vikas Monawer	Non-Executive Director
03 September 2025	Shainy Luxmi Munisami	Non-Executive Director
03 September 2025	James Kevin Simmonds	Non-Executive Director
02 October 2025	Vishal Kumar Joyram	Executive Director
03 October 2025	David John Charters	Non-Executive Director

Below are the **cessations** that happened during the financial year under review:

22 July 2025	Jan Fredrik Louis Gaëtan Boullé	Non-Executive Director
22 July 2025	Laurent François De La Hogue	Non-Executive Director
22 July 2025	Boris Faucher	Non-Executive Director
22 July 2025	Aslam Kanowah	Non-Executive Director
22 July 2025	Anaick Helene Larabi Guidez	Non-Executive Director
22 July 2025	Christian St-Arnaud	Non-Executive Director
29 August 2025	Marie Doriane Jessica Denise-Rama	Independent Non-Executive Director
29 August 2025	Kamaraj Ananda Vuddamalay	Independent Non-Executive Director
02 October 2025	Thierry Paul Robert Rene Vallet	Executive Director

As of 30 June 2026, the Bank has in place the following committees:

AC	**Audit Committee**	NRC	**Nomination & Remuneration Committee**
CTC	**Cyber & Technology Committee**	RC	**Risk Committee**

Principle two – The structure of the board and its committees (cont'd)

Directors' Profiles (cont'd)

The Directors' profiles below, including their committee memberships, qualifications, and other relevant information, are presented as at 30 June 2026. The 'Length of Service as Director' is measured from the date of first appointment to 30 June 2026, or, where applicable, up to the date of any resignation occurring before the signing of the accounts.



OLIVIER EMMANUEL JAUFFRET
Independent Non-Executive Director and Chairperson of the Board

Date of first appointment as Director:
06 March 2024

Date of the last re-election:
16 December 2025

Length of service as Director:
2 years 4 months

Directorship in listed entity(ies):

None

Directorship in other non-listed entity(ies):

None

Committee membership:

NRC

Olivier Emmanuel Jauffret graduated in 1992 from the Law University of Aix-en-Provence and subsequently from London University. He holds a DESS and Magistère in business law, tax law and accounting and a postgraduate law degree (LL.M) from University College London. He was admitted to the Paris Bar in 1994.

He spent his entire professional life as a lawyer in the Paris office of two world-leading international (UK and US) law firms, Linklaters and Weil Gotshal Manges, 22 years of which as a partner of each firm successively. He has over 30 years of experience as a fully versatile banking lawyer advising creditors and debtors (banks, funds and corporate) across the whole spectrum of products on the bank debt markets with in-depth knowledge of all financing and regulatory features. He was the head of the Paris banking practice at both firms with a focus on clients and transactions with an international footprint. He was widely recognised as one of the few leading banking lawyers of his generation.

Olivier is a former member of the Paris Bar and holds a Master of Laws (LL.M.) in International Business Law from University College London. He also obtained a Diploma of Advanced Legal Studies and a Master's degree in Law from Aix-En-Provence University.

Country of residence: Mauritius

Principle two – The structure of the board and its committees (cont'd)

Directors' Profiles (cont'd)



VISHAL KUMAR JOYRAM
Chief Executive Officer and Executive Director

Date of first appointment as Director:
02 October 2025

Date of the last re-election:
16 December 2025

Length of service as Director:
9 months

Directorship in listed entity(ies):

None

Directorship in other non-listed entity(ies):

None

Committee membership:

CTC RC

Vishal is a seasoned professional in the Banking and Finance sector with over two decades of experience. He has held senior leadership roles spanning Global Markets, Treasury and Wealth Management. He brings both strategic insights and strong business relationships that will help strengthen the Bank's brand positioning and service excellence to its client portfolio.

Vishal served as Head of Global Markets at a leading Global and African financial services group, where he actively contributed in executing the bank's strategic agenda across key regions, driving robust growth. He also previously served as Vice-Chairman of the Stock Exchange of Mauritius. Vishal has a strong background in regulatory and Central Bank engagement, with experience in complex matters ranging from foreign currency markets, interest rate policy and risk frameworks. He is equally passionate about fostering a culture of continuous learning and sustainable growth.

Vishal holds a Global Executive MBA from INSEAD and a Master's degree in Economics (Banking and Monetary Policy) from the University of Paris Dauphine, France.

Country of residence: Mauritius

Principle two – The structure of the board and its committees (cont'd)

Directors' Profiles (cont'd)



ALASTAIR JAMES BRYCE
Independent Non-Executive Director and Chairperson of Audit Committee

Date of first appointment as Director:
19 December 2022

Date of the last re-election:
16 December 2025

Length of service as Director:
4 years and 6 months

Directorship in listed entity(ies):
None

Directorship in other non-listed entity(ies):
York Mansions (Baker Street) Ltd

Committee membership:

AC RC

Alastair James Bryce is an international banker with over 40 years of experience in the financial services sector.

He has worked in 9 countries in both emerging and developed markets and has successfully undertaken a wide range of roles across the industry. These have included senior positions in global markets, corporate and investment banking and risk management.

He is a former director of HSBC Bank (Mauritius) Ltd and was Chief Executive Officer of HSBC's operations in Mauritius from 2013 to 2016. During that time, he also served as Chairman of the Mauritius Bankers Association.

Alastair is currently a member of the Board of Advisors at Deheza Ltd, a London-based corporate intelligence provider specialising in Latin America and Europe, and is a Trustee of UK-registered charities involved in child poverty relief and historic building conservation.

Alastair is an Associate of both the London Institute of Banking & Finance and the Hong Kong Institute of Bankers. He holds a Bachelor of Commerce with Honours from the University of Edinburgh, Scotland.

Country of residence: United Kingdom

Principle two – The structure of the board and its committees (cont'd)

Directors' Profiles (cont'd)



DAVID JOHN CHARTERS
Non-Executive Director and Chairperson of Nomination & Remuneration Committee

Date of first appointment as Director:
03 October 2025

Date of the last re-election:
16 December 2025

Length of service as Director:
9 months

Directorship in listed entity(ies):
None

Directorship in other non-listed entity(ies):
The Access Bank UK Limited
The AB EBT Limited
Haggard Holdings Ltd (non-trading)
Beyond Capital LLP
Surfcast Inc
New Financial LLP (Chairman)
John Smith Trust
Churchill Lines Foundation
CRF 1 Ltd (Chairman)
Crushroom Inc
Lab and Bone Ltd - DNA testing (Chairman)
Kelso Plc (listed on LSE)

David John Charters was appointed Independent Non-Executive Director at The Access Bank UK Ltd in March 2019, and was approved as Chairman of the Board in May 2024. His experience of leadership and advisory roles in finance, security/intelligence and legal services comes from previous roles in the public and private sectors, including as a Director of SG Warburg Securities, Managing Director of Deutsche Bank and Chairman of the capital markets think tank New Financial.

He graduated with first-class honours in Modern and Medieval Languages, Fitzwilliam College, Cambridge.

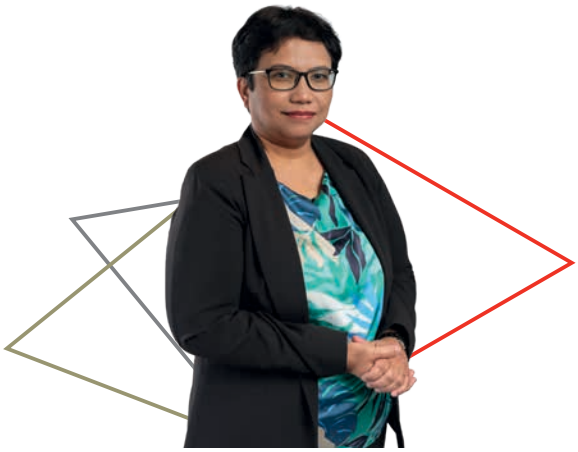
Country of residence: United Kingdom

Committee membership:

NRC CTC RC

Principle two – The structure of the board and its committees (cont'd)

Directors' Profiles (cont'd)



MARIE JENNIFER JEAN-LOUIS
Executive Director
and Chief Financial Officer

Date of first appointment as Director:
16 March 2022

Date of the last re-election:
16 December 2025

Length of service as Director:
4 years and 4 months

Directorship in listed entity(ies):
None

Directorship in other non-listed entity(ies):
None

Committee membership:
None

Marie Jennifer Jean-Louis, Chief Financial Officer ("CFO") of AfrAsia Bank, is a Chartered Accountant with over 25 years of experience spanning financial strategy, audit, taxation, regulatory reporting and advisory. She has been part of the Bank's journey since its inception, contributing significantly to its financial architecture and long-term value creation.

Jennifer has a strong track record in executing complex mergers and acquisitions ("M&A") and capital-raising initiatives, driving the Bank's growth agenda. She has also led the Bank's adoption of International Financial Reporting Standards ("IFRS"), reinforcing transparency and alignment with global investor expectations.

As an Executive Director since 2022, she continues to bring strategic depth, disciplined financial oversight and strong governance assurance for stakeholders, supporting the Bank's positioning as a trusted and forward-looking financial institution.

Jennifer is a Fellow Member of the Institute of Chartered Accountants in England and Wales and a qualified Chartered Tax Advisor. She is also a member of the Mauritius Institute of Directors ("MIoD").

Country of residence: Mauritius

Principle two – The structure of the board and its committees (cont'd)

Directors' Profiles (cont'd)



VIKAS MONAWER
Non-Executive Director

Date of first appointment as Director:
03 September 2025

Date of the last re-election:
16 December 2025

Length of service as Director:
10 months

Directorship in listed entity(ies):

None

Directorship in other non-listed entity(ies):

The Access Bank UK Limited

Access Holdings (Mauritius) Limited

Zempler Bank Limited

Committee membership:

AC RC

Vikas Monawer was appointed Risk and Compliance Director of The Access Bank UK Limited in 2011, and International Chief Operating Officer in February 2026. He is a graduate of Aston Business School and brings over 30 years of expertise in Risk Management, Compliance, Operations Management, Anti-Money Laundering and both Internal and External Auditing across various firms in the UK.

Before joining The Access Bank UK Limited, Vikas gained a wealth of experience in Compliance, Risk and AML through senior roles at various institutions, including PwC UK and Deloitte UK.

Country of residence: United Kingdom

Principle two – The structure of the board and its committees (cont'd)

Directors' Profiles (cont'd)



SHAINY LUXMI MUNISAMI
Non-Executive Director

Date of first appointment as Director:
03 September 2025

Date of the last re-election:
16 December 2025

Length of service as Director:
10 months

Directorship in listed entity(ies):

None

Directorship in other non-listed entity(ies):

None

Committee membership:

NRC

Shainy Luxmi Munisami joined The Access Bank UK Limited in 2010, and is a Fellow of the Chartered Institute of Personnel and Development (CIPD). She holds an MSc in Human Resources, a BA in Management, has completed a master's-level programme in coaching, and received an advanced training in positive psychology and Neuro-Linguistic Programming.

With nearly 20 years of HR experience and board-level exposure, Shainy has extensive knowledge in workforce planning, talent development, and employee engagement, with a proven record of building high-performance cultures.

Country of residence: United Kingdom

Principle two – The structure of the board and its committees (cont'd)

Directors' Profiles (cont'd)



FIORANGELO SALVATORELLI
Independent Non-Executive Director and Chairperson of Cyber & Technology Committee

Date of first appointment as Director:
09 August 2021

Date of the last re-election:
16 December 2025

Length of service as Director:
5 years and 11 months

Directorship in listed entity(ies):
Lectra SA

Directorship in other non-listed entity(ies):
Fusion Global Capital

Independent Corporate Access Ltd

Committee membership:

AC CTC

Fiorangelo has held Senior Portfolio Management and Research roles at Newton Investment Management (now part of BNY Mellon), Fidelity International and CCLA Investment Management. He currently leads as Managing Director of ALANTRA EQMC Fund.

Fiorangelo also serves on the Board of Lectra SA, a Paris-based technology company founded in 1973 that provides industrial intelligence solutions, including SaaS CAD/CAM software and automated cutting equipment, to the fashion, automotive, and furniture industries. They specialize in driving Industry 4.0 digital transformation. He additionally serves on the advisory board of STFC (Science and Technology Facilities Council), Oxford Innovation Finance (EIS Growth Fund) and FPE Capital (formerly Flemings Family & Partners Private Equity).

Fiorangelo was a former consultant with McKinsey & Co. in Milan and London and a University Lecturer at the University of Oxford Department of Engineering Science and INSEAD Business School (Fontainebleau).

He earned a D.Phil. and an M.A. in Engineering Science from the University of Oxford (Exeter College), an MSc in Structural Engineering from Universidad Simón Bolívar in Caracas, and both a BSc and an MEng in Civil Engineering from Universidad Católica Andrés Bello in Caracas.

Country of residence: United Kingdom

Principle two – The structure of the board and its committees (cont'd)

Directors' Profiles (cont'd)



JAMES KEVIN SIMMONDS
Non-Executive Director

Date of first appointment as Director:
03 September 2025

Date of the last re-election:
16 December 2025

Length of service as Director:
10 months

Directorship in listed entity(ies):
None

Directorship in other non-listed entity(ies):
The Access Bank UK Limited

The Access Bank UK Nominees Limited

The AB EBT Limited

The Access Group Malta Holdings Limited

Access Holdings Mauritius

Zempler Bank Limited

Committee membership:
CTC NRC RC

James Kevin Simmonds was appointed as the founding CEO/MD of The Access Bank UK Limited in January 2008. He is an alumnus of the Harvard Business School Executive Management Programme, an Associate of the Chartered Institute of Bankers, a member of the Association of Foreign Bankers, and a certified financial adviser. He has a wealth of experience in financial services, having held several director roles at National Westminster, Coutts, Royal Bank of Scotland, Gerrards, and Close Brothers.

He has a proven track record in the start-up and turnaround of financial service businesses, delivering sustainable benefits for all stakeholders. He has extensive knowledge of corporate, retail, and private banking.

Country of residence: United Kingdom

Principle two – The structure of the board and its committees (cont'd)

Company Secretary's Profile



ANDY IVAN CHAN SOON SEN
Company Secretary

Andy is the Company Secretary of AfrAsia Bank Limited and its subsidiary. A Chartered Governance Professional with over 12 years of experience, he advises on corporate governance, board affairs, and company secretarial matters, supporting effective decision-making and regulatory compliance.

Prior to joining AfrAsia Bank in 2022, Andy managed the Corporate Affairs function of the principal subsidiary of a leading global pharmaceutical company. He has also held company secretarial and corporate governance roles with firms providing outsourced corporate services across a diverse portfolio of organisations.

Andy is a Fellow of the Chartered Governance Institute, UK & Ireland and a member of the MIoD. He holds an MBA in Financial Services from the Open University of Mauritius and a Bachelor of Arts (Honours) in Law and Management from the University of Mauritius.

Principle two – The structure of the board and its committees (cont'd)

Board Committees

AfrAsia Bank has established Board Committees to support the Board of Directors in the execution of its fiduciary duties and governance responsibilities. Operating under delegated authority, these Committees are guided by structured reporting frameworks that promote effective oversight, strategic direction, and sound management of the Bank's affairs.

As at 30 June 2026, the Bank had 4 Board Committees in place, each constituted to enable thorough analysis and evaluation of matters within its respective mandate. The Chairperson of each Board Committee reports and presents significant matters to the Board for further deliberation and/or approval, as necessary. Each Committee operates in accordance with its Board-approved Terms of Reference, which are reviewed periodically and amended as deemed appropriate, with the Board applying a rigorous and diligent approach to proposing and endorsing any such amendments, thereby upholding sound standards of corporate governance.

The terms of reference of the four above committees are available for consultation on the Bank's website:

https://www.afrasiabank.com/en/about/corporate-governance/governance-framework

Board Meeting Process

PLANNING	AGENDA	PRE-MEETING	MEETING	POST-MEETING
Meetings are planned in advance for the year as far as possible.	Draft agenda is prepared by the Company Secretary and finalised by the Chief Executive Officer and the Chairperson. Agenda is finalised, in most cases, at least two weeks prior to the meeting.	The agenda and relevant papers are sent to all directors within a reasonable time; however, due to the dynamic banking environment, some papers may be circulated on short notice. Papers are uploaded on a secure online platform. Necessary arrangements are also made for remote attendance for those directors who are unable to attend physically.	The duration of the meetings is reasonable but may be longer than expected in some cases depending on the discussions and/or matters being considered.	Minutes are drafted and sent for review to the Chairperson before they are circulated to all Directors for further input. All follow-up actions are transmitted to the relevant party by the Company Secretary, and status updates are provided to the Board at the earliest possible time.

Principle two – The structure of the board and its committees (cont'd)

Board Committees (cont'd)



Meetings held

Audit Committee

Meetings:

In line with its approved Terms of Reference, the Committee is required to convene at least once every quarter or more frequently as circumstances require to ensure the execution of its mandate effectively. The quorum for any meeting shall be a majority of the membership of the Committee.

Composition and Membership:

The Committee shall consist of a minimum of 3 members and a maximum of 5 members. The Committee shall consist of a majority of Independent Non-Executive Directors. As at 30 June 2026, the Committee consisted of 2 Independent Non-Executive Directors and 1 Non-Executive Director.

The composition was as follows:

Members	Appointment date as member	Status
Alastair James Bryce (Chairperson)	26 June 2025	Independent Non-Executive Director
Vikas Monawer	03 September 2025	Non-Executive Director
Fiorangelo Salvatorelli	13 August 2025	Independent Non-Executive Director

Note:

There was no elected Audit Chairperson for the period 1 July 2025 to 13 January 2026. A Chairperson was then elected during each meeting held. The Board resolved to appoint Alastair James Bryce as Chairperson of the Audit Committee on 14 January 2026.

Focus Areas:

- Unaudited/audited (interim) Financial Statements;
- Internal Annual Audit Plan;
- Quarterly Reports from Chief Financial Officer;
- Quarterly Reports from the Head of Compliance;
- Quarterly Reports from the Head of Internal Audit;
- Annual External Audit Plan;
- External Audit Fees;
- Meeting with External Auditors;
- Annual Report;
- Internal Audit reports; and
- Dividend.

Principle two – The structure of the board and its committees (cont'd)

Board Meeting Process (cont'd)



Meetings held

Cyber & Technology Committee

Meetings:

In line with its approved Terms of Reference, the Committee is required to convene at least once every quarter or more frequently as circumstances require. The quorum for any meeting shall be a majority of the membership of the Committee.

Composition and Membership:

The Committee shall consist of a minimum of 3 members and a maximum of 5 members, provided that at least 2 of the members are Non-Executive Directors with relevant experience in cyber/technology related matters, including the CEO. As at 30 June 2026, the Committee consisted of 1 Independent Non-Executive Director, 1 Executive Director and 2 Non-Executive Directors.

The composition was as follows:

Members	Appointment date as member	Status
Fiorangello Salvatorelli (Chairperson)	13 August 2025	Independent Non-Executive Director
David John Charters	03 October 2025	Non-Executive Director
James Kevin Simmonds	03 September 2025	Non-Executive Director
Vishal Kumar Joyram	10 October 2025	Executive Director

Focus Areas:

- Execution of Technology and Digital plans;
- Implementation of IT remedial actions and policies;
- Cybersecurity awareness and training;
- Cyber and technology budget & resourcing;
- Review of technological solutions;
- Core Banking System;
- Report of the Chief Information Officer; and
- Report of the Chief Information & Security Officer.

Principle two – The structure of the board and its committees (cont'd)

Board Meeting Process (cont'd)



Meetings held

Nomination & Remuneration Committee

Meetings:

In line with its approved Terms of Reference, the Committee is required to convene at least once every quarter or more frequently as circumstances require. The quorum for any meeting shall be a majority of the membership of the Committee.

Composition and Membership:

The Committee shall consist of a minimum of 3 members and a maximum of 5 members. The Committee shall consist of a majority of Non-Executive Directors. As at 30 June 2026, the Committee consisted of 1 Independent Non-Executive Director and 3 Non-Executive Directors.

The composition was as follows:

Members	Appointment date as member	Status
David John Charters (Chairperson)	03 October 2025	Non-Executive Director
Olivier Emmanuel Jauffret	13 August 2025	Independent Non-Executive Director
Shainy Luxmi Munisami	03 September 2025	Non-Executive Director
James Kevin Simmonds	03 September 2025	Non-Executive Director

Note:

The executive members were in attendance as and when required for their relevant section(s).

Focus Areas:

- Recruitment paper;
- Appointment of COO and CCO;
- Salary Review;
- Legal cases;
- HR Plan;
- Performance Appraisal;
- KPI setting;
- Invest in People Projects;
- Board Evaluation Framework;
- Key Strategic hires for the Bank;
- Training and Development; and
- Mid Year Review.

Principle two – The structure of the board and its committees

Board Meeting Process (cont'd)



Meetings held

Risk Committee

Meetings:

In line with its approved Terms of Reference, the Committee is required to convene at least once every quarter or more frequently as circumstances require. The quorum for any meeting shall be a majority of the membership of the Committee.

Composition and Membership:

The Committee shall consist of a minimum of 4 members and a maximum of 5 members. Except for the CEO, the Committee shall consist of Non-Executive Directors. The members should be well-versed in the Bank's risk management processes in general and have a broad understanding of financial and business risks as well as the international economic and political environment. As at 30 June 2026, the Committee consisted of 1 Independent Non-Executive Director, 3 Non-Executive Directors and 1 Executive Director.

The composition was as follows:

Members	Appointment date as member	Status
David John Charters (Chairperson)	03 October 2025	Non-Executive Director
Alastair James Bryce	14 February 2023	Independent Non-Executive Director
Vikas Monawer	03 September 2025	Non-Executive Director
James Kevin Simmonds	03 September 2025	Non-Executive Director
Vishal Kumar Joyram	10 October 2025	Executive Director

Focus Areas:

- Quarterly report on Expected Credit Losses;
- Quarterly report on Risk Management matters;
- Quarterly report on Incident Reports management;
- Quarterly report on cybersecurity and other risks;
- Risk-related policies;
- Risk Report for Annual Report;
- Progress on internal and external audit risk-related matters;
- Report of the Chief Risk Officer;
- Top Ten Risks; and
- Operational Resilience.

Principle two – The structure of the board and its committees (cont'd)

Board of Directors Meetings (cont'd)

Attendance report

The attendance report of the Directors, determined from the date of appointment, at Board and Committee meetings for the year ended 30 June 2026, is tabulated below:

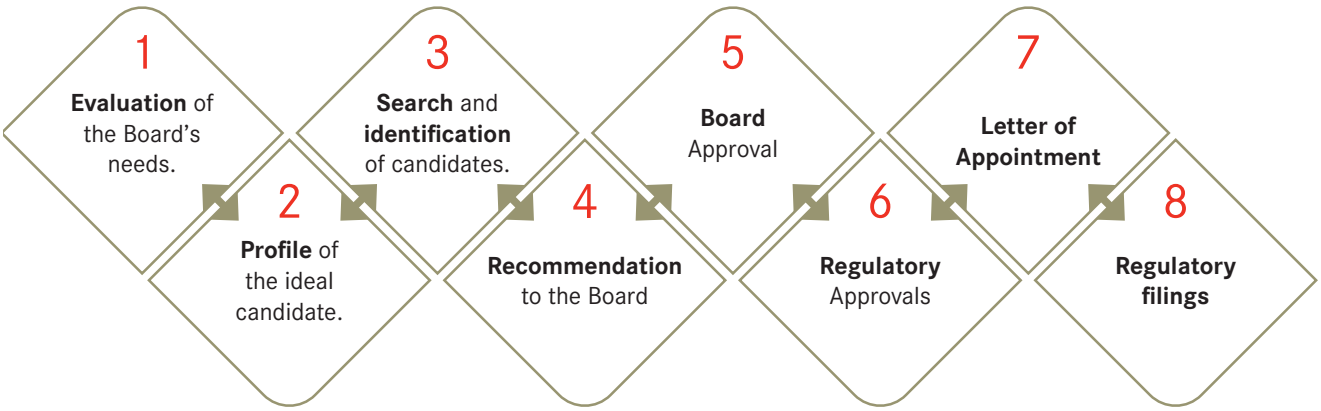
	Board of Directors	Audit Committee	Cyber & Technology Committee	Risk Committee	Nomination & Remuneration Committee
No. of meetings held	**8**	**4**	**3**	**4**	**2**
Olivier Emmanuel Jauffret *(Chairperson)*	8/8	-	-	-	2/2
Vishal Kumar Joyram *(Chief Executive Officer)*	4/4	-	3/3	3/3	-
Alastair James Bryce	8/8	4/4	-	4/4	-
David John Charters	4/4	-	3/3	3/3	2/2
Marie Jennifer Jean-Louis	8/8	-	-		-
Vikas Monawer	5/5	4/4	-	4/4	-
Shainy Luxmi Munisami	5/5	-	-	-	2/2
Fiorangelo Salvatorelli	8/8	4/4	3/3	-	-
James Kevin Simmonds	5/5	-	3/3	4/4	2/2
Jan Fredrik Louis Gaëtan Boullé *(Resigned on 22 July 2025)*	0/2	-	-	-	-
Marie Doriane Jessica Denise-Rama *(Resigned on 29 August 2025)*	3/3	-	-	-	-
Laurent Francois De La Hogue *(Resigned on 22 July 2025)*	2/2	-	-	-	-
Boris Faucher *(Resigned on 22 July 2025)*	2/2	-	-	-	-
Aslam Kanowah *(Resigned on 22 July 2025)*	2/2	-	-	-	-
Anaick Helene Larabi Guidez *(Resigned on 22 July 2025)*	2/2	-	-	-	-
Christian St-Arnaud *(Resigned on 22 July 2025)*	2/2	-	-	-	-
Thierry Paul Robert Rene Vallet *(Resigned on 02 October 2025)*	3/4	-	-	1/1	-
Kamaraj Ananda Vuddamalay *(Resigned on 29 August 2025)*	1/3	-	-	-	-

Principle three – Director appointment procedures

Board Member Appointment

The Board has established a well-defined and transparent framework governing the nomination and appointment of directors. In addition to overseeing the selection and onboarding of new directors, the Board is also responsible for having an appropriate succession plan for the Board, the Chief Executive Officer and the Senior Management team of the Bank. All directors are subject to election/re-election at the annual meeting of shareholders.

The Nomination & Remuneration Committee supports the Board in implementing its obligations and is entrusted to review the Board size, structure and composition regularly and identify as well as recommend potential directors to the Board for its approval. The review of the Board composition and appointment of prospective candidates as directors are based on merit, and consideration is given to skills, experience, expertise, knowledge, independence, gender and added value or contribution to the Board. The Board's nomination and appointment process can be summarised below:



Once the assessment process is finalised, the Nomination & Remuneration Committee submits its nomination to the Board for approval, and the appointment is subject to regulatory approvals.

In case of a casual vacancy, the Director may serve until the next AGM, at which he or she will stand for election by the shareholders.

The newly appointed Director receives a Letter of Appointment, which contains the following main details:

- Time commitment;
- Roles and duties;
- Outside interests;
- Confidentiality;
- Dealing in shares;
- Induction;
- Training and Development; and
- Insurance.

The appointments and resignations during the financial year under review have been summarised under the **"Board Composition"** section under the sub-headers **"Appointments"** and **"Cessations"**.

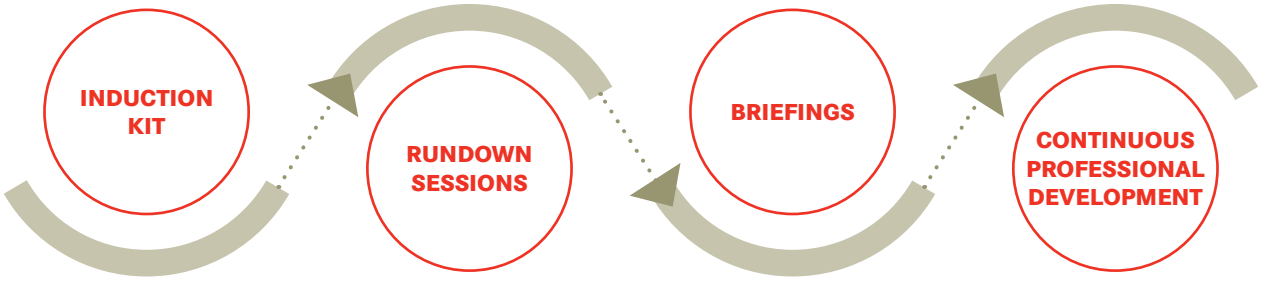
Principle three – Director appointment procedures (cont'd)

Induction and Professional Development

Upon appointment to the Board, Directors undertake thorough, individualised induction training to get acquainted with the Bank's operations, including particular training on anti-money laundering and terrorist financing risks. New appointees receive an induction kit, along with the Constitution, Board Charter and Terms of Reference for Board Committees. They are also duly apprised of their statutory duties, obligations and refresher sessions conducted as required.

In line with the Charter, newly appointed directors shall receive an induction kit containing, inter alia, the following:

- Group Structure;
- Board and Committees composition;
- Terms of Reference of Board Committees;
- Latest Annual report;
- Latest interim or annual financial statements;
- Board Charter;
- Constitution of the Bank;
- Minutes of the Board for the last 6 months; and
- Any other pertinent information or documents.



The Chairperson frequently evaluates directors' training requirements and contrives suitable development opportunities to enhance their skills and knowledge. The Company Secretary maintains a register of all directors' training activities.

Moreover, quarterly, the Directors receive on a quarterly basis update on any regulatory change, including a summary of any new BOM guidelines or any change to existing BOM guidelines or an Act relevant to the banking and financial services sector.

In line with continuous professional development for the financial year under review, the Directors attended a training session encompassing key subject matters, namely: Cyber Security, AML/CFT, Corporate Governance and Sustainability.

Succession Planning

In accordance with its Terms of Reference, the Board is responsible for the succession planning of the Board, the Chief Executive Officer and the Senior Management team of the Bank.

The Board has mandated the Nomination & Remuneration Committee to put in place the succession plans, especially those of the Chairperson and the CEO. The same is formalised in the terms of reference of the Nomination & Remuneration Committee. The succession planning is currently in progress and will soon be submitted for approval by the Board.

Principle four – Director duties, remuneration and performance

Legal Duties

All Directors are fully cognisant of their statutory duties as outlined in The Companies Act 2001.

Code of Ethics for the Board

The Bank has a Code of Ethics for its Board; the same is available on the Bank's website.
(https://www.afrasiabank.com/media/3187/code-of-ethics-Board-of-directors.pdf)

The Board maintains that it must foster ethical conduct all across the Bank, encouraging senior management and the staff to adhere to the Conduct and Ethics Policy. As such, the Board monitors and evaluates compliance with its Code of Ethics as and when required.

Board Appraisal

The Board must undergo a performance appraisal exercise in accordance with the Code and BOM's Guidelines on Corporate Governance. The Directors are requested to evaluate the Board on the following main criteria:

- The Board's size, composition, and structure;
- The Board's roles, duties, and responsibilities;
- The effectiveness of the Board and its Committees;
- The role and function of the Chairperson; and
- Performance review of individual directors.

A Board and Directors' evaluation was conducted in November 2022 by external consultants, under the oversight of both the Chairperson of the Board and the relevant committees. It is envisaged that a Board Appraisal will be conducted by the end of December 2026.

Principle four – Director duties, remuneration and performance (cont'd)

Directors' Remuneration and Benefits

The Remuneration Committee, as part of its commitment, recommends, acknowledges, develops, and assesses the Bank's general remuneration philosophy and the Executive and Senior Management remuneration.

The remuneration and benefits paid and payable to the Directors for the year ended 30 June 2026 are tabulated below:

Remuneration and benefits paid and payable (MUR'000)				
	Fixed	**Variable**	**Others**	**Total**
Olivier Emmanuel Jauffret *(Chairperson)*[1]	10,399	-	-	10,399
Vishal Kumar Joyram *(Chief Executive Officer)*[2]	-	-	-	-
Alastair James Bryce	3,424	200	-	3,624
David John Charters	4,364	-	-	4,364
Marie Jennifer Jean-Louis[2]	-	-	-	-
Vikas Monawer[3]	-	-	-	-
Shainy Luxmi Munisami[3]	-	-	-	-
Fiorangelo Salvatorelli	3,971	145	-	4,116
James Kevin Simmonds[3]	-	-	-	-
Jan Fredrik Louis Gaëtan Boullé[4] *(Resigned on 22 July 2025)*	30	-	-	30
Marie Doriane Jessica Denise-Rama *(Resigned on 29 August 2025)*	82	50	-	132
Laurent François De La Hogue[4] *(Resigned on 22 July 2025)*	30	90	-	120
Boris Faucher[3] *(Resigned on 22 July 2025)*	-	-	-	-
Aslam Kanowah *(Resigned on 22 July 2025)*	30	110	-	140
Anaick Helene Larabi Guidez[4] *(Resigned on 22 July 2025)*	30	-	-	30
Christian St-Arnaud *(Resigned on 22 July 2025)*	30	90	-	120
Thierry Paul Robert Rene Vallet *(Resigned on 02 October 2025)*	3,706	505	186,010	190,221
Kamaraj Ananda Vuddamalay *(Resigned on 29 August 2025)*	82	-	-	82

1 The Chairperson does not receive any additional fees for attendance at any meetings.

2 Vishal Kumar Joyram and Marie Jennifer Jean-Louis received no fees for attending AfrAsia Bank's Board or Committee meetings.

3 The Directors have waived their fees for acting as Director.

4 The fees were paid to IBL Ltd.

Principle four – Director duties, remuneration and performance (cont'd)

Directors' Remuneration and Benefits (cont'd)

The tables below set out the fee structure for Non-Executive and Independent Non-Executive Directors:

Category of Member	MUR'000	Fee details	
Chairperson	6,600	Fixed fee per annum	Effective for the period 01 July 2026 to 30 September 2026.
Board Member	500	Fixed per annum for a maximum of 5 Board meetings	
Additional fee to Board Member	50	Per attendance of any additional Board meetings	
Committee Member	45	Per attendance	
Additional fee to the Chairperson of the Committee	10	Per attendance	
Risk Committee Member, also being a Credit Committee Member	25	Per attendance	

Category of Member	USD'000	Fee details	
Chairperson	250	Fixed fee per annum	Effective for the period from 01 October 2026 onwards.
Non-Executive Directors	85	Fixed fee per annum	
Allowance for chairing a committee	15	Fixed fee per annum	

None of the Non-Executive Directors has received any remuneration in the form of share options or bonuses associated with organisational performance during the year. Total remuneration and benefits paid and payable to the Directors from the Bank and its subsidiary for the year ended 30 June 2026 were as follows:

	YEAR ENDED 30 JUNE 2026		YEAR ENDED 30 JUNE 2025		YEAR ENDED 30 JUNE 2024	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
The Bank						
AfrAsia Bank Limited	40,643*	23,157	58,093	22,913	28,447	24,026

***Note:** The total remuneration and benefits paid and payable for the year ended 30 June 2026 to the Executive Directors, namely Vishal Kumar Joyram, CEO and Marie Jennifer Jean-Louis, CFO, and former CEO namely Thierry Paul Robert Rene Vallet amounted to MUR 40.6m and are split between them, 26%, 64% and 10% respectively. These were made up of the following components: a) 53% for basic salary, including end-of-year bonus; b) 32% for performance bonus; and c) the difference of 15% comprised of other benefits.

Principle four – Director duties, remuneration and performance (cont'd)

Directors' Share Interest

The interests of the Directors in the securities of the Bank are maintained by the Company Secretary. As part of the appointment of a Director, the latter should notify the Company Secretary in writing of their interests as well as their related parties' interests in the securities of the Bank.

Conflicts of Interest

A director has interest in a transaction when the Bank is a party to it and the director derives or may potentially derive material financial benefit(s) personally or through another person(s)/entity(ies). This includes direct or indirect interest(s).

Any conflict or potential conflict of interest from a director must be declared to the Board or the Company Secretary. The conflicts of interest of directors are recorded in a separate register maintained by the Company Secretary. The Interest Register is available for consultation by shareholders upon written request to the Company Secretary.

It is noted that for any Board and Committee meetings, declaration of interest is a standard item at the top of the agenda, whereby the directors present should declare any interest that they have or may have with respect to any of the matters to be discussed. Any declaration shall be recorded in the minutes accordingly, and the conflicted director shall abstain from participating in the deliberations and from voting on the concerned matter. A conflicted director shall not be counted in the quorum for the concerned matter.

Confidentiality

All information obtained by directors in their capacity as directors to the Board of AfrAsia Bank is treated as confidential and is not divulged to any other parties without the express approval of the Board.

Technology and Cyber Security

In line with AfrAsia Bank's strategic ambitions, the Technology and Cybersecurity functions continued to strengthen the Bank's operational resilience, technology governance, and digital capabilities, while supporting the execution of its strategic transformation agenda. During the financial year, the Board approved a multi-year technology modernisation programme, including the modernisation of the Core Banking System ("CBS"), reinforcing the Bank's long-term operational resilience, business continuity, and technology capabilities.

Progress was achieved in modernising the Bank's technology foundations through infrastructure upgrades, enhanced IT service management, strengthened cyber resilience, and improved Disaster Recovery and High Availability capabilities. The Bank further advanced its cybersecurity maturity by progressing its Zero Trust Security model, enhancing threat detection and monitoring capabilities, expanding 24/7 technology surveillance, and strengthening its Cyber and Technology Risk Management Framework to support regulatory compliance and operational resilience.

Recognising technology as a strategic enabler, the Bank commenced the implementation of a new IT Operating Model designed to strengthen governance, enhance accountability, optimise resource allocation, and establish agile, product-focused delivery teams aligned with business priorities. This was supported by the completion of an Information Technology capability assessment and targeted initiatives to strengthen internal technology capabilities.

Cybersecurity and technology remained key areas of focus for the Board and its Committees throughout the financial year. The Chief Information Officer ("CIO") reports on technology, delivery, and operational risk to the Cyber and Technology Committee ("CTC"), while cyber and information security risks are reported independently through the Chief Information Security Officer ("CISO") function. The Bank continues to execute and refine its Board-approved Technology Strategy and multi-year transformation roadmap to build a secure, resilient, and future-ready technology environment. The Bank also continued to enhance its digital banking capabilities and customer channels to deliver an improved customer experience while supporting secure, seamless, and resilient banking services.

Principle four – Director duties, remuneration and performance (cont'd)

Technology and Cyber Security (cont'd)

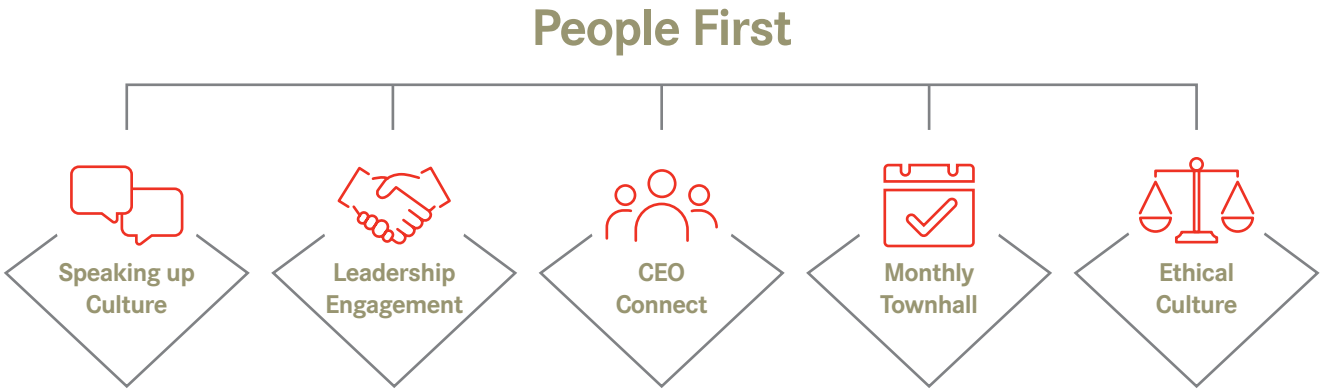
Looking ahead, the Bank's technology priorities remain centred on the successful delivery of the Core Banking System modernisation programme, the continued enhancement of cyber and operational resilience, technology lifecycle modernisation, digital transformation, and the responsible adoption of Artificial Intelligence. The CTC will continue to provide governance and oversight to ensure these strategic initiatives are delivered in alignment with the Bank's objectives and evolving regulatory expectations.

Further information on the Bank's information governance, cyber resilience, and technology risk management framework is provided in the Risk Management Report.

Our Human Capital

A "People First" Culture: Ethics and Values

Over the past financial year, our focus has been on fostering a culture where our colleagues can grow, thrive, and feel a strong sense of belonging. Every talent initiative implemented was strategically aligned with the Bank's overarching business objectives, while ensuring we continue to build the capabilities required to achieve sustainable growth. Putting our people first means creating a workplace founded on transparency, ethical conduct, inclusion, and strong corporate governance.



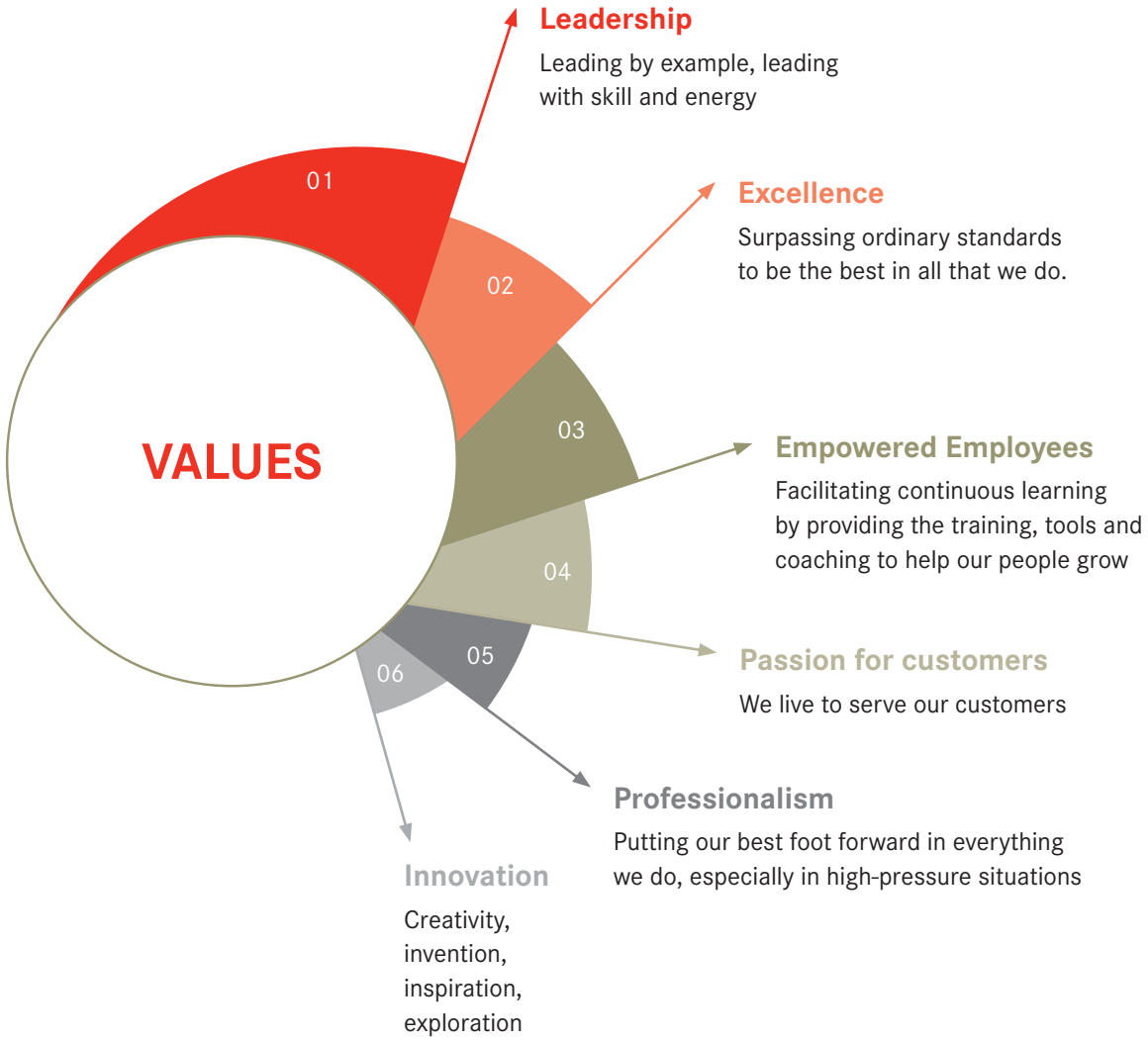
Principle four – Director duties, remuneration and performance (cont'd)

Our Human Capital (cont'd)

Living Our Values

This year marked a significant milestone in our organisational journey as we strengthened our alignment with the values of The Access Bank UK Limited, our majority shareholder. This alignment forms an integral part of the Bank's cultural transformation, reinforcing our commitment to building a high-performance culture that is people-centric, collaborative and driven by excellence.

Our focus is to keep the conversation around our values alive and ensure they become an integral part of the way we work every day. By embedding our values into our conversations, decisions and interactions, we encourage every employee to bring them to life in meaningful and consistent ways.



Principle four – Director duties, remuneration and performance (cont'd)

Our Human Capital (cont'd)

Key Appointments

During the financial year, some key appointments were made, namely: Chief Executive Officer ("CEO"), Chief Commercial Officer ("CCO"), Chief Operating Officer ("COO") and Senior Executive Officer – Dubai.

More Than a Bank, We Are A Family

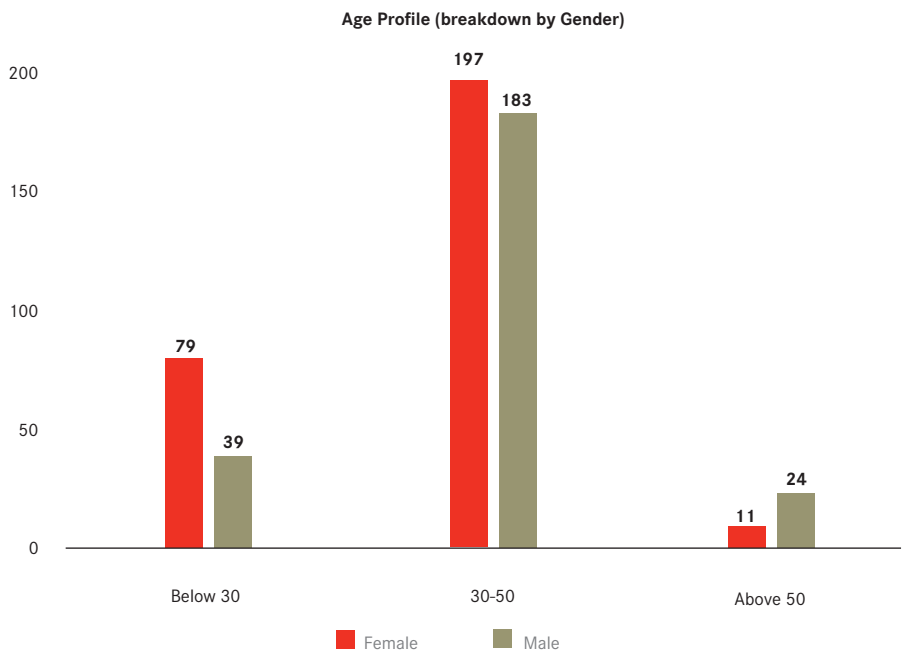
At AfrAsia, we recognise that sustainable high performance is achieved when our people feel valued, supported, and connected. We are more than a bank; we are a diverse community of 533 professionals across Mauritius, South Africa, and the UAE, united by a shared commitment to excellence, collaboration, and the delivery of value to our customers and stakeholders.

Our Workforce at a Glance

Our commitment to diversity and inclusion is reflected across our workforce, with a balanced representation of talent across different levels of the organisation. During the year, we continued to promote equitable opportunities for career development, leadership progression, and professional growth.

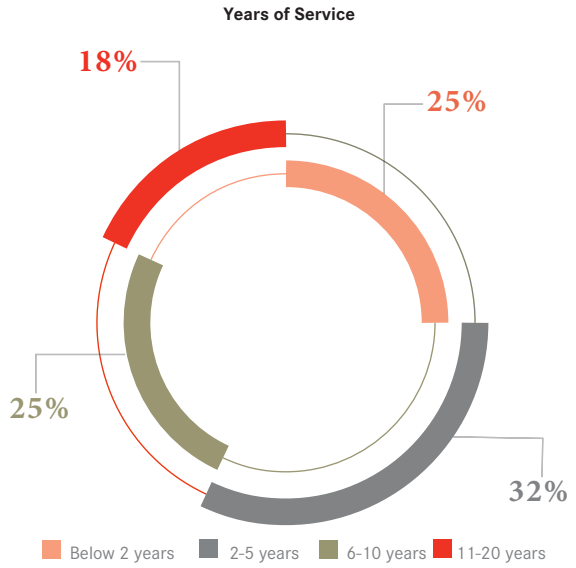
Staff profile as of June 2026 (Mauritius, South Africa, UAE)

Number of Employees: **533**



Principle four – Director duties, remuneration and performance (cont'd)

Staff profile as of June 2026 (Mauritius, South Africa, UAE) (cont'd)



AfrAsia Bank remains committed to fostering a diverse and inclusive workplace, with a balanced workforce spanning different age groups and genders across its operations in Mauritius, South Africa and the UAE.

As at June 2026, the Bank employed 533 people, of whom 287 (54%) were female, and 246 (46%) were male. The workforce is predominantly composed of employees aged 30 to 50 years, representing 71% of the total employee population.

As AfrAsia Bank strives to maintain a gender-neutral approach in its people practices, the representation of females in senior leadership continues to be closely monitored. As at June 2026, females represented 25% of the Executive Committee ("EXCO"), with males representing 75%. The Bank remains committed to investing in leadership development, succession planning and talent management initiatives to strengthen diversity and support greater gender representation in leadership positions over time.

Equal Opportunity and Diverse Human Capital

AfrAsia Bank remains committed to being a merit-based, equal-opportunity employer. Non-discriminatory principles are embedded across our key frameworks, including our Equality, Resourcing, Code of Ethics and Performance Management Policies.

Holistic Employee Wellbeing

At AfrAsia Bank, we believe that employee wellbeing is essential to fostering an engaged, high-performing workforce. We are committed to creating an inclusive workplace where employees feel valued, supported and empowered.

During the year, we marked a key milestone with our move to the Tribeca ABL Tower, featuring modern, disability-friendly facilities that reinforce our commitment to accessibility and inclusion.

Through regular employee engagement, surveys, open communication, and a range of fitness and wellness initiatives, we continue to enhance the employee experience and promote a healthy work environment. Together, these efforts strengthen our culture of belonging, ensuring every employee feels connected, appreciated and supported.

Principle four – Director duties, remuneration and performance (cont'd)

Our Human Capital (cont'd)

People Development and Sustainable Talent Pipelines

At AfrAsia Bank, we believe a strong performance culture is built on clear expectations, continuous feedback and shared accountability. During the year, we continued to enhance our performance management practices by refreshing job profiles and strengthening our KPI framework to ensure alignment between individual objectives, team priorities and the Bank's strategic goals.

Our commitment to people development ensures that our workforce remains agile, capable and prepared for the future. Over the past year, we prioritised internal talent development, capability building, and structured succession planning to strengthen our long-term talent pipeline.

Through structured internal mobility initiatives, we continued to identify and develop internal talent, enabling high-performing employees to take on new responsibilities through promotion, career progression and cross-functional opportunities.

Remuneration Philosophy

The Bank's remuneration strategy is designed to attract, retain and motivate high-performing employees by offering competitive and equitable total rewards, regardless of gender, ethnicity, age or disability, while supporting the Bank's long-term sustainable performance.

The Bank's remuneration framework, including its variable remuneration policy, applies to Executives, Senior Management and Employees. It aims to provide total compensation generally positioned at the upper quartile of the market. Variable remuneration is performance-driven and aligned with the Bank's strategic objectives, risk framework and long-term value creation, balancing both short-term results and sustainable performance.

The Bank's reward package comprises:

- Fixed pay (salary and fixed allowances);
- Employee benefits, including medical insurance and pension; and
- Annual performance bonuses, awarded at the discretion of the Board and Management based on individual and Bank performance.

The Nomination & Remuneration Committee ensures that remuneration practices remain aligned with the Bank's strategy and regulatory requirements.

Related Party Framework

Refer to the Risk Management Report in the Annual Report under the Related Party Transactions, Policies, and Practices section.

Principle five – Risk governance and internal control

Board

During FY26, the Board continued to provide strong strategic leadership and oversight. The Board remains ultimately responsible for establishing the Bank's risk appetite, approving risk-related policies, and ensuring the effective governance of risk across the organisation.

The Board ensures that appropriate governance structures, processes, and systems are in place for the identification, assessment, monitoring, and mitigation of key risks. The Bank's Enterprise Risk Management Framework ("ERMF") is embedded within the Bank's culture through the commitment of the Board and Senior Management to integrate a consistent, bank-wide approach to risk management that aligns with strategic objectives, business plans, and regulatory requirements. The ERMF supports proactive risk identification and monitoring across all business units and risk categories, ensuring that risk exposures are managed within the risk appetite approved by the Board.

Risk Committee

The Risk Committee plays a key role in overseeing the Bank's risk profile and advising the Board on risk-related matters. Its core responsibilities include:

- Advising the Board on the Bank's current and future risk appetite;
- Overseeing the implementation of the Risk Appetite Framework ("RAF") by Senior Management;
- Assessing the state of the Bank's risk culture; and
- Providing oversight of risk-related frameworks, policies, and exposures.

The Committee oversees a wide range of risk categories, including but not limited to: credit risk, country risk, market risk, interest rate risk, operational risk, cyber risk, reputational risk, and information risk. All oversight is conducted in alignment with the risk appetite and the risk management policies approved by the Board, as well as in accordance with the BOM regulatory guidelines.

The Risk Committee is also responsible for ensuring that the Bank maintains robust capital adequacy, liquidity, and solvency levels. Regular reports are received from the Risk Department under the oversight of the Chief Risk Officer ("CRO") on matters such as:

- The Bank's current risk profile and exposures;
- Utilisation against risk limits;
- Breaches of risk limits and corresponding remediation actions; and
- Trends and emerging risk indicators.

Management Risk Committees

To further support effective risk governance, several management-level committees report into the Risk Committee, including:

- Assets and Liabilities Committee ("ALCO")
- Impairment Committee ("IMC")
- Management Risk and Compliance Committee ("MRCC")

In parallel, the Management Credit Committee ("MCC") reports to the Credit Committee on all credit-related matters.

Principle five – Risk governance and internal control (cont'd)

Risk Management

A complete Risk Management Report is provided in Section A of the Annual Report.

Corporate Integrity and Whistleblowing Policy

The Bank has established a Corporate Integrity and Whistleblowing Policy to promote an atmosphere of honesty and encourage employees to conduct themselves in the best interests of the Bank. The applicability of this policy extends to all employees of the Bank, irrespective of their locational, contractual, or probationary nature.

A copy of the Corporate Integrity and Whistleblowing Policy is available on the Bank's website: (https://www.afrasiabank.com/media/8383/corporate-integrity-policy.pdf; and https://www.afrasiabank.com/media/8384/whistleblowing-policy.pdf

Principle six – Reporting with integrity

Financial

The Directors bear the responsibility for the preparation of financial statements in compliance with International Financial Reporting Standards, International Accounting Standards, and The Companies Act 2001 (as amended). It is incumbent upon the Directors to ensure adherence to the provisions outlined in The Companies Act 2001 (as amended), The Banking Act 2004 (as amended), and The Financial Reporting Act 2004 (as amended).

Furthermore, the Directors are tasked with guaranteeing that the financial statements are free from errors, material misstatements, and irregularities. In the event of any non-compliance, it is their duty to disclose, explain, and quantify such instances.

Sustainability

Sustainability is evolving globally and influencing the integration of Environmental, Social, and Governance ("ESG") factors in business operations, particularly in the financial sector. In response to evolving regulations, AfrAsia Bank has adopted several ESG initiatives contributing to the Sustainable Development Goals ("SDGs"). We have also reaffirmed our commitment to the United Nations Global Compact ("UNGC") and the Global Reporting Initiative ("GRI").

AfrAsia Bank's approach to sustainability rests on four pillars: ESG Governance, Risk & Compliance ("GRC"), Sustainable Finance, Stakeholder Engagement and the AfrAsia Foundation, which are all driven by a continuous improvement process to keep pace with the rapidly evolving ESG landscape

1. ESG governance, risk & compliance

The Bank is aligning its operations with evolving ESG requirements to navigate an increasingly prescriptive landscape and future-proof its business.

1.1 ESG Governance

The Board, with the support of its sub-committees, has the overall responsibility to ensure the integration of ESG risks into the Bank's overall risk management framework. The Sustainability & CSR department leads the development and execution of the Bank's sustainability strategy, oversees ESG initiatives, and drives CSR programs. The Bank also has an ESG Committee at the management level, which is being revamped to enhance cross-functional collaboration and to align its composition and Terms of Reference with evolving regulatory requirements.

Principle six – Reporting with integrity (cont'd)

Sustainability (cont'd)

1. ESG governance, risk & compliance (cont'd)

1.2 ESG Risk Management and Compliance

As ESG reporting requirements become increasingly stringent globally, ESG frameworks are expected to become more prescriptive and therefore more deeply embedded in business decision-making.

(i) Bank of Mauritius Guideline on Climate-related and Environmental ("CR&E") Financial Risk Management

The Bank has developed its CR&E Financial Risk Management Framework and is working towards the assessment of its principal CR&E risks across its lending portfolio to strengthen its understanding of CR&E risk exposures and support informed decisions. Oversight of CR&E financial risks and opportunities rests with the Board, which provides strategic direction and governance over the Bank's approach to managing these risks and opportunities.

Please refer to the "Climate Change and Environmental Financial Risks" section of the Risk Management Report for more detailed information.

(ii) Environmental and Social Risk Management ("ESRM")

A key milestone in the adoption of ESRM in the banking sector worldwide was the introduction of the Equator Principles in 2003. This risk management framework provides guidance for identifying, assessing, and managing environmental and social ("E&S") risks in project financing. In line with international best practices, the Bank has advanced its ESRM framework. E&S reviews are being integrated into the Bank's due diligence processes to assess the potential environmental and social risks associated with financed activities. A total of 19 E&S reviews were conducted during FY26.

Exclusion List

The Bank's Credit Risk Policy contains a business exclusion list, based on the Rome consensus and the AFD exclusion lists, with prohibited and restricted lending to activities involving child/ forced labor, weapons trade or causing harm to critical habitat, amongst others.

(iii) IFRS S1 and S2

In June 2023, the International Sustainability Standards Board ("ISSB") released its first two Sustainability Disclosure Standards: *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures*.

In January 2026, the Cabinet of Ministers of Mauritius approved the implementation of IFRS-aligned Climate Change Reporting Guidelines, establishing a phased disclosure framework based on organisation size and listing status. This development, together with the proposed amendments to the Financial Reporting Act announced in the Budget 2026–2027, represent an important step towards embedding ESG considerations within the corporate reporting framework in Mauritius. As sustainability reporting requirements are progressively introduced, the Bank will monitor the issuance of the relevant regulations and assess their impact on its reporting obligations.

Principle six – Reporting with integrity (cont'd)

Sustainability (cont'd)

1.3 Environmental Performance

AfrAsia Bank continues to strengthen its environmental performance through the efficient use of natural resources and responsible waste management.

Financial Year	Electricity Consumption	Electricity Intensity	Paper Usage	Paper Waste Recycled
	KWh	KWh per square foot of occupied space	Number of reams	Kg
2023	513,461	14.1	2,556	-
2024	529,430	14.5	2,560	-
2025	581,858	16	2,525	1,841*
2026	896,795	9.7	2,465	2,907

** Jan-25 to Jun-25*

During FY2026, the Bank completed its move to its new headquarters at AfrAsia Tower, Tribeca, following its relocation from Nexteracom in mid-2025. The move more than doubled the occupied office space, increasing from 36,422 square feet to 92,419 square feet. The Bank continues to encourage responsible paper use while strengthening its paper recycling practices. Paper waste recycling is monitored through certificates issued by Mafta International Ltd, ensuring accurate tracking of recycled volumes.

1.4 Ethics and Compliance

AfrAsia Bank is regulated by the Bank of Mauritius and the Financial Services Commission (Mauritius). The Bank is committed to transparency and compliance with the laws and regulations that govern the Bank's various activities and strives to always achieve high ethical standards. As part of AfrAsia Bank's Compliance Policy and AML Policy, the Bank has put in place a comprehensive Compliance and AML/CFT/CPF framework, as well as relevant policies and procedures and internal controls. Various on-going initiatives ensure that the Bank is compliant at all times, and these include (but are not limited to):

- Ongoing review of Policies and Procedures in line with relevant regulatory requirements;
- AML/CFT/CPF Compliance and other relevant trainings for all staff;
- Communication of updates and changes in laws and legislations;
- Due diligence on all clients, partners and suppliers as per our AML Policy and Account Opening procedures; and
- Implementation of Conduct and of Ethics Policy and Whistle Blowing policy to detect and report any irregularities.

Principle six – Reporting with integrity (cont'd)

Sustainability (cont'd)

Money Laundering and Terrorism Financing

AfrAsia Bank has revisited its approach towards Money laundering/Financing Terrorism Risk/Proliferation Financing and has encapsulated AML Department under the Operations umbrella from a governance perspective. The AML Department identifies risks that the Bank faces, especially regarding the customer relationship. This is done when a new customer is onboarded and through ongoing review of customers. There is also a Framework for ongoing transaction monitoring of clients.

2. Sustainable finance

AfrAsia Bank has progressively expanded its sustainable finance portfolio while strengthening its role in mobilising capital towards environmentally and socially responsible investments. Since launching its first green financing solution in 2019, the Bank has progressively expanded its sustainable finance portfolio. Through innovative financing solutions, strategic partnerships and climate finance initiatives, AfrAsia continues to contribute to the development of Mauritius' sustainable finance ecosystem.

2.1 Green car loan

As of 30 June 2026, the Green Car Loan portfolio represented approximately 21.3% of AfrAsia Bank's overall Car Loan portfolio. This reflects strong client demand for sustainable financing solutions and reinforces the Bank's commitment to supporting the transition to cleaner transport.

2.2 Structured products

As of 30 June 2026, we have registered 'Underlying Notional Investment' into Structured Deposits linked to ESG to the tune of MUR 1.48bn. The figures for June 2025 and June 2024 were at MUR 1.48bn and MUR 1.45bn respectively.

2.3 Mobilising capital for sustainable growth

Over the past three financial years, AfrAsia Bank's Green Bond and Sustainability-Linked Bond portfolio has demonstrated strong and sustained growth, nearly doubling over the period with an increase of approximately 95.0%. This growth underscores AfrAsia Bank's strategic focus on sustainable investments and its commitment to directing capital towards initiatives that generate positive environmental and social outcomes.

AfrAsia supported the clients through syndicated Sustainability-Linked Loans ("SLLs"), providing financing structures that link lending terms to the achievement of predefined sustainability performance targets.

2.4 Enabling climate finance

AfrAsia Bank serves on the National Green Climate Fund ("GCF") Readiness Programme Steering Committee, working alongside government ministries, public institutions, development partners and climate finance specialists to strengthen project readiness and improve access to climate funding. AfrAsia Bank also actively supports the development of Mauritius' sustainable finance architecture through its participation in the ESG Working Group responsible for the National Green Taxonomy and through engagement with the UK's Taskforce on Access to Climate Finance.

3. Stakeholder engagement

Stakeholder engagement is pivotal in propelling the growth of sustainability within the banking industry. At AfrAsia Bank, we embrace transparent and collaborative relationships with stakeholders to reinforce our broader commitment to environmental stewardship and social responsibility to foster positive change.

Principle six – Reporting with integrity (cont'd)

Sustainability (cont'd)

3. Stakeholder engagement (cont'd)

3.1 Human capital

Refer to the section **"Human Capital and Remuneration Philosophy"**.

3.2 Employee involvement

AfrAsia Bank continued to strengthen its sustainability agenda through the AfrAsia Go Green Initiative ("AGGI"), an employee-led engagement platform that embeds environmental and social responsibility into everyday behaviours and corporate culture.

Through a circular economy campaign conducted with The Good Shop, employees donated 910 kilograms of reusable items, of which 38% was redirected to retail reuse channels and 27% was donated to NGOs supporting vulnerable communities. The Bank continued to promote environmental stewardship through Sustainability Month activities, including awareness sessions, the annual "Sustainability Challenge" quiz competition and the "Snap Your Eco" initiative, where employees showcased innovative ideas for responsible resource use. Employees also supported biodiversity conservation through a coral nursery clean-up with Reef Conservation and a coastal planting initiative at Melville Barachois in partnership with Eco-Schools.

Beyond environmental initiatives, AGGI continued to support employee wellbeing, inclusion and community engagement through campaigns such as Pinktober, Movember, International Women's Day and employee volunteering activities, reinforcing the Bank's holistic approach to sustainability.

3.3 Making every swing count for breast cancer care

As part of its commitment to supporting initiatives that address key social challenges, AfrAsia Bank partnered with The Siem Together Foundation for the second consecutive year through the sponsorship of the AfrAsia Bank Charity Classic Swing.

The charity golf event brought together partners, golfers and stakeholders, leveraging the power of sport to raise funds and awareness to advance efforts towards improving access to breast cancer support and care.

Beyond the game itself, the event provided a platform for collective action, bringing communities together around a shared cause.

These collaborative efforts contributed to the inauguration of the Geraldine Toussaint Breast Cancer Care Centre at Dr Bruno Cheong Hospital, Flacq, providing dedicated facilities to enhance breast cancer care services in Mauritius.

Principle six – Reporting with integrity (cont'd)

Sustainability (cont'd)

3. Stakeholder engagement (cont'd)

3.4 Health and safety

Compliance with the laws

The Occupational Safety and Health system is implemented by the full-time Safety and Health Officer as prescribed by the law, and described below:

- Semi-annual fire warden training and fire evacuation drills;
- Yearly first aid training (at least 5 staff, respecting the First Aid Regulations under the OSHA 2005);
- Minimisation of health and safety risk through dedicated process and Risk Management and weekly inspection and reporting;
- Safety training for subcontractors in collaboration with their Safety and Health Officers, where applicable; and
- Provision of equipment supporting employee health and wellbeing.

Accidents at work

No workplace incident, as categorized by the Ministry of Labour and the International Labour Office, were reported for FY25-26. Serious accidents are defined under OSHA 2005 as incidents requiring medical treatment and overnight hospital admission.

The Health & Safety team continues to implement preventive measures, investigate any incidents, address concerns and raise awareness to prevent recurrence. General safety training sessions were conducted, an advanced first aid training session was scheduled with an external provider, and fire drills at the Port-Louis and Tribeca sites were completed in line with Mauritius Rescue and Fire Service requirements.

3.5 Customer experience

At AfrAsia Bank, delivering an exceptional customer experience (CX) remains a strategic priority and a key differentiator in an increasingly competitive and digital banking landscape. Throughout the financial year, we strengthened our customer-centric approach by combining personalised service, tailored financial solutions, and seamless banking experiences to meet the evolving needs of our clients. While digital innovation continues to reshape banking, trusted relationships remain at the heart of our approach.

A major milestone during the year was the successful rollout of the upgraded Online Banking Platform, marking an important step in the Bank's digital transformation journey. The platform offers an enhanced user experience, strengthened security features, and greater convenience through additional authentication options. This investment reflects the Bank's commitment to leveraging technology to deliver secure, efficient, and user-friendly banking solutions. We remain focused on further enhancing our service model, deepening customer engagement, and fostering lasting relationships built on trust and loyalty.

AfrAsia Bank's CX Charter serves as the foundation of its customer experience framework, promoting consistency, accountability, and service excellence across the organisation. By defining clear service standards, responsibilities, and expectations, it supports a culture of ownership and customer-centricity across all customer touchpoints. Customer feedback remains an important driver of continuous improvement. The Bank maintains transparent and accessible channels through which customers can share concerns, suggestions, and feedback.

Refer to "Our Key Relationships" under "Principle Eight – Relations with Shareholders and Other Key Stakeholders".

Principle six – Reporting with integrity (cont'd)

Sustainability (cont'd)

4. AfrAsia Foundation

Established in May 2016, the AfrAsia Foundation focuses on its mission to shape a world of difference by funding sustainable projects that support the environment and society to help build thriving communities. The Foundation aims to create meaningful sustainable change in the Mauritian society through long-term collaboration with various NGOs to support our three-pronged strategic pillars: Education, Health, Environment.



Three pillars of the AfrAsia Foundation.

Pillar 1: Education

AfrAsia School

In partnership with the NGO Ti Rayons Soleil, AfrAsia School offers a safe and inclusive learning environment that provides free, quality pre-primary education to underprivileged children aged 3 to 5. Rooted in a holistic approach, the early childhood programme also includes nutritional support, healthcare services, psychological and special needs care, as well as transportation.

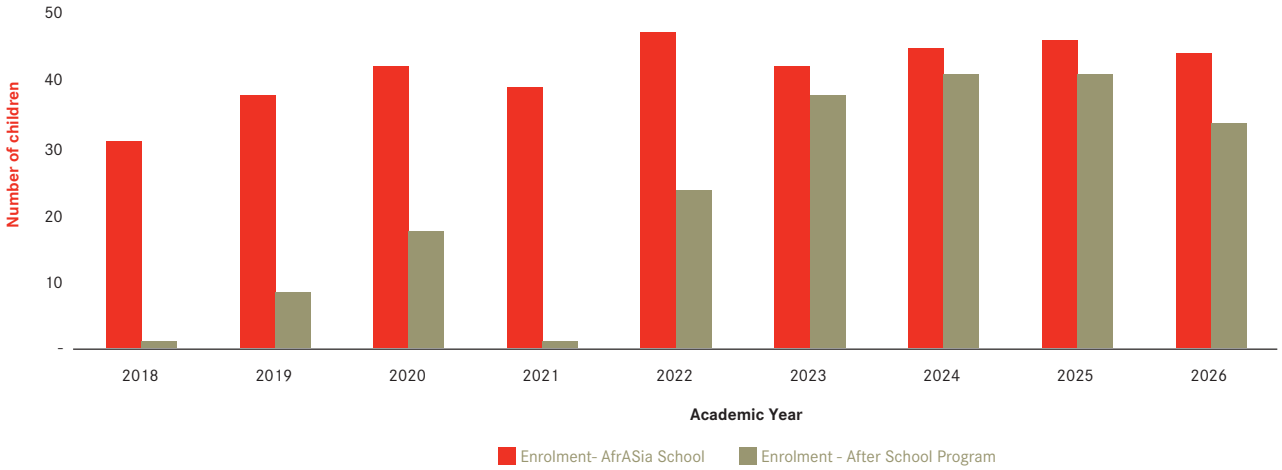
To ensure continued academic success, AfrAsia School also runs an after-school programme for its graduates who are now enrolled in primary school. In parallel, a dedicated Parent Empowerment Support Programme is held throughout the year to equip families with the tools and guidance needed to better support their children's development.

Principle six – Reporting with integrity (cont'd)

Sustainability (cont'd)

Achievements for FY26

- AfrAsia Foundation contributed MUR 4.8M to Ti-Rayons Soleil for the running of AfrAsia School (FY26)
- 43 students have enrolled for AfrAsia School (CY26)
- 33 participants have enrolled for the After-School program (CY26)
- 7 families, totalling 26 individuals, benefited from the "Food Support" program (FY26)



No. of beneficiaries of Pre-Primary schooling and the Afterschool Programme at AfrAsia School between CY 2018 - 2026.

Children's university afrasia foundation program

In line with its educational mission, the AfrAsia Foundation secured the license in 2022 to implement the Children's University AfrAsia Foundation ("CUAF") program in Mauritius. Through the Children's University, the Foundation is striving to provide the skills, knowledge, and inspiration for children to thrive academically and pursue higher education.

Achievements for FY26

- MUR 1.6M has been contributed to the running of the CUAF programme.
- 5,371.5 learning hours have been accumulated as of June 2026.
- 60 beneficiaries have enrolled on the third edition of the CUAF programme (Jun 2025 – Jun 2026)
- 53 students have completed the programme in June 2026.
- 10 Learning Destinations have been uploaded cumulatively on the Children's University portal.

Pillar 2: Health

AfrAsia Foundation partners with NGO Link to Life to raise awareness about cancer, promote community education, and highlight the importance of early detection–particularly in the fight against breast cancer.

Achievements for FY26

- AfrAsia Foundation contributed MUR 1.3M to Link To Life for the AfrAsia Mobile Cancer Screening, Sensitisation and Support Program for FY26.
- Facilitated 1044 breast cancer screenings
- Sponsored 68 breast prostheses.

Principle six – Reporting with integrity (cont'd)

Sustainability (cont'd)

Pillar 3: Environment

Since 2020, AfrAsia Foundation has partnered with Reef Conservation to restore Mauritius' mangrove ecosystems through research, education and community-based conservation.

Achievements for FY26

- MUR 2.2 million invested in the SOS Mangrove Programme.
- 10,300 m² coastal forest restoration site established at Anse La Raie Public Beach.
- 243 participants engaged in the Mangrove Matters citizen science challenge.
- 617 endemic and mangrove-associated coastal plants maintained at the Melville Mangrove Nursery.
- 206 community members reached through 4 Bis Lamer awareness sessions.
- Over 870 mangrove educational booklets distributed islandwide.
- 487 citizen science observations submitted through the Mangrove Matters App.

Principle seven – Audit

External Audit

Ernst & Young ("EY") has been the external auditor of the Bank for the past 5 years. In accordance with the requirements of Section 39 of The Banking Act 2004, the Bank is required to comply with the prerequisites of Section 39(4) in respect of rotation of auditors after a mandatory period of 5 years.

The Audit Committee meets the external auditors at least twice yearly for planning and reporting purposes as well as to discuss audit issues. The Audit Committee also assesses the independence and objectivity of the external auditors.

As per the International Code of Ethics for Professional Accountants by the International Ethics Standards Board for Accountants ("IESBA") for the non-assurance services and the fee-related provisions, the Bank has in place a policy for non-assurance services provided by the external auditors. This policy aims to:

- Preserve the independence and objectivity of the external auditor in performing the statutory audit;
- Avoid any conflict of interest by outlining the types of work that the external auditor cannot undertake (prohibited services) outside of the audit engagement and the considerations that should be applied in assessing potential conflicts of interest; and
- Establish a pre-concurrence process for the provision of non-assurance services by the external auditor.

Principle seven – Audit (cont'd)

External Audit (cont'd)

The fees for audit and other services were as follows:

	YEAR ENDED 30 JUNE 2026		YEAR ENDED 30 JUNE 2025		YEAR ENDED 30 JUNE 2024	
	Audit MUR '000	Other* MUR '000	Audit MUR '000	Other* MUR '000	Audit MUR '000	Other* MUR '000
Ernst & Young						
The Bank						
AfrAsia Bank Limited	22,890	22,105	31,585	11,687	29,575	5,579
Ernst & Young						
The Subsidiaries						
AfrAsia Investments Limited	374	49	373	66	345	41

* Other services include group reporting, limited review, assurance reports and tax consultancy.

Internal Audit

Internal auditing is an independent, objective assurance and advisory service designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

The Internal Audit Function remains guided by its role to:

1. Strengthen governance, risk management and control processes as its primary function; and
2. Contribute to the Bank's overall stability and sustainability by assuring its operational efficiency, reliability of reporting, compliance with laws and/or regulations, safeguarding of assets and ethical culture.

The Internal Audit ("IA") Function at AfrAsia Bank is governed by an Internal Audit Strategic Plan and an Internal Audit Charter, which are both approved by the Audit Committee.

- **Independence of the Internal Audit Team**

The Internal Audit Function in AfrAsia Bank remains independent of the activities audited. There have been no restrictions placed on the right of access by internal audit to the records, management, or employees of the Bank as part of the audit procedures performed during the financial year under review and to the date of this report. The Head of Internal Audit maintains a direct reporting line with the Audit Committee for direction and accountability and with the CEO for administrative interface and support in line with good governance practices.

The Head of Internal Audit has regular access to the Chairperson of the Audit Committee. He attends quarterly meetings with the Audit Committee and more frequently when the need arises.

- **Qualifications and experience**

Kristy Kumar Ballah, a Chartered Banker and also a Fellow of the Institute of Chartered Accountants in England and Wales with 21 years of experience in the auditing field, headed the Internal Audit department until 31st July 26, after which a process was established to appoint his successor.

Before joining the Bank, he was the Group Internal Audit Manager at the Mauritius Commercial Bank. He started his career with PWC, where he grew to become an Audit Manager. Over the years, the Head of Internal Audit had exposure to local organisations operating in diverse sectors and also had significant international exposure. He is well acquainted with risk management activities in general.

Principle seven – Audit (cont'd)

Internal Audit (cont'd)

- **Qualifications and experience** (cont'd)

The Head of Internal Audit is supported by 13 staff members combining significant banking and auditing experience. The team includes members with "Big 4 firm" exposure and professional designations such as Fellow of the Association of Chartered Certified Accountants ("FCCA"), Association of Chartered Certified Accountants ("ACCA"), Certified Internal Auditor ("CIA"), Certified Information Systems Security Professional ("CISSP"), Certified Ethical Hacker ("CEH"), and Certified Information Systems Auditor ("CISA"). The Internal Audit Team is also committed to continuous improvement with a view to being Institute of Internal Audit ("IIA") compliant through trainings delivered by highly recognised institutions.

- **Implementation of the risk-based audit plan**

The Internal Audit Team implements the yearly risk-based audit plan (comprising both operational and ICT audits), which is approved by the Audit Committee. As part of the audit plan, spot audits are also performed monthly for areas deemed higher risk in the financial year.

- **The FY26 audit plan**

The FY26 audit plan has been satisfactorily executed. There were also ad-hoc assignments carried out in FY26 at the request of Management and Directors.

The Internal Audit Team provides varying degrees of assurance about the effectiveness of the risk management and control processes of selected activities and functions of the organisation. It is worth mentioning that, as of the date, the majority of issues categorised as higher risk have either been addressed or Management has established a remedial plan.

Any risk or deficiency in the system of internal controls revealed during audits has been reported in the respective reports issued at the end of the assignment. The audit report includes audit recommendations, management comments, an action plan and a timeline for implementation. Monitoring of implementation is done by Internal Audit.

Principle eight – Relations with shareholders and other key stakeholders

AfrAsia Bank's stakeholders encompass individuals and organisations with vested interests in the Bank or those impacted by its operations. The key stakeholder groups include customers, employees, shareholders and investors, government and regulatory authorities. These primary stakeholders play crucial roles in the Bank's ecosystem and are an integral part of its success and sustainability.

Shareholding Structure

As of 30 June 2026, the Bank's regulatory capital base stood at MUR 26.8bn. The institution is committed to transparent and effective communication with all shareholders, ensuring that minority shareholders' interests are protected. The Bank's shareholding structure as of 30 June 2026 is as follows:

Shareholder	Number of Ordinary Shares	% Shareholding
Access Holdings (Mauritius) Ltd	85,862,680	76.00
IBL Ltd	11,286,424	9.99
Entities less than 5%	10,354,262	9.16
Individuals less than 5%, including staff	5,473,844	4.85
	112,977,210	**100.00**

Principle eight – Relations with shareholders and other key stakeholders (cont'd)

Dividend Policy

Dividends are proposed by Management to the Board in line with the provisions of the Banking Act 2004 (as amended), the BOM's Guideline on Payment of Dividends (as amended), the Companies Act 2001 and the Bank's Constitution.

- **Dividend on Ordinary Shares and Class A Shares**

The Bank has allowed dividends of MUR 2.2bn and MUR 0.2bn for Ordinary shares and Class A shares respectively, declared and paid during the financial year under review:

Dividends on Ordinary Shares (MUR'm)			
	2024	2025	**2026**
Dividend paid	2,815.4	2,418.8	**2,242.6**

Dividends on Class A Shares – Series 1 and 2 (MUR'm)			
	2024	**2025**	**2026**
Dividend paid	**303.8**	**206.3**	**197.3**

Please refer to Note 12 in Section B for more details.

Material Clause of The Constitution

Clause 13 of the Constitution sets out that no transfer of shares shall be undertaken without the prior approval of the Board and be subject to the grant of all requisite approvals from Regulatory Authorities.

Shareholders' Agreement

During the financial year ending 30 June 2026, the Bank did not enter into any Shareholders' Agreement.

Significant Contracts

AfrAsia Bank Limited has entered into two significant contracts with third parties during the financial year ended 30 June 2026, in respect of its IT infrastructure.

Management Agreements

AfrAsia Bank has not entered into any management agreement with third parties during the financial year ended 30 June 2026.

Gifts and Donations

The Bank has made MUR 17,000 in gifts and donations during the year ended 30 June 2026 (2025: MUR 6,000 and 2024: MUR 66,000).

Political Donations

The Bank has not made any political donations during the year ended 30 June 2026 (2025: MUR 3.5m and 2024: NIL)

Related Party

The Bank has entered into a Master Participation Agreement for Trade Transactions dated 26 August 2025 between Access Bank UK Limited and AfrAsia Bank Limited during the financial year ended 30 June 2026.

For further details on related party transactions and balances relating to the year ended 30 June 2026, kindly refer to note 36 on "Related Party Disclosures" of the Annual Report.

Principle eight – Relations with shareholders and other key stakeholders (cont'd)

Our Key Relationships

The Bank maintains a proactive stance in managing relationships with its key stakeholders. In selecting suppliers, contractors, and non-governmental organisations, it prioritises entities whose values and focus areas are closely aligned with those of the Bank. AfrAsia Bank has implemented diverse channels for stakeholder engagement and feedback collection. This comprehensive feedback mechanism enables the Bank to identify strengths and address areas requiring improvement, ensuring continuous enhancement of its operations and stakeholder relations. Below is an overview of our main stakeholders and how the Bank engages with them:

Customers

How We Engage with Customers	• Dedicated relationship managers proposing tailored financial solutions • Business meetings and visits • Online and Offline Conferences, Roadshows and Presentations • Clients Networking Events • Sponsorship of events, competitions or other activities which involve High Net Worth Individuals and Corporates who are potential clients • Market updates • Website • Social media platforms • Customer Satisfaction surveys • E-mailing • Formal Letters • Phone contacts • Branches and Representative Office
Their Contribution to Value Creation	• Customers are the lifeblood of the Bank without whom AfrAsia Bank would not exist. The Bank has developed marketing and sales strategies to position the AfrAsia Bank's brand strongly in its target markets. It also has business strategies to grow its business locally and internationally.
What Customers Expect from Us	• High-quality products/value propositions and service excellence • Sustainable business model • Strong financial fundamentals • Efficient complaint management system • Continuously enhancing our customer relationship management practices • Seamless online banking experience with intuitive, fast and secure banking channels such as Internet banking platform and mobile banking applications • Easy and fast over-the-counter banking experience
What Concerns our Customers	• Transparent and timely reports regarding the financial performance of the bank. • Security and confidentiality of transactions and data • Corporate governance and ethics • Disclose how the bank is addressing ESG matters

Principle eight – Relations with shareholders and other key stakeholders (cont'd)

Our Key Relationships (cont'd)

Directors

The role and responsibilities of the Board of Directors have been commented on under the section **"The Key Roles and Responsibilities of the Board"**.

Employees

How We Engage with Employees	• Face-to-face meetings • Social events/activities • Training and coaching • External learning and growth opportunities • Committees • Recognition and rewards • Virtual workshops and meetings
Their Contribution to Value Creation	• Work towards the achievement of our strategy - Key Performance Indicators • Demonstrate passion towards a positive customer experience • Help create and build positive working relationships • Enhance trust in the market • Help create a positive employer and corporate brand
What Employees Expect from Us	• An environment that encourages growth and open communication • The opportunity to achieve personal goals whilst aligning to the Bank's objectives • A favourable internal climate that promotes engagement for achievement
What Concerns our Employees	• A safe and healthy place to work • Continued career growth • Open door management style with mutual trust • A positive work cultures • Sustainability and CSR actions • Regular feedback and coaching • Competitive remuneration • Financial and non-financial rewards • Recognition • A high level of empowerment and autonomy

Principle eight – Relations with shareholders and other key stakeholders (cont'd)

Our Key Relationships (cont'd)

Government and Regulatory Authorities

How We Engage with the Government and Regulatory Authorities	• Regular meetings • Workgroups with the Bank of Mauritius and Financial Services Commission on regulatory guidelines, new legislation, laws and other matters • Written communication • Regulatory returns, including Risk-Based Supervision returns • Onsite and offsite supervision by the regulators • Trilateral meeting between BOM, External Auditors and the Bank • Regulatory approvals • Providing information during Parliamentary debates through the Mauritius Bankers Association and Business Mauritius • Training sessions • Virtual Committees and conferences
Their Contribution to Value Creation	• The regulator provides the enabling regulatory framework • Guidelines and instructions from the regulators issued from time to time
What the Government and Regulatory Authorities expect from us	• Providing banking and financial services in a transparent, secure and sustainable way • Ensuring and maintaining customer satisfaction • Complying with acts, regulations and guidelines
What Concerns the Government and Regulatory Authorities	• Products and services being provided and the communication around same • Compliance with laws, acts and regulations • Transparency and accessibility to accurate, relevant and current information • The Bank's duty of confidentiality and data protection • Duties of the Board and Senior Management, including their respective trainings • Appropriate Customer Due Diligence and Know Your Client ("KYC") processes and reviews • AML, CFT & CPF frameworks • Risk management and internal controls • Complaints handling and customer care • Compliance with the principles of corporate governance • Specific emerging risks - geopolitical vulnerabilities, sustainable financing, climate risk and cybersecurity risk.

Principle eight – Relations with shareholders and other key stakeholders (cont'd)

Our Key Relationships (cont'd)

Investors and Shareholders

How We Engage with Investors and Shareholders	• Annual reports, media releases and published results • Board meetings • Annual general meetings • Investor Relations web page
Their Contribution to Value Creation	• Investors provide capital to sustain the bank's growth locally and internationally
What Investors and Shareholders Expect from Us	• Providing sustained returns on investment through strong fundamentals, brand, resilience, sound risk profile, strategic growth opportunities, and good governance practices while building a sustainable business model
What Concerns Investors and Shareholders	• Delivering sustainable return on investment • Achieving the Bank's vision and adhering to the mission • ESG-related matters • Sound Leadership, Management, and strategic direction • Corporate governance and ethics • Execution of the business strategy • A high level of employee engagement and a positive employer brand, as well as low employee turnover.

The Board distributes notices for the AGM and other shareholder meetings, along with related documents, to shareholders at least 21 days before the scheduled meeting date. These notices clearly explain the proxy voting procedures and specify the deadline for receiving proxy forms.

Some Key Dates

Shareholders' Calendar for FY26

Financial Year End	30 June 2026
Annual General Meeting	December 2026

Publication of Financial Statements*

30 September quarter-end	15 November 2026

*The Bank has approved a change in its financial year from 30 June to 31 December subject to regulatory and statutory approvals. Therefore the date for presentation of financial statement will change accordingly.

Principle eight – Relations with shareholders and other key stakeholders (cont'd)

Our Key Relationships (cont'd)

Dividends

Ordinary Shares Dividends

Final	
Declaration	Post closure financial year, upon approval of accounts
Payment	Upon receipt of approval from the regulator
Interim	
Declaration	Post half yearly accounts
Payment	Upon receipt of approval from the regulator
Class A Shares Dividends	
Declaration	Every 6 months
Payment	Upon receipt of approval from the regulator

The Annual Report is published in its entirety on the Bank's website.
(https://www.afrasiabank.com/en/about/investors/annual-reports).

The Corporate Governance Report is available on the Bank's website:
https://www.afrasiabank.com/en/about/investors/annual-reports

The Corporate Governance Report has been approved by the Board of Directors and signed on its behalf by:



OLIVIER EMMANUEL JAUFFRET
Chairperson



DAVID JOHN CHARTERS
Director

Date: 09 September 2026

Statement of compliance

(SECTION 75(3) OF THE FINANCIAL REPORTING ACT 2004 (AS AMENDED))

Name of Public Interest: AfrAsia Bank Limited

Reporting Period: 1 July 2025 to 30 June 2026

The Board of AfrAsia Bank Limited confirms, to the best of its knowledge, that AfrAsia Bank Limited and its Subsidiary have complied with all of their obligations and requirements under the National Code of Corporate Governance 2016. The Bank has applied all of the principles set out in the Code whilst also explaining the application of the said principles in this Corporate Governance Report.



OLIVIER EMMANUEL JAUFFRET
Chairperson



DAVID JOHN CHARTERS
Director

Date: 09 September 2026



Embracing Innovation. Shaping Tomorrow.

Innovation is transforming the way we bank. By reimagining our digital experience and modernising our operations, we are bringing technology and human understanding together to make banking simpler, more intuitive and seamless.

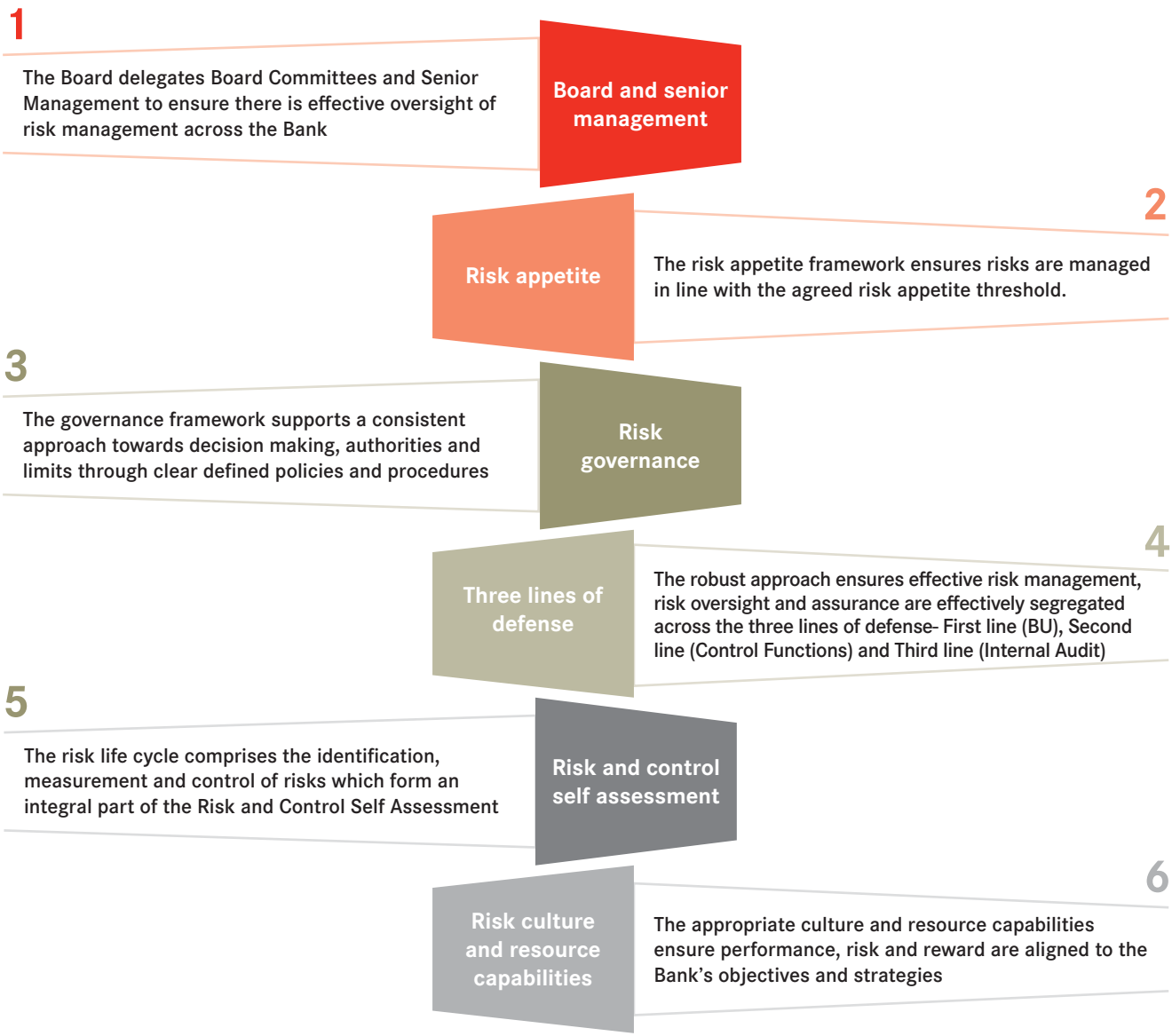
Risk management report

RISK MANAGEMENT

Risk management at AfrAsia Bank Limited (the "Bank" or "AfrAsia Bank") is at the heart of the Bank's decision-making in determining and implementing the Bank's strategic plan to support sustainable business growth. This is achievable through informed, prudent risk decisions, a robust risk management framework and a proactive risk culture.

The Risk Management Framework is a pivotal element in managing the risks of the Bank. It enables proactive identification, active management and ongoing monitoring of these risks. The risk appetite, policies, and procedures are reviewed and regularly updated to remain fully aligned with applicable regulations, laws, and industry practices.

Risk management is the process of identifying, evaluating and managing the impact of uncertain events, and monitoring their consequences to keep them at an acceptable level within the Bank's risk appetite.



RISK MANAGEMENT STRATEGY

The risk management processes are guided by well-defined policies tailored to each risk categories, supported by independent risk oversight, and periodic monitoring through the subcommittees both at the management level and board level.

The risk-management cycle comprises four phases:

- Establishing objectives by identifying strategic goals and determining constraints;
- Analysing the risks;
- Selecting controls and assessing alternatives to address the risks; and
- Implementing the chosen alternatives and monitoring the progress and results.

The process organises information about the possibility of a spectrum of undesirable outcomes into an inclusive and orderly structure that helps decision-makers make informed choices about their activities and ability to manage risks.

RISK CULTURE

A strong risk management culture is essential to keep the Bank, our employees and our customers safe and secure from existing and emerging risks. Under the guidance of the Board, senior management sets the tone by clearly articulating and exemplifying the Bank's core risk values. This leadership is instrumental in fostering a culture that emphasizes prudent risk-taking and the building of long-term customer relationships, through the economic cycle.

A critical driver of risk culture is the "tone from the top" – where clear, consistent messages from leadership convey expectations and reinforces a disciplined approach to risk management. The Bank is committed to build a risk-aware culture by designing and embedding sound risk management practices into its strategic objectives and daily operations through communication and targeted training. A key part of this is to establish clear ownership of risks and controls across the Bank and the ability of staff to escalate matters without fear of any adverse consequences. This open and accountable environment supports proactive risk identification and response, which are both vital to the Bank's long-term resilience and success.

RISK SKILLS AND CAPABILITIES

To reinforce a strong risk culture across the Bank, all staff are required to complete risk training annually as part of their mandatory training program. Additionally, a comprehensive library of risk management learning resources is available, to staff with specific risk management responsibilities, supporting continuous skill and capability development.

The Bank continues to invest in risk systems and models alongside its focus on customer and product management, systems and process management. This drives improvements in risk data quality, aggregation and reporting, thereby enabling more effective and efficient risk decision-making.

RISK APPETITE FRAMEWORK

The risk appetite of the Bank is determined by the Board and governed through the Risk Appetite Framework ("RAF"), which articulates the nature and level of risk the Bank is willing to assume in pursuit of its strategic objectives. The RAF reinforces the Bank's risk culture by establishing a clear tone from the top and providing a consistent basis for risk-informed decision-making across the Bank.

The Framework considers all principal risk categories and is embedded within the Bank's policies, processes, delegated authorities, thresholds and limits. It is subject to regular review and enhancement to ensure continued alignment with the Bank's strategic objectives, evolving risk profile, regulatory expectations and the external operating environment, while incorporating emerging and interconnected risks.

RISK APPETITE FRAMEWORK (CONT'D)

During the year, the Bank further strengthened its Risk Appetite Framework through the refinement of key risk metrics, recalibration of selected thresholds and limits, enhancement of early warning indicators and escalation mechanism across several risk categories. These enhancements support more proactive monitoring of the Bank's risk profile and reinforce the effectiveness of the risk governance framework.

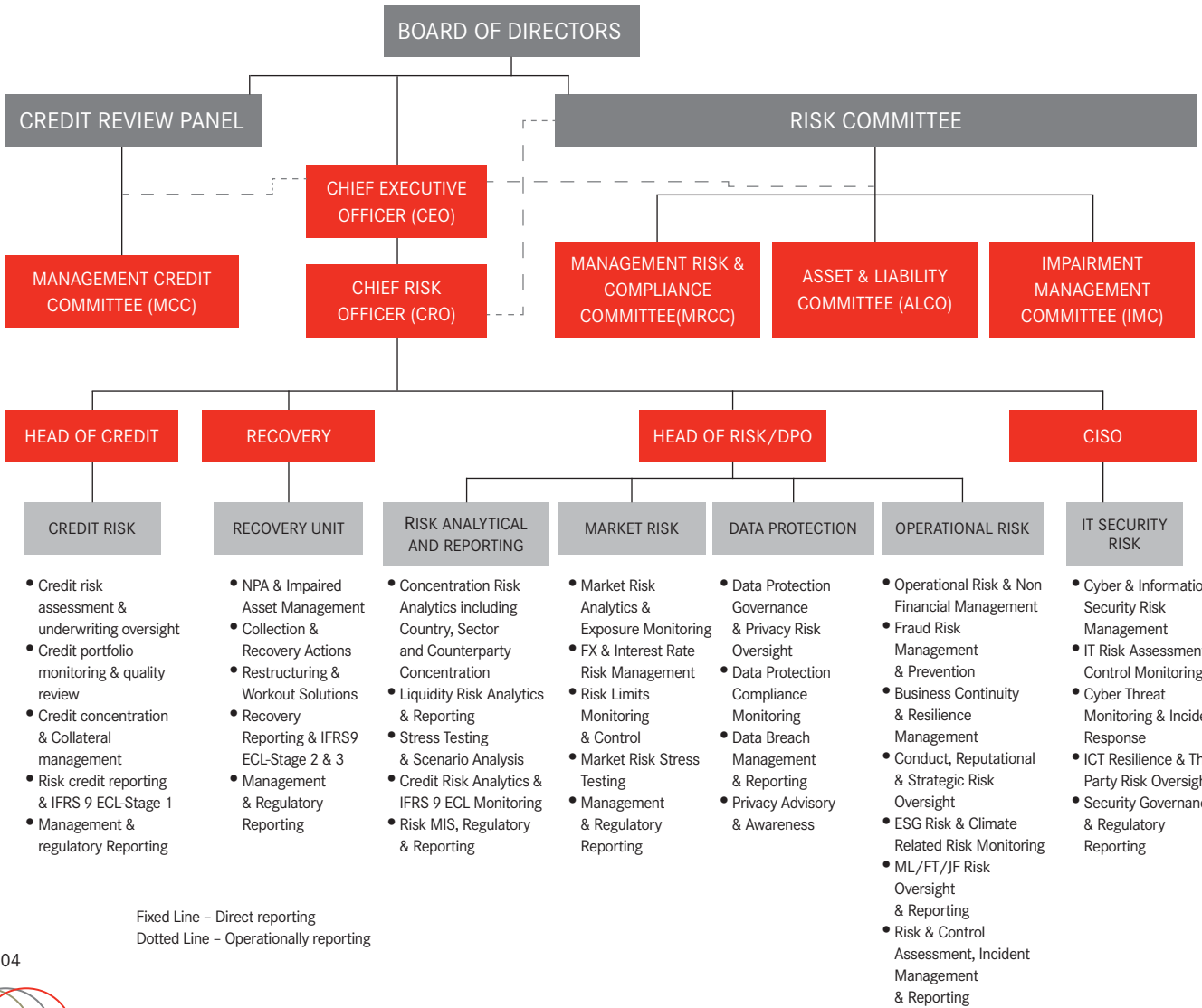
The establishment of risk thresholds remains fundamental to embedding risk appetite into the Bank's day-to-day operations by ensuring that risk exposures remain within Board-approved tolerance levels. Quantitative portfolio limits, including country, sector and counterparty concentration limits, are established using a prudent approach that considers regulatory requirements, the Bank's strategic objectives and prevailing industry practices. Qualitative risk appetite statements complement these measures by providing clear guidance in a manner consistent with the Bank's risk philosophy.

In line with the BOM's guidelines, the Bank maintains comprehensive policies, standards and procedures governing the principal risk categories. These are regularly reviewed to ensure that risk management practices remain aligned with the Bank's strategic objectives, Board-approved risk appetite and evolving regulatory expectations.

RISK GOVERNANCE AND OVERSIGHT STRUCTURE

The independent status of the risk management function is supported by a governance structure that provides for the escalation of risk issues to management through management forums and to Board committees and the Board, on a quarterly basis or as appropriate.

The chart below illustrates the Board's and management-level committees in the Bank's risk governance structure.



COMMITTEES ESTABLISHED BY MANAGEMENT

Management Credit Committee ("MCC")

The MCC is the senior management credit decision-making committee with a defined delegated authority as determined by the Board through the Credit Committee and Risk Committee from time to time.

Composition of MCC:

Voting Members: Chief Executive Officer, Head of Credit, Head of Global Business, and Chief Commercial Officer, or a delegated Senior Person.

Non-Voting Members: Chief Risk Officer, or a delegated Senior Person.

The main functions of the MCC are as follows:

- Assist the Board formulating, approving and implementing credit policies, guidelines and credit practices of the Bank;
- Exercise responsibility for the independent assessment, approval, review and monitoring of all credit risk assets relating to the Bank's business in line with Delegated Lending Authority; and
- Ensure that the origination and management of the assets in the portfolio are carried out in conformity with the Bank's policies, and regulatory guidelines.

Asset and Liability Committee ("ALCO")

The Asset and Liability Committee, which is chaired by the Chief Executive Officer, comprises the following members: Chief Commercial Officer, Chief Financial Officer, Chief Risk Officer, Head of Treasury & Markets and Head of Global Business. The Committee shall meet at least bimonthly or upon request of the Chairman of the Committee or of any two members of the Committee.

ALCO assists the Executive Committee (EXCO) in fulfilling its responsibility in deriving the most appropriate strategy for the Bank in terms of the mix of assets and liabilities given its expectations of the future of, and the potential consequences of, interest rate movements, liquidity constraints, foreign exchange exposure and their implications for capital adequacy. It also monitors the Bank's processes for complying with the Bank of Mauritius requirements in respect of the above-mentioned risk areas.

Impairment Management Committee ("IMC")

The Bank's IMC comprises the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer (with veto rights), Head of Risk and any delegated representatives who meet at least once a quarter or as and when required.

The functions of the IMC are as follows:

- Review Top Non-Performing Accounts;
- Review list of new Non- Performing Accounts;
- Review and approve all files, which warrant new/additional specific provisions;
- Review and approve Expected Credit Loss (ECL)for Stage 2 and 3 assets;
- Approve proposals for restructuring of facilities;
- Approve proposals for one-time settlements or out of court settlements;
- Approve and recommend a list of accounts earmarked for write-off to Board Risk Committee;

COMMITTEES ESTABLISHED BY MANAGEMENT (CONT'D)

Impairment Management Committee ("IMC") (cont'd)

- Approve one-time settlement for written off accounts;
- Approve Out of Court settlement for written off accounts;
- Review and approve any downgrade of accounts in Watchlist to Stage 3;
- Approve the review and upgrade of Stage 2 accounts to Stage 1;
- Review and approve accounts assessed as showing Significant Increase in Credit Risk ("SICR");
- Acknowledge files under legal action;
- Review and approve all accounts in Watchlist (Downgrade/ Upgrade);
- Acknowledge bad debts recovered for the Quarter;
- Take cognizance of recoveries and write-backs for the Quarter;
- Approve any exceptions to be ratified by Board Risk Committee.

Management Risk and Compliance Committee ("MRCC")

The Committee comprises the Chief Executive Officer, Chief Commercial Officer, Chief Financial Officer, Chief Risk Officer, Chief Operating Officer, Group Head Compliance and MLRO, and Chief Information Security Officer (CISO).

The Committee assists EXCO in fulfilling its oversight responsibility relating to:

- The operational risk infrastructure of the Bank;
- The compliance infrastructure of the Bank;
- The compliance, financial crime and internal control monitoring programmes supporting the infrastructure;
- The Bank's relationship and communication with the Bank of Mauritius, Financial Services Commission, South African Reserve Bank (SARB), Financial Sector Conduct Authority (FSCA), Dubai Financial Services Authority (DFSA) (in respect of the SA and Dubai offices), and other regulatory bodies;
- The ongoing oversight and monitoring of the Bank's activities by Operational Risk and the implementation of appropriate systems and controls;
- The review of the Top 10 Risks and the underlying risk assessments.

MANAGEMENT OF KEY RISK AREAS

Risk can be defined as the uncertainty of an event occurring in the future. In the banking context, it is the exposure to the uncertainty of an outcome, where exposure maybe defined as the position or stake banks take in the market. The main types of risk faced by the Bank are as follows:

Type of Risk	Description	Mitigating Actions
Financial Risks		
Credit Risk	Credit Risk is the risk of loss arising out of the failure of obligors to meet their financial or contractual obligations when due. It is composed of obligor risk and concentration risk.	• Adherence to Policies & Procedures • Compliance with Regulatory Guidelines • Rigorous Credit Assessment • Regular Control & Monitoring • Key Resources with technical expertise • Allocation of delegated limit for approval at various levels • Collateral and Credit Enhancements • Ongoing Monitoring • Stress Testing and Scenario Analysis • Effective recovery and Workout Process • Governance and Reporting • Regular Credit Committee meetings held to deliberate on credit files • Quarterly review by Credit Committee
Country Risk	Country risk refers to the risk that political, economic, sovereign or regulatory developments in a country may adversely affect the ability of borrowers, counterparties, branches or subsidiaries to meet their financial obligations.	• Regular assessment of macroeconomic, political, sovereign and regulatory developments to identify emerging country risks. • Board-approved country risk limits are established and monitored against utilisation, supported by defined escalation mechanisms for limit breaches or emerging concerns. • Periodic country risk reviews are undertaken by Management and the Risk Committee to assess existing limits and consider proposals for new or revised country limits. • Country risk exposures are managed in accordance with the Bank's Risk Appetite Framework and Country Risk Policy, supported by ongoing monitoring, credit risk mitigation measures, governance and regular reporting to Senior Management and the Board.

MANAGEMENT OF KEY RISK AREAS (CONT'D)

Type of Risk	Description	Mitigating Actions
Market Risk	The risk of a change in the market value, actual or effective earnings, or future cash flows of a portfolio of financial instruments, including commodities, caused by adverse movements in market variables such as equity, bond and commodity prices, currency exchange and interest rates, credit spreads, recovery rates, correlations and implied volatilities in all of these variables.	• Market Risk Policy • Process & level of acceptance • Risk Limits and Controls • Diversification of portfolios • Stress Testing and scenario analysis • System Implementation
Liquidity and Funding Risk	Liquidity risk is defined as the risk that the Bank, although solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms. Funding risk is the risk associated with the impact on a project's cash flow from higher funding costs or lack of availability of funds.	• Liquidity and funding risks are managed in line with the Bank's internal liquidity and funding risk management framework and the BOM's Guideline on Liquidity Risk Management and Guideline on Net Stable Funding Ratio. • Daily reporting of liquidity metrics and monitoring of Liquidity Early Warning Indicators. • Limits and Risk Appetite • Governance and Reporting • Reporting to ALCO
Interest Rate Risk	The risk arising from changes in interest rates or the prices of interest rate related securities and derivatives, impacting on the Bank's earnings or economic value of equity.	• Limits and Risk Appetite • Stress Testing and scenario analysis • Governance and Reporting • Reporting to ALCO
Climate-Related and Environmental Financial Risk	Risk posed by the exposure of financial institutions to physical risks (such as flooding, cyclones, etc.) or transition risks (such as change in policy, change in market sentiment, etc.) caused by or related to climate change and/ or exposure to activities that may potentially cause or be affected by environmental degradation (such as air pollution, water pollution, etc.)	• Documented Policy and Procedures. • Regulatory Guideline. • Enhanced due diligence • Engagement and collaboration with clients • Risk Assessment and monitoring • Portfolio Diversification • Training and internal capacity building. • Data and Reporting

MANAGEMENT OF KEY RISK AREAS (CONT'D)

Type of Risk	Description	Mitigating Actions
Non-Financial Risks		
Operational Risk	The risk of loss arising from inadequate or failed internal processes, people, or systems, or from external events.	• Documented policies, procedures & processes • Implementation of systems & internal controls • Awareness Training and best practices • Incident Management and Reporting • Risk Monitoring and Assessment • Business Continuity Planning • Technology and system resilience
Compliance Risk	Compliance Risk is the risk of legal or regulatory sanction, financial loss or damage to reputation that the group may suffer as a result of its failure to comply with laws, regulations and codes of conduct and standards of good practice applicable to its financial services and banking. The Bank adheres to the Guideline on Compliance Risk Management and Governance Framework issued by the BOM in November 2024.	• Policies and Procedures in line with regulatory requirements and standards BOM Guideline on Compliance Risk Management and Governance Framework • Internal controls • Trained and qualified staff • Appropriate system and tools
Information Risk	The risk of accidental or intentional unauthorised use, modification, disclosure or destruction of information resources, which would compromise the confidentiality, integrity or availability of information.	• Documented policies, processes & procedures • Implementation of systems & internal controls • Security Awareness Training and best practices. • Regular Audits and Vulnerability Assessment • Back Up and Recovery • Governance and Compliance

MANAGEMENT OF KEY RISK AREAS (CONT'D)

Type of Risk	Description	Mitigating Actions
Cyber Risk	The risk of failure, unauthorised or erroneous use of information systems resulting in financial loss, disruption or damage to the reputation of the Bank.	• Educate Employees & stakeholders on Information Security including Cyber Security measures and assessment • Endpoint Security on Devices including • Access Management • Robust Cybersecurity Framework • Employee Awareness and Training • Encryption and Anti-virus Protection • Ensure efficient Patch Management on information systems • Cyber Threat detection and online monitoring 24/7, 365/365 • Distributed denial-of-service ("DDoS") monitoring services • Privileged Access Management platform to control access to critical platform • Email and Web Security Platform • Data Loss Prevention and Back-Up • Multifactor Authentication for remote access • Two tier Firewalling and Network segmentation • Incident Response and Recovery • Governance and Reporting

MANAGEMENT OF KEY RISK AREAS (CONT'D)

Type of Risk	Description	Mitigating Actions
Transversal Risks		
Business Strategic Risk	Business strategic risk is the risk of earnings variability, resulting in operating revenues not covering operating costs after excluding the effects of market risk, credit risk, structural interest rate risk and operational risk.	• Board-approved strategy, with periodic reviews by the Board and ExCo • Revenue diversification to preserve earnings resilience • Ensure that business strategy is embedded in the Risk Appetite Framework • Ensure that the Bank adheres to its Risk Appetite • Budgeting, financial forecasting and monitoring of budget-vs-actual variance against plan • KPIs and benchmarking, including cost-to-income ratio, earnings volatility and peer comparison • Training and capability-building to embed strategy and risk appetite awareness across the organisation • Scenario analysis and stress testing of the business model • Documented policies, procedures and processes • Implementation of systems and internal controls • Governance and oversight

MANAGEMENT OF KEY RISK AREAS (CONT'D)

Type of Risk	Description	Mitigating Actions
Reputational Risk	Reputational risk is the risk of potential or actual damage to the group's image, which may impair the profitability, and/ or sustainability of its business.	• Strong Corporate Governance • Proactive communication, staff training, and HR practices • Robust Risk Management • Documented policies, procedures and processes • Efficient complaints & feedback handling for continuous improvement of products/services • Constant compliance checks, monitoring and Reporting • Information Security • Stakeholder Engagement • Crisis Management

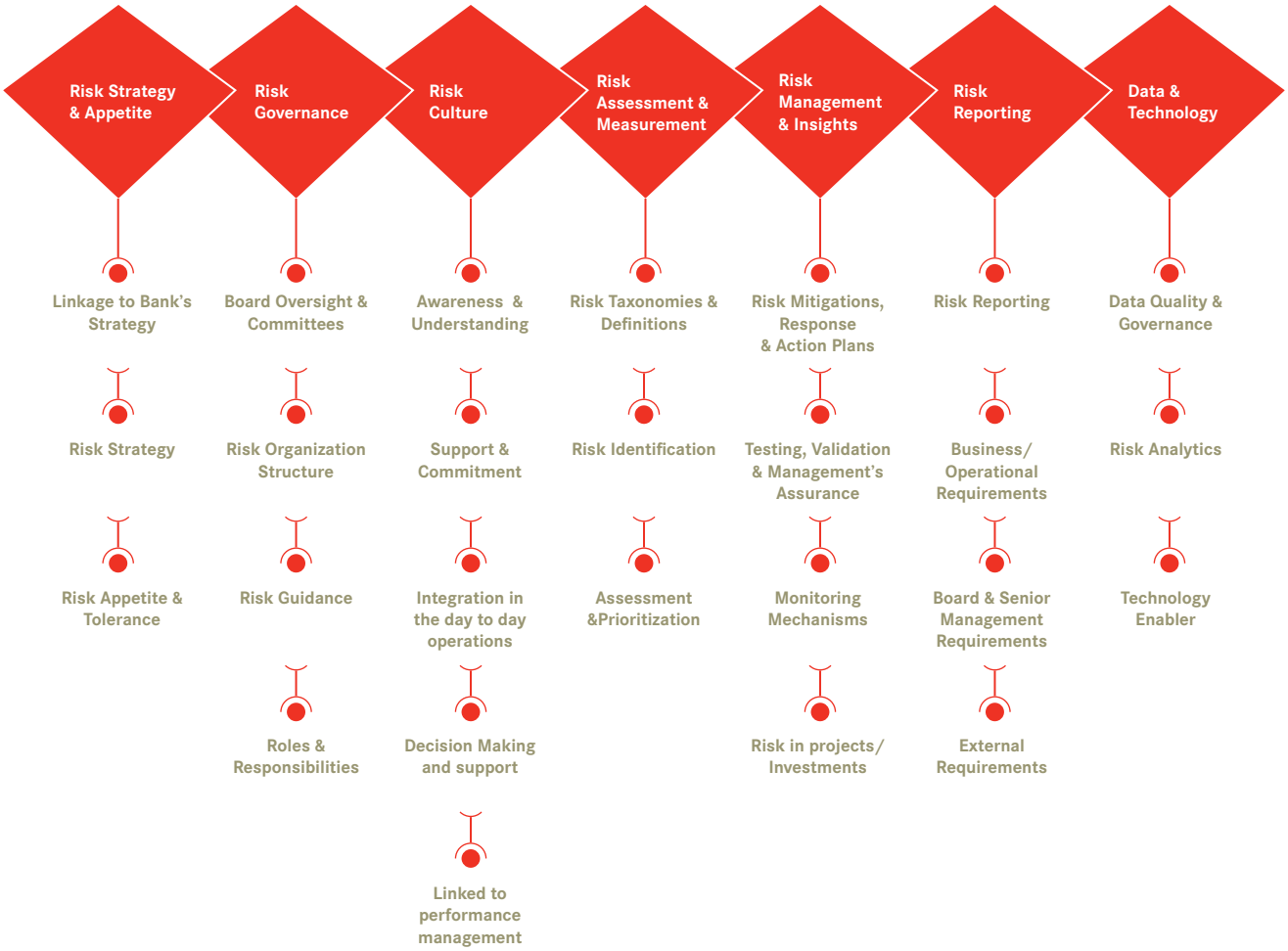
ENTERPRISE RISK MANAGEMENT

The Bank's Enterprise Risk Management("ERMF") is structured to align with the industry-accepted internal control framework standards and applies to every area of the business, covering all types of risks. The Bank has adopted a hybrid version of Committee of Sponsoring Organisations of the Treadway Commission (COSO) and International Organisation for Standardisation (ISO) standards for implementing and managing its Enterprise Risk Management. The framework is regularly reviewed and updated to align more closely with the changing nature of risks within the industry and the Bank, along with evolving regulatory expectations.

The ERMF provides the Bank with an effective mechanism for developing and embedding risk policies and risk management strategies which are aligned with the risks faced by its businesses. It also seeks to facilitate effective communication on these matters across the Bank. The ERMF enables proactive identification, active management and monitoring of the risks, and facilitates a consistent approach across the Bank.

ENTERPRISE RISK MANAGEMENT (CONT'D)

Below is a snapshot of the ERM Framework that has been implemented in AfrAsia Bank.



The Bank has transformed its approach to risk management to support its strategic ambition and purpose. The Bank's approach to setting, and managing risk appetite on an ongoing basis - is detailed in the risk appetite framework, an integral component of the ERMF. The process for identifying, evaluating and management of the Bank's emerging and principal risks is integrated into the overall ERMF. The risk identification, evaluation and management processes are also designed to determine whether the existing controls result in an acceptable level of risk. The Bank remains committed to further enhancing the ERMF and its supporting risk management methodologies.

ENTERPRISE RISK MANAGEMENT (CONT'D)

Top 10 major risks for the bank

In FY26, the Bank reviewed its Top 10 Major Risks approach as set out in its Enterprise Risk Management Framework ("ERMF"), which addresses both financial and non-financial risks across its business activities.

During FY26, the Bank further strengthened its methodology for identifying, assessing, and prioritizing emerging risks. Horizon scanning remains a key element in understanding and adapting to the changing risk landscape.

To better reflect the persistent nature of these risks, and the potential for their impact on the Bank and its customers to change over time, the Bank has shifted its focus from horizon risks to topical risks. This approach enables a deeper understanding of the underlying drivers and sharper management focus on the most pertinent emerging principal risks.

Emerging and topical risks remain an area of ongoing focus for the Bank's Board and senior management. During the year, a series of deep dives on the emerging risk identified was conducted at key executive and Board-level committees, including the Board Risk Committee, with actions assigned to more closely monitor their future manifestation, potential impact on business growth, and opportunities for risk reduction.

Many emerging and topical risk are reviewed on a recurring basis, alongside ongoing activity to address their impacts. However, it is acknowledged that the nature of these risks will continue to evolve and may drive future trends over the longer term, for which the Bank will need to prepare towards its operational resilience.

The principal risks outlined in this section are used to monitor and report on the risk exposures that pose the greatest potential impact to the Bank.

All principal risks are Board-approved, enterprise-wide risk categories that are reported regularly to the Board Risk Committee and the Board.

Top 10 Inherent Risks for the bank for FY26 were as follows:

- Credit Risk
- Liquidity Risk
- ML/FT Risk including Financial Crime
- Market Risk
- Operational Resilience and Business Continuity
- Operational Risk
- Regulatory Risk including Compliance risk
- Talent management and Employee Retention
- Technology Risk including Cyber Risk, Information Risk and Data Privacy
- Third Party Risk

Looking ahead to FY27, the Bank will continue to develop its strategy to proactively identify and monitor internal and external trends, and to implement effective measures to best protect its customers, stakeholders, and shareholders.

CREDIT RISK

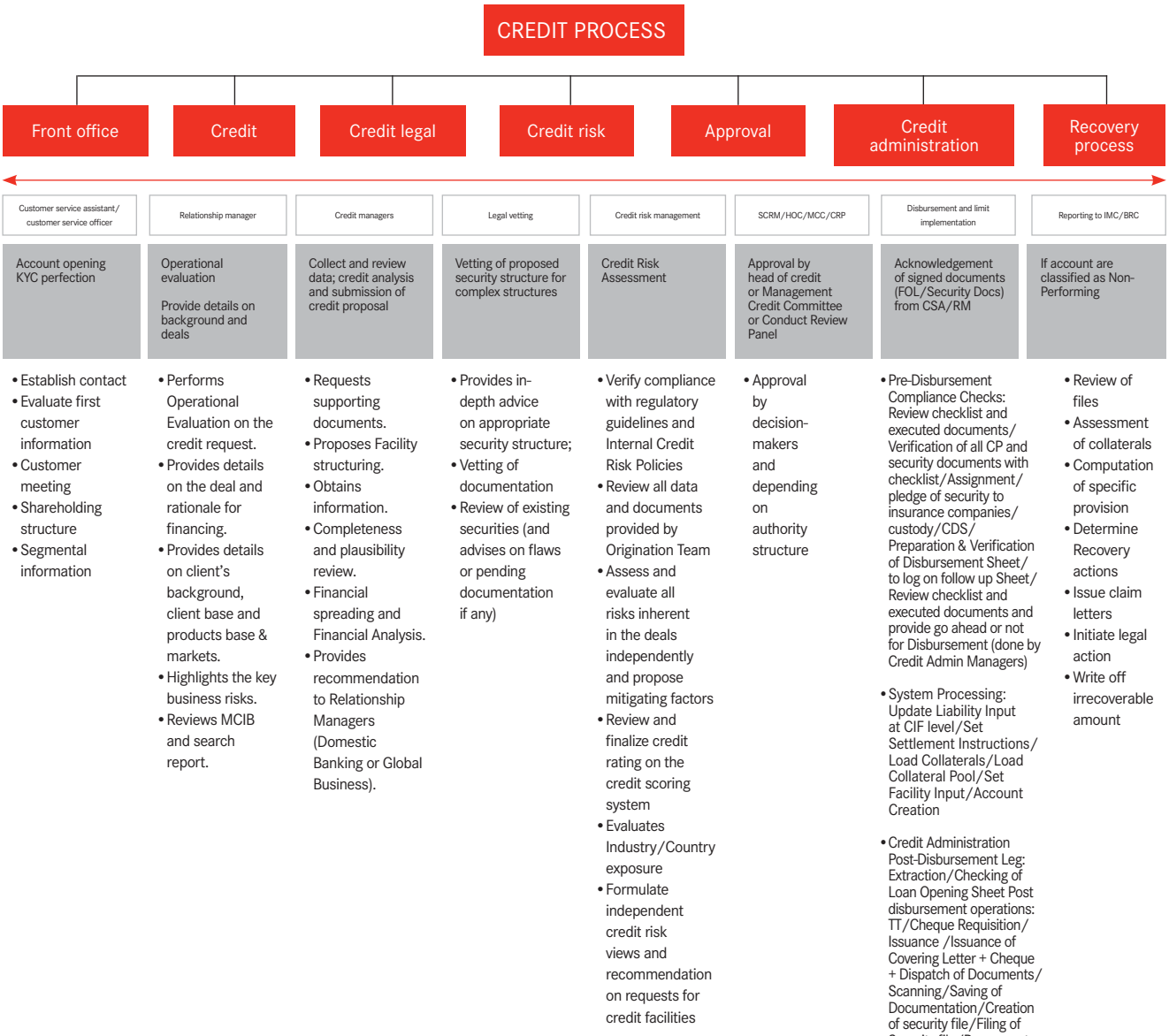
Credit risk refers to the potential for financial loss resulting from the failure of clients or counterparties to fulfil their financial obligations to the Bank. To manage this risk, the Bank has established credit processes designed to monitor and control exposures to both individual and corporate clients. Additional sources of credit risk may arise from trading activities such as investments in debt securities and from settlement balances with market counterparties, among others.

The Bank's credit risk management objective is to uphold a robust and effective integrated risk management framework. This framework ensures that controls are aligned with sound risk management practices based on international standards, while also ensuring compliance with the Bank's internal policies and applicable regulatory requirements.

Organisation and Structure

The Bank has structured its credit risk management function to ensure that decisions are well-informed, appropriately delegated, and aligned with the approved lending authority limits. Responsibilities are clearly defined to maintain adequate segregation of duties, thereby supporting sound risk governance. Established credit policies and procedures facilitate effective monitoring and management of credit risk, in full compliance with the Bank of Mauritius guidelines and consistent with the Bank's defined risk appetite.

Credit Process



CREDIT RISK (CONT'D)

IFRS 9 Financial Instruments ("IFRS 9")

The Bank maintains a comprehensive IFRS 9 Expected Credit Loss ("ECL") framework, governed through its IFRS 9 Policy and supported by a cross-functional governance structure comprising representatives from Risk (including Risk Analytics, Market Risk and Recovery), Credit Risk, Finance and Information Technology. This governance framework ensures that impairment methodologies, assumptions and model outputs remain subject to appropriate oversight, independent review and continuous enhancement.

During FY2026, the Bank further strengthened its ECL framework through a comprehensive review of key impairment methodologies and model assumptions to enhance the accuracy and risk sensitivity of ECL estimates. Key enhancements included the recalibration of Probability of Default ("PD") methodologies for specific trade finance portfolios, refinement of Loss Given Default ("LGD") methodologies for sovereign, property and investment-secured exposures, and improvements to the treatment of eligible credit risk mitigation.

The Bank also continued to enhance its forward-looking assessment by reviewing macroeconomic assumptions and forecasts incorporated into the ECL framework, ensuring that estimates appropriately reflect prevailing and anticipated economic conditions.

In parallel with the IFRS 9 impairment requirements, the Bank continues to comply with the Bank of Mauritius Guideline on Classification, Provisioning and Write-off of Credit Exposures. General provisions are computed alongside IFRS 9 provisions, and where the IFRS 9 provisions for Stage 1 and Stage 2 exposures are lower than the regulatory minimum, the shortfall is transferred to the Portfolio Reserve under Tier 2 Capital, thereby ensuring compliance with prudential provisioning requirements.

Our Credit Rating

The Bank utilises CRISIL models to assess the creditworthiness of various counterparties, including retail customers, small and medium enterprises, large corporates, as well as global and domestic banks. For retail customers, the CRISIL Retail Scoring Solution ("CRESS") is employed. CRISIL, a global analytics company and one of India's leading credit rating agencies, is majority-owned by S&P Global Inc. and provides advanced research and credit risk solutions to major banks and corporations worldwide. The rating models are based on a range of criteria, including:

- Financial information;
- Financial and non-financial securities;
- Counterparty credentials;
- Facility details; and
- A qualitative assessment of the industry and operational environment, covering industry risk, business risk, market position, financial risk, management risk and account conduct risk).

CREDIT RISK (CONT'D)

CRISIL rating grades and descriptions for each grade are being mapped to S&P rating for ECL computation are as follows:

Our Credit Rating

Rating Grades	Description	Definition	S&P Rating Equivalent
AAA	Investment Grade - Highest Safety	Borrowers rated AAA are judged to offer highest safety of timely payment.	AA-
AA+	Investment Grade - High Safety	Borrowers rated AA+ are judged to offer high safety of timely payment.	A+
AA	Investment Grade - High Safety	Borrowers rated AA are judged to offer safety of timely payment. They differ in safety from AA+ only marginally.	A-
A	Investment Grade - Adequate Safety	Borrowers rated A are judged to offer adequate safety of timely payment.	BB+
BBB	Investment Grade - Moderate Safety	Borrowers rated BBB are judged to offer moderate safety of timely payment of interest and principal for the present.	BB
BB	Investment Grade - Moderate Safety	Borrowers rated BB are judged to offer moderate safety of timely payment of interest and principal for the present. There is only a marginal difference in the degree of safety provided by borrowers rated BBB.	B
B	Investment Grade - Minimum Safety	Borrowers rated B are judged to carry minimum safety of timely payment of interest and principal for the present.	CCC+
CC	Sub-Investment Grade - Inadequate Safety	Borrowers rated CC are judged to carry inadequate safety of timely payment.	CCC-
C	Sub-Investment Grade - High Risk	Borrowers rated C have a greater susceptibility to default.	CCC-
D	Highly Susceptible to Default/Default	Borrowers rated D are in default or are expected to default on maturity.	D

Credit Monitoring Portfolio

Credit risk exposures are managed through a comprehensive post-disbursement monitoring process. This includes regular portfolio reviews and the proactive identification of early warning indicators. Exposures showing signs of deterioration are placed on a watch list and are subject to enhanced monitoring, with file reviews conducted at least monthly to ensure timely corrective actions are taken. In addition, both regular and ad-hoc checks are performed to ensure adherence to the credit risk guidelines and policies approved by the Board. All borrowers, irrespective of their financial standing, undergo a comprehensive review of all credit facilities at least annually. Interim reviews are conducted more frequently when warranted by changes in circumstances, enabling the early detection of any significant increase in credit risk.

The conflict between Iran and America, and the closure of Strait of Hormuz raise much uncertainties in the global and local economic sphere resulting in instability in both local and international space. The deterioration in macroeconomic conditions in FY26 and beyond underscores the need for vigilance. In this context, the Bank continues to adopt a prudent and responsive approach to credit risk management, supported by close monitoring and timely interventions as necessary. On the domestic segment, the Bank actively monitors the impact of recent change in government policies and the influence of external global factors. In addition, the Bank continues to enhance its credit risk assessment framework aiming at better portfolio management and the early identification of potential vulnerabilities.

CREDIT RISK (CONT'D)

Loans and advances to Customers

Loans to customers	THE BANK			
	Stage 1	Stage 2	Stage 3	Total
Performing:	MUR	MUR	MUR	MUR
Credit rating AAA	873,636,667	25,179,642	-	898,816,309
Credit rating AA+ to AA-	2,417,666,650	32,752,881	-	2,450,419,531
Credit Rating A+ to A-	55,590,123,750	355,986,240	-	55,946,109,989
Credit rating BBB+ to BBB-	12,251,311,529	1,557,249,050	-	13,808,560,579
Credit rating BB+ to BB-	3,405,587,414	27,384,144	-	3,432,971,558
Credit rating B+ to B-	2,780,582,353	24,402,644	-	2,804,984,997
Credit rating CCC+ to C	-	-	-	-
Non-performing:	-	-	-	-
Credit rating D	-	-	3,715,711,033	3,715,711,033
Total gross carrying amount	77,318,908,362	2,022,954,601	3,715,711,033	83,057,573,996
Less: allowance for impairment losses	(455,692,695)	(19,323,981)	(2,212,991,771)	(2,688,008,447)
Carrying amount at 30 June	76,863,215,667	2,003,630,620	1,502,719,262	80,369,565,550

Loans and advances to Banks

Loans and advances to banks	THE BANK	
	Stage 1	Total
Performing:	MUR	MUR
Credit rating AAA	-	-
Credit rating AA+ to AA-	2,887,148,821	2,887,148,821
Credit Rating A+ to A-	14,153,357,188	14,153,357,188
Credit rating BBB+ to BBB-	12,416,032,798	12,416,032,798
Credit rating BB+ to BB-	2,468,185,627	2,468,185,627
Credit rating B+ to B-	313,645,129	313,645,129
Credit rating CCC+ to C	-	-
Non-performing:		-
Credit rating D	-	-
Total gross carrying amount	32,238,369,563	32,238,369,563
Less: allowance for impairment losses	(15,558,722)	(15,558,722)
Carrying amount at 30 June 2026	32,222,810,841	32,222,810,841

During the financial year ended 30 June 2026, the Bank continued to proactively manage its credit risk through disciplined underwriting, ongoing portfolio monitoring, and prudent risk management practices to maintain a well-diversified credit portfolio. Regular portfolio reviews and stress testing exercises were undertaken to assess the resilience of credit exposures under adverse but plausible scenarios, supporting the early identification of emerging risks and enabling timely risk mitigation actions.

CREDIT RISK (CONT'D)

Concentration of Risk

The Bank's credit concentration ratios for both single and group obligors are well within regulatory limits. As at 30 June 2026, the credit concentration ratio for large exposures above 10% stood at 64.31% for MUR exposures and 324.03% for FCY exposures significantly below the regulatory limits of 800% and 1200% respectively. The Bank's maximum credit exposure to a single obligor represented 9.34% for MUR exposures and 26.16% for FCY exposures of the Bank's Tier 1 Capital within the regulatory limits of 25% and 50% respectively. Similarly, the maximum credit exposure to a group of closely related customers amounted to 25.39% for MUR exposures and 38.30% for FCY exposures of the Bank's Tier 1 capital within the corresponding regulatory limits of 40% and 75% respectively. The key focus of the Bank's credit risk management strategy is to prevent undue concentration across its credit portfolio, whether in terms of counterparty, group, sector, and country to ensure a well-diversified and resilient credit portfolio.

Regulatory Credit Concentration Limit	As at 30 June 2026
Credit exposure, denominated in Mauritian Rupee, to any single consumer shall not exceed 25% of the Bank's Tier 1 Capital	Highest single customer: 9.34%
Credit exposure, in currencies other than the Mauritian Rupee, to any single consumer shall not exceed 50% of the Bank's Tier 1 Capital	Highest single customer: 26.16%
Credit exposure, denominated in Mauritian Rupee, to any group of closely related customers shall not exceed 40% of the Bank's Tier 1 Capital	Highest group of closely related customers: 25.39%
Credit exposure, in currencies other than the Mauritian Rupee, to any group of closely related customers shall not exceed 75% of the Bank's Tier 1 Capital	Highest group of closely related customers: 38.30%
Aggregate large credit exposures, denominated in Mauritian Rupee, to all customers and Banks of closely related customers above 10% of the Bank's Tier 1 Capital shall not exceed 800% of the Bank's Tier 1 Capital	64.31%
Aggregate large credit exposures, in currencies other than the Mauritian Rupee, to all customers and Banks of closely related customers above 10% of the Bank's Tier 1 Capital shall not exceed 1200% of the Bank's Tier 1 Capital	324.03%

**Note: Public State Entities (PSEs) are exempt from credit concentration as per BOM's Guideline.*

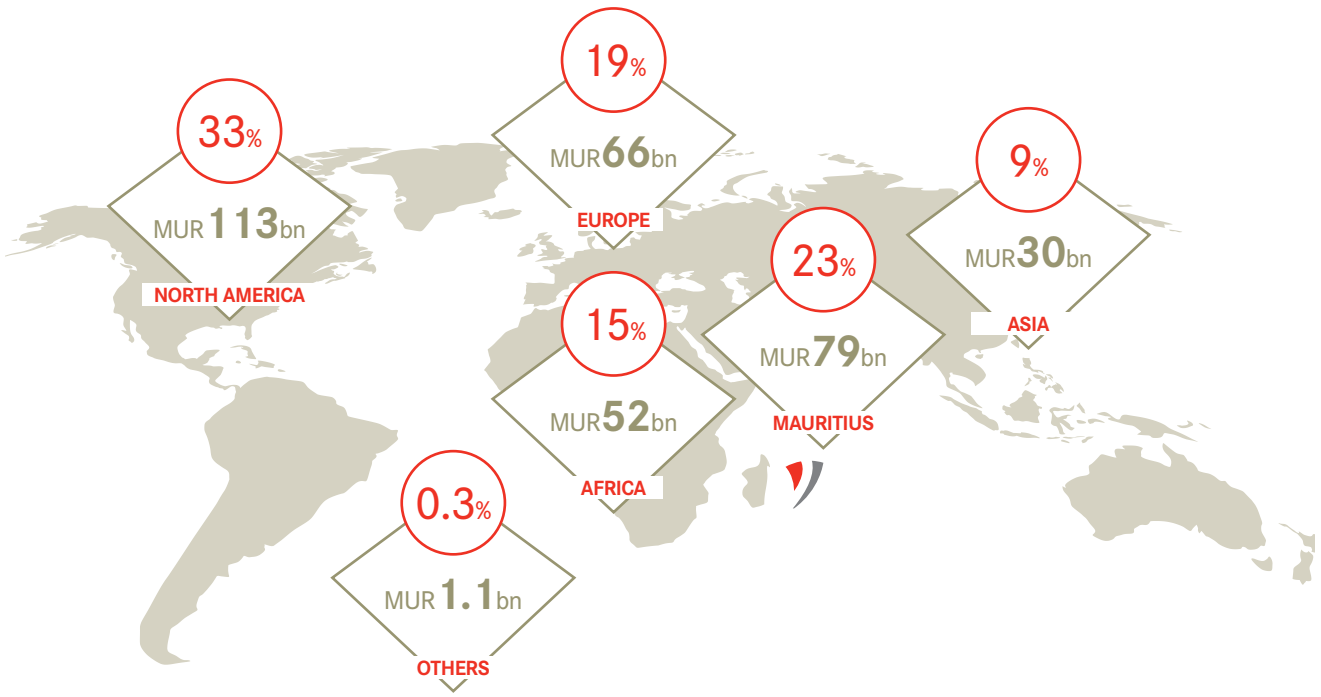
Furthermore, economic reports, and country and industry analysis are prepared and submitted to the Risk Committee to highlight trade developments and risks to the Bank's credit portfolio. These reports are used to define strategies for both our industry portfolio, and individual counterparties within the portfolio.

CREDIT RISK (CONT'D)

Concentration by Geography

The Bank's financial assets before considering any collateral held or other credit enhancements, can be analysed and grouped by geographical regions as follows:

Region	GROSS MAXIMUM EXPOSURE (THE BANK)		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Africa			
Mauritius	**79,008,801**	76,681,600	68,568,160
Other African countries	**51,650,212**	22,644,336	16,175,490
North America	**113,386,850**	93,982,464	94,035,411
Asia	**29,909,856**	54,268,423	44,540,782
Europe	**66,260,742**	33,157,369	37,464,522
Others	**1,103,932**	2,775,218	1,478,568
	341,320,393	283,509,410	262,262,933



CREDIT RISK (CONT'D)

Concentration by Industry

The Bank's financial assets, without taking account of any collateral held or other credit enhancements, are as follows:

Sector-wise distribution of credit	GROSS MAXIMUM EXPOSURE (THE BANK)		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Agriculture	**2,293,642**	1,149,938	866,048
Construction, infrastructure and real estate	**9,352,746**	6,436,657	7,110,366
Financial and business services	**109,942,190**	120,396,255	114,133,423
Government and parastatal bodies	**156,826,342**	109,289,775	101,591,260
Information, communication and technology	**1,349,655**	1,691,317	2,204,663
Manufacturing	**10,232,066**	8,867,077	9,149,793
Personal	**5,934,266**	5,336,993	4,659,236
Professional	**8,012,242**	8,245,369	1,291,470
Transport	**2,366,091**	3,328,908	1,320,486
Tourism	**3,278,593**	3,723,202	4,107,144
Traders	**18,129,967**	9,474,158	11,159,836
Others	**13,602,593**	5,569,761	4,669,208
	341,320,393	283,509,410	262,262,933

Credit Risk Mitigation

As a fundamental credit principle, the Bank does not extend credit facilities solely based of the collateral provided. Lending decisions are primarily driven by the borrower's credit rating, identified sources of repayment and debt-servicing capacity. Collaterals are taken when required by the Bank to mitigate credit risk and is monitored on a regular basis with the frequency of valuation determined by the liquidity and volatility of the underlying asset.

Legal certainty of enforceability is another technique used to enforce risk mitigation. Where a claim on counterparty is secured by eligible collateral, the secured portion of the claim is weighted according to the risk weight of the collateral and the unsecured portion according to the risk weight of the counterparty. To mitigate counterparty risk, the Bank also requires close-out netting agreements. This enables the Bank to offset positive and negative replacement values of contracts if the counterparty defaults. The Bank's policy is to promote the use of close-out netting agreements and mutual collateral

management agreements with an increasing number of products and counterparties in order to reduce counterparty risk.

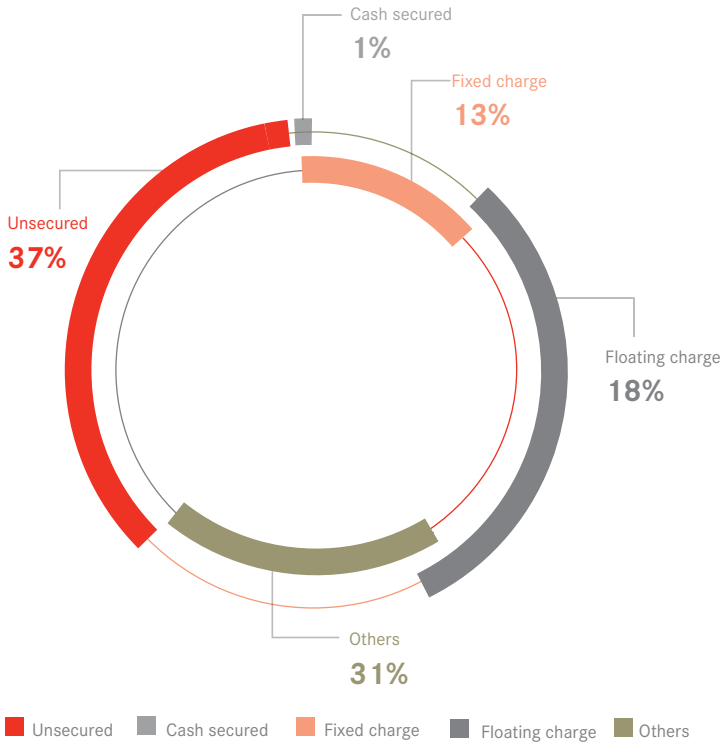
As at 30 June 2026, claims secured by cash and other tangible securities represented approximately 63% of the loan book, whilst unsecured or non-tangible portions accounted for 37% of the total loan book. For the secured portion of the portfolio, the fair value of collateral exceeds the corresponding gross loan exposures. In addition, gross loans to banks are typically extended on a clean basis, in line with standard market practices.

CREDIT RISK (CONT'D)

Credit Risk Mitigation

The value of collateralised loans and advances is as follows:

Collateral Details	Total (MUR'M)	Total %
Cash secured	943	1%
Fixed charge	15,254	13%
Floating charge	20,443	18%
Others	35,738	31%
Unsecured	42,918	37%
Total	**115,296**	**100%**



Where appropriate, the Bank requires additional credit enhancements in the form of personal guarantees from promoters, directors, and shareholders, as well as corporate and cross-guarantees from parent or sister companies. These guarantees serve as supplementary risk mitigants and are requested based on the specific credit profile and structure of the transaction.

RELATED PARTY TRANSACTIONS, POLICIES PRACTICES

The Bank adheres to the Guideline on Related Party Transactions issued by the Bank of Mauritius in December 2001 most recently revised in May 2022. A related party approval process is in place, and aligned with the requirements of the revised guideline. Since February 2026, the Conduct Review Committee (CRC) is not operational, and all related party transactions are subject to Board Approval where required.

The Bank's policy on related party transactions sets out the:

- Rules governing the identification of related parties;
- Governance framework governing such transactions;
- Applicable terms and conditions for dealing with related parties;
- Reporting procedures to relevant governance committees; and
- Monitoring of related party transactions.

All related party transactions are submitted for review and approval by the Board and where applicable, by other authorised approval bodies in accordance with the delegated lending authority limits (based on the criteria set out in the guideline) which ensures that all transactions are conducted on an arm's length basis and reflect prevailing market terms. During the normal course of business throughout the year under review, the Bank engaged in various transactions with related parties. These included placements and loans to/from banks, deposits as well as other standard banking transactions. As at 30 June 2026, related party exposure was at 38.30%, well within the regulatory thresholds.

The Bank has complied with all requirements of the Bank of Mauritius Guideline on Related Party Transactions. Related Party Transactions. Reporting to the regulator is conducted on a quarterly basis, and all related party transactions for the financial year ended 30 June 2026 were closely monitored and reported to the related delegated authority.

MARKET RISK

Overview

Market risk, according to the Basel Committee on Banking Supervision, refers to the potential for losses arising from fluctuations in market prices, including interest rates, equity prices, foreign exchange rates, and commodity prices. Effective management of market risk is crucial to safeguard the Bank's financial stability and ensure sustainable growth.

It encompasses the risk of losses in on- and off-balance sheet positions arising from movements in market variables. Basel's frameworks, such as Basel II and Basel III, establish principles for measuring, managing, and capitalizing against market risk to ensure banks hold sufficient capital buffers to withstand adverse market fluctuations.

Risk Identification

The Bank continuously monitors key market indicators and economic factors that could impact its financial position. This includes the assessment of risks related to:

- Currency exchange rate volatility
- Interest rate fluctuations
- Equity market movements
- Commodity price variations

MARKET RISK (CONT'D)

Risk Measurement and Assessment

The Bank employs quantitative tools such as Value at Risk (VaR), stress testing, and scenario analysis to quantify potential losses under adverse market conditions. Regular risk assessments enable the Bank to understand its exposure levels and inform strategic decision-making.

The Bank uses a robust risk management framework to monitor and manage the various market risks that it is exposed to on a daily basis. Both the Asset and Liability Committee (ALCO) and Risk Committee define, review and monitor on a regular basis a set of different market risk limits that is in line with the Bank's overall risk appetite and also complement the regulatory limits as established by the Bank of Mauritius.

Risk Mitigation Strategies

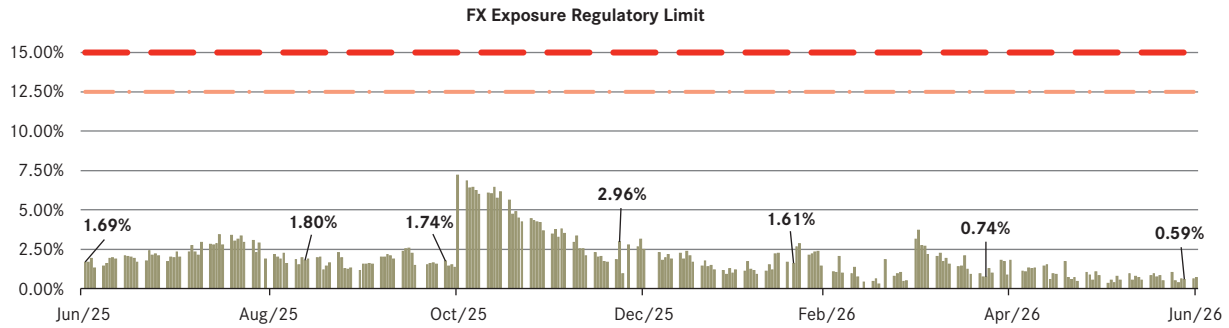
To manage market risks effectively, The Bank adopts various strategies, including:

- Hedging: Utilizing derivatives such as forward contracts, options, and swaps to hedge against currency, interest rate, and commodity price risks.
- Diversification: Spreading investments across different asset classes and geographies to reduce exposure to any single market.
- Asset and Liability Management: Aligning the maturity profiles and currencies of assets and liabilities to minimize mismatch risks.
- Limit Setting: Establishing risk limits and monitoring adherence to ensure exposures remain within acceptable thresholds.

Net Foreign Exchange Open Positions

Open positions in foreign currencies expose the Bank to currency risk, the possibility that fluctuations in exchange rates may result in adverse movements in the value of current holdings and future cash flows that are denominated in currencies other than the base currency. This risk is inherently present at the Bank due to its multi-currency investing and lending activities.

For the financial year ended 30th June 2026, the Bank has maintained a daily net FX Open position against the Mauritian rupee that was well under the regulatory limit of 15% of Tier 1 capital as prescribed by the Bank of Mauritius (see graph below).



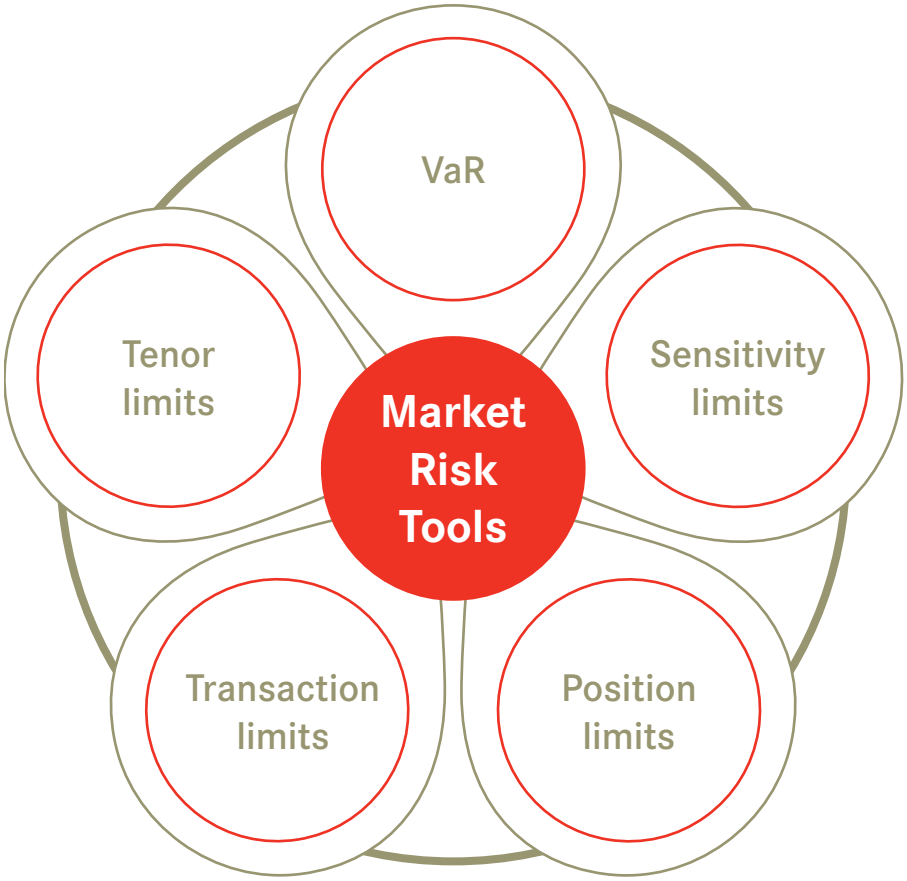
FX Exposure for the Financial Year ended 30th June 2026

MARKET RISK (CONT'D)

Risk Monitoring and Reporting

The Bank's Risk Management Committee oversees market risk exposures through regular reporting and review sessions. Key risk metrics are communicated to senior management and the Board of Directors, ensuring transparency and prompt action when necessary.

The Bank uses a range of statistical and financial tools to measure the size of potential losses across different market scenarios and investment time horizons.



Value at Risk

The Value at Risk (VaR) model provides an estimate of the potential future loss of a position over a specified horizon, given a required degree of confidence in the estimate. The Bank uses the Monte Carlo approach to estimate a daily VaR at 99% confidence level, for the FCY Government Securities portfolio.

Sensitivity Limits

The Bank uses different sensitivity limits to cap the impact of adverse movements in interest rate on the fixed income portfolio. In particular, duration limits are measured on a daily basis to quantify the effect of both 1% and 0.01% change in interest rate and compared against pre-defined limits. Moreover, the Bank has established different limits for the different categories of fixed income instruments in order to better measure and manage the overall portfolio from a market risk perspective.

MARKET RISK (CONT'D)

Position Limits

Position limits are mainly used at the Bank to limit concentration risk by restricting the maximum exposure to one particular market, sector or instrument. These limits are carefully set so as to ensure appropriate diversification across portfolios while avoiding overly restrictive to prevent the generation of absolute returns. Position limits complement the other types of risk management tools used at the Bank as they are easily understood, implemented and monitored.

Stop-Loss Limits

Various stop-loss limits are used across portfolios to ensure that appropriate actions are undertaken when losses breach pre-defined levels. Remedial actions usually involve either a reduction in the size of a portfolio or its complete liquidation when a loss of a particular size occurs over a specified period. An alternative approach to stop-loss limits used at the Bank especially during periods of high volatility involves derivatives instruments, such as put and call options, to maintain expected losses within acceptable levels.

Tenor Limits

Most fixed income products will ultimately expire on a pre-defined date. Bonds with different maturity dates will react differently to changes in market structure. Generally, the longer the tenor of a bond, the more sensitive it is to changes in interest rates. From a market risk perspective, it is advisable to place limits on the maximum tenor of bonds in order to manage the riskiness of the fixed income portfolio. The Bank use different limits to control the tenor of bonds and also to regulate the trading frequency of dealers.

LIQUIDITY AND FUNDING RISKS

Liquidity and Funding Risks are risks that the Bank will not be able to meet its daily cash and financial obligations as they fall due or do so at materially significant costs. These risks arise from mismatches in cash flows between the Bank's assets and liabilities as well as the characteristics of some products with ambiguous maturities.

As a financial institution, the Bank's primary objective is to manage liquidity such that it supports its business strategy while ensuring it can meet its commitments as they come due, even under stressed conditions. This is done primarily by implementing a liquidity risk framework approved by the Board, which establishes the Bank's risk appetite and defines triggers, risk indicators, monitoring structures and escalation trees.

As per the principles outlined in the Bank's liquidity risk policy, the following approach is adopted to manage liquidity and funding risk both under business-as-usual and stressed scenarios.

Short-term liquidity risk management	Structural (longer-term) liquidity risk management	Contingency liquidity risk management
Managing intra-day liquidity positions	Identifying structural liquidity mismatches against tolerance limits and escalating breaches to ALCO	Setting of appropriate early warning indicators
Monitoring daily and short-term cash flow requirements	Managing term lending capacity by considering behavioural profiling of ambiguous maturity assets and liabilities	Undertaking liquidity stress testing and scenario analysis
Setting up of interbank and repo lines	Monitoring depositor concentration against internal limits and holding sufficient marketable assets against the Bank's deposit base	Ensuring a liquidity contingency plan is in place with appropriate action plans and escalation processes

MARKET RISK (CONT'D)

Regulatory Environment

The Bank complies with the Bank of Mauritius to implement regulatory liquidity standards. The Bank adapts its processes and policies to reflect the Bank's liquidity risk appetite towards these new requirements.

Liquidity Coverage Ratio

The Bank of Mauritius ("BOM"), in line with Basel principles, issued Liquidity Coverage Ratio ("LCR") requirements for banks in November 2017 (revised March 2023), as part of the Guideline on Liquidity Risk Management.

The LCR was introduced primarily to ensure banks maintain an adequate stock of unencumbered high-quality liquid assets (HQLA), consisting of cash or assets convertible into cash at little or no loss of value in private markets, to meet liquidity needs for a 30-calendar day period, under a severe liquidity stress scenario.

$$\text{LCR} = \frac{\text{Stock of HQLA}}{\text{Total net cash outflows over the next 30 calendar days}}$$

The Bank publishes its LCR on a quarterly basis and reports to the BOM fortnightly. The BOM adopted a phased-in approach to the Basel III LCR requirement. Since January 2020, banks have been required to hold minimum LCR ratios of 100% for local currency, material foreign currencies and on a consolidated basis.

The following table provides the Bank's LCR position as at 30 June 2026. The LCR stood at 182%, well above the 100% regulatory requirement, demonstrating a robust liquidity position.

LCR Disclosure Requirements

(Consolidated in MUR)		TOTAL UNWEIGHTED VALUE[1] (MUR'000)	TOTAL WEIGHTED VALUE[1] (MUR'000)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)	159,987,332	159,478,753
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	69,361,175	4,853,911
3	*Stable deposits*	-	-
4	*Less stable deposits*	69,361,175	4,853,911
5	Unsecured wholesale funding, of which:	192,959,946	124,650,356
6	*Operational deposits (all counterparties)*	5,715,757	1,428,939
7	*Non-operational deposits (all counterparties)*	187,244,189	123,221,417
8	*Unsecured debt*	-	-
9	Secured wholesale funding	-	-
10	Additional requirements, of which:	17,477,280	4,247,093
11	*Outflows related to derivative exposures and other collateral requirements*	517,959	517,959
12	*Outflows related to loss of funding on debt products*	-	-

LIQUIDITY AND FUNDING RISKS (CONT'D)

(Consolidated in MUR)		TOTAL UNWEIGHTED VALUE[1] (MUR'000)	TOTAL WEIGHTED VALUE[1] (MUR'000)
13	*Credit and liquidity facilities*	16,959,321	3,729,134
14	Other contractual funding obligations	1,499,520	1,499,520
15	Other contingent funding obligations	8,222,392	411,120
16	**TOTAL CASH OUTFLOWS**	**289,520,313**	**135,662,000**
CASH INFLOWS			
17	Secured funding (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	53,512,375	48,175,965
19	Other cash inflows	1,493,191	-
20	**TOTAL CASH INFLOWS**	**55,005,566**	**48,175,965**
			TOTAL ADJUSTED VALUE
21	**TOTAL HQLA**		**159,478,753**
22	**TOTAL NET CASH OUTFLOWS**		**87,486,034**
23	**LIQUIDITY COVERAGE RATIO (%)**		**182%**
24	**QUARTERLY AVERAGE OF DAILY HQLA2**	**160,245,036**	

1 The quarterly average of monthly observations is based on April to June 2026-month end figures.
2 The quarterly average of daily HQLA is based on close of day figures over the 1st April 2026 to 30th June 2026 period.

Net Stable Funding Ratio (NSFR)

In June 2024, the BOM issued the Guideline on Net Stable Funding Ratio. Along with the LCR, the NSFR represents the second of the two main Basel III reforms introduced to strengthen liquidity regulations and promote the resilience of the banking sector in the aftermath of the 2007's global financial crisis. The NSFR complements the short-term nature of the LCR by creating incentives for banks to fund their activities with more stable sources of funding over a one-year time horizon, thereby reducing funding risk and potential broader systemic stress. It limits a bank's ability to expand its balance sheet through over-reliance on short-term wholesale funding and encourages better assessment of funding risk across all on- and off-balance sheet exposures.

$$\text{NSFR} = \frac{\text{Total amount of available stable funding}}{\text{Total amount of required stable funding}}$$

The Bank reports to the BOM, and discloses the NSFR, on a quarterly basis. In line with BOM's implementation timeline of the NSFR, banks are required from 30 June 2024 to maintain a minimum

NSFR of 70% for local currency, material foreign currencies and on a consolidated basis. Since 31 December 2024, the minimum requirement for the NSFR ratio was increased to 100%.

LIQUIDITY AND FUNDING RISKS (CONT'D)

NSFR Disclosure Requirements

The following table presents the Bank's NSFR position as at 30 June 2026. The NSFR stood at 149%, well in excess of 100% regulatory requirement effective from December 2024, reflecting the resilience of the Bank's long-term funding profile.

(Consolidated in MUR'000)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	≥ 6 months to < 1 year	≥ 1yr	
ASF Item						
1	**Capital**	**27,574,604**	**-**	**-**	**-**	**27,574,604**
2	Regulatory capital	27,561,624	-	-	-	27,561,624
3	Other capital instruments	12,980	-	-	-	12,980
4	**Retail deposits and deposits from small business customers:**	**42,183,374**	**22,611,800**	**5,029,779**	**2,464,654**	**65,307,112**
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	42,183,374	22,611,800	5,029,779	2,464,654	65,307,112
7	**Wholesale funding**	**99,041,724**	**34,397,006**	**9,763,479**	**2,885,046**	**74,486,151**
8	Operational deposits	6,285,591	-	-	-	3,142,796
9	Other wholesale funding	92,756,133	34,397,006	9,763,479	2,885,046	71,343,355
10	**Other liabilities:**	**59,574,049**	**38,262,887**	**-**	**94,857**	**-**
11	NSFR derivative liabilities		-	-	94,857	
12	All other liabilities and equity not included in the above categories	59,574,049	38,262,887	-	-	-
13	**Total ASF**					**167,367,867**
14	**Total NSFR High Quality Liquid Assets (HQLA)**					**7,669,366**
15	**Deposits held at financial institutions for operational purposes**	**3,276,282**	**-**	**-**	**-**	**1,638,141**
16	**Performing loans and securities:**	**4,456,907**	**31,589,775**	**15,831,343**	**77,253,708**	**87,084,608**
17	Performing loans to financial institutions secured by HQLA 1	-	-	-	-	-
18	Performing loans to financial institutions secured by non HQLA 1 and unsecured performing loans to financial institutions	935,768	18,992,387	7,513,007	17,127,180	23,872,907
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	3,492,375	10,406,085	2,428,420	47,028,942	48,138,040

LIQUIDITY AND FUNDING RISKS (CONT'D)

	(Consolidated in MUR'000)	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	≥ 6 months to < 1 year	≥ 1yr	
20	With a risk weight of less than or equal to 35% under the Guideline on Standardised Approach to Credit Risk	351,401	50,036	50,035	1,040,709	1,110,338
21	Performing residential mortgages, of which:	-	121,621	24,882	3,509,519	2,927,680
22	With a risk weight of 35% under the Guideline on Standardised Approach to Credit Risk	-	-	-	643,312	418,152
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	28,764	2,069,683	5,865,034	9,588,067	12,145,980
24	Other assets:	23,170,487	40,715,920	-	**134,169**	**15,390,530**
25	Physical traded commodities, including gold	-				-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of a Central Counterparty (CCP)		-	-	-	-
27	NSFR derivative assets		-	-	23,733	23,733
28	NSFR derivative liabilities before deduction of variation margin posted		-	-	110,436	22,087
29	All other assets not included in the above categories	23,170,487	40,715,920	-	-	15,344,710
30	**Off-balance sheet items**	**25,109,080**	**-**	**-**	**-**	**874,247**
31	**Total RSF**					**112,656,892**
32	**Net Stable Funding Ratio (%)**					**149%**

Liquidity Stress Tests and Contingency Plan

On a monthly basis and as part of its annual ICAAP process, the Bank runs various liquidity stress scenarios, with different severity levels, to assess the adequacy of its stock of liquid assets. These scenarios simulate stressed depositor outflow situations and factor in both bank-specific and systemic risk.

In assessing the adequacy of its stock of liquid assets, the Bank applies a haircut on the market value of its liquid assets to reflect forced sale discounts.

In line with BOM requirements, the Bank maintains a comprehensive liquidity contingency plan with well-defined action plans and an approved escalation tree in the event of a liquidity crisis. Qualitative and quantitative liquidity early warning indicators are tracked and reported to ALCO on a monthly basis.

LIQUIDITY AND FUNDING RISKS (CONT'D)

Liquidity Risk Appetite

The Bank monitors a range of liquidity risk limits and ratios against an internally approved risk appetite. The Bank's liquidity risk appetite is based on the following principles:

- Ensuring a sufficient amount of unencumbered liquid assets to cover its financial obligations under both normal and stressed conditions;
- Holding a liquidity buffer above the minimum regulatory requirements; and
- Securing diversified and stable sources of funding.

Funding Mix and Depositor Concentration Ratio

The Bank aims to maintain an adequate balance of its funding base through appropriate diversification of its funding sources. The Bank also diversifies its funding by currency, geography and maturity. Management's objective is to achieve an optimal balance between demand and term deposits in line with the Bank's asset deployment strategy. ALCO monitors on a monthly basis internal limits against the Bank's Single and Top 10 depositors.

At the end of the current financial year, the Bank did not foresee any event, commitment or demand that might have a significant impact on its liquidity and funding risk position.

OPERATIONAL RISK MANAGEMENT

The Bank always promotes a culture where operational risk is everyone's responsibility. Operational risk is the risk of not achieving our strategy or objectives as a result of inadequate or failed in internal processes, people, and systems or from external events which can lead to adverse customer impact, reputational damage, litigation or financial loss.

Operational risk is inherent in all banking products, activities, processes and systems, and effective management of operational risk is a fundamental element of the risk management programme.

Sound operational risk management reflects the effectiveness of the Board of Directors and senior management in administering the portfolio of products, activities, processes and systems.

Operational risk management is a systematic approach used by the Bank to identify, assess, control, and mitigate risks that may arise from day-to-day operations. It involves managing the risks associated with people, processes, systems, and external factors that can affect the Bank's ability to achieve its objectives.

Operational risk is a broad category of risk that encompasses various types of non-financial risks, including but not limited to:

- Human error: Errors or mistakes made by employees in their daily tasks and responsibilities, which can lead to operational failures;
- Process failures: Weaknesses or breakdowns in operational processes, leading to inefficiencies or operational disruptions;
- Technology and system risks: Risks arising from the use of technology and information systems, including data breaches, system failures, and cyber-attacks;
- External events: Risks arising from external factors beyond the Bank's control, such as natural disasters, political instability, or changes in regulations;
- Fraud and Cyber security risks: Risks associated with fraudulent activities or Cyber security breaches that can lead to financial losses or damage to the Bank's reputation.

OPERATIONAL RISK MANAGEMENT (CONT'D)

Effective Operational Risk Management involves the following key steps:

- Risk Identification: Identifying and categorising potential risks that can impact the Bank's operations;
- Risk Assessment: Assessing the likelihood and potential impact of identified risks to prioritise them for mitigation efforts;
- Risk Control and Mitigation: Implementing controls and measures to reduce the probability of risks occurring or minimising their impact if they do occur;
- Risk Monitoring and Reporting: Continuously monitoring operational risks, tracking their effectiveness, and reporting on the status of risk management efforts;
- Risk Culture and Awareness: Fostering a risk-aware culture within the Bank, where employees understand their role in managing risks and are encouraged to report potential issues;
- Incident Response and Recovery: Developing plans and procedures to respond to and recover from operational incidents when they occur.

GOVERNANCE & OPERATIONAL RISK MANAGEMENT FRAMEWORK

Operational Risk Management is a vital aspect of overall risk management in the Bank, as it helps to protect the Bank from potential losses, enhances decision-making, and ensures resilience in the face of unexpected challenges.

It is a dynamic process that requires ongoing attention and adaptation to evolving business environments and emerging risks.

The Bank has a well-defined structure for operational risk management that complies with regulatory and best practice requirements and is aligned with the risk culture and the risk profile of its activities. This is supplemented by an Operational Risk Management Framework ("ORMF") which includes the three lines of defence from Business Units, Control Units, to the Internal/External Auditors and involvement of senior management ensuring that all operational risks are efficiently managed across its activities.

1st Line Business Units	2nd Line Operational Risk Management (ORM)	3rd Line Internal / External Audit
Own and manage risks in day-to-day operations; first responsibility for controls.	Sets framework, policy & standards; independently challenges and oversees.	Provides independent assurance over the design and effectiveness of the framework.

OPERATIONAL RISK MANAGEMENT (CONT'D)

The ORMF incorporates several key components, including:

- Risk Control Self-Assessment (RCSA) processes
- Risk impact and likelihood matrices
- Key Risk and Control Indicators (KRI/KCI)
- Early Warning Indicators (EWIs)
- A comprehensive operational risk event management tool and escalation process
- Scenario analysis
- Audit recommendations
- Use of external information sources (such as industry reports and external events)
- Operational loss management processes

The Bank continuously improves its operational control procedures to keep pace with new regulations and best practices in the market through holistic follow up of risks and their mitigating controls.

Risk Culture & Training

The Bank fosters awareness and knowledge of operational risks at all levels of organisations through its risk culture.

During the FY26, the Mandatory Risk Awareness Training was organised through the Bank's online training platform with a participation rate of 99.4% achieved and a mandatory risk awareness session is delivered to all new recruits of the Bank.

In line with its continuous improvement of Operational Risk Management, the Bank has streamlined and enhanced its incident management process, rendering it more user-friendly and ensuring that incidents are resolved within prescribed timeframes.

A Risk Control Self-Assessment ("RCSA") Framework was formalised, setting out the procedures and processes governing the conduct of RCSA exercises, the reporting of outcomes, and the monitoring of follow-up actions.

The Bank calculates its minimum (Pillar I) operational risk capital requirement using the Basic Indicator Approach (BIA) where the capital charge is 15% of average gross income over the last 3 years. Refer to section on Capital Structure and Adequacy in this report.

The Bank has established EWIs for Operational Risk Loss from a range of 0.1% to 1.0 % of Gross income. For this FY26, the Bank recorded Operational losses which stood at 0.456% of Gross Income which is within the risk appetite.

INFORMATION SECURITY, CYBER SECURITY AND TECHNOLOGY RISK MANAGEMENT

AfrAsia Bank remains committed to maintaining a secure, resilient, and trusted technology environment by continuously enhancing its Information Security, Cyber Security, and Technology Risk Management capabilities to address evolving cyber threats and increasing regulatory expectations.

During the financial year, the Bank strengthened its governance framework through the review and enhancement of its Information Security and Cyber Security policies, standards, and procedures, aligning them with the Bank of Mauritius Cyber and Technology Risk Management (CTRM) Guidelines, the Bank of Mauritius Outsourcing Guidelines, and internationally recognized standards, including ISO/IEC 27001:2022 and the NIST Cybersecurity Framework. The Bank also enhanced its Cyber and Technology Risk Management Framework to reinforce cyber resilience, operational resilience, third-party risk management, and oversight of emerging technologies.

How the Bank Protect its Information Asset

The Bank adopts a layered security model comprising governance, continuous monitoring, physical, network, application, endpoint, and data security controls to protect its critical information assets and digital banking services.

Policies, Procedures, Guidelines & Awareness

Comprehensive policies, procedures and guidelines aligned with regulatory and industry standards, supported by awareness and training to build a strong security culture.

Monitoring & Response (SIEM / SOC)

24/7 monitoring of systems and networks through advanced SIEM tools to detect threats in real time, investigate incidents and respond quickly to minimize impact.

Physical Security

Protecting our facilities and critical assets through controlled physical access, surveillance, environmental safeguards and disaster recovery arrangements.

Perimeter Security

Multiple layers of protection at the network perimeter using firewalls, WAF, DDoS protection and secure access controls to block unauthorized and malicious traffic.

Network Security

Securing our network infrastructure through segmentation, firewalls, intrusion prevention systems, secure connectivity and continuous monitoring.

Endpoint Security

Protecting endpoints including laptops, desktops, servers and mobile devices with EDR, anti-malware, device hardening and vulnerability management.

INFORMATION SECURITY, CYBER SECURITY AND TECHNOLOGY RISK MANAGEMENT (CONT'D)

Application Security

Ensuring security across the application lifecycle through secure development practices, code reviews, vulnerability assessments and penetration testing.

Data Security

Protecting data at rest, in transit and in use through encryption, access controls, data classification, backup and Data Loss Prevention (DLP).

Key Cyber Security Initiatives

During the year, the Bank continued to strengthen its cyber resilience through several strategic initiatives, including:

- Successful implementation of a cloud-based Security Information and Event Management (SIEM) platform, providing continuous security monitoring, real-time threat detection, and enhanced incident response.
- Completion of independent Vulnerability Assessments and Penetration Testing (VAPT) across critical infrastructure and digital banking platforms, with remediation of identified findings.
- Conducting a Cyber Crisis Management Table Top Exercise to validate incident response, crisis management, and business continuity capabilities.
- Strengthening Identity and Access Management through multi-factor authentication (MFA) and enhanced privileged access controls.
- Delivering ongoing cybersecurity awareness training and phishing simulation exercises to strengthen employee resilience against cyber threats.
- Enhancing third-party cyber risk management through strengthened governance, security due diligence, and ongoing oversight of critical service providers.

Cybersecurity risks are continuously monitored, with regular reporting to Senior Management and the Board Risk Committee to support effective governance and oversight.

BUSINESS CONTINUITY MANAGEMENT

The Bank's Business Continuity Management (BCM) Framework is designed to strengthen operational resilience and ensure the continuity of critical business services for customers, shareholders, employees, and other stakeholders during disruptive events. The Business Continuity Management Policy was reviewed and approved by the Board in April 2026, reinforcing the Bank's commitment to maintaining a resilient operating environment and complying with evolving regulatory expectations.

The BCM Framework establishes a structured approach to preparedness, response, recovery, and continuous improvement. It incorporates Business Impact Analysis (BIA), Business Continuity Plans (BCP), Disaster Recovery (DR) Plans, Crisis Management procedures, and Emergency Response Plans to ensure that critical business processes and technology services can be restored within defined Recovery Time Objectives (RTOs) and Recovery Point Objectives (RPOs). These arrangements are designed to minimize operational, financial, legal, regulatory, and reputational impacts arising from cyber incidents, technology failures, natural disasters, pandemics, or other business disruptions.

During the year, the Bank continued to enhance its operational resilience through periodic reviews of recovery strategies, updates to continuity plans, and testing of critical business and technology recovery capabilities. Annual Business Continuity and Disaster Recovery exercises were conducted across key business functions to validate the effectiveness of recovery procedures, confirm the readiness of personnel and infrastructure, and identify opportunities for continuous improvement.

BUSINESS CONTINUITY MANAGEMENT (CONT'D)

The BCM Framework is aligned with the Bank of Mauritius Cyber and Technology Risk Management (CTRM) Guideline, the Business Continuity Institute (BCI) Guidelines, and the principles of ISO 22301 for Business Continuity Management. Oversight of the program is provided through the BCM Steering Committee, which regularly reviews test outcomes, lessons learned, and improvement initiatives to ensure the Bank remains resilient against an evolving threat landscape and capable of delivering critical services during periods of disruption.

CLIMATE CHANGE AND ENVIRONMENTAL FINANCIAL RISKS

Climate change poses a real financial risk to the banking sector. As global temperatures rise, extreme weather events intensify, and environmental degradation accelerates, financial institutions are increasingly exposed to climate-related and environmental ("CR&E") risks that may affect asset values, credit quality, operational resilience, and long-term financial performance. The Bank recognises that CR&E risks are drivers of traditional financial risks and therefore require consideration across its governance, strategy and risk management processes. The two broad categories of CR&E risks are described below:

- **Physical risks** arising from acute and chronic climate-related events such as cyclones, flooding, rising sea levels, heat stress and water scarcity, which may adversely affect customers, collateral values, operations and supply chains.
- **Transition risks** arising from the transition towards a lower-carbon economy, including changes in regulation, technology, market preferences, legal requirements and stakeholder expectations, which may impact certain sectors, business models and counterparties.

The Bank has established a Climate-Related and Environmental Financial Risk Management Framework, which supports the identification, assessment, mitigation, monitoring and reporting of CR&E financial risks and opportunities across the Bank's activities. The Bank views the implementation of the Bank of Mauritius Guideline on Climate-related and Environmental Financial Risk Management as an iterative process and remains committed to continuously strengthening its governance arrangements, methodologies, data capabilities and climate risk management practices in line with evolving regulatory expectations and international best practices.

CR&E Governance

The governance structure integrates CR&E considerations across key committees and decision-making bodies, ensuring alignment with the Bank's overall risk management strategy.

- **Board of Directors:** Approves and oversees the Bank's strategy for CR&E risks and opportunities management;
- **Risk Committee (Board Subcommittee):** Oversees the identification and management of CR&E risks;
- **Executive Committee:** Ensures implementation of the Board-approved strategy, risk appetite and policies, including those addressing CR&E financial risks;
- **Management Risk and Compliance Committee (MRCC):** Monitors the Bank's risk profile, including material CR&E financial risks;
- **ESG Committee (Terms of Reference under review):** Oversees the management of ESG risks and opportunities and serves as a cross-functional platform to coordinate ESG initiatives and projects.

CLIMATE CHANGE AND ENVIRONMENTAL FINANCIAL RISKS (CONT'D)

CR&E Strategy

As a responsible bank, AfrAsia Bank Ltd is committed to maintain allegiance with applicable climate and environmental regulations. The Bank has adopted a phased approach to implementing its CR&E risk management framework, enabling it to progressively assess the exposure of its credit portfolio to CR&E risks and evaluate their potential impact on the Bank.

According to the latest Nationally Determined Contributions ("NDC 3.0") of Mauritius, the country is highly vulnerable to climate change, with key risks including coastal erosion, sea-level rise, cyclones, flooding, and increasing water stress.

The diagram below summarises the main risks identified:

Risks		Impact
Physical	**Flooding**	Flash flooding causing damage to infrastructure, buildings and agriculture.
	Cyclone	Extreme weather conditions causing damage to infrastructure, buildings and agriculture.
	Sea level rise	Rising sea level causing coastal erosion and damaging buildings and infrastructure.
	Water scarcity	Prolonged droughts leading to scarcity of water for domestic and agricultural purposes.
Transition	**Policy and Legal**	Changes in regulations and policies aimed at reducing GHG emissions affecting industries highly reliable on fossil fuels or high carbon technologies.
	Technology and Market	Changes in customer preferences for greener alternatives causing declining demand for traditional products; businesses failing to invest in innovative solutions finding themselves with stranded assets.

In February 2026, the World Bank published the Mauritius Country Climate and Development Report ("CCDR"), which identifies climate change as a key development and economic risk for Mauritius. The CCDR highlights climate change as a cross-cutting risk that amplifies natural disasters, disrupts agriculture, and poses risks to biodiversity and infrastructure. It notes that Mauritius faces significant adaptation costs due to its high exposure to climate hazards, despite its very low contribution (0.01%) to global greenhouse gas emissions. Water scarcity is identified as a key challenge, driven by competing demands from tourism, agriculture and households. The report further indicates that climate-smart investments can generate significant economic benefits, with adaptation and low-carbon measures supporting economic growth, job creation and improved energy security.

IMPLEMENTATION OF CR&E RISK MANAGEMENT FRAMEWORK

The CR&E Financial Risk Management Framework supports the identification, assessment, mitigation, monitoring and reporting of CR&E risks and opportunities. To advance in the implementation phase of the CR&E Financial Risk Management Framework, the Bank is currently assessing the CR&E risks at the corporate portfolio level, spanning over multiple countries and sectors to establish a baseline assessment of the portfolio's CR&E risk profile. This assessment will support the identification of key risk drivers and guide the progressive enhancement of data quality, methodologies, and analytical capabilities as the Framework continues to mature. ABL will also continue to conduct scenario analysis exercises as mandated by the Bank of Mauritius to substantiate the risk identification process.

The Bank is also considering becoming a signatory to the Partnership for Carbon Accounting Financials ("PCAF") as part of its carbon accounting readiness journey. Adopting the PCAF methodology would provide a globally recognised and consistent approach to measuring and disclosing financed emissions, enhance the comparability and transparency of climate-related disclosures, support the identification and management of transition risks, and strengthen the Bank's ability to meet evolving stakeholder and regulatory expectations.

CUSTOMER RISKS

Customer risk encompasses the potential threats posed by a customer's profile, the nature of products and services used, transaction patterns, delivery channels, jurisdictions, as well as segment classification. The Bank remains vigilant in its approach to managing these risks, ensuring alignment with regulatory expectations and internal risk appetite.

The Bank's Anti-Money Laundering ("AML") Operations Desk plays a key role in identifying, assessing, and managing customer-related financial crime risks through the application of customer due diligence measures, screening processes, and other AML controls. It also helps safeguard the Bank against money laundering, terrorist financing, and other illicit activities while ensuring compliance with applicable regulatory requirements.

To support this, the Bank leverages a combination of in-house and external technologies, allowing for adaptive and intelligent risk detection. This blended approach ensures that the Bank remains ahead of evolving typologies and maintains a high standard of AML compliance.

Customer risk is evaluated using a combination of:

- Risk appetite thresholds;
- Defined risk metrics and incident tracking;
- Regulatory insights and feedback;
- Ongoing assessments by the AML and compliance teams.

Customer risk is monitored through coordinated control activities, second-line oversight, and independent internal and external audits. Identified risks are addressed through policy enhancements, strengthened controls, and timely remediation where necessary.

CUSTOMER RISKS (CONT'D)

Key risk areas include:

- **Geographical Risk:** Exposure linked to customers operating in or connected with high-risk jurisdictions.
- **Transactional Risk:** Monitoring the volume, frequency, and nature of transactions to detect anomalies.
- **Industry Risk:** Certain sectors present higher AML/CTF/PF exposure, requiring closer scrutiny.
- **Customer Behaviour:** Deviations from established activity patterns may signal emerging risk.
- **Reputational Risk:** Public domain information, including adverse media, is factored into risk assessments.
- **Regulatory and Legal Risk:** Adherence to all applicable laws governing AML and customer due diligence.
- **Third-Party Risk:** Evaluation of intermediaries or agents acting on behalf of the customer.
- **Sanctions Risk**: Screening customers against international sanctions and watchlists to ensure full compliance and to protect the bank mitigate risk related to terrorism and proliferation financing.

Through comprehensive risk assessments and robust controls, the Bank reinforces its ability to identify and mitigate customer risks effectively. This proactive approach underpins a sound AML framework and supports the Bank's commitment to maintaining the integrity of the financial system.

CAPITAL MANAGEMENT AND ADEQUACY

Regulatory Framework

The Bank complies with the capital adequacy requirements prescribed by the Bank of Mauritius ("BOM"), as aligned with the Basel framework. These requirements aim to enhance the resilience of the banking sector to financial and economic shocks, strengthen risk management and governance practices, and promote greater transparency and disclosure across financial institutions.

Since 2014, the Bank has been designated as a Domestic Systemically Important Bank ("D-SIB") following the annual assessments conducted by the regulator.

Capital Adequacy Ratio

The regulatory limits applicable to the Bank's Capital Adequacy Ratio ("CAR"), including the Capital Conservation Buffer ("CCB") and the D-SIB Buffer, are depicted in the bar chart below.



CAPITAL MANAGEMENT AND ADEQUACY (CONT'D)

Determination and Evolution of our Capital Adequacy Ratios

As at 30 June 2026, the Bank's Total CAR stood at 18.88%, compared to 20.30% as at 30 June 2025, representing a decrease of 1.42% on account of an increase in Risk-Weighted Assets ("RWAs"). The increase in RWA was primarily driven by the growth of the Bank's loans and advances. The table below illustrates the Bank's CAR trend over the past three years.

in MUR'000		30 June 2024	30 June 2025	30 June 2026
Common Equity Tier 1 capital: instruments and reserves				
Share Capital		3,641,049	3,641,049	3,641,049
Statutory reserve		3,202,994	4,150,099	5,026,817
Retained earnings		10,359,061	12,450,418	15,593,310
Accumulated other comprehensive income and other disclosed reserves		348,824	307,813	353,783
Common Equity Tier 1 capital before regulatory adjustments		**17,551,928**	**20,549,379**	**24,614,959**
Common Equity Tier 1 capital: regulatory adjustments				
Other intangible assets		-265,546	-262,569	-254,066
Deferred Tax		-294,218	-379,952	-469,178
Total regulatory adjustments to Common Equity Tier 1 capital		**-559,764**	**-642,521**	**-723,244**
Common Equity Tier 1 capital (CET1)		**16,992,164**	**19,906,858**	**23,891,715**
Additional Tier 1 capital: instruments				
Instruments issued by the Bank that meet the criteria for inclusion in Additional Tier 1 capital (not included in CET1)		1,369,406	1,361,243	1,372,789
Additional Tier 1 capital (AT1)		**1,369,406**	**1,361,243**	**1,372,789**
Tier 1 capital (T1 = CET1 + AT1)		**18,361,570**	**21,268,101**	**25,264,504**
Tier 2 capital: instruments and provisions				
Provisions or loan-loss reserves (subject to a maximum of 1.25 percentage points of credit risk-weighted risk assets calculated under the standardised approach)		854,999	1,200,854	1,573,875
Tier 2 capital (T2)		**854,999**	**1,200,854**	**1,573,875**
Total Capital (capital base) (TC = T1 + T2)		**19,216,569**	**22,468,955**	**26,838,379**
Risk weighted assets				
Credit Risk		82,643,689	96,068,335	125,910,079
Market Risk		204,788	429,016	146,922
Operational Risk		10,660,596	14,160,276	16,074,102
Total risk weighted assets		**93,509,073**	**110,657,627**	**142,131,103**
Capital Adequacy Ratios (CAR) (as a percentage of RWA)	**Regulatory Limits 2026**			
CET1 CAR (CET1 / RWA)	10.00%	18.17%	17.99%	16.81%
Tier 1 CAR (T1 / RWA)	11.50%	19.64%	19.22%	17.78%
Total CAR (TC / RWA)	13.50%	20.55%	20.30%	18.88%

Note: The numbers may not add up precisely to totals due to rounding.

RISK-WEIGHTED ASSETS

The table below illustrates how the different Risk-Weighted Assets are determined:

	30 June 2024	30 June 2025	30 June 2026				
On-Balance Sheet Assets	**RWAs MUR'000**	**RWAs MUR'000**			**Credit exposure MUR'000**	**Risk weightage %**	**Risk weighted assets MUR'000**
Cash Items	-	-			32,924	-	-
Claims on Sovereigns	2,577,842	3,335,451			144,510,122	0-100	1,678,508
Claims on Central Bank	-	-			10,853,969	-	-
Claims on Banks	24,252,343	27,421,601			74,251,939	20-100	31,385,000
Claims on non-central government public sector entities	562,566	2,104,948			5,775,100	50	3,232,305
Claims on corporates	42,088,102	47,203,002			80,956,368	20-150	69,111,589
Claims on regulatory retail portfolio	783,209	823,479			1,103,664	75	827,748
Claims secured by residential property	2,706,729	3,407,394			3,644,724	35-125	3,721,040
Claims secured by commercial real estate	1,244,001	1,164,173			806,158	100-125	902,895
Past Due Claims	177,939	398,520			1,502,312	50-150	2,162,218
Other Assets	1,357,528	1,808,687			5,603,808	100	5,603,808
Total	75,750,259	87,667,255			329,041,088		118,625,111
Non-Market related Off-Balance Sheet Assets	**RWAs MUR'000**	**RWAs MUR'000**	**Notional amount MUR'000**	**Credit Conversion Factor %**	**Credit equivalent amount MUR'000**	**Risk weightage %**	**RWAs MUR'000**
Direct Credit Substitutes	937	43,692	26,923	100	26,923	100	26,923
Transaction-related contingent items	1,275,245	3,263,110	7,436,611	50	3,614,068	50-150	3,605,527
Trade related contingencies	37,741	42,810	143,106	20-100	70,284	100	70,284
Other commitments	5,436,509	4,938,288	17,484,945	0-50	3,983,381	0-125	3,513,112
Total	6,750,432	8,287,900	25,091,585		7,694,656		7,215,846
Market related Off-Balance Sheet Assets	**RWAs**	**RWAs**	**Notional amount**	**Credit Conversion Factor**	**Credit equivalent amount**	**Risk weightage**	**RWAs**
Interest rate co ntracts	5,494	4,350	572,300	1	5,723	20-100	3,047
Foreign exchange contracts	44,005	58,583	894,671	2-5	19,371	20-100	16,768
Other market-related contracts	93,499	50,247	1,548,786	10-12	246,538	20	49,307
Total	142,998	113,180	3,015,757		271,632		69,122
Total Credit Risk-Weighted Assets	82,643,689	96,068,335	357,148,430				125,910,079
Risk-Weighted Assets for Market Risk	RWAs MUR'000	RWAs MUR'000					RWAs MUR'000
Aggregate net open foreign exchange position	204,788	429,016					146,922
Total Market Risk-Weighted Assets	204,788	429,016					146,922
Risk-Weighted Assets for Operational Risk	**RWAs MUR'000**	**RWAs MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**Capital charge for operational risk %**	**RWAs MUR'000**
Annual Gross Income			9,915,906	10,359,316	11,872,984		
Average gross income for previous 3 years	7,107,064	9,440,184					10,716,068
Capital charge for operational risk	1,066,060	1,416,028				15	1,607,410
Total Operational Risk-Weighted Assets	10,660,596	14,160,276					16,074,102
Total Risk-Weighted Assets	93,509,073	110,657,627					142,131,103

Note: The numbers may not add up precisely to totals due to rounding.

STRESS TESTING

Stress testing is a core component of the Bank's risk management framework. It involves sensitivity, scenario and reverse stress testing to evaluate the potential impact of macroeconomic, sectoral, geopolitical and portfolio-specific developments on the Bank's financial resilience. The outcomes of these exercises are instrumental in assessing the Bank's resilience under severe but plausible adverse scenarios, particularly with regard to earnings, liquidity, capital adequacy, and alignment with the Bank's risk appetite and regulatory requirements.

The Bank maintains a comprehensive Stress Testing Policy, which details the Bank's Stress Testing Framework in accordance with the principles outlined in the Bank of Mauritius Guideline on Stress Testing. The framework also defines the stress testing scenarios applied as part of the Bank's Internal Capital Adequacy Assessment Process ("ICAAP"), conducted annually to assess the adequacy of capital under adverse conditions.

The Stress Testing Policy is reviewed and updated annually to ensure continued alignment with the Bank's evolving portfolio composition, strategic objectives, business model and the prevailing macroeconomic and geopolitical environment. During FY2026, the Bank enhanced its stress testing framework through the recalibration of existing country and sector scenarios, the introduction of additional scenarios to capture emerging geopolitical risks, and the refinement of combined stress scenarios to provide a more comprehensive assessment of potential vulnerabilities. These enhancements further strengthened the forward-looking nature of the Bank's stress testing framework and supported more effective capital and risk management.

Stress testing remains a fundamental tool to:

- provide a forward-looking assessment of the Bank's risk profile under adverse conditions;
- identify vulnerabilities arising from severe but plausible shocks;
- assess the adequacy of capital and liquidity under stressed conditions;
- support the development of appropriate management actions and contingency plans; and
- strengthen the Bank's overall resilience through proactive risk management.

Stress testing results continue to support strategic decision-making across the Bank, including:

- strategic planning and budgeting;
- ICAAP, capital planning and capital buffer assessment;
- calibration and monitoring of the Risk Appetite Framework;
- liquidity planning and management;
- portfolio optimisation, concentration risk management and the review of risk limits;
- identification and mitigation of emerging risks; and
- Risk-Based Supervision ("RBS") reporting and ongoing regulatory engagement with the Bank of Mauritius.

STRESS TESTING (CONT'D)

The various types of Analysis performed at the Bank are as follows:

(a) Scenario Analysis

Scenario analysis involves applying hypothetical or historical events to assess the potential impact of adverse developments on the Bank's portfolio and financial position. Rather than forecasting future outcomes, it provides a structured framework for assessing coherent and plausible scenarios and quantifying their potential effects.

The Bank continues to enhance its scenario design to reflect changes in portfolio composition, evolving macroeconomic conditions, sector-specific vulnerabilities and geopolitical developments. During the year, existing country and sector scenarios were reviewed and recalibrated, while additional scenarios were introduced to strengthen the assessment of emerging risks and combined stress events.

Scenario analysis includes:

- simultaneous changes in multiple risk drivers with clearly defined stress events;
- macroeconomic stress testing incorporating key economic variables such as GDP growth, inflation and interest rates, together with their impact on credit risk parameters including PD, LGD and EAD;
- assessment of the impact on profitability, capital adequacy, liquidity and financial position; and
- hypothetical and historical "what-if" scenarios designed to assess the Bank's resilience under alternative adverse conditions.

(b) Sensitivity Analysis

Sensitivity analysis evaluates the impact of changes in individual risk factors or a limited number of closely related assumptions on the Bank's financial position. By isolating specific variables, the analysis provides additional insight into the Bank's exposure to key risk drivers and complements broader scenario analysis.

(c) Reverse Stress Testing

Reverse stress testing assesses the circumstances that could render the Bank's business model unviable by working backwards from predefined adverse outcomes, such as significant capital deterioration.

This approach supports the identification of extreme but plausible scenarios that may threaten the Bank's financial resilience and complements the Bank's broader stress testing programme by strengthening risk preparedness, contingency planning and strategic decision-making.

Reverse stress testing continues to form an integral part of the Bank's annual ICAAP process and enhances Management's understanding of the key vulnerabilities that could materially affect the Bank's resilience.

COMPLIANCE RISK

Compliance risk is defined as the risk of legal or regulatory sanctions, material financial loss, or loss to reputation that the Bank may suffer as a result of its failure to comply with laws, regulations and rules applicable to its banking activities. Internal control and risk mitigation measures are put in place and implemented within the Bank to ensure compliance with the relevant laws, regulations and internal policies and procedures.

The Bank adheres to the Guideline on Compliance Risk Management and Governance Framework issued by the BOM in November 2024. A Compliance Risk Management and Governance Framework ("Compliance Risk Framework") has been implemented, in line with the Guideline. The Compliance Risk Framework enhances the effort of the Bank to have a strong compliance culture and an effective governance and risk management framework for compliance risk and enterprise wide risk management.

As per the Compliance Strategy, Compliance Plan and Compliance Risk Framework approved by the Board of Directors, compliance reviews of relevant departments of the Bank are conducted on a regular basis. Reports/findings are duly submitted to the Senior Management, Audit Committee of the Board and the Board of Directors. Moreover, the Compliance Function is responsible for providing assurance and advising the Management and staff of the Bank concerning compliance and regulatory matters.

Regulatory Compliance and Interaction

- Review of Policies & Procedures of the Bank;
- Assistance in Corporate Governance matters;
- Liaison with Regulators and authorities, providing assistance during examinations/inspections;
- Report compliance issues;
- Ensure implementation of recommendations from regulators as well as regulatory changes;
- Compliance/Regulatory advice to Senior Management and Sales Departments;
- Review and recommendations for new products and projects of the Bank; and
- Risk Based Supervision Reporting concerning Anti-Money Laundering/Combating the Financing of Terrorism and Proliferation Financing ("AML/CFT/PF").

Monitoring and Testing

- Transaction Monitoring using an AML software;
- Compliance Control and Testing – Testing of AML desk operations, operational processes and regulatory guidelines;
- Replying to requests for Information from investigative/regulatory authorities; and
- Review, investigation and reporting of transactions.

COMPLIANCE RISK (CONT'D)

Financial Crime

- AML Training, Assessment, Compliance workshop and circulation of regulatory changes;
- Financial crime and investigations of Suspicious Transactions;
- Report Suspicious Transactions to Financial Intelligence Unit ("FIU");
- Reply to queries from correspondent banks;
- KYC/AML/Sanctions advisory to the Sales team, Operations team and AML Team; and
- Enterprise Wide Risk Assessments of AML/CFT/PF.

FRAUD RISK

Overview

Fraud Risk continues to be a significant area of concern within the banking sector, driven by both internal and external threats that have the potential to result in financial losses, regulatory penalties, reputational damage, and legal liabilities. In response to the evolving fraud risk landscape, AfrAsia Bank Limited ("the Bank") maintains a structured and proactive approach to fraud risk management, aligned with the regulatory expectations of the Bank of Mauritius and international best practices. The Bank's Fraud Risk Management Framework (''FRMF'') is anchored by a robust governance model that supports effective oversight and implementation of fraud prevention, detection, and response mechanisms. The Bank remains committed to its zero-tolerance policy towards fraudulent activities and fosters a culture of integrity, ethical conduct, transparency, accountability and resilience across all operations.

The FRMF is aligned with international standards, including the Basel Committee on Banking Supervision guidelines, and complies with the regulatory requirements of the Bank of Mauritius. It incorporates both proactive and reactive mechanisms to safeguard the Bank's operations and reputation. The strategy is underpinned by the principles of the Fraud Triangle (Pressure, Opportunity, Rationalisation), helping the Bank to understand and address the root causes of fraud.

Fraud Risk Strategy

At AfrAsia Bank, our Fraud Risk Management Strategy is central to ensuring the safety, integrity, and reputation of the Bank, its employees, clients, and stakeholders. This strategy supports the overarching Fraud Risk Management Policy and is directly aligned with our commitment to a zero-tolerance approach to fraud. The strategy is designed to safeguard the Bank's operations against fraud and its potential consequences while ensuring compliance with the applicable legal and regulatory requirements.

Strategic Pillars of Fraud Risk Management

The Bank's fraud risk strategy is structured around four core pillars:

1 **Prevention –** Promoting awareness and embedding fraud risk ownership across business lines;

2 **Detection –** Leveraging automated monitoring systems and data analytics to identify anomalies;

3 **Response –** Ensuring swift and effective investigation and resolution of fraud incidents;

4 **Continuous Improvement –** Regular assessments, reviews, and updates of controls and policies.

FRAUD RISK (CONT'D)

Fraud Risk Governance

The Bank has in place a comprehensive **Fraud Risk Management Framework (FRMF)**, aligned with the guidance of the **Basel Committee on Banking Supervision** and the **Bank of Mauritius Guidelines on Corporate Governance**. The framework defines governance structures, roles, and responsibilities across three lines of defence, ensuring an integrated and bank-wide approach to fraud risk oversight.

An overview of the Bank's Fraud Risk Governance Structure is as follows:



FRAUD RISK (CONT'D)

Key elements include:

- **Fraud Risk Appetite Statement**, approved by the Board of Directors, which defines the acceptable level of fraud risk exposure;
- **Fraud Risk Management Policy,** which outlines procedural controls, reporting obligations, and accountability mechanisms;
- **Deployment of technology-driven tools**, including real-time transaction monitoring systems and anomaly detection models;
- **Independent internal audit reviews** and fraud investigations to evaluate the effectiveness of fraud controls.

The governance framework is further supported by regular reporting to senior management and the Board Risk Committee to ensure continuous alignment with the Bank's strategic objectives and regulatory expectations.

To further strengthen the framework, fraud culture surveys are conducted regularly to assess employee awareness and attitudes towards fraud, while a whistleblowing channel ensures employees can report suspected fraudulent activities without fear of retaliation. Together, these components create a strong, multi-layered approach to managing fraud risks, promoting a strong culture of transparency, accountability, and vigilance throughout the Bank.

Key Developments in FY25/26

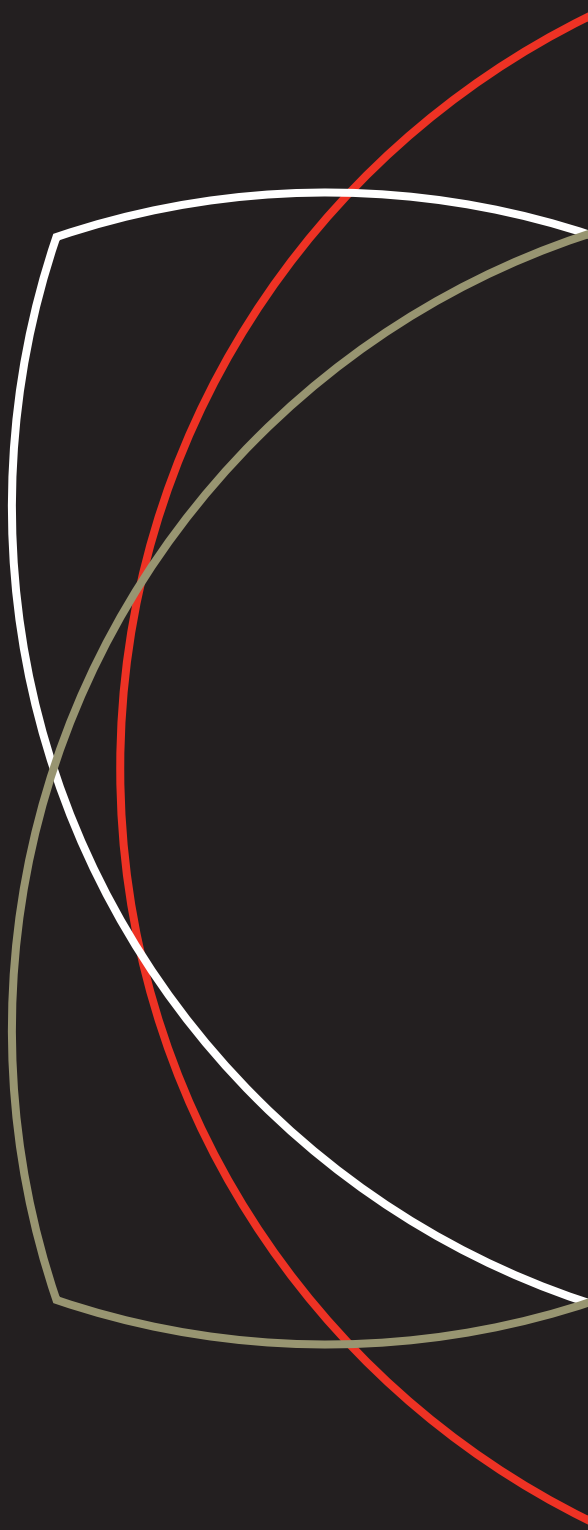
During the financial year under review, the Bank enhanced its fraud risk management posture through the implementation of the following initiatives:

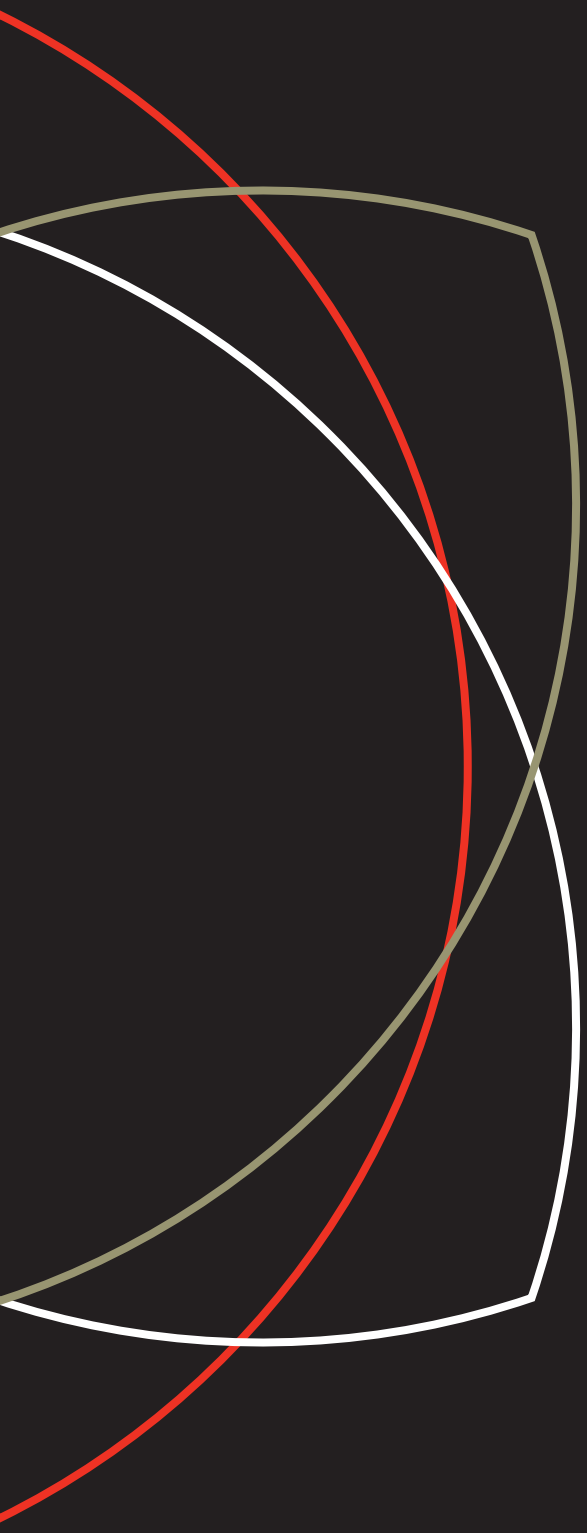
- **Fraud risk management training** was conducted for all staff of the bank;
- The Bank was a supporter of the International Fraud Awareness Week held from 16 to 22 November 2025 organised by the ACFE whereby various resources were shared with staff to help them recognise red flags and protect themselves and the bank against fraud.
- Review of **fraud-specific Key Performance Indicators (KPIs)** to better monitor risk trends and control effectiveness;
- Weekly multi-stakeholder **fraud risk meetings** to address emerging risks and ensure coordination;
- A review of the fraud risk assessment conducted in light of fraud incidents reported and evolving fraud risks.
- The bank's fraud risk register was updated to incorporate new and emerging fraud risks.
- Engage with Visa and Mastercard to review and enhance existing fraud detection rules, while implementing additional fraud prevention rules to strengthen real-time transaction authorization and fraud detection capabilities.

In response to the evolving fraud risk landscape, the Bank continues to invest in technological enhancements, reinforcing staff capabilities, and adapt its risk controls to emerging threats. A strong culture of risk awareness and integrity is being fostered through ongoing training, fraud culture assessments, and reinforced internal reporting protocols.

AfrAsia Bank remains committed to further strengthen its fraud risk defences, prioritise customer protection, and maintain rigorous compliance with the Bank of Mauritius guidelines. Through vigilant oversight, continuous enhancement of controls, and a culture rooted in ethical conduct, the Bank aim to mitigate the impact of fraud and uphold the trust placed in us by our customers, regulators, and shareholders.

Purpose Driven. Growing Stronger.





Progress is not simply about growing bigger, but growing better. Building on resilient performance, we are reinforcing our foundations, developing our expertise and pursuing excellence to create a stronger, more agile organisation.

Statement of management's responsibility for financial reporting

The consolidated and separate financial statements of the Group's and the Bank's operations in Mauritius presented in this annual report have been prepared by management, which is responsible for their integrity, consistency, objectivity, and reliability. The IFRS Accounting Standards as issued by the International Accounting Standards Board as well as the requirements of The Companies Act 2001 of Mauritius, The Banking Act 2004 (as amended), Financial Report Act 2004 (as amended) and the guidelines issued by the Bank of Mauritius, have been applied in the preparation and fair presentation of the financial statements for the year ended 30 June 2026 and management has exercised its judgement and made best estimates where deemed necessary.

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

The Bank's Board of Directors acts in part through the Audit Committee, Cyber & Technology Committee, Nomination & Remuneration Committee and Risk Committee, which comprise executive, non-executive and independent directors, oversee management's responsibility for financial reporting, internal controls, assessment and control of major risk areas, and assessment of significant and related party transactions.

The Bank's internal auditors, who have full and free access to the Audit Committee, conduct a well-designed programme of internal audits. In addition, the Bank's compliance function maintains policies, procedures, and programs directed at ensuring compliance with regulatory requirements.

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

The Bank's external auditors, Ernst & Young, have full and free access to the Board of Directors and its Committees to discuss the audit and matters arising therefrom, such as their observations on the fairness of financial reporting and the adequacy of internal controls.



OLIVIER EMMANUEL JAUFFRET
Chairperson



VISHAL KUMAR JOYRAM
Chief Executive Officer



ALASTAIR JAMES BRYCE
Audit Committee Chairperson

Date: 09 September 2026

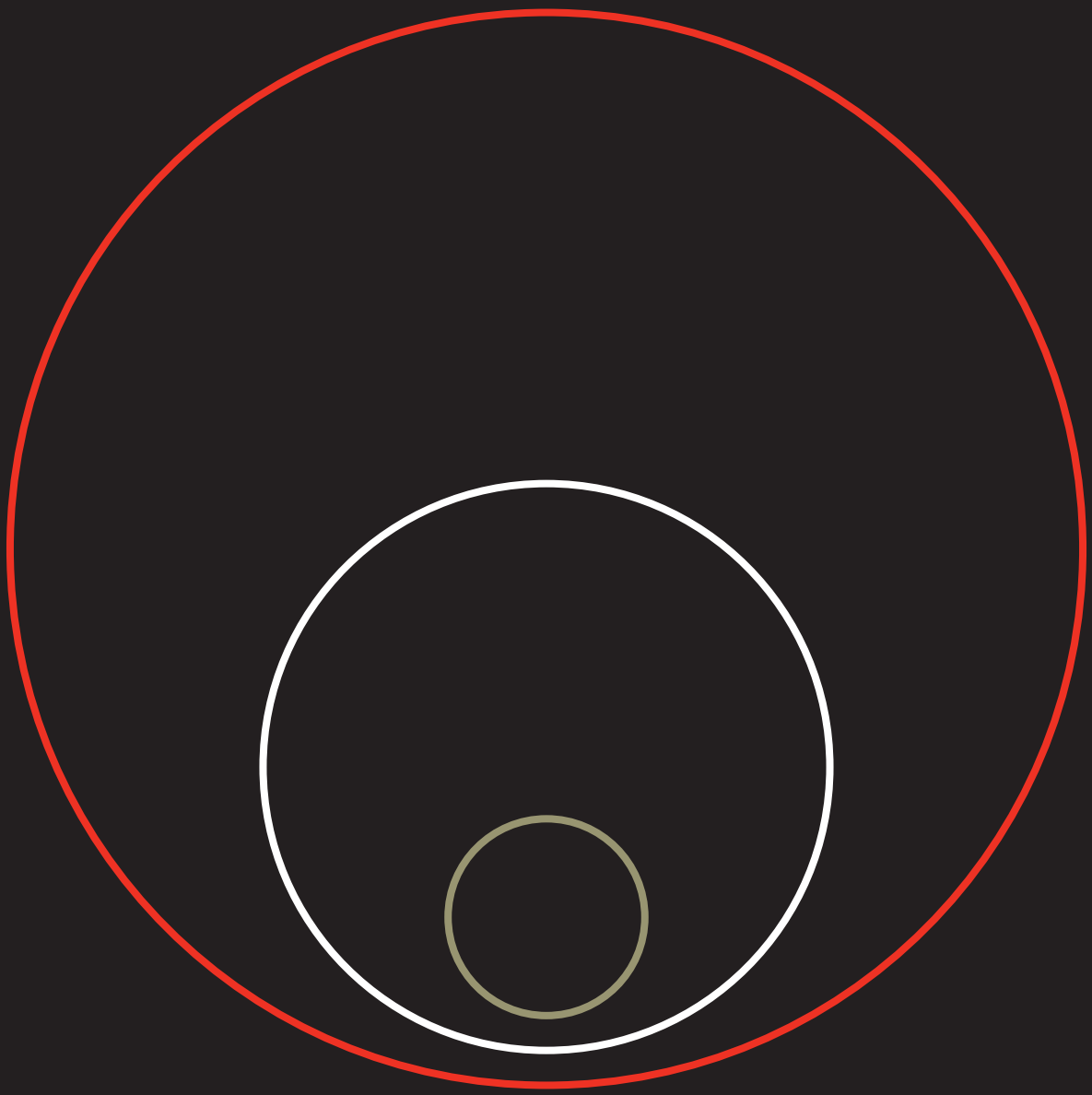
Certificate from the company secretary

In terms of Section 166(d) of the Mauritius Companies Act 2001, we certify that, to the best of our knowledge and belief, AfrAsia Bank Limited (the "Bank"), has filed with the Registrar of Companies all such returns as are required of the Bank under the Mauritius Companies Act 2001 for the year ended 30 June 2026.



ANDY CHAN SOON SEN
Company Secretary

Date: 09 September 2026



Creating Impact. Building Lasting Value.

Our commitment extends beyond banking. Through sustainable finance, environmental stewardship and community initiatives, we are translating purpose into meaningful action, contributing to a more inclusive and sustainable future.

Independent Auditor's Report To the members of AfrAsia Bank Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of AfrAsia Bank Limited (the "Bank") and its subsidiary (the "Group") set out on pages 162 to 274 of section B of the Annual report 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, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and Bank 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 and comply with the Companies Act 2001, Banking Act 2004 and Financial Reporting Act 2004.

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Independent Auditor's Report
To the members of AfrAsia Bank Limited (cont'd)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CON'D)

Key Audit Matters (cont'd)

The Key Audit Matter applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Expected credit losses (ECL) on loans and advances to customers and banks. Expected credit losses (ECL) relating to loans and advances to customers and banks, disclosed in note 16(a) and note 16(b), represent management's best estimates of the losses within the loan portfolios at the reporting date. We identified the audit of ECL on loans and advances to customers and banks as a key audit matter owing to the following: • The ECL provision on loans and advances to customers and banks amounting to Mur 2.7bn as at 30 June 2026 (2025: Mur 2.3bn) is material to the Group and the Bank; • The impairment calculations involve significant judgement and estimation uncertainty, particularly in determining the key components of the ECL model, that is PD, EAD, LGD and the incorporation of forward-looking information; assessing significant increase in credit risk (SICR); and estimating loss events, expected recoveries and collateral values for stage 3 assets.	To address the key audit matter: • We evaluated the governance framework over the ECL process, including management's oversight, periodic re-assessment of model performance, and the roles of relevant committees such as risk management, to ensure adequate identification and mitigation of impairment risks in the Group's and Bank's loan portfolios. • We performed procedures over the Group's and the Bank's ECL methodology, including the design, implementation and application of the model, staging assessments, key data inputs and governance over significant judgements and assumptions.

Independent Auditor's Report To the members of AfrAsia Bank Limited (cont'd)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CON'D)

Key Audit Matters (cont'd)

Key Audit Matter	How the matter was addressed in the audit
The following specific areas require significant judgements and make use of estimates: **1. Modelled ECL impairment losses - Stage 1 and stage 2 loans and advances to customers and banks** A significant portion of ECL is calculated on a portfolio basis. This requires the use of statistical models which incorporates data and assumptions which are not always observable. There is judgement applied with respect to the relevant inputs to the model as well as in the determination of the most appropriate assumptions and estimates applied within the credit impairment parameters, i.e., Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). IFRS 9 also requires the measurement of ECL on a forward-looking basis based on reasonable and supportable information, including the impact of future macroeconomic conditions. The Group and the Bank has employed statistical models to quantify the relationships between Probability of Default (PD) and macroeconomic variables to model forward-looking PDs for the estimation of ECL.	**1. Modelled ECL impairment losses - Stage 1 and stage 2 loans and advances to customers and banks** We involved our team of specialists to assist in: • Assessing whether the design and specifications of the ECL models and the assumptions behind their underlying parameters, i.e., Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) were in line with the requirements of IFRS 9 Financial Instruments. • Assessing whether the ECL models were correctly implemented, through reperformance of the key model parameters, as per the documented methodology, as well as an independent reperformance of the ECL calculations. • Testing the alignment between modelled outcomes and actual experience through back-testing • Developing an independent challenger assessment where applicable. • Assessing the appropriateness of the forward-looking information incorporated into the models. Independent ECL quantifications have been performed to test the key assumptions of the model to assess whether the resulting ECL estimates were reasonable. The appropriateness of the macroeconomic forecasts used was reviewed through benchmarking against independent external sources. The team also tested the design and implementation over the approval of updated forward-looking information used within the models.

Independent Auditor's Report
To the members of AfrAsia Bank Limited (cont'd)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CON'D)

Key Audit Matters (cont'd)

Key Audit Matter	How the matter was addressed in the audit
2. Assessing significant Increase in credit risk (SICR) Significant increase in credit risk (SICR) is assessed based on the current risk of default of an account relative to its risk of default at origination. This assessment, and the determination of credit impaired loans and advances to customers and banks, incorporates judgement by management.	**2. Assessing significant Increase in credit risk (SICR)** We evaluated the criteria applied in determining and identifying loans and advances to customers and banks that exhibit a significant increase in credit risk, as well as the ongoing monitoring of stage 2 and stage 3 exposures. We also reviewed the appropriateness of the Group's and the Bank's Significant Increase in Credit Risk (SICR) methodologies and performed tests on the stage allocations, including SICR triggers, for a selected sample of individual exposures across the Group's and the Bank's portfolios.

Independent Auditor's Report To the members of AfrAsia Bank Limited (cont'd)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CON'D)

Key Audit Matters (cont'd)

Key Audit Matter	How the matter was addressed in the audit
3. Stage 3 ECL provisions assessed on an individual basis • A significant portion of loans and advances to customers and banks are assessed for recoverability on an individual basis once categorised as stage 3. Significant judgements, estimates and assumptions are applied by management to: o Determine if the loans and advances are credit impaired; and o Evaluate the valuation and recoverability and timing of the recoverability of collaterals.	**3. Stage 3 ECL provisions assessed on an individual basis** • We assessed the reasonableness of management judgements used to determine the completeness of credit impaired exposures; • We assessed management's identification of credit-impaired loans, including whether selected exposures were appropriately classified as stage 3, by: o Reviewing minutes of Board Risk Committee and the Impairment Management Committee; o Obtaining and testing loan arrears reports and performing backstop procedures to ensure completeness of the Stage 3 loans and advances; o Identifying loan facilities meeting certain criteria such as financial difficulties of the borrower and restructuring loans and ensuring that these are included in the list of credit impaired facilities. • Our procedures focused on assessing the reasonableness of the estimate of the amount and timing of expected future cash flow used in measuring ECL. • Where exposures were collateralised, we tested the Group's and the Bank's legal right to the collateral by inspecting legal agreements. We assessed the reasonableness of collateral valuations by evaluating key assumptions against available market information and assessed the reasonableness of the expected realisation period. Where management engaged specialists, we evaluated their competence and objectivity.

Independent Auditor's Report
To the members of AfrAsia Bank Limited (cont'd)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 274-page document titled 'AFRASIA BANK LIMITED ANNUAL REPORT 2026', which includes the chairperson's message, the chief executive officer's message, the management discussion and analysis, the corporate governance report, the risk management report, the statement of management's responsibility for financial reporting and the certificate from the company secretary.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or 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 the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2001, Banking Act 2004 and 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 Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Bank or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional 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.

Independent Auditor's Report To the members of AfrAsia Bank Limited (cont'd)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Group and/or the Bank 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 consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

Independent Auditor's Report
To the members of AfrAsia Bank Limited (cont'd)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with or interests in the Bank or any of its subsidiaries other than in our capacity as auditor and dealings in the ordinary course of business.

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

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

Banking Act 2004

In our opinion, the consolidated and separate financial statements have been prepared on a consistent basis and are complete, fair and properly drawn up and comply with the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius.

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

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report. 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 has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.



ERNST & YOUNG
Ebene, Mauritius



THIERRY LEUNG HING WAH, F.C.C.A
Licensed by FRC

Date: 09 September 2026

Statements of profit or loss and other comprehensive income

FOR THE YEAR ENDED 30 JUNE 2026

		THE GROUP			THE BANK		
		2026	2025	2024	**2026**	2025	2024
	Notes	**MUR'000**	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Interest income	**4(a)**	**13,189,326**	12,258,030	11,402,418	**13,189,326**	12,258,030	11,402,418
Interest expense	**4(b)**	**(4,902,480)**	(5,047,070)	(4,258,025)	**(4,902,480)**	(5,047,070)	(4,258,025)
Net interest income, calculated using EIR method		**8,286,846**	7,210,960	7,144,393	**8,286,846**	7,210,960	7,144,393
Fee and commission income	**5(a)**	**1,697,234**	1,571,052	1,412,811	**1,697,234**	1,571,052	1,412,811
Fee and commission expense	**5(b)**	**(572,269)**	(521,808)	(476,540)	**(572,269)**	(521,808)	(476,539)
Net fee and commission income		**1,124,965**	1,049,244	936,271	**1,124,965**	1,049,244	936,272
Net trading income	**6**	**2,458,439**	2,099,321	1,829,991	**2,458,432**	2,099,329	1,829,986
Other gains/(losses)	**7(a)**	**353**	(874)	1,187	**353**	(874)	1,187
Other operating income	**7(b)**	**2,387**	658	4,069	**2,387**	658	4,069
Total operating income		**11,872,990**	10,359,309	9,915,911	**11,872,983**	10,359,317	9,915,907
Net impairment (loss)/credit on financial assets	**8**	**(184,437)**	(403,278)	49,315	**(184,437)**	(403,278)	49,315
Net operating income		**11,688,553**	9,956,031	9,965,226	**11,688,546**	9,956,039	9,965,222
Personnel expenses	**9**	**(1,588,158)**	(1,361,808)	(968,260)	**(1,588,158)**	(1,361,808)	(968,260)
Depreciation of property and equipment	**19**	**(107,550)**	(30,411)	(30,419)	**(107,550)**	(30,411)	(30,419)
Amortisation of right of use assets	**21**	**(66,453)**	(27,654)	(23,586)	**(66,453)**	(27,654)	(23,586)
Amortisation of intangible assets	**20**	**(40,890)**	(38,805)	(92,981)	**(40,890)**	(38,805)	(92,981)
Other operating expenses	**10**	**(1,016,378)**	(765,284)	(624,036)	**(1,015,955)**	(764,808)	(623,616)
Total operating expenses		**(2,819,429)**	(2,223,962)	(1,739,282)	**(2,819,006)**	(2,223,486)	(1,738,862)
Profit before tax		**8,869,124**	7,732,069	8,225,944	**8,869,540**	7,732,553	8,226,360
Tax expense	**11(b)**	**(2,027,859)**	(1,418,518)	(1,201,419)	**(2,027,859)**	(1,418,518)	(1,201,419)
Profit for the year		**6,841,265**	6,313,551	7,024,525	**6,841,681**	6,314,035	7,024,941
Other comprehensive income/(loss) that will not be reclassified to profit or loss:							
Remeasurement of employee benefits	**30**	**16,908**	(20,450)	(97,115)	**16,908**	(20,450)	(97,115)
Deferred tax on remeasurement of employee benefits	**11(d)**	**(2,443)**	6,934	13,151	**(2,443)**	6,934	13,151
Fair value gain on equity investments designated at fair value through other comprehensive income	**17(c)**	**2,669**	3,090	631	**2,669**	3,090	631
Exchange gain on equity investments designated at fair value through other comprehensive income	**17(c)**	**394**	807	330	**394**	807	330
Other comprehensive income/(loss) for the year		**17,528**	(9,619)	(83,003)	**17,528**	(9,619)	(83,003)
Total comprehensive income for the year attributable to equity holders of the parent		**6,858,793**	6,303,932	6,941,522	**6,859,209**	6,304,416	6,941,938

The notes on pages 167 to 274 form an integral part of these financial statements. Auditor's report on pages 154 to 161.

Statements of financial position

AS AT 30 JUNE 2026

		THE GROUP			THE BANK		
		2026	2025	2024	**2026**	2025	2024
	Notes	**MUR'000**	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
ASSETS							
Cash and balances with banks	**13**	**13,388,062**	14,140,601	18,847,227	**13,388,062**	14,140,601	18,847,227
Due from banks	**14**	**28,316,776**	54,374,971	38,511,567	**28,316,776**	54,374,971	38,511,567
Derivative financial instruments	**15**	**132,220**	136,312	366,664	**132,220**	136,312	366,664
Loans and advances to banks	**16(a)**	**32,222,810**	20,955,184	14,647,416	**32,222,810**	20,955,184	14,647,416
Loans and advances to customers	**16(b)**	**80,369,566**	54,733,965	47,857,486	**80,369,566**	54,733,965	47,857,486
Investment securities	**17**	**173,684,760**	130,601,501	134,697,387	**173,684,760**	130,601,501	134,697,387
Other assets	**22**	**10,959,327**	6,578,196	5,608,828	**10,959,326**	6,578,190	5,608,822
Property and equipment	**19**	**756,928**	796,515	604,442	**756,928**	796,515	604,442
Right of use assets	**21**	**429,043**	441,847	45,421	**429,043**	441,847	45,421
Intangible assets	**20**	**254,065**	262,569	265,545	**254,065**	262,569	265,545
Deferred tax assets	**11(d)**	**469,178**	379,952	294,219	**469,178**	379,952	294,219
TOTAL ASSETS		**340,982,735**	283,401,613	261,746,202	**340,982,734**	283,401,607	261,746,196
EQUITY AND LIABILITIES							
LIABILITIES							
Due to banks	**23**	**11,572**	2	868	**11,572**	2	868
Deposits from banks	**24**	**694,311**	200,548	335,051	**694,311**	200,548	335,051
Deposits from customers	**25**	**310,144,154**	257,972,767	239,910,949	**310,145,776**	257,974,800	239,913,413
Borrowings from financial institution	**26**	**142,977**	157,253	167,183	**142,977**	157,253	167,183
Derivative financial instruments	**15**	**110,763**	78,394	224,771	**110,763**	78,394	224,771
Current tax liabilities	**11(a)**	**1,002,706**	431,413	522,721	**1,002,706**	431,413	522,721
Lease liabilities	**21**	**450,122**	444,038	44,582	**450,122**	444,038	44,582
Other liabilities	**27**	**872,919**	979,142	1,082,422	**871,999**	978,222	1,081,555
Employee benefits	**30**	**184,469**	188,174	186,599	**184,469**	188,174	186,599
TOTAL LIABILITIES		**313,613,993**	260,451,731	242,475,146	**313,614,695**	260,452,844	242,476,743
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							
Ordinary shares	**28**	**3,641,049**	3,641,049	3,641,049	**3,641,049**	3,641,049	3,641,049
Class A shares	**29**	**1,385,768**	1,385,768	1,385,768	**1,385,768**	1,385,768	1,385,768
Retained earnings	**31**	**15,594,017**	12,470,049	10,379,176	**15,593,314**	12,450,419	10,359,062
Other reserves	**31**	**6,747,908**	5,453,016	3,865,063	**6,747,908**	5,471,527	3,883,574
TOTAL EQUITY		**27,368,742**	22,949,882	19,271,056	**27,368,039**	22,948,763	19,269,453
TOTAL EQUITY AND LIABILITIES		**340,982,735**	283,401,613	261,746,202	**340,982,734**	283,401,607	261,746,196

The financial statements have been approved by the Board of Directors and authorised for issue on 09 September 2026.



OLIVIER EMMANUEL JAUFFRET
Chairperson



VISHAL KUMAR JOYRAM
Chief Executive Officer



ALASTAIR JAMES BRYCE
Audit Committee Chairperson

The notes on pages 167 to 274 form an integral part of these financial statements. Auditor's report on pages 154 to 161.

Statements of changes in equity

FOR THE YEAR ENDED 30 JUNE 2026

(a) THE GROUP	Notes	Ordinary shares	Class A shares	Retained earnings	Other reserves	Total
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Attributable to equity holders of the parent						
At 1 July 2023		3,641,049	1,385,768	7,724,718	2,697,223	15,448,758
Profit for the year		-	-	7,024,525	-	7,024,525
Other comprehensive (loss)/income		-	-	(83,964)	961	(83,003)
Total comprehensive income for the year		-	-	6,940,561	961	6,941,522
Appropriation of reserves	31	-	-	(1,087,670)	1,087,670	-
Additional provision in relation to Bank of Mauritius Guideline	31	-	-	(79,209)	79,209	-
Dividends	12	-	-	(3,119,224)	-	(3,119,224)
At 30 June 2024		3,641,049	1,385,768	10,379,176	3,865,063	19,271,056
At 1 July 2024		3,641,049	1,385,768	10,379,176	3,865,063	19,271,056
Profit for the year		-	-	6,313,551	-	6,313,551
Other comprehensive (loss)/income		-	-	(13,516)	3,897	(9,619)
Total comprehensive income for the year		-	-	6,300,035	3,897	6,303,932
Appropriation of reserves	31	-	-	(902,196)	902,196	-
Additional provision in relation to Bank of Mauritius Guideline	31	-	-	(681,860)	681,860	-
Dividends	12	-	-	(2,625,106)	-	(2,625,106)
At 30 June 2025		3,641,049	1,385,768	12,470,049	5,453,016	22,949,882
At 1 July 2025		**3,641,049**	**1,385,768**	**12,470,049**	**5,453,016**	**22,949,882**
Profit for the year		**-**	**-**	**6,841,265**	**-**	**6,841,265**
Other comprehensive income		**-**	**-**	**14,465**	**3,063**	**17,528**
Total comprehensive income for the year		**-**	**-**	**6,855,730**	**3,063**	**6,858,793**
Appropriation of reserves	31	**-**	**-**	**(984,849)**	**984,849**	**-**
Additional provision in relation to Bank of Mauritius Guideline	31	**-**	**-**	**(288,469)**	**288,469**	**-**
Derecognition of Financial Assets at FVOCI	31	**-**	**-**	**(18,511)**	**18,511**	**-**
Dividends	12	**-**	**-**	**(2,439,933)**	**-**	**(2,439,933)**
At 30 June 2026		**3,641,049**	**1,385,768**	**15,594,017**	**6,747,908**	**27,368,742**

The notes on pages 167 to 274 form an integral part of these financial statements. Auditor's report on pages 154 to 161.

Statements of changes in equity (cont'd)

FOR THE YEAR ENDED 30 JUNE 2026

(b) THE BANK	Notes	Ordinary shares	Class A shares	Retained earnings	Other reserves	Total
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July 2023		3,641,049	1,385,768	7,704,188	2,715,734	15,446,739
Profit for the year		-	-	7,024,941	-	7,024,941
Other comprehensive income		-	-	(83,964)	961	(83,003)
Total comprehensive income for the year		-	-	6,940,977	961	6,941,938
Appropriation of reserves	31	-	-	(1,087,670)	1,087,670	-
Additional provision in relation to Bank of Mauritius Guideline	31	-	-	(79,209)	79,209	-
Dividends	12	-	-	(3,119,224)	-	(3,119,224)
At 30 June 2024		3,641,049	1,385,768	10,359,062	3,883,574	19,269,453
At 1 July 2024		3,641,049	1,385,768	10,359,062	3,883,574	19,269,453
Profit for the year		-	-	6,314,035	-	6,314,035
Other comprehensive (loss)/income		-	-	(13,516)	3,897	(9,619)
Total comprehensive income for the year		-	-	6,300,519	3,897	6,304,416
Appropriation of reserves	31	-	-	(902,196)	902,196	-
Additional provision in relation to Bank of Mauritius Guideline	31	-	-	(681,860)	681,860	-
Dividends	12	-	-	(2,625,106)	-	(2,625,106)
At 30 June 2025		3,641,049	1,385,768	12,450,419	5,471,527	22,948,763
At 1 July 2025		**3,641,049**	**1,385,768**	**12,450,419**	**5,471,527**	**22,948,763**
Profit for the year		**-**	**-**	**6,841,681**	**-**	**6,841,681**
Other comprehensive income		**-**	**-**	**14,465**	**3,063**	**17,528**
Total comprehensive income for the year		**-**	**-**	**6,856,146**	**3,063**	**6,859,209**
Appropriation of reserves	**31**	**-**	**-**	**(984,849)**	**984,849**	**-**
Additional provision in relation to Bank of Mauritius Guideline	**31**	**-**	**-**	**(288,469)**	**288,469**	**-**
Dividends	**12**	**-**	**-**	**(2,439,933)**	**-**	**(2,439,933)**
At 30 June 2026		**3,641,049**	**1,385,768**	**15,593,314**	**6,747,908**	**27,368,039**

The notes on pages 167 to 274 form an integral part of these financial statements. Auditor's report on pages 154 to 161.

Statements of cash flows

FOR THE YEAR ENDED 30 JUNE 2026

	Notes	THE GROUP			THE BANK		
		2026	2025	2024	**2026**	2025	2024
		MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
OPERATING ACTIVITIES							
Cash flows (used in)/generated from operating activities	**33(b)**	**(12,675,380)**	19,130,388	(2,768,991)	**(12,675,380)**	19,130,388	(2,768,984)
Tax paid	**11**	**(1,548,994)**	(1,588,625)	(1,500,952)	**(1,548,994)**	(1,588,625)	(1,500,952)
Net cash flows (used in)/generated from operating activities		**(14,224,374)**	17,541,763	(4,269,943)	**(14,224,374)**	17,541,763	(4,269,936)
INVESTING ACTIVITIES							
Purchase of property and equipment	**19**	**(67,963)**	(202,436)	(475,700)	**(67,963)**	(202,436)	(475,700)
Proceeds from disposal of property and equipment		**-**	1,000	-	**-**	1,000	-
Purchase of intangible assets	**20**	**(32,386)**	(35,829)	(77,387)	**(32,386)**	(35,829)	(77,387)
Net cash flows used in investing activities		**(100,349)**	(237,265)	(553,087)	**(100,349)**	(237,265)	(553,087)
FINANCING ACTIVITIES							
Repayment of principal portion of lease liabilities	**21**	**(46,823)**	(24,545)	(23,589)	**(46,823)**	(24,545)	(23,589)
Dividends paid		**(2,439,044)**	(2,625,045)	(3,119,224)	**(2,439,044)**	(2,625,045)	(3,119,224)
Net cash flows used in financing activities		**(2,485,867)**	(2,649,590)	(3,142,813)	**(2,485,867)**	(2,649,590)	(3,142,813)
Net cash flows for the year		**(16,810,590)**	14,654,908	(7,965,843)	**(16,810,590)**	14,654,908	(7,965,836)
Movement in cash and cash equivalents							
Cash and cash equivalents at 1 July		**58,058,815**	44,194,541	50,552,201	**58,058,815**	44,194,541	50,552,194
Net (decrease)/increase in cash and cash equivalents		**(16,810,590)**	14,654,908	(7,965,843)	**(16,810,590)**	14,654,908	(7,965,836)
Net foreign exchange difference		**446,542**	(790,634)	1,608,183	**446,542**	(790,634)	1,608,183
Cash and cash equivalents at 30 June	**33(a)**	**41,694,767**	58,058,815	44,194,541	**41,694,767**	58,058,815	44,194,541

The notes on pages 167 to 274 form an integral part of these financial statements. Auditor's report on pages 154 to 161.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

1. CORPORATE INFORMATION

AfrAsia Bank Limited ("the Bank") is a public company incorporated and domiciled in the Republic of Mauritius. The principal activity of the Bank and of its subsidiary (together referred to in this report as "the Group") is the provision of financial services in the Indian Ocean region. Its registered office is at AfrAsia Tower, Tribeca Central, Trianon 72261, Mauritius.

The Bank has one offshore representative office in Johannesburg and a branch in Dubai. The relevant costs and income derived from these offices have been included in these financial statements.

On 22 July 2025, The Access Bank UK Ltd acquired 76% of the Bank's issued share capital through its wholly owned subsidiary, Access Holdings (Mauritius) Ltd from the previous major shareholders IBL Ltd and National Bank of Canada along with certain minority shareholders. This transaction resulted in a change in the ownership structure of the Bank. Accordingly, the immediate parent company is Access Holdings (Mauritius) Ltd, The Access Bank UK Ltd is the intermediate parent, and Access Holdings Plc is the ultimate parent.

2. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Group and the Bank have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2025.

New and revised standards that are effective for the current year

The following amendments were effective in the current reporting period:

Lack of exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, *Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates* specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have any impact on the Group's and the Bank's consolidated and separate financial statements.

New and revised standards in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant IFRS Accounting Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 21 The Effects of Changes in Foreign Exchange Rates – Amendments regarding translations to a hyperinflationary presentation currency (effective 1 January 2027)

IFRS 7 Financial Instruments: Disclosures – Amendments regarding the classification and measurement of financial instruments (effective 1 January 2026)

IFRS 9 Financial Instruments – Amendments regarding the classification and measurement of financial instruments (effective 1 January 2026)

IFRS 18 Presentation and Disclosures in Financial Statements – Original issue (effective 1 January 2027)

The directors anticipate that these Standards and Interpretations will be applied in the Group's and the Bank's financial statements at the above effective dates in future periods. The directors assessed the impact of the standards, interpretations, and amendments effective 1 July 2025 on the financial statements and does not anticipate any of these items to have an impact on the Group and the Bank. For the new and revised standards effective post 1 July 2025, the directors are currently assessing the potential impact of the application of these amendments.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

3A. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of the consolidated and separate financial statements are set out below.

(a) Basis of preparation

The consolidated and separate financial statements of the Group and the Bank have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value as explained in the accounting policies.

In estimating the fair value of an asset or a liability, the Group and the Bank take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

Statement of compliance

The consolidated and separate financial statements of the Group and the Bank have been prepared in accordance with IFRS accounting standards as issued by the IASB and in compliance with the Mauritius Companies Act 2001, the Guidelines and Guidance Notes issued by the Bank of Mauritius, the Financial Reporting Act 2004 and the Banking Act 2004.

Presentation of financial statements

The financial statements are presented in Mauritian Rupees ('MUR') and all values are rounded to the nearest thousand except when otherwise indicated.

The Group and the Bank present their statements of financial position broadly 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 37 (c).

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and entity controlled by the Bank (its subsidiary). Control is achieved when the Bank 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 Bank controls an investee if and only if the Bank has:

(i) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its involvement with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

The Bank re-assesses whether or not 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 Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(c) Foreign currency translation

The consolidated and separate financial statements are presented in Mauritian Rupees ('MUR'). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange at the reporting date and all differences are recognised in profit or loss.

Non-monetary items that are measured in terms of 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 spot exchange rates at the date when the fair value was determined.

3A. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(d) Recognition of income and expenses

(i) Net interest income

Interest income and expense for all financial instruments except for those equity instruments classified as held for trading or those measured or designated as at fair value though profit or loss ('FVTPL') are recognised in 'Net interest income' as 'Interest income' and 'Interest expense' in profit or loss using the effective interest method. Interest on financial instruments measured as at FVTPL is included within the fair value movement during the year in 'Net trading income'.

The interest income/interest expense is calculated by applying the effective interest rate ("EIR") to the gross carrying amount of non-credit impaired financial assets (i.e., at the amortised cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortised cost of financial liabilities. For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e., the gross carrying amount less the allowance for ECLs).

(ii) Net fee and commission income

Fee and commission income and expense include fees other than those that are an integral part of EIR. The Group and the Bank earn fee and commission income from a diverse range of services being provided to its customers. Fee income can be categorised as follows:

Fee income earned from services provided

These fees include commission income, custody fee income and other card and fee income. The fees are recognised as the related services are provided.

Loan origination fees and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and this is accounted for under Note 4 'Net Interest income' and then applies IFRS 15 to the residual which is accounted for under Note 5 'Net Fee and commission income'.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the performance obligations. Such income is disclosed under "Fee and commission income – others" under Note 5.

(iii) Net trading income

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities held-for-trading.

(e) Financial instruments

Financial assets and financial liabilities

Financial assets and financial liabilities (excluding regular way trades) are recognised in the statements of financial position when the Group and the Bank become a party to the contractual provisions of the instrument. Recognised financial assets and financial liabilities are initially measured at fair value. Regular way trades are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. These are recognised using settlement date accounting and are applied both for financial assets mandatorily measured at FVTPL and financial assets measured at amortised cost.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

3A. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(e) Financial instruments (cont'd)

Financial assets and financial liabilities (cont'd)

If the transaction price differs from fair value at initial recognition, the entity will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e., day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e., day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

The Group and the Bank have not applied hedge accounting to its financial instruments during the years ended 30 June 2024, 2025 and 2026.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL.

Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss. For all financial assets the amount presented on the statements of financial position represent all amounts receivable including interest accruals. All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income (FVTOCI); and
- all other debt instruments (e.g., debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the entity may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the entity may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in OCI; and
- the entity may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

The Group and the Bank have not designated any debt instruments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

The Group and the Bank have granted loans, as part of syndicated loan arrangement, that include features that change contractual cash flows based on the borrower meeting certain contractually specified targets. For example, the contractual interest rate is reduced if the borrower meets specific targets, such as achieving a certain percentage of women in middle and senior management positions or reducing carbon emissions. If the ESG feature could only have a de minimis effect on the contractual cash flows of the loans, then the feature does not affect the classification of the loan. Where ESG-linked features may have more than a de minimis effect on contractual cash flows, an assessment is performed to determine whether the resulting cash flow variability remains consistent with contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment considers whether the ESG-linked adjustments represent compensation for credit risk or other risks and costs that are consistent with a basic lending arrangement, or whether they introduce exposure to risks that are inconsistent with the SPPI criterion. Following the latest assessment performed, the ESG feature is considered to be de minimis and does not affect the classification of the loan.

3A. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(e) Financial instruments (cont'd)

Equity instruments designated at FVTOCI

On initial recognition, the entity may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has evidence of a recent actual pattern of short-term profit taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Cash and cash equivalents

Cash and cash equivalents as referred to in the cash flow statements comprises cash in hand, non–restricted current accounts with the Central Bank, cash held with other banks, net of outstanding bank overdrafts, and amounts due from banks on demand or with an original maturity of three months or less.

Financial guarantees

In the ordinary course of business, the Group and the Bank give financial guarantees, consisting of letters of credit, bank guarantees and acceptances. Financial guarantee contracts issued by an entity are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the entity's revenue recognition policies.

Any increase in the liability relating to financial guarantees is recorded in the statements of profit or loss and other comprehensive income. The premium received is recognised in the statements of profit or loss and other comprehensive income in 'Fee and commission income' at a point in time when the financial guarantee is issued.

Impairment of financial assets

Expected Credit Loss ("ECL") is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. the portion of lifetime ECL associated with the possibility of a facility defaulting over the next 12 months after reporting date, (referred to as Stage 1 ECL). The ECL of financial instruments with maturity less than 12 months, will be the credit losses expected over the period to maturity;
- lifetime ECL, i.e., the expected losses from a borrower defaulting on its obligation throughout the life of the facility (referred to as Stage 2 ECL, or Non-Performing Assets, classified as Stage 3) on the basis that the financial asset is credit impaired.

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments which are not impaired ECLs are measured at an amount equal to the 12-month ECL. More details on the determination of a significant increase in credit risk (SICR) are provided in Note 37 (b).

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

3A. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(e) Financial instruments (cont'd)

Impairment of financial assets (cont'd)

The calculation of ECL is performed on a quarterly basis or as and when required, using the probabilities of default (PD), loss given default (LGD) and exposure at default (EAD) at account level. For Stage 1 assets, ECLs are calculated based on a 12-month horizon. The ECLs expected to occur in months 1 to 12 are not discounted, whereas any ECLs estimated beyond 12 months—specifically from months 13 to 24—are discounted back by one year to reflect their present value. For Stage 2 assets whereby loss provisions are based on a lifetime ECL estimate, ECLs are calculated separately for Year 0, Year 1, Year 2 and so on up to the residual maturity of the facility. The present value of these annual ECLs is then taken as lifetime ECL by discounting based on the effective interest rate. For stage 3, ECL is estimated based on discounted expected recovery cashflows.

The Group and the Bank assessed on a forward-looking basis the ECL associated with:

- loans and advances to banks and customers;
- due from banks;
- debt instruments at amortised cost;
- debt instruments at FVTOCI;
- loan commitments issued; and
- financial guarantee contracts issued.

The Bank recognizes a loss allowance for such losses at the end of each reporting period. The measurement of ECL reflects:

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

More information on measurement of ECLs is provided in Note 37.

Credit impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets.

Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event with 91 days or more in arrears;
- the lender, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event - instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group and the Bank assess whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Group and the Bank consider factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

3A. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(e) Financial instruments (cont'd)

Credit impaired financial assets (cont'd)

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a backstop if amounts are overdue for 91 days or more.

The Group and the Bank do not hold any purchased or originated credit impaired financial assets.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the PD which affects both the measurement of ECLs and the identification of a SICR (see Note 37 (b)).

The Group and the Bank consider the following as constituting an event of default when:

- the borrower is in arrears for 91 days or more on any material credit obligation to the Group and the Bank; or
- the borrower is unlikely to pay its credit obligations to the Group and the Bank in full.

This definition of default is used by the Group and the Bank for accounting purposes as well as for internal credit risk management purposes and is broadly aligned to the regulatory definition of default. The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding. When assessing if the borrower is unlikely to pay its credit obligation, the Group and the Bank consider both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. For other qualitative criteria, refer to SICR below. The Bank applies these criteria for both Stage 2 or Stage 3 classification, depending on magnitude of such events. Of note, a non-performing credit facility, initially under Stage 1 is straightaway classified to Stage 3 in cases of serious signs of credit impairment.

The Group and the Bank use a variety of sources of information to assess default which are either developed internally or obtained from external sources. More details are provided in Note 37. As noted in the definition of credit impaired financial assets above, default is evidence that an asset is credit impaired. Therefore, credit impaired assets will include defaulted assets, but will also include other non-defaulted asset given the definition of credit impaired is broader than the definition of default.

Curing

It is the Bank's policy to consider a financial instrument as 'cured' and therefore reclassified out of Stage 3 to Stage 2 or from Stage 2 to Stage 1 when none of the default criteria or SICR triggers have been present for at least 6 consecutive months. This is carried out in line with IFRS 9 policy and Credit Impairment Policy. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit rating, at the time of the cure, and whether this indicates there has been a SICR compared to initial recognition.

Significant increase in credit risk (SICR)

In accordance with IFRS 9 Financial Instruments, the Group and the Bank actively monitor all financial assets, loan commitments, and financial guarantee contracts subject to impairment requirements to determine whether Significant Increase in Credit Risk (SICR) has occurred since initial recognition. Upon identification of SICR, a lifetime Expected Credit Loss (ECL) is recognised, replacing 12-month ECL previously applied.

The Group and the Bank have elected not to apply IFRS 9 practical expedient that permits the assumption that financial instruments with 'low credit risk' at the reporting date have not experienced a significant increase in credit risk. Instead, all exposures–regardless of credit rating–are assessed individually for SICR to ensure a robust and risk-sensitive approach.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

3A. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(e) Financial instruments (cont'd)

Significant increase in credit risk (SICR) (cont'd)

SICR assessment is based on reasonable and supportable information available without undue cost or effort, including historical experience, current conditions and forward-looking information. SICR triggers are assessed on the basis of quantitative and qualitative indicators, with primary emphasis placed on Days Past Due (DPD) and internal credit risk grading.

Further information on the SICR assessment methodology, quantitative and qualitative indicators, staging criteria, governance framework and credit risk management practices is provided in the Credit Risk section of the Financial Risk Management disclosures (refer to Note 37(b)).

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g., a change to the increase in the interest rate that arises when covenants are breached).

Restructured loan is defined as a loan whose underlying terms and conditions have been reviewed and which constitutes a concession granted to a borrower for economic or legal reasons related to his financial condition. Restructured facilities remain classified as impaired if when, in the aggregate, the period of time the loan is in arrears before restructuring and after restructuring is 90 days or more. A facility that has been classified as impaired shall continue to be classified as impaired until repayments have been received by the financial institution, 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. If the facility is restructured more than once it shall continue to be classified as impaired until repayments have been received by the financial institution, 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.

Modification to loan contract other than restructuring are done through derecognition of existing loan and accounting for a new loan contract at amortised cost.

The Group and the Bank renegotiate loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness), change in interest rates and amendments to covenants. The Bank has a forbearance policy in place to cater for requests for restructuring of debts. When a financial asset is modified, the Group and the Bank assess whether this modification results in derecognition. In accordance with the Group's and the Bank's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms, the Group and the Bank consider the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or when rights to cash flows between the original counterparties expire because a new debtor replaces the original debtor (unless both debtors are under common control), the extent of change in interest rates, and maturity. If these do not clearly indicate a substantial modification, then;

- A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original EIR. If the difference in present value is greater than 10% the Group deems the arrangement is substantially different leading to derecognition. When performing a quantitative assessment of a modification or renegotiation of a credit-impaired financial asset or a purchased or originated credit-impaired financial asset that was subject to a write-off, the Group and the Bank consider the expected (rather than the contractual) cash flows before modification or renegotiation and compares those with the contractual cash flows after modification or renegotiation.

When performing a quantitative assessment of a modification or renegotiation of a credit-impaired financial asset or a purchased or originated credit-impaired financial asset that was subject to a write-off, the entity considers the expected (rather than the contractual) cash flows before modification or renegotiation and compares those with the contractual cash flows after modification or renegotiation. In the case where the financial asset is derecognized, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification.

3A. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(e) Financial instruments (cont'd)

Modification and derecognition of financial assets (cont'd)

The Group and the Bank monitor credit risk of modified financial assets by evaluating qualitative and quantitative information, as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the entity determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified as part of the forbearance policy, where modification did not result in derecognition, the estimate of PD reflects the ability to collect the modified cash flows taking into account the previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition, the loss allowance will continue to be measured at an amount equal to lifetime ECL. If a forborne loan is credit impaired due to the existence of evidence of credit impairment (see above), the Group and the Bank perform an ongoing assessment to ascertain if the problems of the exposure are cured, to determine if the loan is no longer credit-impaired. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous SICR. Where a modification does not lead to derecognition, the Group and the Bank calculate the modification loss by comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Modification losses for financial assets are included in the profit or loss account. Then the Group and the Bank measure ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Group and the Bank derecognise a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

If the Group and the Bank neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Group and the Bank recognise their retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Bank retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Bank continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss. On derecognition of a financial asset other than in its entirety (e.g., when the Group and the Bank retain an option to repurchase part of a transferred asset), the Group and the Bank allocate the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

Write-off

Loans and debt securities are written off when the Group and the Bank have no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group and the Bank determine that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. The bank may write off financial assets partially that are still subject to enforcement actions and efforts to recover the debts and have not yet been concluded where bank's recovery action is foreclosing on collateral and the value of collateral is such that there is no reasonable expectation for full recovery. Write-off requirements in IFRS 9 are considered at each reporting date and are not delayed until some arbitrary past due date has been reached.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

3A. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(e) Financial instruments (cont'd)

Write-off (cont'd)

A write-off constitutes a derecognition event. The Group and the Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's and the Bank's enforcement activities will result in impairment gains, which will be presented in 'net impairment loss on financial assets' in the statements of profit or loss.

Presentation of allowance for ECL in the statements of financial position

Loss allowances for ECLs are presented in the statements of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the statements of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the fair value reserve;
- for loan commitments and financial guarantee contracts: as a provision; and
- where a financial instrument includes both a drawn and an undrawn component, and the entity cannot identify the ECL on the loan commitment component separately from those on the drawn component: the entity presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Financial liabilities

Financial liabilities include deposits from banks, deposits from customers, due to banks, borrowings and liabilities (excluding provision) and are initially measured at fair value, net of transaction costs. These financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities measured at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL. The Group has financial liabilities held for trading which are measured at FVTPL. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains/losses arising on remeasurement recognised in profit or loss. The net gain/loss recognised in profit or loss incorporates any interest paid on the financial liability.

Derecognition and modification of financial liabilities

The Group and the Bank derecognise financial liabilities when, and only when, the Group's and the Bank's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. When the entity exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the entity accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. To determine if the modified terms of a liability are substantially different to the original terms a similar process with modification of financial assets is followed. The modification is assessed at first on a qualitative basis, factors such as a change in currency or the introduction of a non-closely related embedded derivative that significantly modifies the cash flows are regarded as substantially different. If it is not clear from the qualitative assessment that a modification has resulted in a substantial change in a financial liability, a quantitative assessment is applied. It is assumed that the terms of the financial liability are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

3A. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(e) Financial instruments (cont'd)

Derecognition and modification of financial liabilities (cont'd)

If the modification is not substantial, the Group and the Bank recalculate the amortised cost of the modified financial liability by discounting the modified contractual cash flows using the original EIR. The Group and the Bank recognise any adjustment to the amortised cost of the financial liability in profit or loss as income or expense at the date of the modification. The financial liability modification gain/loss is not significant for the Group and the Bank. Modification gains are presented in 'other operating income' and modification losses are presented in 'other operating expenses' in profit or loss.

(f) Derivative financial instruments

The Group and the Bank enter into a variety of derivative financial instruments some of which are held for trading while others are held to manage its exposure to interest rate risk; credit risk; and foreign exchange rate risk. Derivative held include forward contracts, spot position, swaps, foreign exchange option contracts, cross currency interest rate swap and interest rate swaps and structured deposits. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(g) Equity reserves

The reserves recorded in equity on the statements of financial position include:

- 'Fair value reserve' relates to the gain or loss arising from changes in the fair value of equity and debt instruments measured at FVTOCI;
- 'Statutory reserve' which represents 15% of the net profit transferred in accordance with the Banking Act 2004 until the amount equals the stated capital of the Group and the Bank;
- 'General banking reserve' which comprises amounts set aside for general banking risks including country risk; and
- 'Provision reserve' which represents the incremental regulatory provision required by the prudential guidelines whereby provisioning as per IFRS 9 requirements is lower than the minimum portfolio provision. The appropriation of reserves is performed in accordance with the requirements of the Bank of Mauritius Guideline on Classification, Provisioning and Write-off of Credit Exposures (2024).

(h) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented gross in the statements of financial position.

Income and expense will not be offset in the statements of profit or loss and other comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies.

(i) Dividend payable

Dividends on ordinary shares and Class A shares are recognised as a liability and deducted from equity when they are approved by the Bank's directors and the Bank of Mauritius. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

(j) Fair value measurement

The Group and the Bank measure financial instruments, such as derivatives, financial assets held for trading and equity investments, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 32 (b).

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

3A. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(j) Fair value measurement (cont'd)

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 and the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Bank use 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. Please refer to note 32 (a) for more details on the fair value hierarchy used by the Group and the Bank.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Bank determine 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 and the Bank have 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. An analysis of fair values of financial instruments and further details as to how they are measured is provided in Note 32 (a).

(k) Property and equipment

Property and equipment are stated at cost excluding the costs of day-to-day servicing, less subsequent accumulated depreciation and subsequent accumulated impairment in value. 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. An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Residual values and useful lives are reviewed at least at each financial year end and are as follows:

	Improvement to buildings	Furniture and fittings	Office equipment	Motor vehicles	Computer equipment
Rate	10%	10%	20%	14.29%	25%

(l) Intangible assets (excluding goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives and are as follows:

	Computer software	Banking software	Cards Related Assets
Rate	25%	14.29%	33.33%

3A. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(m) Leases

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

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

Right-of-use assets are amortised over the shorter period of lease term and useful life of the underlying asset. The Group and the Bank's lease terms generally range from 2 to 10 years. The major leases relate to buildings, used for office premises.

(n) Impairment of non-financial assets

The Group and the Bank assess 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 and the Bank estimate 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 to sell and its value in use. Where 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 to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and the Bank 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 exceeds 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 profit or loss.

(o) Provisions and other contingent liabilities

Provisions are recognised when the Group and the Bank have 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. The expense relating to any provision is presented in profit or loss net of any reimbursement.

The Group and the Bank operate in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, they are involved in various litigation, arbitration and regulatory investigations and proceedings both in local and in other jurisdictions, arising in the ordinary course of the Group's and the Bank's business. When the Group and Bank can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group and the Bank record 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. However, when the Group and the Bank are of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Group and the Bank do not include detailed, case-specific disclosures in their financial statements. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group and the Bank take 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.

(p) Pension benefits

The Group and the Bank operate a defined contribution pension plan. The contribution payable to the defined contribution plan is in proportion to the services rendered to the Group and the Bank by the employees and is recorded as an expense under 'Personnel expenses'. Unpaid contributions are recorded as a liability.

The present value of retirement gratuities under The Workers' Rights Act 2019 is recognised in the statements of financial position as a liability. Re-measurement, comprising actuarial gains and losses, is reflected immediately in the statements of financial position with a charge or credit recognised in 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 profit or loss. Past service cost is recognised in 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.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

3A. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(p) Pension benefits (cont'd)

Defined contribution costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurement

The Group and the Bank present the first two components of defined contribution costs in profit or loss in the line item personnel expenses. Curtailment gains and losses are accounted for as past service costs.

State plan Contributions to the National Pension Scheme are expensed to profit or loss in the period in which they fall due.

(q) Taxation

(i) Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or 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. Current tax also includes any tax arising from dividends. The Bank is subject to the Advance Payment System (APS) whereby it pays income tax on a quarterly basis. A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

(ii) 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 liabilities are recognised for all taxable temporary differences,

- except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiary, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiary, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting 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 reporting 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.

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.

3A. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(q) Taxation (cont'd)

(iii) Corporate Social Responsibility

The Corporate Social Responsibility ('CSR') was legislated by the Government of Mauritius in July 2009. In terms of the legislation, the Bank is required to allocate a percentage of its chargeable income of the preceding financial year under Segment A. The required CSR fund for the year is recognised in tax expense in the statements of profit or loss and other comprehensive income. The net amount of CSR fund payable to the taxation authority is included in current tax liabilities in the statements of financial position.

(iv) Special Levy

The Bank is liable under the Value Added Tax (VAT) Act, to pay a special levy as a percentage of its leviable income from residents, other than companies holding a Global Business Licence (GBLs). The Special Levy on Banks is accounted for in accordance with IAS 12 Income Taxes as the levy is based on the Bank's leviable income. The levy is recognised as part of income tax expense in the Statement of Profit or loss and other comprehensive income and presented within current tax liabilities in the Statement of financial position.

(v) Corporate Climate Responsibility Levy

The Finance (Miscellaneous Provisions) Act 2024 which was gazetted on 27 July 2024, introduced a new Corporate Climate Responsibility Levy whereby the Bank is required to allocate a percentage of its chargeable income of the current financial year under both Segments. The required CCR Levy is recognised in tax expense in the statements of profit or loss and other comprehensive income. The amount of CCR Levy payable to the taxation authority is included in current tax liabilities in the statements of financial position.

(r) Stated capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

(s) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Bank are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's and the Bank's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's and the Bank's own equity instruments. The Bank's Class A shares are classified as equity as they are callable at the option of the Bank. These shares carry non-cumulative dividends which are payable at the discretion of the Board.

(t) Reverse repurchase agreements

Reverse repurchase agreements ("reverse repos") refers to a collateral type of money market transaction in which cash is placed/lent in exchange for collateral, which may be in the form of money market securities or bonds, usually government issued. These are included in amount due from banks in the statement of financial position. The income under this structure is accrued over the life time of the agreements using the effective interest method.

3B. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS accounting standards requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the consolidated and separate financial statements. Judgements and estimates are continuously evaluated and re based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

3B. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Judgements

Going concern

Directors have made an assessment of the Group's and the Bank's ability to continue as a going concern and are satisfied that the Group and the Bank have the resources to continue in business for the foreseeable future. Furthermore, directors are not aware of any material uncertainties that may cast significant doubt upon the Group's and the Bank's ability to continue as a going concern. Hence, the financial statements continue to be prepared on the going concern basis.

Determination of functional currency

The determination of the functional currency of the Group and the Bank is critical since the way in which every transaction is recorded and whether exchange differences arise are dependent on the functional currency selected. The directors have considered those factors therein and have determined the functional currency of the Group and Bank as Mauritian Rupees (MUR).

Deferred tax assets

Recognition of deferred tax assets depends on management's intention of the Group and the Bank to generate future taxable profits which will be used against temporary differences and to obtain tax benefits thereon. The outcome of their actual utilisation may be different.

Business model assessment

Classification and measurement of financial assets depend on the results of the SPPI and the business model test. The Group and the Bank determine the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the manager of the assets are compensated.

For financial assets whereby, the cash flows under the contract vary depending on certain metric or measure, such as sustainability-linked loans which depending on certain ESG metric, these are assessed on a case-by-case basis to determine if they satisfy the SPPI and business model test. These are determined to have passed the SPPI test if the variation in the interest rate reflects a change in the instrument's credit risk, and whereby the change in the interest rate is commensurate with the change in the credit risk of that instrument. Based on the size of the portfolio of these products held by the Bank at 30 June 2026, 2025 and 2024, the impact of the ESG features was assessed to be immaterial.

Calculation of ECL allowance

- Significant increase of credit risk: ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a SICR. In assessing whether the credit risk of an asset has significantly increased the Group and the Bank consider qualitative and quantitative reasonable and supportable forward-looking information.

- Establishing groups of assets with similar credit risk characteristics: When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. Refer to Note 3 for details of the characteristics considered in this judgement. The Group and the Bank monitor the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a SICR (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differs.

- Models and assumptions used: The Group and the Bank use various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. The Bank makes use of a series of macroeconomic regression models to predict the default rates. The predicted default rates are then used to calculate a forward-looking macroeconomic regression scalar, which is then used to calculate the point-in-time PDs. Historical external and internal data is sourced and incorporated into the ECL models, which are refreshed periodically to ensure recalibration with the latest forward-looking information.

3B. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimates and assumptions

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable market data where possible, but where observable data is not available, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

Useful lives of property and equipment and intangible assets

The Group and the Bank review 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.

Provision for retirement benefit

Retirement benefit obligation has been valued by Actuary on accounting estimates and as per provision of the Workers' Rights Act 2019. Management considers that they have used their best estimates to value the retirement benefit obligation provisions. Actual results may be different from their estimates.

Provisions and other contingent liabilities

Provision is recognised in the financial statements when the Group and the Bank have met the recognition criterion. The directors measure the provision at the best estimate of the amount required to settle the obligation at the reporting date. Actual results may be different from their estimates. In specific circumstances, significant judgement is required from directors to identify the financial effects to be disclosed attributable to the uncertainties inherent in contingent liabilities.

Leases - Estimating the incremental borrowing rate

The Group and the Bank cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group and the Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and the Bank 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group and the Bank estimates the IBR using observable inputs (such as market interest rates) when available.

Impairment losses on financial assets

The measurement of impairment losses 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 SICR. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's and the Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered as a combination of using accounting judgements, quantitative methodologies based on historical and forward-looking data and estimates includes:

- The Group's and the Bank's credit grading model, which assigns PDs to the individual grades. Refer to Note 37(b)
- The Group's and the Bank's criteria for assessing if there has been a SICR and so allowances for financial assets should be measured on a lifetime basis and the qualitative assessment.
- Consideration of specific obligors' probability of failing to repay their obligations in response to changes in forward-looking information.
- Development of ECL models, including the various formulas and the choice of model parameters.
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels, GDP growth, inflation rates, CPI and collateral values, and their relative effect on PD, EAD and LGD.
- Choice of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.
- Sectorial adjustment incorporated in the PD estimates, reflecting Management's view of the health and prospects of the different economic sectors of the local economy.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

3B. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimates and assumptions (cont'd)

Impairment losses on financial assets (cont'd)

The Group and the Bank incorporate forward-looking information (FLI) that is available without undue cost or effort in assessing significant increases in credit risk and measuring Expected Credit Losses (ECL) in accordance with IFRS 9.

The estimation of ECL requires significant judgement in selecting appropriate macroeconomic variables, developing multiple economic scenarios and assigning probability weightings to those scenarios. Changes in these assumptions may have a material impact on the measurement of ECL.

Further information on the Group's and the Bank's forward-looking information framework is provided in the Credit Risk section of the Financial Risk Management disclosures (refer to Note 37(b)).

Model updates

During the financial year ended 30 June 2026, the Bank continued to enhance its ECL framework through periodic reviews of its methodologies, assumptions and model calibrations to ensure continued alignment with IFRS 9 requirements, portfolio characteristics and the Bank's Risk Management Objectives.

Key updates implemented during the year include:

- enhancement of Loss Given Default (LGD) methodologies for stage 1 and 2 exposures, through the introduction of portfolio-specific approaches for sovereign exposures, eligible property and investment-secured facilities, and exposures benefiting from eligible credit risk mitigation, including guarantees, standby letters of credit and credit insurance; and
- ongoing review and recalibration of forward-looking macroeconomic assumptions and model parameters to reflect prevailing and expected economic conditions.

4. NET INTEREST INCOME

4(a) INTEREST INCOME

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Interest income on financial instruments measured at amortised cost:						
- Due from banks (includes cash and balances with banks)	**1,612,867**	2,555,019	2,514,186	**1,612,867**	2,555,019	2,514,186
- Placements with the Central Bank	**91,865**	98,747	120,382	**91,865**	98,747	120,382
- Loans and advances to banks	**1,571,455**	1,055,404	923,446	**1,571,455**	1,055,404	923,446
- Loans and advances to customers	**4,226,073**	3,528,699	3,053,218	**4,226,073**	3,528,699	3,053,218
- Investment securities	**5,687,066**	5,020,161	4,791,186	**5,687,066**	5,020,161	4,791,186
Total interest income calculated using EIR	**13,189,326**	12,258,030	11,402,418	**13,189,326**	12,258,030	11,402,418

4(b) INTEREST EXPENSE

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Interest expense on financial instruments measured at amortised cost:						
- Due to banks	**23,296**	2,648	7,459	**23,296**	2,648	7,459
- Deposits from banks	**8,799**	14,235	21,891	**8,799**	14,235	21,891
- Deposits from customers	**4,835,399**	5,022,050	4,226,075	**4,835,399**	5,022,050	4,226,075
- Lease liabilities	**34,986**	8,137	2,600	**34,986**	8,137	2,600
Total interest expense	**4,902,480**	5,047,070	4,258,025	**4,902,480**	5,047,070	4,258,025
NET INTEREST INCOME	**8,286,846**	7,210,960	7,144,393	**8,286,846**	7,210,960	7,144,393

Interest expense is calculated using the Effective Interest Rate (EIR) with the exception for interest arising on lease liabilities.

5. NET FEE AND COMMISSION INCOME

5(a) FEE AND COMMISSION INCOME

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Commission income	**953,261**	861,895	772,193	**953,261**	861,895	772,193
Fee income	**118,140**	81,340	87,469	**118,140**	81,340	87,469
Card income	**274,306**	243,741	199,937	**274,306**	243,741	199,937
Custody fees income	**213,029**	233,387	217,837	**213,029**	233,387	217,837
Others	**138,498**	150,689	135,375	**138,498**	150,689	135,375
Total fee and commission income	**1,697,234**	1,571,052	1,412,811	**1,697,234**	1,571,052	1,412,811

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

5. NET FEE AND COMMISSION INCOME (CONT'D)

5(b) FEE AND COMMISSION EXPENSE

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Commission paid to other banks	**231,994**	218,034	197,693	**231,994**	218,034	197,693
Card expense	**194,919**	175,862	151,264	**194,919**	175,862	151,264
Custody fees expense	**81,936**	86,065	74,213	**81,936**	86,065	74,212
Retrocession fees	**61,449**	40,367	44,009	**61,449**	40,367	44,009
Others	**1,971**	1,480	9,361	**1,971**	1,480	9,361
Total fee and commission expense	**572,269**	521,808	476,540	**572,269**	521,808	476,539
NET FEE AND COMMISSION INCOME	**1,124,965**	1,049,244	936,271	**1,124,965**	1,049,244	936,272

All fees are recognised at a point in time.

6. NET TRADING INCOME

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Net gain on debt instruments measured at fair value through profit or loss	**800,003**	239,328	687,567	**800,003**	239,328	687,567
(Loss)/gain on other derivatives held for trading	**(10,399)**	(36,389)	33,506	**(10,399)**	(36,389)	33,506
Gain on foreign exchange	**1,668,835**	1,896,382	1,108,918	**1,668,828**	1,896,390	1,108,913
	2,458,439	2,099,321	1,829,991	**2,458,432**	2,099,329	1,829,986

Net gain on debt instruments measured at fair value through profit or loss includes exchange gain of MUR 271.7m (2025: MUR 321.3m exchange loss and exchange gain for 2024: MUR 211.6m) and interest income of MUR 498.5m (2025: MUR 466.5m and 2024: MUR 405.9m).

7(a) OTHER GAINS/(LOSSES)

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Fair value gain/(loss) on equity investment measured at fair value through profit or loss	**353**	(874)	1,187
	353	(874)	1,187

7(b) OTHER OPERATING INCOME

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Transaction and other related fees	**2,387**	658	4,069
	2,387	658	4,069

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

8. NET IMPAIRMENT LOSS/(CREDIT) ON FINANCIAL ASSETS

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Net allowance for impairment loss/(credit) on:						
Cash and balances with banks (Note 13)	**(820)**	265	(119)	**(820)**	265	(119)
Due from banks (Note 14)	**(5,248)**	784	(13,385)	**(5,248)**	784	(13,385)
Loans and advances to banks (Note 16(a))	**(16,423)**	(19,440)	8,071	**(16,423)**	(19,440)	8,071
Loans and advances to customers (Note 16(b))	**262,471**	388,787	6,066	**262,471**	388,787	6,066
Debt instruments measured at amortised cost (Note 17(b))	**(27,546)**	6,830	6,043	**(27,546)**	6,830	6,043
Financial guarantee contracts and loan commitments (Note 37(b))	**(16,422)**	27,610	4,881	**(16,422)**	27,610	4,881
Other receivables (Note 22)	**89**	-	19,044	**89**	-	19,044
	196,101	404,836	30,601	**196,101**	404,836	30,601
Bad debts recovered	**(11,664)**	(1,558)	(79,916)	**(11,664)**	(1,558)	(79,916)
	184,437	403,278	(49,315)	**184,437**	403,278	(49,315)

9. PERSONNEL EXPENSES

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Salaries	**699,209**	605,179	501,789	**699,209**	605,179	501,789
Staff benefits	**789,969**	510,341	445,333	**789,969**	510,341	445,333
Employee benefit	**13,353**	(18,353)	(24,098)	**13,353**	(18,353)	(24,098)
Pension cost - defined contribution scheme	**82,734**	255,724	36,836	**82,734**	255,724	36,836
Training expenses	**2,893**	8,917	8,400	**2,893**	8,917	8,400
	1,588,158	1,361,808	968,260	**1,588,158**	1,361,808	968,260

10. OTHER OPERATING EXPENSES

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Advertising and marketing expenses	**111,608**	119,231	93,999	**111,608**	119,231	93,999
Administrative expenses	**752,016**	591,307	530,880	**752,009**	591,300	530,870
Equipment and intangibles written off	**-**	-	82,688	**-**	-	82,688
Professional and legal costs	**152,754**	54,746	(83,531)	**152,338**	54,277	(83,941)
	1,016,378	765,284	624,036	**1,015,955**	764,808	623,616

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

10. OTHER OPERATING EXPENSES (CONT'D)

Administrative expenses for the year ended 30 June 2026 include short-term lease costs of MUR 2.3m (2025: MUR 38.5m and 2024: 16.7m). Prior year figures included MUR 20m incurred during the research phase of an internal project (2024: Nil). Administrative expenses also include costs relating to service contracts for repairs and maintenance, insurance, corporate subscriptions and other administrative costs.

Included in Professional and legal costs for the year ended 30 June 2026 is a provision for legal claims. Professional and legal costs for the years ended 30 June 2025 and 30 June 2024 include reversals of legal provisions. Refer to Note 27 for further details.

11. TAXATION

The Bank is subject to income tax at the rate of 5% for chargeable income up to MUR 1.5bn and chargeable income exceeding MUR 1.5bn is taxed at the rate of 15%.

Taxable income	Rate of income tax
Up to MUR 1.5bn	5%
Exceeding MUR 1.5bn	15%

Income tax of the subsidiary is calculated at the rate of 15% (2025 and 2024: 15%)

Corporate Social Responsibility fund

The Corporate Social Responsibility ('CSR') was legislated by the Government of Mauritius in July 2009. In terms of the legislation, the Bank is required to allocate 2% on Resident (excluding companies holding a Global Business Licence) of the preceding financial year to Government-approved CSR projects. Where the amount paid out of the CSR fund is less than the amount provided under the fund, the difference shall be remitted to the Mauritius Revenue Authority at the time of submission of the income tax return for the year under review.

Special levy

Special levy on banks is governed under the Value Added Tax (VAT) Act. As per the VAT Act, leviable income relates to banking transactions of Resident (excluding companies holding a Global Business Licence) and is defined as the sum of net interest income and other income before deduction of expenses.

For the financial years ended 30 June 2024 and 2025, special levy was computed at lower of:

- 5.5% of the leviable income; or
- 1.5 times the special levy amount of the base year (year of assessment 2017/2018)

In line with the Finance Act 2025, the capping of 1.5 times the levy payable in the year of assessment 2017/2018 has been removed and as from 1 July 2025, special levy is computed at the flat rate of 5.5% of leviable income."

Corporate Climate Responsibility ("CCR") Levy

The Finance (Miscellaneous Provisions) Act 2024 which was gazetted on 27 July 2024, introduced CCR Levy whereby the Bank is required to allocate 2% of its chargeable income of the current financial year. The CCR Levy is applicable as from the year of assessment 2024/2025 and applies to companies with an annual turnover exceeding MUR 50m. Given its retrospective application, the Bank recognised an under provision of MUR 163.7m for income tax and MUR 41.8m for deferred tax in the current financial year.

Fair Share Contribution and Additional Fair Share Contribution

In accordance with Section 53N of the VAT Act, Fair Share Contribution ('FSC') is calculated at 5% of the total chargeable income and the Additional Fair Share Contribution ('AFSC') is computed at 2.5% of the chargeable income arising from transactions with residents, excluding global business entities. However, the amount payable under the FSC or AFSC is subject to a cap whereby the aggregate taxes of FSC, AFSC, Income Tax, Corporate Social Responsibility, Corporate Climate Responsibility Levy and Special Levy cannot exceed 35% of the chargeable income arising from transactions with residents, excluding global business entities.

Deferred tax

The deferred tax asset is computed at the effective income tax rate plus the rate for CSR, CCR, FSC and AFSC, reflecting the rate at which the asset will be utilised in future years.

11. TAXATION (CONT'D)

11(a) Statements of financial position

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
At 1 July	**431,413**	522,721	821,973	**431,413**	522,721	821,973
Current income tax	**1,233,481**	1,034,343	1,077,369	**1,233,481**	1,034,343	1,077,369
CSR expense	**32,208**	43,320	37,443	**32,208**	43,320	37,443
Special levy	**162,599**	98,049	98,049	**162,599**	98,049	98,049
Corporate Climate Responsibility Levy	**184,464**	157,912	-	**184,464**	157,912	-
Fair Share Contribution	**461,160**	-	-	**461,160**	-	-
Additional Fair Share Contribution	**52,145**	-	-	**52,145**	-	-
(Over)/under provision in income tax in prior years	**(5,848)**	39	(267)	**(5,848)**	39	(267)
(Over)/under provision in CCR levy in prior years	**(681)**	163,654	-	**(681)**	163,654	-
Tax payments	**(1,548,994)**	(1,588,625)	(1,511,846)	**(1,548,994)**	(1,588,625)	(1,511,846)
FX adjustment	**759**	-	-	**759**	-	-
Current tax liabilities	**1,002,706**	431,413	522,721	**1,002,706**	431,413	522,721

For the financial year ended 30 June 2024, tax payments reported in the Statement of Cash Flows are net of tax refunds amounting to MUR'000 12,791 and tax payments of MUR'000 1,897 made for assessments in financial year ended 30 June 2024, for which no tax asset or provision was previously accounted for.

11(b) Statements of profit or loss and other comprehensive income

The components of income tax expense for the years ended 30 June 2026, 2025 and 2024 are as follows:

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Current income tax	**1,233,481**	1,034,343	1,077,369	**1,233,481**	1,034,343	1,077,369
CSR expense	**32,208**	43,320	37,443	**32,208**	43,320	37,443
Special levy	**162,599**	98,049	98,049	**162,599**	98,049	98,049
Corporate Climate Responsibility levy	**184,464**	157,912	-	**184,464**	157,912	-
Fair Share Contribution	**461,160**	-	-	**461,160**	-	-
Additional Fair Share Contribution	**52,145**	-	-	**52,145**	-	-
(Over)/under provision in income tax in prior years	**(5,848)**	39	(267)	**(5,848)**	39	(267)
(Over)/under provision in CCR levy in prior years	**(681)**	163,654	-	**(681)**	163,654	-
Over/(under) provision in deferred tax in prior years for CCR levy	**7,042**	(41,806)	-	**7,042**	(41,806)	-
Amount paid under tax assessment review	**-**	-	1,897	**-**	-	1,897
Mauritius Revenue Authority refund	**-**	-	(12,791)	**-**	-	(12,791)
Deferred tax movement (Note 11(d))	**(98,711)**	(36,993)	(281)	**(98,711)**	(36,993)	(281)
Tax expense	**2,027,859**	1,418,518	1,201,419	**2,027,859**	1,418,518	1,201,419

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

11. TAXATION (CONT'D)

11(c) Reconciliation of the total tax expense

A reconciliation between the tax expense and the accounting profit multiplied by the applicable tax rate for the years ended 30 June 2026, 2025 and 2024 is as follows:

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Accounting profit before tax	**8,869,124**	7,732,069	8,225,944	**8,869,540**	7,732,553	8,226,360
Tax on accounting profit at applicable tax rates	**1,588,262**	1,343,645	1,241,896	**1,588,262**	1,343,645	1,241,896
Over/(Under) provision in deferred tax in prior years	**7,042**	(41,806)	-	**7,042**	(41,806)	-
(Over)/under provision in income tax in prior years	**(5,848)**	39	(267)	**(5,848)**	39	(267)
(Over)/under provision in CCR levy in prior years	**(681)**	163,654	-	**(681)**	163,654	-
Amount paid under tax assessment review	**-**	-	1,897	**-**	-	1,897
Non deductible expenses	**8,660**	8,574	19,675	**8,660**	8,574	19,675
Non taxable income	**(3,847)**	(9,696)	(4,627)	**(3,847)**	(9,696)	(4,627)
Mauritius Revenue Authority refund	**-**	-	(12,791)	**-**	-	(12,791)
CSR adjustment	**(9,508)**	10,863	(5,876)	**(9,508)**	10,863	(5,876)
Tax rate differential *	**281,180**	(154,804)	(136,537)	**281,180**	(154,804)	(136,537)
Special levy	**162,599**	98,049	98,049	**162,599**	98,049	98,049
Tax expense	**2,027,859**	1,418,518	1,201,419	**2,027,859**	1,418,518	1,201,419

* The tax rate differential includes the following:

- CCR Levy & CSR - The impact of 2% on chargeable income;
- Deferred Tax - The difference between the applicable statutory income tax rate and the effective tax rate, as applied in the computation of deferred tax. The differential primarily arises from items such as allowances for credit impairments, retirement benefit obligations, vacation leave, accelerated capital allowances, provisions for legal claims and the impact of FSC and AFSC on same; and
- FSC & AFSC - The impact of FSC and AFSC on chargeable income.

11(d) Deferred tax

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
At 1 July	**(379,952)**	(294,219)	(280,787)	**(379,952)**	(294,219)	(280,787)
Charge to profit or loss:						
Over/(under) provision in deferred tax in prior years	**7,042**	(41,806)	-	**7,042**	(41,806)	-
Movement for the year	**(98,711)**	(36,993)	(281)	**(98,711)**	(36,993)	(281)
Charge to other comprehensive income:						
Over/(under) provision in deferred tax in prior years	**85**	(1,797)	-	**85**	(1,797)	-
Movement for the year	**2,358**	(5,137)	(13,151)	**2,358**	(5,137)	(13,151)
At 30 June	**(469,178)**	(379,952)	(294,219)	**(469,178)**	(379,952)	(294,219)

11. TAXATION (CONT'D)

11(d) Deferred tax (cont'd)

THE GROUP	At 1 July 2023	(Credit)/ charge to profit or loss	Credit to OCI	At 30 June 2024	(Credit)/ charge to profit or loss	Credit to OCI	At 30 June 2025	(Credit)/ charge to profit or loss	Charge to OCI	At 30 June 2026
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Deferred tax assets										
Impairment loss on loans and advances to banks and customers	(249,240)	(15,753)	-	(264,993)	(104,131)	-	(369,124)	**(128,311)**	-	**(497,435)**
Impairment loss on other financial assets	(11,333)	(411)	-	(11,744)	(8,345)	-	(20,089)	**4,531**	-	**(15,558)**
Employee benefits	(14,066)	1,804	(13,151)	(25,413)	(350)	(6,934)	(32,697)	**(1,787)**	**2,443**	**(32,041)**
Provision	(33,234)	18,453	-	(14,781)	4,889	-	(9,892)	**(5,664)**	-	**(15,556)**
	(307,873)	4,093	(13,151)	(316,931)	(107,937)	(6,934)	(431,802)	**(131,231)**	**2,443**	**(560,590)**
Deferred tax liability										
Accelerated capital allowances	27,086	(4,374)	-	22,712	29,138	-	51,850	**39,562**	-	**91,412**
Net deferred tax assets	(280,787)	(281)	(13,151)	(294,219)	(78,799)	(6,934)	(379,952)	**(91,669)**	**2,443**	**(469,178)**

THE BANK	At 1 July 2023	(Credit)/ charge to profit or loss	Charge to OCI	At 30 June 2024	(Credit)/ charge to profit or loss	Charge to OCI	At 30 June 2025	(Credit)/ charge to profit or loss	Credit to OCI	At 30 June 2026
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Deferred tax assets										
Impairment loss on loans and advances to banks and customers	(249,240)	(15,753)	-	(264,993)	(104,131)	-	(369,124)	**(128,311)**	-	**(497,435)**
Impairment loss on other financial assets	(11,333)	(411)	-	(11,744)	(8,345)	-	(20,089)	**4,531**	-	**(15,558)**
Employee benefits	(14,066)	1,804	(13,151)	(25,413)	(350)	(6,934)	(32,697)	**(1,787)**	**2,443**	**(32,041)**
Provision	(33,234)	18,453	-	(14,781)	4,889	-	(9,892)	**(5,664)**	-	**(15,556)**
	(307,873)	4,093	(13,151)	(316,931)	(107,937)	(6,934)	(431,802)	**(131,231)**	**2,443**	**(560,590)**
Deferred tax liability										
Accelerated capital allowances	27,086	(4,374)	-	22,712	29,138	-	51,850	**39,562**	-	**91,412**
Net deferred tax assets	(280,787)	(281)	(13,151)	(294,219)	(78,799)	(6,934)	(379,952)	**(91,669)**	**2,443**	**(469,178)**

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

12. DIVIDENDS

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Dividends on Ordinary shares:			
Dividend paid and payable	**2,242,598**	2,418,844	2,815,394
Dividends on Class A shares - Series 1 and Series 2:			
Dividend paid and payable	**197,335**	206,262	303,830
Total dividends	**2,439,933**	2,625,106	3,119,224

Ordinary Shares

During the financial year ended 30 June 2026, the directors proposed a final dividend of MUR 13.16 (2025: MUR 14.60, 2024: MUR 17.78) per share to be paid to the holders of Ordinary shares with respect to the year ended 30 June 2025 and an interim dividend of MUR 6.69 (2025: MUR 6.81, 2024: MUR 7.14) per share to be paid to the holders of Ordinary shares with respect to the period ended 31 December 2025. The Board of Directors approved the final dividend on 19 September 2025 and it was paid in October 2025. The Board of Directors approved the interim dividend on 12 February 2026 and it was paid in March 2026. Total ordinary dividend paid is MUR 2.2bn comprising of MUR 1.5bn for the final dividend and MUR 756m for the interim dividend (2025: MUR 2.4bn comprising of MUR 1.6bn for the final dividend and MUR 769m for the interim dividend, 2024: MUR 2.8bn comprising of MUR 2bn for the final dividend and MUR 807m for the interim dividend).

Class A Shares

Dividend of MUR 99.0m for the 6 months ended 31 December 2025 was approved by the Board of Directors on 12 February 2026 and payment was effected on 30 March 2026. Dividend of MUR 98.3m for the 6 months ended 30 June 2025 was approved by the Board of Directors on 19 September 2025 and payment was effected on 31 October 2025 (2025: MUR 99.4m for the 6 months ended 31 December 2024 and MUR 106.9m for the 6 months ended 30 June 2024 and and 2024: MUR 106.2m for the 6 months ended 31 December 2023, MUR 101.3m for the 6 months ended 30 June 2023 and MUR 96.3m for the 6 months ended 31 December 2022).

Movement in Dividend payable	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Opening balance	**641**	592	344
Ordinary dividend payable	**-**	56	-
Class A dividend payable	**889**	3	1
Revaluation	**(39)**	(10)	247
Closing balance	**1,491**	641	592

13. CASH AND BALANCES WITH BANKS

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Cash in hand	**32,924**	47,527	53,905	**32,924**	47,527	53,905
Unrestricted balances with the Central Bank (Note 1)	**451,872**	1,549,547	761,519	**451,872**	1,549,547	761,519
Current accounts with other banks	**12,903,777**	12,544,858	18,032,869	**12,903,777**	12,544,858	18,032,869
	13,388,573	14,141,932	18,848,293	**13,388,573**	14,141,932	18,848,293
Less: allowance for impairment losses	**(511)**	(1,331)	(1,066)	**(511)**	(1,331)	(1,066)
	13,388,062	14,140,601	18,847,227	**13,388,062**	14,140,601	18,847,227

Note 1: Unrestricted balances with the Central Bank represent amounts above the minimum cash reserve requirement.

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

The balances were classified in Stage 1 and 12-month ECL was calculated hereon at 30 June 2026, 2025 and 2024.

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Credit rating grade						
Performing:						
Credit rating AAA	-	47,527	53,905	-	47,527	53,905
Credit rating AA+ to AA-	**383,963**	7,135,973	12,325,976	**383,963**	7,135,973	12,325,976
Credit rating A+ to A-	**11,865,444**	5,223,879	5,434,127	**11,865,444**	5,223,879	5,434,127
Credit rating BBB+ to BBB-	**1,078,022**	1,706,924	1,031,364	**1,078,022**	1,706,924	1,031,364
Credit rating BB+ to BB-	**59,490**	25,186	597	**59,490**	25,186	597
Credit rating B+ to B-	**97**	266	105	**97**	266	105
Credit rating CCC+ to C	**1,557**	2,177	2,219	**1,557**	2,177	2,219
Total gross carrying amount	**13,388,573**	14,141,932	18,848,293	**13,388,573**	14,141,932	18,848,293
Less: allowance for impairment losses	**(511)**	(1,331)	(1,066)	**(511)**	(1,331)	(1,066)
Carrying amount at 30 June	**13,388,062**	14,140,601	18,847,227	**13,388,062**	14,140,601	18,847,227

Please refer to note 37 (b) for the key inputs into the measurement of ECL.

Allowance for impairment losses	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
At 1 July	**1,331**	1,066	1,185
Movement in ECL during the year	**(820)**	265	(119)
At 30 June	**511**	1,331	1,066

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14. DUE FROM BANKS

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
At amortised cost:			
Short term placements with the Central Bank	**2,800,249**	1,200,099	800,197
Short term placements with other banks	**25,517,517**	42,716,786	24,546,919
Medium term collateralised placements	**-**	4,575,508	4,818,753
Medium term placements with other banks	**-**	5,888,816	8,351,152
	28,317,766	54,381,209	38,517,021
Less: allowance for impairment losses - Short term placements	**(990)**	(2,893)	(946)
Less: allowance for impairment losses - Others	**-**	(3,345)	(4,508)
	28,316,776	54,374,971	38,511,567

Prior year figures for collateralised placements relate to reverse repurchase agreement with banks, with government securities held as collateral. The fair value of the collateral at 30 June 2025 and 2024 was MUR 7.1bn and MUR 7.1bn respectively.

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

The financial assets were classified in Stage 1 and 12-month ECL was calculated hereon at 30 June 2026, 2025 and 2024.

	THE GROUP AND THE BANK		
	STAGE 1		
	2026	2025	2024
Credit rating grade	**MUR'000**	MUR'000	MUR'000
Performing:			
Credit rating AA+ to AA-	**2,691,360**	21,409,870	11,075,553
Credit rating A+ to A-	**21,146,820**	18,750,364	13,892,819
Credit rating BBB+ to BBB-	**2,943,698**	11,960,618	12,714,084
Credit rating BB+ to BB-	**1,535,888**	2,260,357	834,565
Total gross carrying amount	**28,317,766**	54,381,209	38,517,021
Less: allowance for impairment losses	**(990)**	(6,238)	(5,454)
Carrying amount at 30 June	**28,316,776**	54,374,971	38,511,567

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

	THE GROUP AND THE BANK					
	STAGE 1					
	GROSS CARRYING AMOUNT			ALLOWANCE FOR IMPAIRMENT LOSSES		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
At 1 July	**54,381,209**	38,517,021	47,700,955	**6,238**	5,454	18,839
Net remeasurement of loss allowance	**-**	-	-	**-**	226	(6,084)
New assets originated or purchased	**2,991,141,088**	2,728,467,300	3,075,561,634	**27,450**	54,009	22,142
Payments and assets derecognised	**(3,017,204,531)**	(2,712,603,112)	(3,084,745,568)	**(32,698)**	(53,451)	(29,443)
At 30 June	**28,317,766**	54,381,209	38,517,021	**990**	6,238	5,454

15. DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP AND THE BANK					
	ASSETS	**LIABILITIES**	ASSETS	LIABILITIES	ASSETS	LIABILITIES
	2026	**2026**	2025	2025	2024	2024
	MUR'000	**MUR'000**	MUR'000	MUR'000	MUR'000	MUR'000
Foreign exchange option contracts	**733**	**(733)**	4,107	(3,855)	9,894	(9,346)
Foreign exchange contracts	**7,056**	**(8,675)**	28,101	(22,533)	4,893	(3,634)
Cross currency interest rate swap	**32,732**	**-**	74,170	-	155,969	-
Interest rate swaps	**2,673**	**(12,329)**	4,043	(26,115)	11,426	(27,309)
Structured deposits	**89,026**	**(89,026)**	25,891	(25,891)	184,482	(184,482)
	132,220	**(110,763)**	136,312	(78,394)	366,664	(224,771)

The Group and the Bank have positions in the following types of derivatives:

Foreign exchange option contracts

Option contracts give the buyer the right, but not the obligation, to buy (in the case of a call) or sell (in the case of a put) the underlying asset at a specific price on or before a certain date.

Foreign exchange contracts

Foreign exchange contracts include forward, spot and swaps contracts as described below:

Forward contracts
A forward exchange contract is an agreement to buy or sell a specified amount of foreign currency at an agreed exchange rate, with settlement on a date beyond the standard spot value date. Forwards are customized contracts transacted in the over-the-counter market.

Spot position
The current balance on spot position account reflect the bought/sold amounts (FX deals) in original currencies and equivalent amounts corresponding to the prevailing FX spot 'Accounting' rate as of the settlement date.

Swaps
Swaps are derivatives in which two counterparties exchange cash flows of one party's financial instrument for those of the other party's financial instrument. The benefits in question depend on the type of financial instruments involved.

Cross currency interest rate swap

A Cross-Currency Interest Rate Swap (CCIRS) is a bilateral derivative contract in which two counterparties agree to exchange interest payments and principal amounts denominated in two different currencies, over a specified tenor. Unlike a standard interest rate swap, a CCIRS involves both interest rate exposure management and foreign exchange risk management, since it combines elements of an interest rate swap and a currency swap.

At inception, notional principals in the two currencies are typically exchanged, and these same notionals are re-exchanged at maturity, often at the same pre-agreed exchange rate.

Interest rate swaps

An Interest Rate Swap is a bilateral financial derivative contract in which two counterparties agree to exchange (or "swap") streams of interest payments, based on a specified notional principal amount, for a predetermined period of time. The notional principal itself is not exchanged; it merely serves as the reference amount for calculating interest payments.

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15. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Structured deposits

A structured deposit combines a normal deposit with a derivative product. The return on those structured deposits depends on the performance of the derivative's underlying asset. These underlying assets may include market indices, shares, interest rates, bonds, foreign exchange rates, or a combination of these. The derivative portion of the investment may involve the purchase/sale of options from/to the Bank's clients immediately followed by the sale/purchase of the same options to/from the Bank's financial institutions counterparties. Since the derivative portion is fully back to back there are no open option position in the Bank's books.

16(a) LOANS AND ADVANCES TO BANKS

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Banks:			
In Mauritius	**697,615**	1,623,501	1,385,387
Outside Mauritius	**31,540,754**	19,363,665	13,313,451
Total gross carrying amount loans and advances to banks	**32,238,369**	20,987,166	14,698,838
Less: allowance for impairment losses	**(15,559)**	(31,982)	(51,422)
	32,222,810	20,955,184	14,647,416

All the loans and advances to banks as at 30 June 2026 are classified in stage 1 and 12-months ECL calculated thereon.

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	THE GROUP AND THE BANK				
Credit rating grade	**2026**	2025	2024		
	STAGE 1	STAGE 1	STAGE 1	STAGE 2	TOTAL
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Performing:					
Credit rating AA+ to AA-	**2,887,149**	-	-	-	-
Credit rating A+ to A-	**14,153,356**	9,318,033	6,151,557	-	6,151,557
Credit rating BBB+ to BBB-	**12,416,033**	6,391,358	4,662,236	-	4,662,236
Credit rating BB+ to BB-	**2,468,186**	4,588,939	1,850,960	-	1,850,960
Credit rating B+ to B-	**313,645**	688,836	2,034,082	-	2,034,082
Credit rating CCC+ to C	**-**	-	-	3	3
Total gross carrying amount	**32,238,369**	20,987,166	14,698,835	3	14,698,838
Less: allowance for impairment losses	**(15,559)**	(31,982)	(51,422)	-	(51,422)
Carrying amount at 30 June	**32,222,810**	20,955,184	14,647,413	3	14,647,416

16(a) LOANS AND ADVANCES TO BANKS (CONT'D)

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

	THE GROUP AND THE BANK									
	GROSS CARRYING AMOUNT							ALLOWANCE FOR IMPAIRMENT LOSSES		
	2026	2025			2024			**2026**	2025	2024
	STAGE 1	STAGE 1	STAGE 2	TOTAL	STAGE 1	STAGE 2	TOTAL	**STAGE 1**	STAGE 1	STAGE 1
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
At 1 July	**20,987,166**	14,698,835	3	14,698,838	13,232,940	-	13,232,940	**31,982**	51,422	43,351
Net remeasurement of loss allowance	**-**	-	-	-	-	-	-	**-**	(17,468)	(1,701)
Changes in the amount										
Transfer to stage 2	**-**	-	-	-	(3)	3	-	**-**	-	-
New assets originated or purchased	**21,820,914**	11,538,157	-	11,538,157	10,365,268	-	10,365,268	**7,321**	24,428	42,668
Payments and assets derecognised	**(10,569,711)**	(5,249,826)	(3)	(5,249,829)	(8,899,370)	-	(8,899,370)	**(23,744)**	(26,400)	(32,896)
At 30 June	**32,238,369**	20,987,166	-	20,987,166	14,698,835	3	14,698,838	**15,559**	31,982	51,422

Lower ECL despite higher EAD is due to a refinement of PD methodologies for selected portfolios, including the incorporation of external credit risk assessments where these are considered more representative of the underlying credit risk characteristics of the exposures.

16(b) LOANS AND ADVANCES TO CUSTOMERS

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Retail and personal	**5,844,735**	5,246,468	4,508,477
Business	**30,954,500**	21,417,847	17,634,253
Government and parastatal bodies	**2,598,451**	6,666,627	5,272,908
Entities outside Mauritius	**43,513,686**	23,549,667	22,196,734
Credit cards	**146,202**	140,046	148,176
Total gross carrying amount loans and advances to customers	**83,057,574**	57,020,655	49,760,548
Less: allowance for impairment losses	**(2,688,008)**	(2,286,690)	(1,903,062)
	80,369,566	54,733,965	47,857,486

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16(b) LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

An analysis of risk concentration in gross carrying amounts and corresponding ECL in the loans and advances to customers by type of lending is presented as per below:

	THE GROUP AND THE BANK							
	GROSS CARRYING AMOUNT				ALLOWANCE FOR IMPAIRMENT LOSSES			
	2026							
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	TOTAL
					12-months ECL	Lifetime ECL	Lifetime ECL	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Retail and personal	**5,669,253**	**74,458**	**101,024**	**5,844,735**	**9,507**	**121**	**11,245**	**20,873**
Business	**28,212,269**	**1,710,028**	**1,032,203**	**30,954,500**	**101,058**	**15,054**	**395,771**	**511,883**
Government and parastatal bodies	**1,678,508**	**-**	**919,943**	**2,598,451**	**1,664**	**-**	**147,081**	**148,745**
Entities outside Mauritius	**41,621,180**	**235,874**	**1,656,632**	**43,513,686**	**342,642**	**4,079**	**1,653,544**	**2,000,265**
Credit cards	**137,699**	**2,594**	**5,909**	**146,202**	**822**	**70**	**5,350**	**6,242**
	77,318,909	**2,022,954**	**3,715,711**	**83,057,574**	**455,693**	**19,324**	**2,212,991**	**2,688,008**

	THE GROUP AND THE BANK							
	GROSS CARRYING AMOUNT				ALLOWANCE FOR IMPAIRMENT LOSSES			
	2025							
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	TOTAL
					12-months ECL	Lifetime ECL	Lifetime ECL	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Retail and personal	4,648,447	532,852	65,169	5,246,468	4,570	5,442	4,488	14,500
Business	18,784,824	2,035,686	597,337	21,417,847	79,044	88,672	342,427	510,143
Government and parastatal bodies	6,666,627	-	-	6,666,627	28,659	-	-	28,659
Entities outside Mauritius	21,217,645	742,348	1,589,674	23,549,667	115,328	22,409	1,586,654	1,724,391
Credit cards	125,671	2,774	11,601	140,046	2,476	133	6,388	8,997
	51,443,214	3,313,660	2,263,781	57,020,655	230,077	116,656	1,939,957	2,286,690

16(b) LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

	THE GROUP AND THE BANK							
	GROSS CARRYING AMOUNT				ALLOWANCE FOR IMPAIRMENT LOSSES			
	2024							
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	TOTAL
					12-months ECL	Lifetime ECL	Lifetime ECL	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Retail and personal	4,185,625	278,093	44,759	4,508,477	11,043	6,528	10,054	27,625
Business	15,786,863	1,589,854	257,536	17,634,253	64,544	67,470	187,037	319,051
Government and parastatal bodies	5,272,908	-	-	5,272,908	23,496	-	-	23,496
Entities outside Mauritius	17,954,652	2,869,126	1,372,956	22,196,734	121,788	78,103	1,324,063	1,523,954
Credit cards	135,652	5,137	7,387	148,176	2,271	109	6,556	8,936
	43,335,700	4,742,210	1,682,638	49,760,548	223,142	152,210	1,527,710	1,903,062

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	THE GROUP AND THE BANK			
	2026			
Credit rating grade	**STAGE 1**	**STAGE 2**	**STAGE 3**	**TOTAL**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
Performing:				
Credit rating AAA	**873,637**	**25,180**	**-**	**898,817**
Credit rating AA+ to AA-	**2,417,667**	**32,753**	**-**	**2,450,420**
Credit rating A+ to A-	**55,590,124**	**355,986**	**-**	**55,946,110**
Credit rating BBB+ to BBB-	**12,251,312**	**1,557,248**	**-**	**13,808,560**
Credit rating BB+ to BB-	**3,405,587**	**27,384**	**-**	**3,432,971**
Credit rating B+ to B-	**2,780,582**	**24,403**	**-**	**2,804,985**
Non performing:				
Credit rating D	**-**	**-**	**3,715,711**	**3,715,711**
Total gross carrying amount	**77,318,909**	**2,022,954**	**3,715,711**	**83,057,574**
Less: allowance for impairment losses	**(455,693)**	**(19,324)**	**(2,212,991)**	**(2,688,008)**
Carrying amount at 30 June	**76,863,216**	**2,003,630**	**1,502,720**	**80,369,566**

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16(b) LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

	THE GROUP AND THE BANK			
	2025			
Credit rating grade	STAGE 1	STAGE 2	STAGE 3	TOTAL
	MUR'000	MUR'000	MUR'000	MUR'000
Performing:				
Credit rating AAA	1,245,780	26,531	-	1,272,311
Credit rating AA+ to AA-	4,208,068	61,860	-	4,269,928
Credit rating A+ to A-	25,425,221	489,898	-	25,915,119
Credit rating BBB+ to BBB-	12,782,063	1,408,564	-	14,190,627
Credit rating BB+ to BB-	5,280,883	509,573	-	5,790,456
Credit rating B+ to B-	2,495,053	721,677	-	3,216,730
Credit rating CCC+ to C	6,146	95,557	-	101,703
Non performing:				
Credit rating D	-	-	2,263,781	2,263,781
Total gross carrying amount	51,443,214	3,313,660	2,263,781	57,020,655
Less: allowance for impairment losses	(230,077)	(116,656)	(1,939,957)	(2,286,690)
Carrying amount at 30 June	51,213,137	3,197,004	323,824	54,733,965

	THE GROUP AND THE BANK			
	2024			
Credit rating grade	STAGE 1	STAGE 2	STAGE 3	TOTAL
	MUR'000	MUR'000	MUR'000	MUR'000
Performing:				
Credit rating AAA	-	35	-	35
Credit rating AA+ to AA-	91,767	29,516	-	121,283
Credit rating A+ to A-	1,276,666	7,733	-	1,284,399
Credit rating BBB+ to BBB-	5,245,172	87	-	5,245,259
Credit rating BB+ to BB-	27,404,299	872,026	-	28,276,325
Credit rating B+ to B-	8,768,151	3,116,797	-	11,884,948
Credit rating CCC+ to C	549,645	716,016	-	1,265,661
Non performing:				
Credit rating D	-	-	1,682,638	1,682,638
Total gross carrying amount	43,335,700	4,742,210	1,682,638	49,760,548
Less: allowance for impairment losses	(223,142)	(152,210)	(1,527,710)	(1,903,062)
Carrying amount at 30 June	43,112,558	4,590,000	154,928	47,857,486

16(b) LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

	THE GROUP AND THE BANK							
	GROSS CARRYING AMOUNT				ALLOWANCE FOR IMPAIRMENT LOSSES			
	2026							
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	TOTAL
					12-months ECL	Lifetime ECL	Lifetime ECL	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July	51,443,217	3,313,658	2,263,780	57,020,655	230,077	116,656	1,939,957	2,286,690
Changes in the amount								
Transfer to stage 1	1,109,791	(1,107,385)	(2,406)	-	59,541	(58,716)	(825)	-
Transfer to stage 2	(1,585,434)	1,590,777	(5,343)	-	(10,130)	10,935	(805)	-
Transfer to stage 3	(2,071,762)	(302,325)	2,374,087	-	(378,824)	(2,246)	381,070	-
Net remeasurement of loss allowance	-	-	-	-	(43,871)	8,008	156,484	120,621
New assets originated or purchased	107,948,556	-	-	107,948,556	804,958	-	-	804,958
Payments and assets derecognised	(79,525,458)	(1,471,772)	(914,347)	(81,911,577)	(206,058)	(55,313)	(262,829)	(524,200)
Write-offs	-	-	(61)	(61)	-	-	(61)	(61)
At 30 June	77,318,910	2,022,953	3,715,710	83,057,573	455,693	19,324	2,212,991	2,688,008

Allowance for impairment losses include both capital and interest on non-performing loans. Interest provision amounts to MUR 370.3m at 30 June 2026 (2025: MUR 264.6m and 2024: MUR 234.2m) on non-performing loans which are in arrears for more than 90 days (included in stage 3).

The interest suspended for the year ended 30 June 2026 amounts to MUR 97.2m (2025: MUR 37.4m and 2024: MUR 19.8m).

Foreign exchange differences on ECL of MUR 41.8m at 30 June 2026 (2025: MUR 42.6m and 2024: MUR 31.0m) have been accounted under Note 6 ' Gain on foreign exchange'.

Write offs amounted to MUR 61k during the year ended 30 June 2026 (2025: Nil; 2024: MUR 83.9m). None of the write offs (2025: Nil; 2024: MUR 76.2m) during the current year pertained to exposures subject to enforcement action by the Bank.

	THE GROUP AND THE BANK							
	GROSS CARRYING AMOUNT				ALLOWANCE FOR IMPAIRMENT LOSSES			
	2025							
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	TOTAL
					12-months ECL	Lifetime ECL	Lifetime ECL	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July	43,335,700	4,742,210	1,682,638	49,760,548	223,142	152,210	1,527,710	1,903,062
Changes in the amount								
Transfer to stage 1	1,187,853	(1,187,822)	(31)	-	19,905	(19,900)	(5)	-
Transfer to stage 2	(2,123,408)	2,174,552	(51,144)	-	(14,830)	15,213	(383)	-
Transfer to stage 3	(480,613)	(300,351)	780,964	-	(50,785)	(2,232)	53,017	-
Net remeasurement of loss allowance	-	-	-	-	(64,291)	29,327	419,349	384,385
New assets originated or purchased	61,457,679	-	-	61,457,679	177,382	-	-	177,382
Payments and assets derecognised	(51,933,994)	(2,114,931)	(148,647)	(54,197,572)	(60,446)	(57,962)	(59,731)	(178,139)
At 30 June	51,443,217	3,313,658	2,263,780	57,020,655	230,077	116,656	1,939,957	2,286,690

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FOR THE YEAR ENDED 30 JUNE 2026

16(b) LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

	THE GROUP AND THE BANK							
	GROSS CARRYING AMOUNT				ALLOWANCE FOR IMPAIRMENT LOSSES			
	2024							
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	TOTAL
					12-months ECL	Lifetime ECL	Lifetime ECL	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July	34,472,973	5,040,514	1,683,591	41,197,078	182,422	169,836	1,577,839	1,930,097
Changes in the amount								
Transfer to stage 1	1,160,908	(1,125,342)	(35,566)	-	64,019	(47,805)	(16,214)	-
Transfer to stage 2	(2,089,638)	2,094,091	(4,453)	-	(17,309)	17,443	(134)	-
Transfer to stage 3	(98,350)	(61,777)	160,127	-	(2,321)	(4,416)	6,737	-
Net remeasurement of loss allowance	-	-	-	-	(74,148)	34,265	62,345	22,462
New assets originated or purchased	67,594,157	-	-	67,594,157	139,510	-	-	139,510
Payments and assets derecognised	(57,704,350)	(1,205,276)	(37,163)	(58,946,789)	(69,031)	(17,113)	(18,965)	(105,109)
Write-offs	-	-	(83,898)	(83,898)	-	-	(83,898)	(83,898)
At 30 June	43,335,700	4,742,210	1,682,638	49,760,548	223,142	152,210	1,527,710	1,903,062

Out of MUR 83.9m write offs during the financial year ended 30 Jun 2024, MUR 76.2m pertain to exposures which are subject to enforcement action by the Bank. There were no write off during the financial year 30 June 2025.

17. INVESTMENT SECURITIES

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Financial assets held for trading measured at fair value through profit or loss (Note 17(a))	**9,900,092**	10,085,911	9,086,277
Debt instruments measured at amortised cost (Note 17(b))	**163,755,904**	120,490,242	125,588,785
Equity investments designated at fair value through other comprehensive income (Note 17(c))	**27,193**	24,130	20,233
Equity investment measured at fair value through profit or loss (Note 17(d))	**1,571**	1,218	2,092
	173,684,760	130,601,501	134,697,387

(a) FINANCIAL ASSETS HELD FOR TRADING MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Trading assets:			
Government of Mauritius debt securities	**1,150,279**	4,249,248	3,724,871
Bank of Mauritius bonds and notes	**7,984,803**	737,842	997,923
Foreign securities: corporate bonds and notes	**435,436**	1,965,778	3,211,245
Foreign securities: sovereign bills, bonds and notes	**329,574**	3,133,043	1,152,238
	9,900,092	10,085,911	9,086,277

17. INVESTMENT SECURITIES (CONT'D)

(b) DEBT INSTRUMENTS MEASURED AT AMORTISED COST

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Government of Mauritius treasury bills and bonds	**13,122,763**	16,868,416	12,893,779
Bank of Mauritius bonds and notes	**900,852**	901,575	4,752,881
Local securities: corporate bonds and notes	**7,899,428**	6,477,823	3,141,557
Foreign securities: corporate bonds and notes	**12,145,392**	23,905,199	24,035,846
Foreign securities: sovereign bills, bonds and notes	**129,708,851**	72,386,157	80,806,820
	163,777,286	120,539,170	125,630,883
Less: allowance for impairment losses	**(21,382)**	(48,928)	(42,098)
	163,755,904	120,490,242	125,588,785

An analysis of risk concentration in gross carrying amounts and corresponding ECL in the debt instruments measured at amortised cost by type of investment is presented as per below:

	THE GROUP AND THE BANK					
	GROSS CARRYING AMOUNT			ALLOWANCE FOR IMPAIRMENT LOSSES		
	2026					
	STAGE 1	STAGE 2	TOTAL	STAGE 1	STAGE 2	TOTAL
				12-months ECL	Lifetime ECL	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Government of Mauritius treasury bills and bonds	**13,122,763**	**-**	**13,122,763**	**3,331**	**-**	**3,331**
Bank of Mauritius bonds and notes	**900,852**	**-**	**900,852**	**86**	**-**	**86**
Local securities: corporate bonds and notes	**7,341,082**	**558,346**	**7,899,428**	**5,056**	**9,667**	**14,723**
Foreign securities: corporate bonds and notes	**12,145,392**	**-**	**12,145,392**	**2,970**	**-**	**2,970**
Foreign securities: sovereign bills, bonds and notes	**129,708,851**	**-**	**129,708,851**	**272**	**-**	**272**
	163,218,940	**558,346**	**163,777,286**	**11,715**	**9,667**	**21,382**

	THE GROUP AND THE BANK	
	GROSS CARRYING AMOUNT	ALLOWANCE FOR IMPAIRMENT LOSSES
	2025	
	STAGE 1	STAGE 1
		12-months ECL
	MUR'000	MUR'000
Government of Mauritius treasury bills and bonds	16,868,416	22,553
Bank of Mauritius bonds and notes	901,575	304
Local securities: corporate bonds and notes	6,477,823	14,966
Foreign securities: corporate bonds and notes	23,905,199	8,630
Foreign securities: sovereign bills, bonds and notes	72,386,157	2,475
	120,539,170	48,928

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17. INVESTMENT SECURITIES (CONT'D)

(b) DEBT INSTRUMENTS MEASURED AT AMORTISED COST (cont'd)

	THE GROUP AND THE BANK					
	GROSS CARRYING AMOUNT			ALLOWANCE FOR IMPAIRMENT LOSSES		
	2024					
	STAGE 1	STAGE 2	TOTAL	STAGE 1	STAGE 2	TOTAL
				12-months ECL	Lifetime ECL	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Government of Mauritius treasury bills and bonds	12,893,779	-	12,893,779	15,243	-	15,243
Bank of Mauritius bonds and notes	4,752,881	-	4,752,881	2,214	-	2,214
Local securities: corporate bonds and notes	3,141,557	-	3,141,557	12,075	-	12,075
Foreign securities: corporate bonds and notes	24,035,846	-	24,035,846	10,797	-	10,797
Foreign securities: sovereign bills, bonds and notes	80,806,820	-	80,806,820	1,769	-	1,769
	125,630,883	-	125,630,883	42,098	-	42,098

The table below shows the credit quality and the maximum exposure to credit risk based on the credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	THE GROUP AND THE BANK				
	2026			2025	2024
Credit rating grade	**STAGE 1**	**STAGE 2**	**TOTAL**	STAGE 1	STAGE 1
	MUR'000	**MUR'000**	**MUR'000**	MUR'000	MUR'000
Performing:					
Credit rating AAA	**235,406**	**-**	**235,406**	898,979	72,163,834
Credit rating AA+ to AA-	**108,912,088**	**-**	**108,912,088**	86,684,627	22,055,866
Credit rating A+ to A-	**30,779,695**	**-**	**30,779,695**	4,652,657	6,312,072
Credit rating BBB+ to BBB-	**16,309,601**	**-**	**16,309,601**	21,164,478	20,938,300
Credit rating BB+ to BB-	**6,982,150**	**-**	**6,982,150**	6,481,551	3,503,933
Credit rating B+ to B-	**-**	**558,346**	**558,346**	656,878	656,878
Total gross carrying amount	**163,218,940**	**558,346**	**163,777,286**	120,539,170	125,630,883
Less: allowance for impairment losses	**(11,715)**	**(9,667)**	**(21,382)**	(48,928)	(42,098)
Carrying amount at 30 June	**163,207,225**	**548,679**	**163,755,904**	120,490,242	125,588,785

17. INVESTMENT SECURITIES (CONT'D)

(b) DEBT INSTRUMENTS MEASURED AT AMORTISED COST (cont'd)

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

	THE GROUP AND THE BANK					
	GROSS CARRYING AMOUNT			ALLOWANCE FOR IMPAIRMENT LOSSES		
	2026					
	STAGE 1	STAGE 2	TOTAL	STAGE 1	STAGE 2	TOTAL
				12-months ECL	Lifetime ECL	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July	**120,539,170**	**-**	**120,539,170**	**48,928**	**-**	**48,928**
Changes in the gross carrying amount						
Transfer to stage 2	**(656,878)**	**656,878**	**-**	**(9,348)**	**9,348**	**-**
Net remeasurement of loss allowance	**-**	**-**	**-**	**-**	**319**	**319**
New assets originated or purchased	**150,801,083**	**-**	**150,801,083**	**3,509**	**-**	**3,509**
Payments and assets derecognised	**(107,464,435)**	**(98,532)**	**(107,562,967)**	**(31,374)**	**-**	**(31,374)**
At 30 June	**163,218,940**	**558,346**	**163,777,286**	**11,715**	**9,667**	**21,382**

Lower ECL despite higher EAD is due to a refinement of LGD methodologies for sovereign exposures in the Treasury Portfolio where the Bank applies a rating-based approach that reflects the credit quality of the sovereign counterparties.

	THE GROUP AND THE BANK					
	GROSS CARRYING AMOUNT			ALLOWANCE FOR IMPAIRMENT LOSSES		
	2025					
	STAGE 1	STAGE 2	TOTAL	STAGE 1	STAGE 2	TOTAL
				12-months ECL	Lifetime ECL	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July	125,630,883	-	125,630,883	42,098	-	42,098
Net remeasurement of loss allowance	-	-	-	(3,515)	-	(3,515)
New assets originated or purchased	700,335,307	-	700,335,307	26,018	-	26,018
Payments and assets derecognised	(705,427,020)	-	(705,427,020)	(15,673)	-	(15,673)
At 30 June	120,539,170	-	120,539,170	48,928	-	48,928

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FOR THE YEAR ENDED 30 JUNE 2026

17. INVESTMENT SECURITIES (CONT'D)

(b) DEBT INSTRUMENTS MEASURED AT AMORTISED COST (cont'd)

	THE GROUP AND THE BANK					
	GROSS CARRYING AMOUNT			ALLOWANCE FOR IMPAIRMENT LOSSES		
	2024					
	STAGE 1	STAGE 2	TOTAL	STAGE 1	STAGE 2	TOTAL
				12-months ECL	Lifetime ECL	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July	102,670,353	1,040,564	103,710,917	29,163	6,892	36,055
Changes in the gross carrying amount						
Transfer to stage 1	1,040,564	(1,040,564)	-	6,892	(6,892)	-
Net remeasurement of loss allowance	-	-	-	(3)	-	(3)
New assets originated or purchased	1,081,636,855	-	1,081,636,855	18,302	-	18,302
Payments and assets derecognised	(1,059,716,889)	-	(1,059,716,889)	(12,256)	-	(12,256)
Financial assets that have been derecognised		-	-		-	-
At 30 June	125,630,883	-	125,630,883	42,098	-	42,098

(c) EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Equity securities:			
At 1 July	**24,130**	20,233	16,956
Additions	**-**	-	2,316
Fair value movement	**2,669**	3,090	631
Exchange gain	**394**	807	330
At 30 June	**27,193**	24,130	20,233

The investments are expected to be held for the long term for strategic purposes and have been designated at FVTOCI. There was no disposal during the year. No dividend income was recognised on these investments during the year under review (2025 and 2024: Nil).

17. INVESTMENT SECURITIES (CONT'D)

(d) EQUITY INVESTMENT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
At 1 July	**1,218**	2,092	905
Fair value movement	**353**	(874)	1,187
At 30 June	**1,571**	1,218	2,092

18. INVESTMENT IN SUBSIDIARY

The details of the direct subsidiary are as follows:

	Country of Incorporation	**Class of Shares**	**Effective % Holdings**		
			2026	2025	2024
			%	%	%
Direct subsidiary					
AfrAsia Investments Limited	Mauritius	Ordinary	**100**	100	100

The balance of the investment in subsidiary was written off during the year 2019.

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19. PROPERTY AND EQUIPMENT

(a) THE GROUP	Improvement to buildings	Furniture and fittings	Office equipment	Motor vehicles	Computer equipment	Assets in progress	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
COST							
At 1 July 2023	58,585	82,823	22,746	124	165,548	70,985	400,811
Capitalisation of assets in progress	-	-	-	-	16,895	(16,895)	-
Additions for the year	-	1,525	1,450	148	17,085	455,492	475,700
Assets written off	-	(42)	(1,254)	-	(6,880)	-	(8,176)
At 30 June 2024	58,585	84,306	22,942	272	192,648	509,582	868,335
At 1 July 2024	58,585	84,306	22,942	272	192,648	509,582	868,335
Capitalisation of assets in progress	150,440	275,154	22,777	-	13,186	(461,557)	-
Additions for the year	63,550	103,672	11,465	-	9,123	36,049	223,859
Disposal of assets	-	(12,537)	(487)	-	-	-	(13,024)
Assets written off	(48,850)	(46,637)	(4,321)	(63)	(7,572)	-	(107,443)
At 30 June 2025	223,725	403,958	52,376	209	207,385	84,074	971,727
At 1 July 2025	**223,725**	**403,958**	**52,376**	**209**	**207,385**	**84,074**	**971,727**
Capitalisation of assets in progress	**437**	**119**	**52**	**-**	**83,466**	**(84,074)**	**-**
Additions for the year	**5,676**	**2,964**	**3,761**	**-**	**51,935**	**3,627**	**67,963**
Assets written off	**(9,148)**	**(9,952)**	**(2,543)**	**-**	**(53,610)**	**-**	**(75,253)**
At 30 June 2026	**220,690**	**397,089**	**53,646**	**209**	**289,176**	**3,627**	**964,437**
ACCUMULATED DEPRECIATION							
At 1 July 2023	51,145	63,554	17,372	112	109,467	-	241,650
Charge for the year	5,922	7,709	1,687	1	15,100	-	30,419
Assets written off	-	(42)	(1,254)	-	(6,880)	-	(8,176)
At 30 June 2024	57,067	71,221	17,805	113	117,687	-	263,893
At 1 July 2024	57,067	71,221	17,805	113	117,687	-	263,893
Charge for the year	2,466	8,150	2,800	25	16,970	-	30,411
Disposal of assets	-	(11,222)	(427)	-	-	-	(11,649)
Assets written off	(48,850)	(46,637)	(4,321)	(63)	(7,572)	-	(107,443)
At 30 June 2025	10,683	21,512	15,857	75	127,085	-	175,212
At 1 July 2025	**10,683**	**21,512**	**15,857**	**75**	**127,085**	**-**	**175,212**
Charge for the year	**20,098**	**36,543**	**7,389**	**19**	**43,501**	**-**	**107,550**
Assets written off	**(9,148)**	**(9,952)**	**(2,543)**	**-**	**(53,610)**	**-**	**(75,253)**
At 30 June 2026	**21,633**	**48,103**	**20,703**	**94**	**116,976**	**-**	**207,509**
CARRYING AMOUNT							
At 30 June 2026	**199,057**	**348,986**	**32,943**	**115**	**172,200**	**3,627**	**756,928**
At 30 June 2025	213,042	382,446	36,519	134	80,300	84,074	796,515
At 30 June 2024	1,518	13,085	5,137	159	74,961	509,582	604,442

The Directors have reviewed the carrying amount of the Bank's property and equipment and are of the opinion that no impairment is required at the reporting date (2025 and 2024: Nil), other than the assets written off as disclosed above.

For the financial year ended 30 June 2025 out of the total additions of MUR 223.9m, MUR 21.4m relates to amount payable and has therefore been excluded from the Statements of Cash Flows (2026 and 2024: Nil).

Capital Commitment

The Group and the Bank

Authorised by the Board of Directors for the next 12 months but contracted for:

Commitments for the acquisition of plant and equipment amounts to MUR 4.5m (2025: MUR 491.7m and 2024: MUR 403.2m).

19. PROPERTY AND EQUIPMENT (CONT'D)

(b) THE BANK	Improvement to buildings	Furniture and fittings	Office equipment	Motor vehicles	Computer equipment	Assets in progress	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
COST							
At 1 July 2023	58,585	82,812	22,746	124	165,517	70,985	400,769
Capitalisation of assets in progress	-	-	-	-	16,895	(16,895)	-
Additions for the year	-	1,525	1,450	148	17,085	455,492	475,700
Assets written off	-	(42)	(1,254)	-	(6,880)	-	(8,176)
At 30 June 2024	58,585	84,295	22,942	272	192,617	509,582	868,293
At 1 July 2024	58,585	84,295	22,942	272	192,617	509,582	868,293
Capitalisation of assets in progress	150,440	275,154	22,777	-	13,186	(461,557)	-
Additions for the year	63,550	103,672	11,465	-	9,123	36,049	223,859
Disposal of assets	-	(12,537)	(487)	-	-	-	(13,024)
Assets written off	(48,850)	(46,637)	(4,321)	(63)	(7,572)	-	(107,443)
At 30 June 2025	223,725	403,947	52,376	209	207,354	84,074	971,685
At 1 July 2025	**223,725**	**403,947**	**52,376**	**209**	**207,354**	**84,074**	**971,685**
Capitalisation of assets in progress	**437**	**119**	**52**	**-**	**83,466**	**(84,074)**	**-**
Additions for the year	**5,676**	**2,964**	**3,761**	**-**	**51,935**	**3,627**	**67,963**
Assets written off	**(9,148)**	**(9,952)**	**(2,543)**	**-**	**(53,610)**	**-**	**(75,253)**
At 30 June 2026	**220,690**	**397,078**	**53,646**	**209**	**289,145**	**3,627**	**964,395**
ACCUMULATED DEPRECIATION							
At 1 July 2023	51,145	63,543	17,372	112	109,436	-	241,608
Charge for the year	5,922	7,709	1,687	1	15,100	-	30,419
Assets written off	-	(42)	(1,254)	-	(6,880)	-	(8,176)
At 30 June 2024	57,067	71,210	17,805	113	117,656	-	263,851
At 1 July 2024	57,067	71,210	17,805	113	117,656	-	263,851
Charge for the year	2,466	8,150	2,800	25	16,970	-	30,411
Disposal of assets	-	(11,222)	(427)	-	-	-	(11,649)
Assets written off	(48,850)	(46,637)	(4,321)	(63)	(7,572)	-	(107,443)
At 30 June 2025	10,683	21,501	15,857	75	127,054	-	175,170
At 1 July 2025	**10,683**	**21,501**	**15,857**	**75**	**127,054**	**-**	**175,170**
Charge for the year	**20,098**	**36,543**	**7,389**	**19**	**43,501**	**-**	**107,550**
Assets written off	**(9,148)**	**(9,952)**	**(2,543)**	**-**	**(53,610)**	**-**	**(75,253)**
At 30 June 2026	**21,633**	**48,092**	**20,703**	**94**	**116,945**	**-**	**207,467**
CARRYING AMOUNT							
At 30 June 2026	**199,057**	**348,986**	**32,943**	**115**	**172,200**	**3,627**	**756,928**
At 30 June 2025	213,042	382,446	36,519	134	80,300	84,074	796,515
At 30 June 2024	1,518	13,085	5,137	159	74,961	509,582	604,442

The Directors have reviewed the carrying amount of the Bank's property and equipment and are of the opinion that no impairment is required at the reporting date (2025 and 2024: Nil), other than the assets written off as disclosed above.

For the financial year ended 30 June 2025, the Bank relocated to its new building and all costs previously relating to building in the course of construction have been capitalised within Property and Equipment. In addition, several assets relating to the previous premises were disposed of and written off upon relocation.

For the financial year ended 30 June 2025 out of the total additions of MUR 223.9m, MUR 21.4m relates to amount payable and has therefore been excluded from the Statements of Cash Flows (2026 and 2024: Nil).

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20. INTANGIBLE ASSETS

(a) THE GROUP	Computer software	Other	Assets in progress	Total
	MUR'000	MUR'000	MUR'000	MUR'000
COST				
At 1 July 2023	514,708	17,480	105,166	637,354
Capitalisation of assets in progress	11,350	94	(11,444)	-
Additions for the year	14,496	96	63,844	78,436
Assets written off	-	(615)	(82,688)	(83,303)
At 30 June 2024	540,554	17,055	74,878	632,487
At 1 July 2024	540,554	17,055	74,878	632,487
Capitalisation of assets in progress	14,253	1,401	(15,654)	-
Additions for the year	10,429	229	25,171	35,829
At 30 June 2025	565,236	18,685	84,395	668,316
At 1 July 2025	**565,236**	**18,685**	**84,395**	**668,316**
Capitalisation of assets in progress	**24,026**	**314**	**(24,340)**	**-**
Additions for the year	**24,153**	**-**	**8,233**	**32,386**
Assets written off	**(53,722)**	**-**	**-**	**(53,722)**
At 30 June 2026	**559,693**	**18,999**	**68,288**	**646,980**
ACCUMULATED AMORTISATION				
At 1 July 2023	260,704	13,872	-	274,576
Charge for the year	91,814	1,167	-	92,981
Assets written off	-	(615)	-	(615)
At 30 June 2024	352,518	14,424	-	366,942
At 1 July 2024	352,518	14,424	-	366,942
Charge for the year	37,650	1,155	-	38,805
At 30 June 2025	390,168	15,579	-	405,747
At 1 July 2025	**390,168**	**15,579**	**-**	**405,747**
Charge for the year	**40,267**	**623**	**-**	**40,890**
Assets written off	**(53,722)**	**-**	**-**	**(53,722)**
At 30 June 2026	**376,713**	**16,202**	**-**	**392,915**
CARRYING AMOUNT				
NET BOOK VALUE AT 30 JUNE 2026	**182,980**	**2,797**	**68,288**	**254,065**
NET BOOK VALUE AT 30 JUNE 2025	175,068	3,106	84,395	262,569
NET BOOK VALUE AT 30 JUNE 2024	188,036	2,631	74,878	265,545

As at 30 June 2026, the Directors reviewed the carrying amount of the Bank's intangible assets and are of the opinion that no impairment is required at the reporting date (2025: Nil), other than the assets written off as disclosed above.

As at 30 June 2024, the Bank applied accelerated amortisation to a specific project with a capitalised cost of MUR 51.4m to better reflect its economic use, resulting in an additional amortisation charge of MUR 38.5m and contributing to a total amortisation charge of MUR 91.8m for computer software for the year ended 30 June 2024. Additionally, the Directors decided to discontinue the same project in the prior year, leading to the write-off of intangible assets in progress amounting to MUR 82.7m. Included in intangible assets are costs relating to the development of software not yet available for use.

For the financial year ended 30 June 2024, out of the total additions, MUR 1.0m relate to payables and have therefore been excluded from the Statements of Cash Flows (2026 and 2025: Nil).

20. INTANGIBLE ASSETS (CONT'D)

Capital Commitment

The Group and the Bank

Authorised by the Board of Directors for the next 12 months but contracted for:

Commitments for the acquisition of intangible assets amounts to MUR 10.6m (2025: MUR 517.8m and 2024: MUR 267.7m).

(b) THE BANK	Computer software	Other	Assets in progress	Total
	MUR'000	MUR'000	MUR'000	MUR'000
COST				
At 1 July 2023	514,711	17,477	105,166	637,354
Capitalisation of assets in progress	11,350	94	(11,444)	-
Additions for the year	14,496	96	63,844	78,436
Assets written off	-	(615)	(82,688)	(83,303)
At 30 June 2024	540,557	17,052	74,878	632,487
At 1 July 2024	540,557	17,052	74,878	632,487
Capitalisation of assets in progress	14,253	1,401	(15,654)	-
Additions for the year	10,429	229	25,171	35,829
Assets written off	-	-	-	-
At 30 June 2025	565,239	18,682	84,395	668,316
At 1 July 2025	**565,239**	**18,682**	**84,395**	**668,316**
Capitalisation of assets in progress	**24,026**	**314**	**(24,340)**	**-**
Additions for the year	**24,153**	**-**	**8,233**	**32,386**
Assets written off	**(53,722)**	**-**	**-**	**(53,722)**
At 30 June 2026	**559,696**	**18,996**	**68,288**	**646,980**
ACCUMULATED AMORTISATION				
At 1 July 2023	260,704	13,872	-	274,576
Charge for the year	91,814	1,167	-	92,981
Assets written off	-	(615)	-	(615)
At 30 June 2024	352,518	14,424	-	366,942
At 1 July 2024	352,518	14,424	-	366,942
Charge for the year	37,650	1,155	-	38,805
Assets written off	-	-	-	-
At 30 June 2025	390,168	15,579	-	405,747
At 1 July 2025	**390,168**	**15,579**	**-**	**405,747**
Charge for the year	**40,267**	**623**	**-**	**40,890**
Assets written off	**(53,722)**	**-**	**-**	**(53,722)**
At 30 June 2026	**376,713**	**16,202**	**-**	**392,915**
CARRYING AMOUNT				
NET BOOK VALUE AT 30 JUNE 2026	**182,983**	**2,794**	**68,288**	**254,065**
NET BOOK VALUE AT 30 JUNE 2025	175,071	3,103	84,395	262,569
NET BOOK VALUE AT 30 JUNE 2024	188,039	2,628	74,878	265,545

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

20. INTANGIBLE ASSETS (CONT'D)

As at 30 June 2026, the Directors reviewed the carrying amount of the Bank's intangible assets and are of the opinion that no impairment is required at the reporting date (2025: Nil), other than the assets written off as disclosed above.

As at 30 June 2024, the Bank applied accelerated amortisation to a specific project with a capitalised cost of MUR 51.4m to better reflect its economic use, resulting in an additional amortisation charge of MUR 38.5m and contributing to a total amortisation charge of MUR 91.8m for computer software for the year ended 30 June 2024. Additionally, the Directors decided to discontinue the same project in the prior year, leading to the write-off of intangible assets in progress amounting to MUR 82.7m. Included in intangible assets are costs relating to the development of software not yet available for use.

For the financial year ended 30 June 2024, out of the total additions, MUR 1.0m relate to payables and have therefore been excluded from the Statements of Cash Flows (2026 and 2025: Nil).

21. LEASE

The Group and the Bank lease property and equipment. The remaining lease term is between 2 to 10 years. The Group and the Bank do not have the option to purchase the leased assets at the end of the lease term. The Group and the Bank's obligations are secured by the lessor's title to the leased assets for such leases.

RIGHT OF USE ASSETS	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
COST			
At 1 July	**496,788**	81,758	142,496
Additions	**29,291**	422,673	-
Remeasurement of right of use assets	**41,562**	1,407	3,228
Lease terminated	**(65,942)**	(9,050)	(63,966)
At 30 June	**501,699**	496,788	81,758
ACCUMULATED AMORTISATION			
At 1 July	**54,941**	36,337	76,717
Charge for the year	**66,453**	27,654	23,586
Lease terminated	**(48,738)**	(9,050)	(63,966)
At 30 June	**72,656**	54,941	36,337
CARRYING AMOUNT			
At 30 June	**429,043**	441,847	45,421

During the previous financial year, the Bank relocated its operations to a new building to support its ongoing growth and to provide a modern and efficient working environment. As part of this relocation, the Bank entered into a 10-year lease agreement covering multiple floors within the new premises.

Remeasurements of lease contracts during the year were due to Consumer Price Index (CPI) adjustments and rental space applied to rental payments.

There are no variable lease payments in the lease contracts of the Group and the Bank.

21. LEASE (CONT'D)

LEASE LIABILITIES

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Analysed as:			
Non-current	**411,689**	396,708	29,783
Current	**38,433**	47,330	14,799
	450,122	444,038	44,582
Disclosure required by IFRS 16			
Maturity analysis			
Year 1	**71,083**	78,695	16,582
Year 2	**71,287**	72,868	16,709
Year 3	**75,844**	58,854	14,368
Year 4	**75,602**	62,772	-
Year 5	**65,264**	62,300	-
Over Year 5	**253,677**	282,387	-
	612,757	617,876	47,659
Less: Unearned Interest	**(162,635)**	(173,838)	(3,077)
	450,122	444,038	44,582

The leases are denominated in MUR, USD and ZAR.

RECONCILIATION OF FINANCIAL LIABILITIES ARISING FROM FINANCING ACTIVITIES

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
At 1 July	**444,038**	44,582	64,663
Financing cash flows:			
Lease repayments	**(46,823)**	(24,545)	(23,589)
Non-Cash changes:			
Additions	**29,291**	422,673	-
Lease terminated	**(18,559)**	-	-
Remeasurement of lease liabilities	**41,562**	1,407	3,228
Exchange loss/(gain)	**613**	(79)	280
At 30 June	**450,122**	444,038	44,582

AMOUNTS RECOGNISED IN PROFIT OR LOSS

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Depreciation expense on right of use assets	**66,453**	27,654	23,586
Interest expense on lease liabilities (Note 4(b))	**34,986**	8,137	2,600
Short term leases (Note 10)	**2,292**	38,508	16,736
	103,731	74,299	42,922

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

22. OTHER ASSETS

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Mandatory balances with the Central Bank	**6,700,995**	6,168,306	5,288,053	**6,700,995**	6,168,306	5,288,053
Advance to related party (note 36)	**3,775,971**	-	-	**3,775,971**	-	-
Indirect and other taxes receivable	**302,113**	262,470	202,800	**302,113**	262,470	202,800
Prepaid expenses	**158,500**	120,258	89,132	**158,499**	120,252	89,126
Other receivables	**21,748**	27,162	28,843	**21,748**	27,162	28,843
	10,959,327	6,578,196	5,608,828	**10,959,326**	6,578,190	5,608,822

The Bank holds mandatory reserve balances with the central bank. Management has applied judgment and concluded that these balances do not meet the definition of 'cash' or 'cash equivalents' under IAS 7. Judgment was applied in interpreting the terms 'demand deposit' and 'short-term cash commitments', which are not explicitly defined in IAS 7. From an operational and regulatory context, the Bank's assessment was based on the following key factors, namely, minimum average balance requirements, access being subject to Central Bank approval and penalties for non-compliance.

These conditions indicate that the balances do not exhibit the characteristics of a typical demand deposit. Furthermore, the balances are maintained for regulatory compliance purposes and are not intended to meet short-term liquidity needs. Accordingly, these balances are classified as other assets in the statement of financial position and excluded from cash and cash equivalents in the statement of cash flows.

During the financial year ended 30 June 2024, the Bank has assessed ECL on other receivables and out of MUR 47.8m, an amount MUR 19.0m was provided. Following the assessment made in financial year ended 30 June 2025, the opening ECL was reversed following the write off of the receivables. The directors have assessed for ECL on the closing balance of other receivables as at 30 June 2026 and 2025 respectively, and are of the opinion that the credit risk is minimal and hence the ECL is trivial.

As at 30 June 2026, an amount of MUR 3.8bn was advanced to the Bank's parent company to participate in future lending arrangements with external counterparties.

23. DUE TO BANKS

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
At amortised cost:			
Bank overdrafts	**11,572**	2	868
	11,572	2	868

24. DEPOSITS FROM BANKS

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
At amortised cost:			
- Current accounts	**582,943**	97,358	16,202
- Savings accounts	**111,368**	103,190	318,849
	694,311	200,548	335,051

25. DEPOSITS FROM CUSTOMERS

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
At amortised cost:						
Retail Customers						
- Current accounts	**34,115,441**	27,344,494	23,754,595	**34,115,441**	27,344,494	23,754,595
- Savings accounts	**9,807,685**	9,264,612	7,544,809	**9,807,685**	9,264,612	7,544,809
- Term deposits	**30,106,233**	30,717,513	24,974,525	**30,106,233**	30,717,513	24,974,525
Corporate Customers						
- Current accounts	**149,401,995**	110,754,835	107,322,207	**149,403,617**	110,756,868	107,324,671
- Savings accounts	**1,275,501**	1,148,336	983,488	**1,275,501**	1,148,336	983,488
- Term deposits	**84,313,988**	77,770,427	74,185,037	**84,313,988**	77,770,427	74,185,037
Government						
- Current accounts	**251,496**	122,811	117,760	**251,496**	122,811	117,760
- Savings accounts	**20,689**	19,896	19,127	**20,689**	19,896	19,127
- Term deposits	**851,126**	829,843	1,009,401	**851,126**	829,843	1,009,401
	310,144,154	257,972,767	239,910,949	**310,145,776**	257,974,800	239,913,413

Included in 'Deposits from customers' are deposits of MUR 2.2bn (2025: MUR 1.9bn, 2024: MUR 1.8bn) held as collateral against loans and advances to the respective customers.

26. BORROWINGS FROM FINANCIAL INSTITUTION

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
At amortised cost:			
Borrowings from financial institution	**142,977**	157,253	167,183

Long term borrowings from financial institution as at 30 June 2026 was EUR 2.6m (2025: EUR 2.9m, 2024: EUR 3.2m) at floating interest rate of 6 months EURIBOR plus 0.55% margin per annum with tenor from 11 to 13 years. The repayment frequency for the interest payable and the capital portion is semi annually.

27. OTHER LIABILITIES

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Dividend payable	**1,491**	641	592	**1,491**	641	592
Accruals for expenses	**117,168**	123,086	130,184	**116,248**	122,166	129,317
Settlement clearing accounts	**149,045**	335,350	388,045	**149,045**	335,350	388,045
Personnel expenses related accruals	**410,190**	374,596	392,183	**410,190**	374,596	392,183
Provisions	**170,038**	138,111	156,703	**170,038**	138,111	156,703
Other payables	**24,987**	7,358	14,715	**24,987**	7,358	14,715
	872,919	979,142	1,082,422	**871,999**	978,222	1,081,555

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

27. OTHER LIABILITIES (CONT'D)

Included in personnel expenses related accruals are staffs' bonuses.

The movement in provisions is as follows:

	THE GROUP AND THE BANK		
	ECL on Financial guarantee contracts and loan commitments	Other	Total
	MUR'000	MUR'000	MUR'000
At 1 July 2023	42,970	274,780	317,750
Net remeasurement of loss allowance	(12,461)	-	(12,461)
Additions	30,415	82,537	112,952
Payments and assets derecognised	(13,073)	-	(13,073)
Reversal	-	(250,265)	(250,265)
Exchange loss	-	1,800	1,800
At 30 June 2024	47,851	108,852	156,703
At 1 July 2024	47,851	108,852	156,703
Net remeasurement of loss allowance	(4,961)	-	(4,961)
Additions	49,846	-	49,846
Payments and assets derecognised	(17,275)	(13,250)	(30,525)
Reversal	-	(31,750)	(31,750)
Exchange gain	-	(1,202)	(1,202)
At 30 June 2025	75,461	62,650	138,111
At 1 July 2025	**75,461**	**62,650**	**138,111**
Net remeasurement of provision	**-**	**47,200**	**47,200**
Additions	**127,159**	**-**	**127,159**
Payments and assets derecognised	**(143,581)**	**-**	**(143,581)**
Exchange loss	**-**	**1,149**	**1,149**
At 30 June 2026	**59,039**	**110,999**	**170,038**

OTHER PROVISIONS

Other provisions arise out of current or potential claims or pursuits alleging non-compliance with contractual or other legal or regulatory responsibilities, which have resulted or may arise in claims from customers, counterparties or other parties. The Group and the Bank are of the opinion that if disclosing these events on a case-by-case basis would prejudice their outcome, then such detailed disclosures have not been included in these financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

28. ORDINARY SHARES

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Ordinary shares of no par value			
	3,641,049	3,641,049	3,641,049

Analysed as follows:	THE GROUP AND THE BANK					
	2026		2025		2024	
	Number of shares	**Amount**	Number of shares	Amount	Number of shares	Amount
		MUR'000		MUR'000		MUR'000
At 30 June	**112,977,210**	**3,641,049**	112,977,210	3,641,049	112,977,210	3,641,049

29. CLASS A SHARES

	THE GROUP AND THE BANK					
	2026		2025		2024	
	Number of shares	**Amount**	Number of shares	Amount	Number of shares	Amount
		MUR'000		MUR'000		MUR'000
USD 20,000,000 Class A Series 1 Shares	**2,000,000**	**604,580**	2,000,000	604,580	2,000,000	604,580
MUR 800,000,000 Class A Series 2 Shares	**8,000,000**	**800,000**	8,000,000	800,000	8,000,000	800,000
Transaction costs	**-**	**(18,812)**	-	(18,812)	-	(18,812)
	10,000,000	**1,385,768**	10,000,000	1,385,768	10,000,000	1,385,768

The Class A shares do not carry any general voting right at any shareholders meeting of the Bank other than an irrevocable right to vote on any proposal to amend the Class A shares Terms and Conditions.

The shares are callable, at the option of the issuer, six years after the issue date (30 June 2014), with the prior approval of the Bank of Mauritius. The Bank has not exercised the option to redeem the shares as at 30 June 2026.

Dividends are payable at the discretion of the Board of Directors of AfrAsia Bank Limited and subject to the prior approval of Bank of Mauritius.

30. EMPLOYEE BENEFITS

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Retirement Benefit Obligations (a)	**181,153**	185,705	183,293
Other Long Term Employee Incentive (b)	**3,316**	2,469	3,306
	184,469	188,174	186,599

(a) Retirement Benefit Obligations

The Group and the Bank have a defined contribution (DC) scheme which is a funded obligation administered by Swan Pension Ltd.

The liability relates to retirement gratuities payable under The Workers' Rights Act 2019 which is unfunded.

The actuarial valuation was carried out at 30 June 2026 by Swan Actuarial Services Ltd.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

30. EMPLOYEE BENEFITS (CONT'D)

(a) Retirement Benefit Obligations (cont'd)

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Present value of obligations	**181,153**	185,705	183,293

Movement in liability recognised in statements of financial position:

	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Net liability at start of year	**185,705**	183,293	110,936
Amount recognised in profit or loss	**25,297**	(17,473)	(24,098)
Amount recognised in other comprehensive income	**(16,908)**	20,450	97,115
Payment of pension and gratuity	**(12,941)**	(565)	(660)
Net liability at end of the year	**181,153**	185,705	183,293

Amounts recognised in statements of profit or loss and other comprehensive income

	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Current service cost	**14,896**	17,355	12,334
Past service cost	**-**	-	(42,405)
Effect of curtailments	**-**	(44,528)	-
Net interest cost	**10,401**	9,700	5,973
Components of amount recognised in profit or loss	**25,297**	(17,473)	(24,098)
Remeasurement of defined benefit obligations:			
Liability experience loss	**(16,921)**	37,766	24,782
Loss on plan assets	**13**	33	33
Liability (gain)/loss due to change in financial assumptions	**-**	(17,349)	72,300
Components of amount recognised in other comprehensive income	**(16,908)**	20,450	97,115
	8,389	2,977	73,017

30. EMPLOYEE BENEFITS (CONT'D)

(a) Retirement Benefit Obligations (cont'd)

Changes in the present value of the defined benefit obligations:

	2026	2025	2024
	MUR'000	MUR'000	MUR'000
At 1 July	**185,705**	183,293	110,936
Interest cost	**10,401**	9,700	5,973
Current service cost	**14,896**	17,355	12,334
Past service cost	**-**	-	(42,405)
Effect of curtailments	**-**	(44,528)	-
Liability experience (gain)/loss	**(16,921)**	37,766	24,782
Loss on plan assets	**13**	33	33
Liability (gain)/loss due to change in financial assumptions	**-**	(17,349)	72,300
Payment of pension and gratuity	**(12,941)**	(565)	(660)
At 30 June	**181,153**	185,705	183,293

Future cash flows:

The funding policy is to pay benefits out of the Group's and the Bank's cash flow as and when due.

The weighted average duration of the defined benefit obligation is 12 years (2025: 13 years and 2024: 12 years).

	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Sensitivity analysis:			
Increase in defined benefit obligation due to 1% decrease in discount rate	**39,817**	36,464	31,610
Decrease in defined benefit obligation due to 1% increase in discount rate	**32,680**	30,166	26,405
Increase in defined benefit obligation due to 1% increase in future long-term salary assumption	**39,326**	36,013	31,060
Decrease in defined benefit obligation due to 1% decrease in future long-term salary assumption	**32,903**	30,374	26,473

The sensitivity analyses above have been determined based on sensibly possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

30. EMPLOYEE BENEFITS (CONT'D)

(a) Retirement Benefit Obligations (cont'd)

The principal actuarial assumptions used for accounting purposes are:	**2026**	2025	2024
Discount rate	**5.80%**	5.80%	5.30%
Salary increases	**6.00%**	6.00%	6.00%
Average retirement age	**60 years**	60 years	60 years
Mortality Rate	**A67/70**	A67/70	A67/70
Annuity rates at retirement		**Swan Annuity Rates**	

The rate per annum of withdrawal from service before retirement for the Bank is between 10% and 15% for age up to 30, reducing to 0% after 50 years.

The discount rate is determined by reference to the yield on available local government bonds of duration equivalent to the duration of liabilities.

(b) Other Long Term Employee Incentive

Included in other long term employee incentive is provision for vacation leaves. This provision relates to employees who are entitled to vacation leaves prescribed under part V of the Workers' Rights Act 2019. The latter provides vacation leaves of not more than 30 days.

The actuarial valuation was carried out at 30 June 2026 by Swan Actuarial Services Ltd.

	THE GROUP AND THE BANK	
The principal actuarial assumptions used for accounting purposes are:	**2026**	2025
Discount rate	**4.30%**	4.70%
Salary increases	**6.00%**	6.00%
Present Value of Plan liability	**3,316**	2,469

	2026	2025
	MUR'000	MUR'000
At 1 July	**2,469**	3,306
Total expense for the Year	**847**	(837)
At 30-Jun	**3,316**	2,469
Increase in Defined Benefit Obligation due to 1% decrease in Discount Rate	**Rs 46,255**	Rs 36,103
Decrease in Defined Benefit Obligation due to 1% increase in Discount Rate	**Rs 44,752**	Rs 34,787
Increase in Defined Benefit Obligation due to 1% increase in Future long-term Salary assumption	**Rs 45,069**	Rs 35,313
Decrease in Defined Benefit Obligation due to 1% decrease in Future long-term Salary assumption	**Rs 44,458**	Rs 34,690

The sensitivity analyses above have been determined based on sensibly possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

31. RETAINED EARNINGS AND OTHER RESERVES

	THE GROUP							THE BANK						
	Retained Earnings	Net OCI movement on RBO	Fair value reserve	Statutory reserve	General banking reserve	Provision reserve	Total	Retained Earnings	Net OCI movement on RBO	Fair value reserve	Statutory reserve	General banking reserve	Provision reserve	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July 2023	7,718,233	6,485	(11,386)	2,149,252	358,318	201,039	2,697,223	7,697,796	6,392	7,125	2,149,252	358,318	201,039	2,715,734
Profit for the year	7,024,525	-	-	-	-	-	-	7,024,941	-	-	-	-	-	-
Remeasurement of employee benefits	-	(83,964)	-	-	-	-	-	-	(83,964)	-	-	-	-	-
Appropriation of reserves	(1,087,670)	-	-	1,053,742	33,928	-	1,087,670	(1,087,670)	-	-	1,053,742	33,928	-	1,087,670
Additional provision in relation to Bank of Mauritius Guideline	(79,209)	-	-	-	-	79,209	79,209	(79,209)	-	-	-	-	79,209	79,209
Dividends	(3,119,224)	-	-	-	-	-	-	(3,119,224)	-	-	-	-	-	-
Fair value gain on equity instruments designated at fair value through other comprehensive income	-	-	961	-	-	-	961	-	-	961	-	-	-	961
At 30 June 2024	10,456,655	(77,479)	(10,425)	3,202,994	392,246	280,248	3,865,063	10,436,634	(77,572)	8,086	3,202,994	392,246	280,248	3,883,574
At 1 July 2024	10,456,655	(77,479)	(10,425)	3,202,994	392,246	280,248	3,865,063	10,436,634	(77,572)	8,086	3,202,994	392,246	280,248	3,883,574
Profit for the year	6,313,551	-	-	-	-	-	-	6,314,035	-	-	-	-	-	-
Remeasurement of employee benefits	-	(13,516)	-	-	-	-	-	-	(13,516)	-	-	-	-	-
Appropriation of reserves	(902,196)	-	-	947,105	(44,909)	-	902,196	(902,196)	-	-	947,105	(44,909)	-	902,196
Additional provision in relation to Bank of Mauritius Guideline	(681,860)	-	-	-	-	681,860	681,860	(681,860)	-	-	-	-	681,860	681,860
Dividends	(2,625,106)	-	-	-	-	-	-	(2,625,106)	-	-	-	-	-	-
Fair value gain on equity instruments designated at fair value through other comprehensive income	-	-	3,897	-	-	-	3,897	-	-	3,897	-	-	-	3,897
At 30 June 2025	12,561,044	(90,995)	(6,528)	4,150,099	347,337	962,108	5,453,016	12,541,507	(91,088)	11,983	4,150,099	347,337	962,108	5,471,527
At 1 July 2025	**12,561,044**	**(90,995)**	**(6,528)**	**4,150,099**	**347,337**	**962,108**	**5,453,016**	**12,541,507**	**(91,088)**	**11,983**	**4,150,099**	**347,337**	**962,108**	**5,471,527**
Profit for the year	**6,841,265**	-	-	-	-	-	-	**6,841,681**	-	-	-	-	-	-
Remeasurement of employee benefits	-	**14,465**	-	-	-	-	-	-	**14,465**	-	-	-	-	-
Appropriation of reserves	**(984,849)**	-	-	**876,718**	**108,131**	-	**984,849**	**(984,849)**	-	-	**876,718**	**108,131**	-	**984,849**
Additional provision in relation to Bank of Mauritius Guideline	**(288,469)**	-	-	-	-	**288,469**	**288,469**	**(288,469)**	-	-	-	-	**288,469**	**288,469**
Derecognition of Financial Assets at FVOCI	**(18,511)**		**18,511**	-	-	-	**18,511**	-	-	-	-	-	-	-
Dividends	**(2,439,933)**	-	-	-	-	-	-	**(2,439,933)**	-	-	-	-	-	-
Fair value gain on equity instruments designated at fair value through other comprehensive income	-	-	**3,063**	-	-	-	**3,063**	-	-	**3,063**	-	-	-	**3,063**
At 30 June 2026	**15,670,547**	**(76,530)**	**15,046**	**5,026,817**	**455,468**	**1,250,577**	**6,747,908**	**15,669,937**	**(76,623)**	**15,046**	**5,026,817**	**455,468**	**1,250,577**	**6,747,908**

Total retained earnings reported under Statements of Changes in Equity include retained earnings and net OCI movement on RBO.

Refer to Note 3A(g) for the composition of other reserves.

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial instruments measured at fair value

Determination of fair value and fair value hierarchy

The Group and the Bank use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following tables show an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	THE GROUP											
	2026				2025				2024			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	Total fair value	Level 1	Level 2	Level 3	Total fair value	Level 1	Level 2	Level 3	Total fair value
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
FINANCIAL ASSETS												
Derivative financial instruments												
Foreign exchange option contracts	-	733	-	733	-	4,107	-	4,107	-	9,894	-	9,894
Foreign exchange contracts	-	7,056	-	7,056	-	28,101	-	28,101	-	4,893	-	4,893
Cross currency interest rate swap	-	32,732	-	32,732	-	74,170	-	74,170	-	155,969	-	155,969
Interest rate swaps	-	2,673	-	2,673	-	4,043	-	4,043	-	11,426	-	11,426
Options contracts (structured deposits)	-	89,026	-	89,026	-	25,891	-	25,891	-	184,482	-	184,482
	-	132,220	-	132,220	-	136,312	-	136,312	-	366,664	-	366,664
Financial assets held for trading measured at fair value through profit or loss												
Government of Mauritius debts securities	-	1,150,279	-	1,150,279	-	4,249,248	-	4,249,248	-	3,724,871	-	3,724,871
Bank of Mauritius bonds and notes	-	7,984,803	-	7,984,803	-	737,842	-	737,842	-	997,923	-	997,923
Corporate bonds and notes	292,716	71,360	-	364,076	1,783,108	91,335	-	1,874,443	2,968,717	242,528	-	3,211,245
Sovereign bills, bonds and notes	329,574	-	-	329,574	3,133,043	-	-	3,133,043	1,152,238	-	-	1,152,238
	622,290	9,277,802	-	9,900,092	4,916,151	5,169,760	-	10,085,911	4,120,955	4,965,322	-	9,086,277
Equity investments designated at fair value through other comprehensive income												
Equity investments	-	-	27,193	27,193	-	-	24,130	24,130	-	-	20,233	20,233
	-	-	27,193	27,193	-	-	24,130	24,130	-	-	20,233	20,233
Equity investments measured at fair value through profit or loss												
Equity investments	1,571	-	-	1,571	1,218	-	-	1,218	2,092	-	-	2,092
	1,571	-	-	1,571	1,218	-	-	1,218	2,092	-	-	2,092
	623,861	9,410,022	27,193	10,061,076	4,917,369	5,306,072	24,130	10,247,571	4,123,047	5,331,986	20,233	9,475,266
FINANCIAL LIABILITIES												
Derivative financial instruments												
Foreign exchange option contracts	-	733	-	733	-	3,855	-	3,855	-	9,346	-	9,346
Foreign exchange contracts	-	8,675	-	8,675	-	22,533	-	22,533	-	3,634	-	3,634
Interest rate swaps	-	12,329	-	12,329	-	26,115	-	26,115	-	27,309	-	27,309
Options contracts (structured deposits)	-	89,026	-	89,026	-	25,891	-	25,891	-	184,482	-	184,482
	-	110,763	-	110,763	-	78,394	-	78,394	-	224,771	-	224,771

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial instruments measured at fair value (cont'd)

	THE BANK											
	2026				2025				2024			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total fair value	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total fair value	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total fair value
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
FINANCIAL ASSETS												
Derivative financial instruments												
Foreign exchange option contracts	-	733	-	733	-	4,107	-	4,107	-	9,894	-	9,894
Foreign exchange contracts	-	7,056	-	7,056	-	28,101	-	28,101	-	4,893	-	4,893
Cross currency interest rate swap	-	32,732	-	32,732	-	74,170	-	74,170	-	155,969	-	155,969
Interest rate swaps	-	2,673	-	2,673	-	4,043	-	4,043	-	11,426	-	11,426
Options contracts (structured deposits)	-	89,026	-	89,026	-	25,891	-	25,891	-	184,482	-	184,482
	-	132,220	-	132,220	-	136,312	-	136,312	-	366,664	-	366,664
Financial assets held for trading measured at fair value through profit or loss												
Government of Mauritius debts securities	-	1,150,279	-	1,150,279	-	4,249,248	-	4,249,248	-	3,724,871	-	3,724,871
Bank of Mauritius bonds and notes	-	7,984,803	-	7,984,803	-	737,842	-	737,842	-	997,923	-	997,923
Corporate bonds and notes	364,076	71,360	-	435,436	1,874,443	91,335	-	1,965,778	2,968,717	242,528	-	3,211,245
Sovereign bills, bonds and notes	329,574	-	-	329,574	3,133,043	-	-	3,133,043	1,152,238	-	-	1,152,238
	693,650	9,206,442	-	9,900,092	5,007,486	5,078,425	-	10,085,911	4,120,955	4,965,322	-	9,086,277
Equity investments designated at fair value through other comprehensive income												
Equity investments	-	-	27,193	27,193	-	-	24,130	24,130	-	-	20,233	20,233
	-	-	27,193	27,193	-	-	24,130	24,130	-	-	20,233	20,233
Equity investments measured at fair value through profit or loss												
Equity investments	1,571	-	-	1,571	1,218	-	-	1,218	2,092	-	-	2,092
	1,571	-	-	1,571	1,218	-	-	1,218	2,092	-	-	2,092
	695,221	9,338,662	27,193	10,061,076	5,008,704	5,214,737	24,130	10,247,571	4,123,047	5,331,986	20,233	9,475,266
FINANCIAL LIABILITIES												
Derivative financial instruments												
Foreign exchange option contracts	-	733	-	733	-	3,855	-	3,855	-	9,346	-	9,346
Foreign exchange contracts	-	8,675	-	8,675	-	22,533	-	22,533	-	3,634	-	3,634
Interest rate swaps	-	12,329	-	12,329	-	26,115	-	26,115	-	27,309	-	27,309
Options contracts (structured deposits)	-	89,026	-	89,026	-	25,891	-	25,891	-	184,482	-	184,482
	-	110,763	-	110,763	-	78,394	-	78,394	-	224,771	-	224,771

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial instruments measured at fair value (cont'd)

The table below sets out information about valuation techniques and significant observable inputs used in measuring financial instruments categorised as Level 2 in the fair value hierarchy.

Description	Level	Valuation techniques	Significant observable inputs
Financial assets held for trading measured at fair value through profit or loss			
(i) Government of Mauritius debts securities and Bank of Mauritius bonds and notes		Those investments are valued based on the weighted bond yield curve of similar instruments as made publicly available by the local regulator.	Risk adjusted yield curves.
(ii) Corporate bonds and notes		Those investments are valued based on the weighted bond yield curve of similar instruments as made publicly available by the local regulator.	Risk adjusted yield curves.
(iii) Derivative Financial Instruments	2	Derivative products valued using a valuation technique with market observable inputs include forward foreign exchange contracts and option contracts across several asset classes, including but not limited to Funds, commodities, indices and equities. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, interest rate curves, volatility curves and/or feeds from appointed valuation/calculation agents.	Interest rate curves, repurchase agreements, money market curves and/or volatility.

The Equity investments designated at FVOCI has been fair valued by using the share price as listed on the company's website but this is classified as Level 3 given that it is not publicly traded. We determine that in the ordinary course of business, the share price is considered to be the most appropriate to determine the fair value.

A 10% increase/decrease in share price will lead to an increase/decrease in fair value of investment of MUR 2.4m for 2026 (2025: MUR 2.1m and 2024: MUR 1.8m).

The reconciliation for level 3 has been disclosed in note 17(c).

Transfers between hierarchy

There was no transfer between fair value hierarchy during the year under review.

(b) Financial assets and liabilities not measured at fair value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not measured at fair value in the financial statements:

Assets and liabilities for which fair value approximates carrying value

For financial assets and financial liabilities that have a short term maturity (less than one year), 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.

Fixed and floating rate financial instruments

The fair value of fixed and floating 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. The estimated fair value of fixed and floating interest bearing deposits is based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and maturity. For those notes issued where quoted market prices are not available, a discounted cash flow model is used based on a current interest rate yield curve appropriate for the remaining terms to maturity and credit spreads.

The fair value of the below financial assets and financial liabilities are classified in level 3 in the fair value hierarchy.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's and the Bank's financial instruments that are not carried at fair value in the financial statements. The table does not include the fair values of non-financial assets and non-financial liabilities.

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial assets and liabilities not measured at fair value (cont'd)

	THE GROUP					
	2026		2025		2024	
	Carrying amount	**Fair value**	Carrying amount	Fair value	Carrying amount	Fair value
	MUR'000	**MUR'000**	MUR'000	MUR'000	MUR'000	MUR'000
FINANCIAL ASSETS						
Financial assets for which amortised cost approximates fair value						
Cash and balances with banks	**13,388,062**	**13,388,062**	14,140,601	14,140,601	18,847,227	18,847,227
Due from banks	**28,316,776**	**28,316,776**	54,374,971	54,374,971	38,511,567	38,511,567
Loans and advances to banks	**-**	**-**	20,955,184	20,955,184	14,647,416	14,647,416
Other assets (excluding prepayments, accrued income, inventory and taxes)	**10,479,660**	**10,479,660**	6,191,713	6,191,713	5,332,090	5,332,090
Fixed and floating rate financial assets						
Loans and advances to banks	**32,222,810**	**31,712,943**	-	-	-	-
Loans and advances to customers	**80,369,566**	**80,355,804**	54,733,965	54,709,789	47,857,486	47,810,584
Debt instruments measured at amortised cost	**163,755,904**	**163,724,578**	120,490,242	120,168,297	125,588,785	124,614,987
	328,532,778	**327,977,823**	270,886,676	270,540,555	250,784,571	249,763,871

	2026		2025		2024	
	Carrying amount	**Fair value**	Carrying amount	Fair value	Carrying amount	Fair value
	MUR'000	**MUR'000**	MUR'000	MUR'000	MUR'000	MUR'000
FINANCIAL LIABILITIES						
Financial liabilities for which amortised cost approximates fair value						
Due to banks	**11,572**	**11,572**	2	2	868	868
Deposits from banks	**694,311**	**694,311**	200,548	200,548	335,051	335,051
Borrowings from financial institution	**142,977**	**142,977**	157,253	157,253	167,183	167,183
Lease liabilities	**450,122**	**450,122**	444,038	444,038	44,582	44,582
Other liabilities (excluding advance commission and taxes)	**671,539**	**671,539**	829,081	829,081	906,946	906,946
Fixed and floating rate financial liabilities						
Deposits from customers	**310,144,154**	**309,997,885**	257,972,767	257,806,309	239,910,949	239,616,396
	312,114,675	**311,968,406**	259,603,689	259,437,231	241,365,579	241,071,026

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial assets and liabilities not measured at fair value (cont'd)

	THE BANK					
	2026		2025		2024	
	Carrying amount	**Fair value**	Carrying amount	Fair value	Carrying amount	Fair value
	MUR'000	**MUR'000**	MUR'000	MUR'000	MUR'000	MUR'000
FINANCIAL ASSETS						
Financial assets for which amortised cost approximates fair value						
Cash and balances with banks	**13,388,062**	**13,388,062**	14,140,601	14,140,601	18,847,227	18,847,227
Due from banks	**28,316,776**	**28,316,776**	54,374,971	54,374,971	38,511,567	38,511,567
Loans and advances to banks	**-**	**-**	20,955,184	20,955,184	14,647,416	14,647,416
Other assets (excluding prepayments, accrued income, inventory and taxes)	**10,479,660**	**10,479,660**	6,191,707	6,191,707	5,332,084	5,332,084
Fixed and floating rate financial assets						
Loans and advances to banks	**32,222,810**	**31,712,943**	-	-	-	-
Loans and advances to customers	**80,369,566**	**80,355,804**	54,733,965	54,709,789	47,857,486	47,810,584
Debt instruments measured at amortised cost	**163,755,904**	**163,724,578**	120,490,242	120,168,297	125,588,785	124,614,987
	328,532,778	**327,977,823**	270,886,670	270,540,549	250,784,565	249,763,865

	2026		2025		2024	
	Carrying amount	**Fair value**	Carrying amount	Fair value	Carrying amount	Fair value
	MUR'000	**MUR'000**	MUR'000	MUR'000	MUR'000	MUR'000
FINANCIAL LIABILITIES						
Financial liabilities for which amortised cost approximates fair value						
Due to banks	**11,572**	**11,572**	2	2	868	868
Deposits from banks	**694,311**	**694,311**	200,548	200,548	335,051	335,051
Borrowings from financial institution	**142,977**	**142,977**	157,253	157,253	167,183	167,183
Lease liabilities	**450,122**	**450,122**	444,038	444,038	44,582	44,582
Other liabilities (excluding advance commission and taxes)	**670,619**	**670,619**	828,161	828,161	906,079	906,079
Fixed and floating rate financial liabilities						
Deposits from customers	**310,145,776**	**309,999,507**	257,974,800	257,808,342	239,913,413	239,618,860
	312,115,377	**311,969,108**	259,604,802	259,438,344	241,367,176	241,072,623

33. ADDITIONAL CASH FLOW INFORMATION

	Notes	THE GROUP 2026 MUR'000	THE GROUP 2025 MUR'000	THE GROUP 2024 MUR'000	THE BANK 2026 MUR'000	THE BANK 2025 MUR'000	THE BANK 2024 MUR'000
(a) Cash and cash equivalents							
Cash in hand	13	**32,924**	47,527	53,905	**32,924**	47,527	53,905
Unrestricted balances with the Central Bank	13	**451,872**	1,549,547	761,519	**451,872**	1,549,547	761,519
Current accounts with other banks	13	**12,903,777**	12,544,858	18,032,869	**12,903,777**	12,544,858	18,032,869
Short term placements with the Central Bank	14	**2,800,249**	1,200,099	800,197	**2,800,249**	1,200,099	800,197
Short term placements with other banks	14	**25,517,517**	42,716,786	24,546,919	**25,517,517**	42,716,786	24,546,919
Bank overdrafts	23	**(11,572)**	(2)	(868)	**(11,572)**	(2)	(868)
		41,694,767	58,058,815	44,194,541	**41,694,767**	58,058,815	44,194,541
(b) Operating activities							
Profit before tax		**8,869,124**	7,732,069	8,225,944	**8,869,540**	7,732,553	8,226,360
Adjustments for:							
Change in operating assets		**(69,995,809)**	(8,454,502)	(29,227,903)	**(69,995,814)**	(8,454,502)	(29,227,902)
Change in operating liabilities		**48,037,250**	19,266,577	18,067,942	**48,036,839**	19,266,093	18,067,532
Change in employee benefits		**(14,088)**	(565)	(660)	**(14,088)**	(565)	(660)
Non-cash items included in profit before tax		**428,143**	586,809	165,686	**428,143**	586,809	165,686
Cash flows (used in)/generate from operating activities		**(12,675,380)**	19,130,388	(2,768,991)	**(12,675,380)**	19,130,388	(2,768,984)
(c) Change in operating assets							
Net change in mandatory balances with the Central Bank		**(532,689)**	(880,253)	(846,946)	**(532,689)**	(880,253)	(846,946)
Net change in placement with the other banks		**10,464,323**	3,980,025	1,274,689	**10,464,323**	3,980,025	1,274,689
Net change in derivative financial instruments		**(21,884)**	143,568	(9,556)	**(21,884)**	143,568	(9,556)
Net change in loans and advances to banks		**(10,557,892)**	(6,794,665)	(854,216)	**(10,557,892)**	(6,794,665)	(854,216)
Net change in loans and advances to customers		**(24,815,935)**	(7,236,574)	(7,247,060)	**(24,815,935)**	(7,236,574)	(7,247,060)
Net change in investment securities		**(40,683,258)**	2,421,581	(21,517,120)	**(40,683,258)**	2,421,581	(21,517,120)
Net change in other assets		**(3,848,474)**	(88,184)	(27,694)	**(3,848,479)**	(88,184)	(27,693)
		(69,995,809)	(8,454,502)	(29,227,903)	**(69,995,814)**	(8,454,502)	(29,227,902)
(d) Change in operating liabilities							
Net change in deposits from banks		**479,966**	(132,279)	(31,294)	**479,966**	(132,279)	(31,294)
Net change in deposits from customers		**47,632,438**	19,716,987	18,198,758	**47,632,027**	19,716,556	18,198,222
Net change in borrowings from financial institutions		**(14,074)**	(17,648)	11,120	**(14,074)**	(17,648)	11,120
Net change in derivative financial instruments		**30,732**	(146,873)	19,839	**30,732**	(146,873)	19,839
Net change in other liabilities		**(91,812)**	(153,610)	(130,481)	**(91,812)**	(153,663)	(130,355)
		48,037,250	19,266,577	18,067,942	**48,036,839**	19,266,093	18,067,532
(e) Non-cash items included in profit before tax							
Depreciation of property and equipment	19	**107,550**	30,411	30,419	**107,550**	30,411	30,419
Depreciation of right of use assets	21	**66,453**	27,654	23,586	**66,453**	27,654	23,586
Amortisation of intangible assets	20	**40,890**	38,805	92,981	**40,890**	38,805	92,981
Tangible and intangible assets written off	19,20	**-**	-	82,688	**-**	-	82,688
Loss on disposal on equipment		**-**	373	-	**-**	373	-
Loss on termination of lease		**(1,355)**	-	-	**(1,355)**	-	-
Employee benefits		**27,291**	(18,310)	(20,792)	**27,291**	(18,310)	(20,792)
Net impairment loss/(credit) on financial assets	8	**184,437**	403,278	(49,315)	**184,437**	403,278	(49,315)
Fair value movement on derivative financial instruments		**27,680**	85,959	36,794	**27,680**	85,959	36,794
Fair value movement on investment securities (HFT)		**4**	(2,422)	(5,466)	**4**	(2,422)	(5,466)
Net foreign exchange difference		**(24,807)**	21,061	(25,209)	**(24,807)**	21,061	(25,209)
		428,143	586,809	165,686	**428,143**	586,809	165,686
(f) Operational cash flows from interest							
Interest paid		**(4,920,599)**	(5,242,860)	(3,714,948)	**(4,920,599)**	(5,242,860)	(3,714,948)
Interest received		**13,629,857**	12,464,595	11,411,415	**13,629,857**	12,464,595	11,411,415

34. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The Group and the Bank classify an asset or liability as current when:

- they expect to realise the asset/settle the liability within 12 months after the reporting period;
- they expect to settle the liability in its normal operating cycle;
- they hold the asset or liability primarily for the purpose of trading;
- they expect to realise the asset, or intend to sell or consume it, in its normal operating cycle;
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period; or
- they do not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

The Group and the Bank classify all other assets and liabilities as non-current.

(a) THE GROUP	2026			2025			2024		
	Current	**Non-current**	**Total**	Current	Non-current	Total	Current	Non-current	Total
	MUR'000	**MUR'000**	**MUR'000**	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
ASSETS									
Cash and balances with banks	**13,388,062**	**-**	**13,388,062**	14,140,601	-	14,140,601	18,847,227	-	18,847,227
Due from banks	**28,316,776**	**-**	**28,316,776**	54,374,971	-	54,374,971	38,511,567	-	38,511,567
Derivative financial instruments	**126,315**	**5,905**	**132,220**	44,600	91,712	136,312	81,973	284,691	366,664
Loans and advances to banks	**22,321,256**	**9,901,554**	**32,222,810**	8,498,661	12,456,523	20,955,184	3,354,440	11,292,976	14,647,416
Loans and advances to customers	**21,940,336**	**58,429,230**	**80,369,566**	16,915,708	37,818,257	54,733,965	14,344,743	33,512,743	47,857,486
Investment securities	**144,319,156**	**29,365,604**	**173,684,760**	94,582,578	36,018,923	130,601,501	93,558,148	41,139,239	134,697,387
Other assets	**10,959,327**	**-**	**10,959,327**	6,578,196	-	6,578,196	5,608,828	-	5,608,828
Property and equipment	**-**	**756,928**	**756,928**	-	796,515	796,515	-	604,442	604,442
Right of use assets	**-**	**429,043**	**429,043**	-	441,847	441,847	-	45,421	45,421
Intangible assets	**-**	**254,065**	**254,065**	-	262,569	262,569	-	265,545	265,545
Deferred tax assets	**-**	**469,178**	**469,178**	-	379,952	379,952	-	294,219	294,219
TOTAL ASSETS	**241,371,228**	**99,611,507**	**340,982,735**	195,135,315	88,266,298	283,401,613	174,306,926	87,439,276	261,746,202
LIABILITIES									
Due to banks	**11,572**	**-**	**11,572**	2	-	2	868	-	868
Deposits from banks	**694,311**	**-**	**694,311**	200,548	-	200,548	335,051	-	335,051
Deposits from customers	**305,927,370**	**4,216,784**	**310,144,154**	252,189,925	5,782,842	257,972,767	235,991,688	3,919,261	239,910,949
Borrowings from financial institution	**-**	**142,977**	**142,977**	-	157,253	157,253	-	167,183	167,183
Derivative financial instruments	**95,202**	**15,561**	**110,763**	38,780	39,614	78,394	80,166	144,605	224,771
Current tax liabilities	**1,002,706**	**-**	**1,002,706**	431,413	-	431,413	522,721	-	522,721
Lease liabilities	**38,433**	**411,689**	**450,122**	47,330	396,708	444,038	14,799	29,783	44,582
Other liabilities	**872,919**	**-**	**872,919**	979,142	-	979,142	1,082,422	-	1,082,422
Employee benefits	**1,333**	**183,136**	**184,469**	1,066	187,108	188,174	2,480	184,119	186,599
TOTAL LIABILITIES	**308,643,846**	**4,970,147**	**313,613,993**	253,888,206	6,563,525	260,451,731	238,030,195	4,444,951	242,475,146

34. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONT'D)

(b) THE BANK	2026			2025			2024		
	Current	**Non-current**	**Total**	Current	Non-current	Total	Current	Non-current	Total
	MUR'000	**MUR'000**	**MUR'000**	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
ASSETS									
Cash and balances with banks	**13,388,062**	**-**	**13,388,062**	14,140,601	-	14,140,601	18,847,227	-	18,847,227
Due from banks	**28,316,776**	**-**	**28,316,776**	54,374,971	-	54,374,971	38,511,567	-	38,511,567
Derivative financial instruments	**126,315**	**5,905**	**132,220**	44,600	91,712	136,312	81,973	284,691	366,664
Loans and advances to banks	**22,321,256**	**9,901,554**	**32,222,810**	8,498,661	12,456,523	20,955,184	3,354,440	11,292,976	14,647,416
Loans and advances to customers	**21,940,336**	**58,429,230**	**80,369,566**	16,915,708	37,818,257	54,733,965	14,344,743	33,512,743	47,857,486
Investment securities	**144,319,156**	**29,365,604**	**173,684,760**	94,582,578	36,018,923	130,601,501	93,558,148	41,139,239	134,697,387
Other assets	**10,959,326**	**-**	**10,959,326**	6,578,190	-	6,578,190	5,608,822	-	5,608,822
Property and equipment	**-**	**756,928**	**756,928**	-	796,515	796,515	-	604,442	604,442
Right of use assets	**-**	**429,043**	**429,043**	-	441,847	441,847	-	45,421	45,421
Intangible assets	**-**	**254,065**	**254,065**	-	262,569	262,569	-	265,545	265,545
Deferred tax assets	**-**	**469,178**	**469,178**	-	379,952	379,952	-	294,219	294,219
TOTAL ASSETS	**241,371,227**	**99,611,507**	**340,982,734**	195,135,309	88,266,298	283,401,607	174,306,920	87,439,276	261,746,196
LIABILITIES									
Due to banks	**11,572**	**-**	**11,572**	2	-	2	868	-	868
Deposits from banks	**694,311**	**-**	**694,311**	200,548	-	200,548	335,051	-	335,051
Deposits from customers	**305,928,992**	**4,216,784**	**310,145,776**	252,191,958	5,782,842	257,974,800	235,994,152	3,919,261	239,913,413
Borrowings from financial institution	**-**	**142,977**	**142,977**	-	157,253	157,253	-	167,183	167,183
Derivative financial instruments	**95,202**	**15,561**	**110,763**	38,780	39,614	78,394	80,166	144,605	224,771
Current tax liabilities	**1,002,706**	**-**	**1,002,706**	431,413	-	431,413	522,721	-	522,721
Lease liabilities	**38,433**	**411,689**	**450,122**	47,330	396,708	444,038	14,799	29,783	44,582
Other liabilities	**871,999**	**-**	**871,999**	978,222	-	978,222	1,081,555	-	1,081,555
Employee benefits	**1,333**	**183,136**	**184,469**	1,066	187,108	188,174	2,480	184,119	186,599
TOTAL LIABILITIES	**308,644,548**	**4,970,147**	**313,614,695**	253,889,319	6,563,525	260,452,844	238,031,792	4,444,951	242,476,743

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35. COMMITMENTS AND GUARANTEES

To meet the financial needs of customers, the Group and the Bank enter into financial guarantees, letters of credit and other undrawn commitments to lend. Even though the obligations may not be recognised on the statements of financial position they do contain credit risk and are therefore part of the overall risk of the Group and the Bank.

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Financial guarantees	**5,777,325**	3,738,867	2,682,571
Letters of credit	**170,029**	215,960	91,995
Bills for collection	**1,491,119**	2,475,545	1,673,387
	7,438,473	6,430,372	4,447,953
Commitments			
Undrawn commitments to lend	**14,107,228**	13,547,429	12,879,837
Total gross carrying amount	**21,545,701**	19,977,801	17,327,790

Financial guarantees and letters of credit (including standby letters of credit) commit the Group and the Bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods.

Undrawn commitments to lend

Undrawn Commitment refers to credit facilities that the Bank has agreed to be made available to the Borrower, upon receiving signed Facility offer Letter under a committed Revolving Credit Facility or a Delayed Draw Term Facility that the Borrower has either not drawn, or has partly drawn and repaid. For such facilities, the date that the Bank becomes a party to the irrevocable commitment shall be considered to be the date of initial recognition for the purposes of applying impairment requirements.

ECL on financial guarantees, letters of credit and undrawn commitments to lend are disclosed in Note 37(b).

36. RELATED PARTY DISCLOSURES

	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Compensation to key management personnel						
Salaries and short-term employee benefits	**162,995**	130,163	129,695	**158,755**	130,163	129,695

The liability in relation to post employment benefit obligations of the Group and the Bank pertaining to key management personnel amount to MUR 37.8m (2025: MUR 57.4m; 2024: MUR 55.0m)

36. RELATED PARTY DISCLOSURES (CONT'D)

The following tables provide the total amount of transactions, which have been entered into with key management personnel and all Identified related parties and the corresponding balances for the relevant financial year:

	THE GROUP								
Balances:	**Cash and cash equivalents**	**Due from banks**	**Derivative financial assets**	**Loans and advances**	**Investment securities**	**Other assets**	**Derivative financial liabilities**	**Deposits**	**Other liabilities**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Subsidiary									
30 June 2026	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,622)**	**-**
30 June 2025	-	-	-	-	-	-	-	(2,033)	-
30 June 2024	-	-	-	-	-	-	-	(2,306)	-
Key management personnel									
30 June 2026	**-**	**-**	**-**	**20,514**	**-**	**-**	**-**	**(143,372)**	**-**
30 June 2025	-	-	649	101,426	-	-	(45)	(412,519)	(752)
30 June 2024	-	-	-	58,709	740	-	(159)	(110,676)	(972)
Parent Company*									
30 June 2026	**-**	**-**	**-**	**2,887,144**	**-**	**3,775,883**	**-**	**-**	**-**
Entities with significant influence*									
30 June 2026	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
30 June 2025	170,343	12,595,434	4,043	492,852	-	5,170	-	(57,916)	-
30 June 2024	62,700	5,489,450	11,426	429,456	100,025	4,217	-	(60,223)	-
Entities within the same group*									
30 June 2026	**1,173**	**-**	**-**	**74,086**	**-**	**-**	**-**	**-**	**-**
30 June 2025	-	-	-	1,107,813	-	15	(4,043)	(1,341,642)	(42,685)
30 June 2024	-	-	-	1,321,390	-	1,928	(11,426)	(1,158,325)	(44,110)
Other related parties *									
30 June 2026	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(375)**	**-**
30 June 2025	-	-	-	46,098	-	-	-	(33,259)	-
30 June 2024	-	-	-	27,132	-	-	-	(13,673)	(65)

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36. RELATED PARTY DISCLOSURES (CONT'D)

Transactions:	THE GROUP				
	Interest income	Interest Expense	Net fee and commission income	Other income	Other Expense
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Subsidiary					
30 June 2026	**-**	**-**	**-**	**-**	**-**
30 June 2025	-	-	-	-	-
30 June 2024	-	-	1	-	-
Key management personnel					
30 June 2026	**1,141**	**(5,380)**	**42**	**52**	**(153)**
30 June 2025	3,514	(13,053)	368	-	(5,017)
30 June 2024	2,176	(11,342)	336	75	(5,601)
Parent Company *					
30 June 2026	**132,309**	**-**	**78**	**-**	**(93)**
Entities with significant influence *					
30 June 2026	**1,285**	**-**	**-**	**(44)**	**(33)**
30 June 2025	639,668	-	580	1,965	(8,319)
30 June 2024	276,390	-	45	787	(7,127)
Entities within the same group *					
30 June 2026	**4,733**	**(2,358)**	**44**	**44**	**(397)**
30 June 2025	67,894	(27,194)	3,501	-	(82,641)
30 June 2024	68,267	(17,863)	5,813	(787)	(34,859)
Other related parties *					
30 June 2026	**695**	**(739)**	**45**	**2**	**(58)**
30 June 2025	2,693	(1,008)	28	1	(59)
30 June 2024	993	(770)	390	-	(26)

* Shareholders having more than 20% shareholding are considered to have significant influence over the Group and the Bank and are categorised as "Entities with significant influence". "Entities within the same group" consists of subsidiaries of those shareholders having significant influence over the Group and the Bank. "Other related parties" include close family members of KMP and entities controlled by KMP.

Directors' fees paid during the year amount to MUR 27.1m (2025: MUR 22.7m; 2024:MUR 22.8m).

Other Allowance paid to the Directors during the period amount to MUR 186m (2025: nil)

The dividend paid to related parties on Ordinary Shares is MUR 1.7bn (2025: MUR 1.3bn, 2024: MUR 1.5bn).

The dividend paid to related parties on Class A Shares is MUR 2.0m (2025: MUR 4.3m, 2024: MUR 5.8m).

36. RELATED PARTY DISCLOSURES (CONT'D)

	THE BANK								
Balances:	**Cash and cash equivalents**	**Due from banks**	**Derivative financial assets**	**Loans and advances**	**Investment securities**	**Other assets**	**Derivative financial liabilities**	**Deposits**	**Other liabilities**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Subsidiary									
30 June 2026	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,622)**	**-**
30 June 2025	-	-	-	-	-	-	-	(2,033)	-
30 June 2024	-	-	-	-	-	-	-	(2,306)	-
Key management personnel									
30 June 2026	**-**	**-**	**-**	**18,790**	**-**	**-**	**-**	**(143,237)**	**-**
30 June 2025	-	-	-	41,064	-	-	(45)	(110,858)	(752)
30 June 2024	-	-	-	58,709	740	-	(159)	(110,676)	(972)
Parent Company *									
30 June 2026	**-**	**-**	**-**	**2,887,144**	**-**	**3,775,883**	**-**	**-**	**-**
Entities with significant influence *									
30 June 2026	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
30 June 2025	170,343	12,595,434	4,043	492,852	-	5,170	-	(297)	-
30 June 2024	62,700	5,489,450	11,426	429,456	100,025	4,217	-	(60,223)	-
Entities within the same group *									
30 June 2026	**1,173**	**-**	**-**	**74,086**	**-**	**-**	**-**	**-**	**-**
30 June 2025	-	-	-	1,107,813	-	15	(4,043)	(1,341,642)	(42,685)
30 June 2024	-	-	-	1,321,390	-	1,928	(11,426)	(1,158,325)	(44,110)
Other related parties *									
30 June 2026	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(375)**	**-**
30 June 2025	-	-	-	45,598	-	-	-	(10,384)	-
30 June 2024	-	-	-	27,132	-	-	-	(13,673)	(65)

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FOR THE YEAR ENDED 30 JUNE 2026

36. RELATED PARTY DISCLOSURES (CONT'D)

Transactions:	THE GROUP				
	Interest income	Interest Expense	Net fee and commission income	Other income	Other Expense
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Subsidiary					
30 June 2026	**-**	**-**	**-**	**-**	**-**
30 June 2025	-	-	-	-	-
30 June 2024	-	-	1	-	-
Key management personnel					
30 June 2026	**762**	**(4,436)**	**24**	**52**	**(153)**
30 June 2025	2,846	(5,224)	62	-	(4,555)
30 June 2024	2,110	(4,535)	73	34	(6,026)
Parent Company *					
30 June 2026	**132,309**	**-**	**78**	**-**	**(93)**
Entities with significant influence *					
30 June 2026	**1,285**	**-**	**-**	**(44)**	**(33)**
30 June 2025	639,668	-	63	1,965	(8,319)
30 June 2024	276,390	-	45	787	(7,127)
Entities within the same group *					
30 June 2026	**4,733**	**(2,358)**	**44**	**44**	**(397)**
30 June 2025	67,894	(27,194)	3,501	-	(82,641)
30 June 2024	68,267	(17,863)	5,813	(787)	(97,286)
Other related parties *					
30 June 2026	**464**	**(730)**	**25**	**-**	**(1)**
30 June 2025	2,693	(395)	14	-	(59)
30 June 2024	992	(750)	42	-	(23)

* Shareholders having more than 20% shareholding are considered to have significant influence over the Group and the Bank and are categorised as "Entities with significant influence". "Entities within the same group" consists of subsidiaries of those shareholders having significant influence over the Group and the Bank. "Other related parties" include close family members of KMP and entities controlled by KMP.

Terms and conditions of transactions with related parties

The above mentioned outstanding balances arose in the normal course of business. For the year ended 30 June 2026, the Group and the Bank have raised expected credit losses for standard exposures relating to amounts owed by relating parties as per ECL model currently being applied on financial assets. At 30 June 2026, none of the facilities to related parties were non-performing (2025 and 2024: MUR Nil). In addition, for the year ended 30 June 2026 the Bank has not written off any amount owed by related party (2025: MUR Nil and 2024: MUR Nil).

Amount due to/from related parties

The related party transactions were carried out under market terms and conditions with the exception of loans to Key Management Personnel who benefitted from preferential rates as applicable to staffs. The above balances were partly secured and unsecured.

37. FINANCIAL RISK MANAGEMENT

Introduction

Risk is inherent in the Group's and the Bank's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's and the Bank's continuing profitability and each individual within the Group and the Bank is accountable for the risk exposures relating to his or her responsibilities. The Group and the Bank are exposed to credit risk, liquidity risk and market risk, the latter being subdivided into trading and non-trading risks. It is also subject to operational risks.

In general, risk involves uncertainty about the outcome of a particular situation or venture. It often arises when there are multiple possible outcomes, some of which may be unfavourable or undesirable. The severity of the risk is typically measured by considering the probability of occurrence and the potential impact it may have.

Managing risk involves identifying, assessing, and mitigating potential risks to minimize their negative effects. This process typically involves:

Risk Identification: Identifying and understanding the risks associated with a particular situation or decision. This can be done through careful analysis, historical data, expert opinions, and other relevant sources.

Risk Assessment: Evaluating the likelihood and potential impact of identified risks. This step involves analysing the probability of occurrence and estimating the potential consequences on objectives, resources, or individuals.

Risk Mitigation: Developing strategies and measures to reduce or eliminate risks. This can involve implementing preventive measures, creating contingency plans, transferring risk to others through insurance or contracts, or accepting certain risks if their impact is considered acceptable.

Risk Monitoring and Review: Continuously monitoring the situation to detect any new risks, assessing the effectiveness of risk mitigation measures, and adjusting strategies as needed. Regular reviews and updates are essential to adapt to changing circumstances.

It is important to note that risk cannot always be completely eliminated, and some level of risk may be necessary to achieve certain goals or outcomes. Effective risk management involves finding the right balance between risk and reward, considering both the potential benefits and the potential negative consequences of a decision or action.

It's worth mentioning that risk perception can vary from person to person. What may be perceived as risky by one individual may not be seen as significant by another. Factors such as personal experiences, cultural background, and individual tolerance for uncertainty can influence how individuals perceive and respond to risks.

Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks. However, there are separate independent bodies responsible for managing and monitoring risks.

Board of Directors

The Board of Directors as well as the Group's and the Bank's senior management are responsible for understanding both the nature and level of risks taken by the institution and how the risks relate to adequate capital level. The Board is also responsible for the overall risk management approach and frameworks as well as for approving the risk strategies and principles.

Risk Committee

The Committee has the overall responsibility for the development of the risk strategy and implementing principles, policies and limits. The Committee is responsible for monitoring risk levels and make relevant recommendations to the Board.

Asset and Liability Management

The Bank's Asset and Liability Management is responsible for managing the Bank's assets and liabilities and the overall financial structure. It is also primarily responsible for managing the funding and liquidity risks of the Bank. Refer to the Liquidity and Funding Risk section of the Risk Management Report for Liquidity Coverage Ratio (LCR).

Internal Audit

Internal Audit has a risk based audit plan which takes into account risk management processes. Internal Audit provides assurance on the operational efficiency of the risk management processes, reliability of reporting and compliance with laws and/or regulations. Internal Audit discusses the results of all assessments with management and reports its main findings and recommendations to the Audit Committee.

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37. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Risk measurement and reporting systems

Monitoring and controlling risks is primarily performed based on limits established by the Group and the Bank. These limits reflect the business strategy and market environment of the Group and the Bank as well as the level of risk that the Group and the Bank are willing to accept, with additional emphasis on selected industries. In addition, the Group's and the Bank's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the businesses is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Board of Directors, the Risk Committee and the Head of each business division. The report includes aggregate credit exposure, hold limit exceptions, liquidity ratios and risk profile changes. Senior management assesses the appropriateness of the allowance for credit losses on a monthly basis.

Risk mitigation

As part of its overall risk management, the Group and the Bank uses derivatives and other instruments to manage exposures resulting from changes in foreign currencies.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographical location. In order to avoid excessive concentrations of risk, the Bank's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio.

The Bank's credit concentration ratios for both single and group obligors are well within regulatory limits. As at 30 June 2026, the credit concentration ratio for large exposures above 10% stood at 64.31% for MUR exposures and 324.03% for FCY exposures significantly below the regulatory limits of 800% and 1200% respectively. The Bank's maximum credit exposure to a single obligor represented 9.34% for MUR exposures and 26.16% for FCY exposures of the Bank's Tier 1 Capital within the regulatory limits of 25% and 50% respectively. Similarly, the maximum credit exposure to a group of closely related customers amounted to 25.39% for MUR exposures and 38.30% for FCY exposures of the Bank's Tier 1 capital within the corresponding regulatory limits of 40% and 75% respectively. The key focus of the Bank's credit risk management strategy is to prevent undue concentration across its credit portfolio, whether in terms of counterparty, group, sector, and country to ensure a well-diversified and resilient credit portfolio.

From a market risk perspective, position limits are used at the Bank to limit concentration risk by restricting the maximum exposure to one particular market, sector or instrument. These limits are carefully set so as to ensure appropriate diversification among the different portfolios but at the same time are not overly restrictive to prevent the generation of absolute returns. Position limits complement the other types of risk management tools used at the Bank as they are easily understood, implemented and monitored. The Group and the Bank classify exposures to market risk into either trading or non-trading portfolios and manage these portfolios separately. Except for the concentrations within foreign currency, the Group and the Bank have no significant concentration of market risk. Refer to note 37 (d)(i) for interest rate risk concentration and sensitivity.

As per the principles outlined in the Bank's liquidity risk policy, depositor concentration is monitored against internal limits and ensuring sufficient marketable assets held against the Bank's deposit base. The Bank aims to maintain an adequate balance of its funding base through appropriate diversification of its funding sources. The Bank also diversifies its funding by currency, geography and maturity. Management's objective is to achieve an optimal balance between demand and term deposits in line with the Bank's asset deployment strategy. At the end of the current financial year, the Bank did not foresee any event, commitment or demand that might have a significant impact on its liquidity and funding risk position.

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk

Credit risk represents the potential for financial loss arising from a counterparty's failure to meet its contractual obligations to the Bank. As lending constitutes one of the core revenue-generating activities of AfrAsia Bank, credit risk is recognised as a principal risk requiring robust and proactive management.

The Bank is exposed to credit risk primarily through direct lending, working capital financing, participation in syndicated credit arrangements, trade finance activities, and investments in debt securities. Additionally, credit risk also arises from off-balance sheet exposures such as financial guarantees, letters of credit and undrawn commitments to lend.

In line with regulatory requirements and internal risk appetite, the Bank adopts a comprehensive and integrated approach to credit risk management. This includes rigorous assessment and monitoring of counterparty creditworthiness, as well as consideration of broader risk dimensions such as industry exposure, geographic concentration, political and economic factors, and systemic risks. This holistic framework supports the Bank's objective of maintaining a resilient credit portfolio while supporting sustainable growth.

Credit risk management

The Bank's credit risk management framework is structured around three core pillars: (i) Policies, (ii) Risk Methodologies, and (iii) Processes, Systems, and Reporting. This framework is designed to foster a culture of responsible lending, anchored by a clearly defined credit risk appetite and supported by comprehensive internal policies and robust control mechanisms.

Credit risk assessment and approval are conducted independently from business units to ensure expert evaluation and unbiased decision-making. The Bank employs a delegated lending authority framework, whereby credit approvals are granted at various levels according to the size and nature of the exposure. Ongoing monitoring is conducted to ensure exposures remain within established appetite and limit thresholds, and that asset quality and counterparty risk are effectively managed.

Independent oversight functions provide continuous reporting to the Bank's governance committees on any breaches of limits, policies, or procedures, ensuring strict adherence to the approved risk appetite and regulatory requirements.

Furthermore, the credit risk management framework is strengthened by the implementation of policies and procedures dedicated to the maintenance and validation of models used for estimating Expected Credit Losses (ECL), thereby supporting accurate risk measurement and provisioning.

Credit Risk Ratings

All customers and counterparties are assigned an internal credit risk rating based on quantitative and qualitative information obtained from customers and other relevant sources. The internal rating methodology generates Through-the-Cycle (TTC) credit ratings which are reviewed and updated regularly to reflect the latest available information.

At initial recognition, each exposure is assigned an internal credit risk grade based on the information available about the counterparty. Thereafter, exposures remain subject to continuous monitoring, with ratings updated as changes occur in the borrower's credit profile.

The monitoring procedures include both general and exposure-specific reviews. Key factors considered include:

- payment history and ageing analysis;
- utilisation of approved credit facilities;
- changes in the borrower's business, financial position and operating environment;
- external credit rating information, where available;
- internally generated behavioural information for retail exposures; and
- deterioration in creditworthiness, including significant movements in internal or external credit ratings.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Credit Risk Ratings (cont'd)

The tables below present the mapping of the Group's and the Bank's internal credit risk grades to external rating equivalents together with the corresponding one-year Probability of Default (PD).

FY 2026

Internal Rating	External Rating Equivalent	Description	Mapped S&P 1 Yr PD
AAA	AA-	Prime	0.03%
AA+	A+	Upper Medium Grade	0.04%
AA	A-		0.07%
AA-	BBB	Lower Medium Grade	0.13%
A+	BBB-		0.21%
A	BB+	Non-Investment Grade Speculative	0.27%
A-	BB		0.44%
BBB+	BB		0.44%
BBB	BB		0.44%
BBB-	B+	Highly Speculative	1.83%
BB+	B		2.69%
BB	B		2.69%
BB-	B-		5.16%
B+	CCC+	Substantial Risk	7.48%
B	CCC+		7.48%
B-	CCC	Extremely Speculative	12.72%
C	CCC-	Default imminent with little prospect for recovery	21.63%
CC	CCC-		21.63%
D	D	In default	100.00%

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Credit Risk Ratings (cont'd)

FY 2025

Internal Rating	External Rating Equivalent	Description	Mapped S&P 1 Yr PD
AAA	AA-	Prime	0.03%
AA+	A+	Upper Medium Grade	0.04%
AA	A-		0.07%
AA-	BBB	Lower Medium Grade	0.14%
A+	BBB-		0.21%
A	BB+	Non-Investment Grade Speculative	0.28%
A-	BB		0.45%
BBB+			
BBB	BB-		0.88%
BBB-	B+	Highly Speculative	1.86%
BB+	B		2.73%
BB			
BB-	B-		5.33%
B+	CCC+	Substantial Risk	7.86%
B			
B-	CCC	Extremely Speculative	13.32%
C	CCC-	Default imminent with little prospect for recovery	22.57%
CC			
D	D	In default	100.00%

FY 2024

Internal Rating	External Rating Equivalent	Description	Mapped S&P 1 Yr PD
AAA	AA-	Prime	0.03%
AA+	A+	Upper Medium Grade	0.04%
AA	A-		0.07%
AA-	BBB	Lower Medium Grade	0.14%
A+	BBB-		0.22%
A	BB+	Non-Investment Grade Speculative	0.29%
A-	BB		0.45%
BBB+			
BBB	BB-		0.91%
BBB-	B+	Highly Speculative	1.91%
BB+	B		2.85%
BB			
BB-	B-		5.53%
B+	CCC+	Substantial Risk	7.59%
B			
B-	CCC	Extremely Speculative	12.85%
C	CCC-	Default imminent with little prospect for recovery	21.73%
CC			
D	D	In default	100.00%

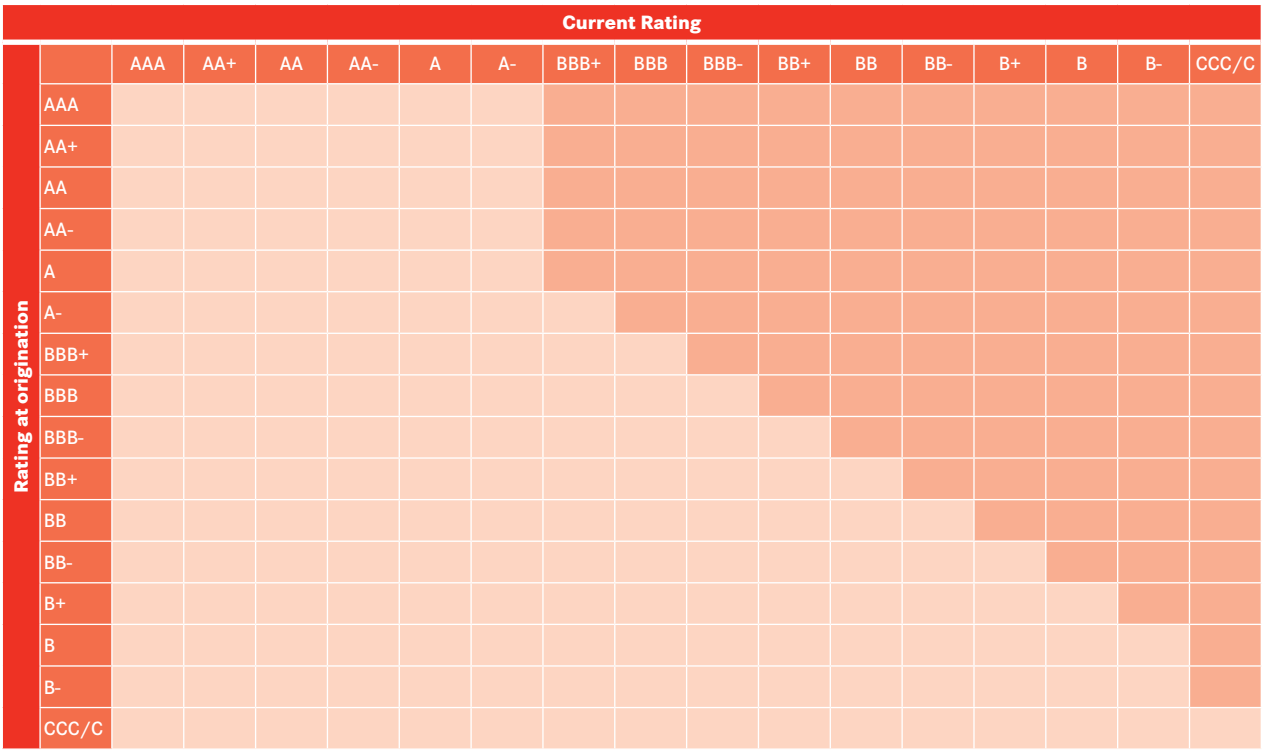
Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Credit Risk Ratings (cont'd)



Stage 1

Stage 2

Significant Increase in Credit Risk (SICR)

Refer to Note 3A (e) – Financial Instruments for the Group's and the Bank's accounting policy on the assessment of SICR. The methodology applied in assessing SICR is described below.

In line with internal governance practices, any file whose credit review is overdue by more than six months is classified as Stage 2 asset. This reflects the Bank's prudent stance on credit risk where updated credit risk information is unavailable.

The SICR assessment also incorporates a wide range of qualitative indicators, including:

- Adverse legal or regulatory developments (e.g., court orders, confirmed fraud);
- Financial restructuring or modification of terms due to emerging financial distress;
- Deterioration in the borrower's financial condition impairing debt-servicing capacity;
- Adverse developments in the borrower's industry or macroeconomic environment;
- Sovereign or country risk downgrades;
- Significant reductions in profitability, revenue, or market capitalisation (for listed entities); and
- Placement on internal watchlists or other early warning signals.

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Significant Increase in Credit Risk (SICR) (cont'd)

For all Stage 3/Non-performing exposures, where arrears/excesses have been regularised, a mandatory cooling-off period of six months is applicable during which the file remains classified as Stage 3 asset to ensure consistent and improved repayment behaviour. Following this period, file is reclassified to Stage 2 for an additional three-month monitoring phase before any further upgrades are considered.

Stage 2 exposures are subject to quarterly reassessment. An upgrade to Stage 1 is permitted only when Borrower demonstrates sustained improvement in credit quality, including a minimum of six consecutive months of timely repayments and resolution of all SICR indicators.

The SICR framework is subject to regular oversight by Risk Management function, Management Committees, Board Sub-Committees and Board of Directors, to ensure continued alignment with evolving regulatory requirements, internal risk appetite, and macroeconomic conditions.

Expected Credit Loss (ECL) Measurement

The key inputs into the measurement of Expected Credit Losses are:

- Probability of Default (PD);
- Loss Given Default (LGD); and
- Exposure at Default (EAD).

These parameters are derived as described below and incorporate reasonable and supportable forward-looking information in accordance with IFRS 9.

Probability of default ("PD")

Probability of Default (PD) represents the likelihood that a borrower will default over a specified time horizon. For Stage 1 exposures, PD is measured over a 12-month period, while for Stage 2 exposures it is measured over the remaining contractual lifetime. Behavioural lives are applied where appropriate for revolving facilities.

PD estimates are derived using methodologies appropriate to the characteristics of each portfolio. For retail portfolios, PDs are primarily based on the Group's and the Bank's historical default experience. For corporate portfolios, PDs incorporate internal credit assessments together with external credit information, where appropriate, to enhance the estimation of default risk.

Enhancement to PD methodology

During the financial year, the Bank adopted a Pan-African credit rating agency for selected portfolio of loans to banks. The methodology incorporates market-specific default information that is more representative of the jurisdiction in which the counterparties operate, resulting in a more risk-sensitive assessment of Expected Credit Losses (ECL) while remaining consistent with the principles of IFRS 9.

Incorporation of Forward-Looking Information ("FLI")

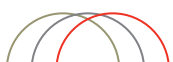
The Group and the Bank incorporate forward-looking information (FLI) that is available without undue cost or effort when estimating PDs and measuring Expected Credit Losses.

For the corporate portfolio, long-run average (Through-the-Cycle (TTC)) PD estimates are adjusted to Point-in-Time (PiT) PDs using macroeconomic regression models incorporating reasonable and supportable macroeconomic forecasts. These models utilise Gross Domestic Product (GDP) forecasts across the principal geographic regions in which the Group and the Bank operate or maintain significant credit exposures. Macroeconomic forecasts are obtained from external sources and are periodically reviewed.

For the retail portfolio, forward-looking adjustments are derived using econometric models combining historical portfolio performance with macroeconomic variables relevant to the underlying retail exposures. These models are periodically reviewed and recalibrated.

The Group and the Bank consider multiple forward-looking economic scenarios, including baseline, upside and downside scenarios, which are probability-weighted in determining the final ECL estimates. The selection of macroeconomic variables, scenario assumptions and probability weightings is subject to regular review to ensure that the models remain appropriate and reflective of prevailing and expected economic conditions.

The forward-looking information framework, including the underlying models, assumptions and calibrations, is subject to ongoing governance, validation and periodic review as part of the Group's and the Bank's model risk management framework.



Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Loss given default ("LGD")

LGD represents the estimated proportion of an exposure that the Bank expects to lose if a default occurs, after taking into account expected recoveries from collateral, guarantees and other eligible credit risk mitigation.

The Bank applies LGD methodologies that are appropriate for the characteristics of the underlying exposures. For eligible property secured exposures, LGDs are determined using collateral valuation information. For sovereign exposures in the Treasury Portfolio, the Bank applies a rating-based approach that reflects the credit quality of the sovereign counterparties. For exposures benefiting from eligible credit risk mitigation, including guarantees, standby letters of credit and credit insurance, LGDs are determined after considering the effectiveness and credit rating of the respective security providers. For other portfolios, LGD continues to depend on the type of collateral held, in line with Basel II guidelines.

For non-performing exposures, LGDs reflect the Bank's expected recovery strategy, including anticipated recoveries from collateral realisation and other recovery actions, where applicable.

Exposure at default ("EAD")

EAD represents the amount the Group and the Bank expect to be owed by an obligor at the time of default. For overdrafts, credit cards, and financial guarantees, EAD includes both the current outstanding balance and potential future drawings under the facility.

The Bank measures expected credit losses (ECL) over the contractual period during which it is exposed to credit risk, up to the date it can demand repayment or terminate a commitment. For products like credit cards, revolving credit facilities, and overdrafts, the Bank's exposure period may extend beyond the contractual notice period, as these facilities do not have fixed terms and are rarely cancelled unless credit risk increases. In such cases, ECL is measured over the period during which the Bank remains exposed to credit risk and potential losses are not mitigated by credit risk management actions.

Groupings based on shared risks characteristics

When ECL are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, such as Instrument type, Sector/sub-sector and Geographic location. The groupings are reviewed on a regular basis to ensure that each group is comprised of homogeneous exposures.

Individually assessed allowances

The Group and the Bank determine the allowances to be appropriate for each facility assessed on an individual basis. Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected dividend payout should bankruptcy ensue, the availability of other financial support, the realisable value of collateral, the timing of the expected cash flows, likelihood of experiencing a loss event and current/future macro-economic conditions. The impairment losses are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

For credit-impaired (Stage 3) exposures, the recoverable amount (Note 16 (b)) attributed to collateral and other credit enhancements represents management's estimate of amounts expected to be realised through enforcement or recovery actions. In determining such amounts, the Bank considers a range of eligible collateral and credit enhancements and applies appropriate adjustments to reflect recoverability, enforcement risks, recovery costs, time to realisation and other uncertainties prevailing at the reporting date.

Regulatory provision

The Bank complies with the Bank of Mauritius Guideline on Classification, Provisioning and Write-Off of Credit Exposures in determining its prudential provisioning requirements.

In addition to the Expected Credit Loss ("ECL") provisions recognised in accordance with IFRS 9, the Bank computes prudential general provisions as prescribed by the Guideline, taking into consideration the nature and risk characteristics of the underlying credit exposures. The prudential framework establishes minimum provisioning requirements for performing exposures, including differentiated provisioning rates based on exposure characteristics and the counterparty risk profiles.

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Regulatory provision (cont'd)

Where the IFRS 9 provisions recognised for Stage 1 and Stage 2 exposures are lower than the minimum prudential provisions required under the Guideline, the resulting shortfall is transferred to the Provision Reserve within Tier 2 Capital. This ensures that the Bank maintains the minimum level of prudential provisioning required by the Bank of Mauritius.

As at 30 June 2026, the Provision Reserve reflects the prudential provisions required under the Guideline. This reserve is non-distributable.

Credit-related commitments risks

The Bank provides various contingent facilities to its customers, including guarantees and letters of credit, which may obligate the Bank to make payments on behalf of customers or extend credit to support their liquidity requirements.

Letters of credit, including standby letters of credit, represent commitments by the Bank to pay third parties upon the occurrence of specific events, typically related to the import or export of goods. Similarly, bank guarantees, including Garantie Financière d'Achèvement (GFA), bind the Bank to fulfil payment obligations if claims arise or under stipulated contractual conditions.

These off-balance sheet commitments expose the Bank to credit risk analogous to that of on-balance sheet loans. The associated risks are managed through the Bank's comprehensive credit risk policies, control processes, and approval frameworks, ensuring consistent risk mitigation and monitoring across all credit exposures.

Country risk

The Bank manages country risk, including sovereign, transfer, political, macroeconomic, legal, financial, contagion and geopolitical risks, in accordance with the Bank of Mauritius Guideline on Country Risk Management, Basel III capital requirements, and the Bank's Country Risk Policy and Risk Appetite Framework.

1. Regulatory & Governance Framework

The Bank complies with BOM requirements through prudent provisioning and country-specific exposure controls across all on- and off-balance sheet items. Country risk is recognised under credit risk for capital adequacy and ICAAP purposes. The Board sets overall risk appetite, while the Board Risk Committee (BRC) approves strategies, structures, and exposure limits.

2. Risk Assessment and Monitoring

Country risk assessments consider a range of quantitative and qualitative factors, including sovereign creditworthiness, macroeconomic conditions, political and geopolitical developments, legal and regulatory environments, transfer risk and other emerging risks. Assessments are supported by external information, internal analysis and expert judgement, with regular reviews to ensure that country risk assessments remain appropriate and up to date.

3. Risk Appetite and Country Limits

Board-approved country exposure limits are established in accordance with the Bank's Risk Appetite Framework, taking into consideration country risk ratings, portfolio concentrations, capital adequacy and the Bank's strategic objectives. Limits apply to both on- and off-balance sheet exposures and are subject to ongoing monitoring and escalation mechanisms.

4. Governance and Review

Country exposure limits and country risk assessments are reviewed at least annually, or more frequently where changes in economic conditions, geopolitical developments or the Bank's risk profile warrant a reassessment. Recommendations for new or revised country limits are subject to review by Management and approval by the BRC.

5. Provisioning and Capital Treatment

Country risk is considered in the measurement of Expected Credit Losses ("ECL") under IFRS 9 and in determining prudential provisioning requirements in accordance with Bank Of Mauritius (BOM) Guidelines.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Country risk (cont'd)

6. Monitoring, Stress Testing and Reporting

Country risk forms an integral part of the Bank's ongoing portfolio monitoring and stress testing framework. Country-specific scenarios are incorporated into the Bank's stress testing programme to support the Internal Capital Adequacy Assessment Process (""ICAAP""), capital planning and risk appetite monitoring. Regular reporting to Management and the BRC includes country exposures, limit utilisation, emerging risks, early warning indicators and significant changes in country risk profiles.

Risk concentrations: Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

The following table shows the maximum exposure to credit risk for the components of the statements of financial position, including derivatives, by geography and by industry before the effect of mitigation through the use of master netting and collateral agreements. Where financial instruments are recorded at fair value, the amounts shown represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

	GROSS MAXIMUM EXPOSURE					
	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Financial assets						
Cash and balances with banks	**13,388,573**	14,141,932	18,848,293	**13,388,573**	14,141,932	18,848,293
Due from banks	**28,317,766**	54,381,209	38,517,021	**28,317,766**	54,381,209	38,517,021
Loans and advances to banks	**32,238,369**	20,987,166	14,698,838	**32,238,369**	20,987,166	14,698,838
Loans and advances to customers	**83,057,574**	57,020,655	49,760,548	**83,057,574**	57,020,655	49,760,548
Debt instruments measured at amortised cost	**163,777,286**	120,539,170	125,630,883	**163,777,286**	120,539,170	125,630,883
Other assets (excluding prepayments, accrued income, inventory and taxes)	**10,479,749**	6,191,713	5,332,090	**10,479,749**	6,191,707	5,332,084
Financial assets at amortised cost	**331,259,317**	273,261,845	252,787,673	**331,259,317**	273,261,839	252,787,667
Derivative financial instruments	**132,220**	136,312	366,664	**132,220**	136,312	366,664
Financial assets held for trading measured at fair value through profit or loss	**9,900,092**	10,085,911	9,086,277	**9,900,092**	10,085,911	9,086,277
Equity Investments designated at fair value through other comprehensive income	**27,193**	24,130	20,233	**27,193**	24,130	20,233
Equity Investment measured at fair value through profit or loss	**1,571**	1,218	2,092	**1,571**	1,218	2,092
Financial assets at fair value	**10,061,076**	10,247,571	9,475,266	**10,061,076**	10,247,571	9,475,266
Total Financial assets	**341,320,393**	283,509,416	262,262,939	**341,320,393**	283,509,410	262,262,933
Financial guarantees	**5,777,325**	3,738,867	2,682,571	**5,777,325**	3,738,867	2,682,571
Letters of credit	**170,029**	215,960	91,995	**170,029**	215,960	91,995
Undrawn commitments to lend	**14,107,228**	13,547,429	12,879,837	**14,107,228**	13,547,429	12,879,837
	20,054,582	17,502,256	15,654,403	**20,054,582**	17,502,256	15,654,403

Refer to note 37(b) for more details on commitments and guarantees.

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Risk concentrations: Maximum exposure to credit risk without taking account of any collateral and other credit enhancements (cont'd)

The Group's and the Bank's financial assets before taking into account any collateral held or other credit enhancements, can be analysed as follows by the following geographical regions:

	GROSS MAXIMUM EXPOSURE					
	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Africa						
Mauritius	**79,008,801**	76,681,606	68,568,166	**79,008,801**	76,681,600	68,568,160
Other African countries	**51,650,212**	22,644,336	16,175,490	**51,650,212**	22,644,336	16,175,490
North America	**113,386,850**	93,982,464	94,035,411	**113,386,850**	93,982,464	94,035,411
Asia	**29,909,856**	54,268,423	44,540,782	**29,909,856**	54,268,423	44,540,782
Europe	**66,260,742**	33,157,369	37,464,522	**66,260,742**	33,157,369	37,464,522
Others	**1,103,932**	2,775,218	1,478,568	**1,103,932**	2,775,218	1,478,568
	341,320,393	283,509,416	262,262,939	**341,320,393**	283,509,410	262,262,933

An industry analysis of the Group's and the Bank's financial assets, without taking account of any collateral held or other credit enhancements, is as follows:

	GROSS MAXIMUM EXPOSURE					
	THE GROUP			THE BANK		
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Agriculture	**2,293,642**	1,149,938	866,048	**2,293,642**	1,149,938	866,048
Construction, infrastructure and real estate	**9,352,746**	6,436,657	7,110,366	**9,352,746**	6,436,657	7,110,366
Financial and business services	**109,942,190**	120,396,261	114,133,429	**109,942,190**	120,396,255	114,133,423
Government and parastatal bodies	**156,826,342**	109,289,775	101,591,260	**156,826,342**	109,289,775	101,591,260
Information, communication and technology	**1,349,655**	1,691,317	2,204,663	**1,349,655**	1,691,317	2,204,663
Manufacturing	**10,232,066**	8,867,077	9,149,793	**10,232,066**	8,867,077	9,149,793
Personal	**5,934,266**	5,336,993	4,659,236	**5,934,266**	5,336,993	4,659,236
Professional	**8,012,242**	8,245,369	1,291,470	**8,012,242**	8,245,369	1,291,470
Transport	**2,366,091**	3,328,908	1,320,486	**2,366,091**	3,328,908	1,320,486
Tourism	**3,278,593**	3,723,202	4,107,144	**3,278,593**	3,723,202	4,107,144
Traders	**18,129,967**	9,474,158	11,159,836	**18,129,967**	9,474,158	11,159,836
Others	**13,602,593**	5,569,761	4,669,208	**13,602,593**	5,569,761	4,669,208
	341,320,393	283,509,416	262,262,939	**341,320,393**	283,509,410	262,262,933

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Collateral and other credit enhancements

The amount and type of collateral required by the Group and the Bank are determined based on a thorough assessment of the credit risk associated with each counterparty. Comprehensive internal policies and guidelines are in place to ensure the appropriateness and valuation of collateral accepted. The primary types of collateral obtained includes:

- Floating charges for commercial lending;
- Fixed charges for both retail and commercial lending;
- Cash deposits held under lien;
- Credit insurance;
- Pledge of quoted shares; and
- Pledge on Custody Account held with the bank.

Loan and advances backed by collaterals amount to MUR 72.4bn as at 30 June 2026 (2025: MUR 46.2bn and 2024: MUR 38.8bn).

Collateral repossessed

During the year, the Group and the Bank did not take possession of any collateral (2025 and 2024: Nil).

Analysis of loans and advances to customers by past due status:

	THE GROUP AND THE BANK					
	2026		2025		2024	
Loans and advances to customers	**Gross carrying amount**	**Allowance for impairment losses**	Gross carrying amount	Allowance for impairment losses	Gross carrying amount	Allowance for impairment losses
	MUR 000	**MUR 000**	MUR 000	MUR 000	MUR 000	MUR 000
0-29 days	**79,423,109**	**726,388**	54,351,453	531,095	47,632,227	365,287
30-59 days	**205,629**	**29**	422,635	10,173	123,419	11,897
60-89 days	**921,827**	**147,136**	281,091	83,120	57,411	9,843
90-180 days	**345,622**	**9,702**	253,453	93,386	405,831	24,695
More than 181 days	**2,161,387**	**1,804,753**	1,712,023	1,568,916	1,541,660	1,491,340
Total	**83,057,574**	**2,688,008**	57,020,655	2,286,690	49,760,548	1,903,062

See Note 16 (b) for more detailed information with respect to the allowance for impairment losses on loans and advances to customers.

The maximum exposure of loans for Stage 1 and Stage 2 having day(s) past due not exceeding 90 days amount to MUR 1.4bn (2025: MUR 310.9m and 2024: MUR 1.8bn) and of which MUR 977m (2025: MUR 244.3m and 2024: MUR 857.2m) are collateralised by tangible security.

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Commitments and guarantees

Financial guarantees and unutilised commitments are assessed and provision made in similar manner as for loans.

The table below shows the Group's and the Bank's maximum credit risk exposure for commitments and guarantees.

The maximum exposure to credit risk relating to a financial guarantee is the maximum amount the Group and the Bank could have to pay if the guarantee is called on. The maximum exposure to credit risk relating to a loan commitment is the full amount of the commitment. In both cases, the maximum risk exposure is significantly greater than the amount recognised as a liability in the statements of financial position.

	THE GROUP AND THE BANK		
	2026	2025	2024
	MUR'000	MUR'000	MUR'000
Financial guarantees	**5,777,325**	3,738,867	2,682,571
Letters of credit	**170,029**	215,960	91,995
Undrawn commitments to lend	**14,107,228**	13,547,429	12,879,837
	20,054,582	17,502,256	15,654,403

Financial guarantee contracts and loan commitments

The allowance for impairment losses on off balance sheet items has been calculated on financial guarantees, letters of credit and undrawn commitments. The allowance for impairment losses have been classified under other liabilities.

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	THE GROUP AND THE BANK			
	2026			
Credit rating grade	**STAGE 1**	**STAGE 2**	**STAGE 3**	**TOTAL**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
Performing:				
Credit rating AAA	**44,486**	**1,130**	**-**	**45,616**
Credit rating AA+ to AA-	**1,631,266**	**-**	**-**	**1,631,266**
Credit rating A+ to A-	**12,796,452**	**-**	**-**	**12,796,452**
Credit rating BBB+ to BBB-	**4,495,817**	**249,599**	**-**	**4,745,416**
Credit rating BB+ to BB-	**342,232**	**1,553**	**-**	**343,785**
Credit rating B+ to B-	**411,192**	**2,499**	**-**	**413,691**
Non performing:				
Credit rating D	**-**	**-**	**78,356**	**78,356**
Total gross carrying amount	**19,721,445**	**254,781**	**78,356**	**20,054,582**
Less: allowance for impairment losses	**(35,250)**	**(6,294)**	**(17,495)**	**(59,039)**
Carrying amount	**19,686,195**	**248,487**	**60,861**	**19,995,543**

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Financial guarantee contracts and loan commitments (cont'd)

	THE GROUP AND THE BANK			
	2025			
Credit rating grade	STAGE 1	STAGE 2	STAGE 3	TOTAL
	MUR'000	MUR'000	MUR'000	MUR'000
Performing:				
Credit rating AAA	103,538	44,247	-	147,785
Credit rating AA+ to AA-	679,765	582	-	680,347
Credit rating A+ to A-	8,169,745	-	-	8,169,745
Credit rating BBB+ to BBB-	6,904,874	116,540	-	7,021,414
Credit rating BB+ to BB-	900,363	160	-	900,523
Credit rating B+ to B-	469,361	29,618	-	498,979
Credit rating CCC+ to C	-	808	-	808
Non performing:				
Credit rating D	-	-	82,655	82,655
Total gross carrying amount	17,227,646	191,955	82,655	17,502,256
Less: allowance for impairment losses	(54,883)	(48)	(20,530)	(75,461)
Carrying amount	17,172,763	191,907	62,125	17,426,795

	THE GROUP AND THE BANK			
	2024			
Credit rating grade	STAGE 1	STAGE 2	STAGE 3	TOTAL
	MUR'000	MUR'000	MUR'000	MUR'000
Performing:				
Credit rating AA+ to AA-	96,310	719	-	97,029
Credit rating A+ to A-	278,837	-	-	278,837
Credit rating BBB+ to BBB-	1,187,336	742	-	1,188,078
Credit rating BB+ to BB-	10,912,038	374,260	-	11,286,298
Credit rating B+ to B-	1,690,874	135,052	-	1,825,926
Credit rating CCC+ to C	949,343	14,885	-	964,228
Non performing:				
Credit rating D	-	-	14,007	14,007
Total gross carrying amount	15,114,738	525,658	14,007	15,654,403
Less: allowance for impairment losses	(47,156)	(695)	-	(47,851)
Carrying amount	15,067,582	524,963	14,007	15,606,552

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Financial guarantee contracts and loan commitments (cont'd)

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

	THE GROUP AND THE BANK							
	GROSS CARRYING AMOUNT				ALLOWANCE FOR IMPAIRMENT LOSSES			
	2026							
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1 12-months ECL	STAGE 2 Lifetime ECL	STAGE 3 Lifetime ECL	TOTAL
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July	**17,227,646**	**191,955**	**82,655**	**17,502,256**	**54,883**	**48**	**20,530**	**75,461**
Changes in the amount								
Transfer to stage 1	**10,188**	**(6,075)**	**(4,113)**	**-**	**-**	**-**	**-**	**-**
Transfer to stage 2	**(257,420)**	**258,002**	**(582)**	**-**	**(6,294)**	**6,294**	**-**	**-**
Transfer to stage 3	**(68,113)**	**-**	**68,113**	**-**	**(17,495)**	**-**	**17,495**	**-**
Net remeasurement of loss allowance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
New assets originated or purchased	**72,993,681**	**-**	**195**	**72,993,876**	**127,159**	**-**	**-**	**127,159**
Payments and assets derecognised	**(70,184,537)**	**(189,101)**	**(67,912)**	**(70,441,550)**	**(123,003)**	**(48)**	**(20,530)**	**(143,581)**
At 30 June	**19,721,445**	**254,781**	**78,356**	**20,054,582**	**35,250**	**6,294**	**17,495**	**59,039**

	THE GROUP AND THE BANK							
	GROSS CARRYING AMOUNT				ALLOWANCE FOR IMPAIRMENT LOSSES			
	2025							
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1 12-months ECL	STAGE 2 Lifetime ECL	STAGE 3 Lifetime ECL	TOTAL
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July	15,114,738	525,658	14,007	15,654,403	47,156	695	-	47,851
Changes in the amount								
Transfer to stage 1	83,201	(82,222)	(979)	-	-	-	-	-
Transfer to stage 2	(235,651)	235,683	(32)	-	(679)	679	-	-
Transfer to stage 3	(74,035)	(588)	74,623	-	(20,530)	-	20,530	-
Net remeasurement of loss allowance	-	-	-	-	(4,289)	(672)	-	(4,961)
New assets originated or purchased	8,205,406	-	-	8,205,406	49,846	-	-	49,846
Payments and assets derecognised	(5,866,013)	(486,576)	(4,964)	(6,357,553)	(16,621)	(654)	-	(17,275)
At 30 June	17,227,646	191,955	82,655	17,502,256	54,883	48	20,530	75,461

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Financial guarantee contracts and loan commitments (cont'd)

	THE GROUP AND THE BANK							
	GROSS CARRYING AMOUNT				ALLOWANCE FOR IMPAIRMENT LOSSES			
	2024							
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1 12-months ECL	STAGE 2 Lifetime ECL	STAGE 3 Lifetime ECL	TOTAL
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July	12,826,682	348,305	19,202	13,194,189	30,824	8,622	3,524	42,970
Changes in the amount								
Transfer to stage 1	105,247	(105,131)	(116)	-	2,829	(2,829)	-	-
Transfer to stage 2	(905,409)	905,409	-	-	(747)	747	-	-
Transfer to stage 3	(5,598)	-	5,598	-	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-	(3,368)	(5,569)	(3,524)	(12,461)
New assets originated or purchased	9,556,533	-	-	9,556,533	30,415	-	-	30,415
Payments and assets derecognised	(6,462,717)	(622,925)	(10,677)	(7,096,319)	(12,797)	(276)	-	(13,073)
At 30 June	15,114,738	525,658	14,007	15,654,403	47,156	695	-	47,851

(c) Liquidity risk and funding management

Liquidity risk is the risk that the Group and the Bank will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

Sources of liquidity risk include unforeseen withdrawal of demand deposit, restricted access to new funding with appropriate maturity and interest rate characteristics, inability to liquidate a marketable asset in a timely manner with minimum risk of capital loss, unpredicted non payment of a loan obligation and a sudden increased demand for loans.

The Bank's Asset and Liability Committee (ALCO) is responsible for managing the Bank's liquidity risk via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring.

The Group and the Bank maintain a portfolio of highly marketable and diverse unencumbered assets that can be easily liquidated or used as collateral in repurchase transactions in the event of an unforeseen interruption of cash flow. In addition, the Group and the Bank maintain a statutory deposit with the Bank of Mauritius. The liquidity position is assessed and managed under a variety of scenarios giving due consideration to stress factors relating to both the market in general and specifically to the Group and the Bank. Finally, the Group and the Bank also maintains a Liquidity Contingency Plan which can be invoked in the remote event of a liquidity crisis. The Plan is tested from times to times to ensure it is operationally robust and valid.

Analysis of financial assets and liabilities by remaining contractual maturities

The tables in the next pages summarise the maturity profiles of the Group and the Bank where financial assets have been disclosed based on discounted contractual terms while financial liabilities 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 and the Bank expect that many customers will not request repayment on the earliest date the Group and the Bank could be required to pay and the table does not reflect the expected cash flows indicated by the Group's and the Bank's deposit retention history. In addition to the contractual terms, the bank also monitors its maturity profile on a behavioural basis. The behavioural pattern indicates a significant proportion of current accounts are regarded as sticky in nature and have a longer actuarial maturity than exhibited by the overnight term. All derivatives are shown by maturity, based on their contractual undiscounted payment obligations. Gross settled, non-trading derivatives are shown separately, by contractual maturity.

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk and funding management (cont'd)

Analysis of financial assets and liabilities by remaining contractual maturities (cont'd)

	THE GROUP								
	2026								
	On demand	Less than 3 months	3 to 6 months	6 to 12 months	Sub total less than 12 months	1 to 5 years	Over 5 years	Sub total over 12 months	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets									
Cash and balances with banks	13,388,062	-	-	-	13,388,062	-	-	-	13,388,062
Due from banks	-	28,316,776	-	-	28,316,776	-	-	-	28,316,776
Net settled derivative financial instruments	-	90,877	1,891	815	93,583	3,232	-	3,232	96,815
Loans and advances to banks	120	8,916,579	6,850,217	6,554,340	22,321,256	9,901,554	-	9,901,554	32,222,810
Loans and advances to customers	673,334	11,217,994	5,734,917	4,314,091	21,940,336	34,457,292	23,971,938	58,429,230	80,369,566
Investment securities	28,764	116,648,347	7,127,516	20,514,529	144,319,156	24,124,767	5,240,837	29,365,604	173,684,760
Other assets (excluding prepayments, accrued income, inventory and taxes)	6,700,995	3,778,665	-	-	10,479,660	-	-	-	10,479,660
Total	20,791,275	168,969,238	19,714,541	31,383,775	240,858,829	68,486,845	29,212,775	97,699,620	338,558,449
Liabilities									
Due to banks	11,572	-	-	-	11,572	-	-	-	11,572
Deposits from banks:									
-Current accounts	582,943	-	-	-	582,943	-	-	-	582,943
-Savings accounts	111,368	-	-	-	111,368	-	-	-	111,368
	694,311	-	-	-	694,311	-	-	-	694,311
Deposits from customers:									
-Current accounts	183,768,932	-	-	-	183,768,932	-	-	-	183,768,932
-Savings accounts	11,103,875	-	-	-	11,103,875	-	-	-	11,103,875
-Term deposits	11,420	82,415,315	13,044,889	15,582,939	111,054,563	4,609,981	27,396	4,637,377	115,691,940
	194,884,227	82,415,315	13,044,889	15,582,939	305,927,370	4,609,981	27,396	4,637,377	310,564,747
Borrowings from financial institution	-	-	-	-	-	-	173,814	173,814	173,814
Net settled derivative financial instruments	-	90,276	2,202	2,724	95,202	3,232	-	3,232	98,434
Lease liabilities	-	9,569	9,568	19,296	38,433	287,998	253,677	541,675	580,108
Other liabilities	91,103	181,938	398,498	-	671,539	-	-	-	671,539
Total	195,681,213	82,697,098	13,455,157	15,604,959	307,438,427	4,901,211	454,887	5,356,098	312,794,525
Net liquidity gap	(174,889,938)	86,272,140	6,259,384	15,778,816	(66,579,598)	63,585,634	28,757,888	92,343,522	25,763,924
Gross settled derivatives									
Financial assets									
Contractual amounts receivable	-	1,374	147,629	1,937	150,940	1,751	-	1,751	152,691
Contractual amounts payable	-	(843)	(114,713)	(1,119)	(116,675)	(1,020)	-	(1,020)	(117,695)
	-	531	32,916	818	34,265	731	-	731	34,996
Financial liabilities									
Contractual amounts receivable	-	3,184	6,621	7,746	17,551	11,277	-	11,277	28,828
Contractual amounts payable	-	(4,553)	(9,284)	(10,719)	(24,556)	(15,650)	-	(15,650)	(40,206)
	-	(1,369)	(2,663)	(2,973)	(7,005)	(4,373)	-	(4,373)	(11,378)
Total gross settled derivatives assets/(liabilities)	-	(838)	30,253	(2,155)	27,260	(3,642)	-	(3,642)	23,618
Total net financial assets/(liabilities)	(174,889,938)	86,271,302	6,289,637	15,776,661	(66,552,338)	63,581,992	28,757,888	92,339,880	25,787,542

Derivatives assets and liabilities have been categorised as net settled and gross settled disclosed at contractual undiscounted cash flows.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk and funding management (cont'd)

Analysis of financial assets and liabilities by remaining contractual maturities (cont'd)

	THE GROUP								
	2025								
	On demand	Less than 3 months	3 to 6 months	6 to 12 months	Sub total less than 12 months	1 to 5 years	Over 5 years	Sub total over 12 months	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets									
Cash and balances with banks	14,140,601	-	-	-	14,140,601	-	-	-	14,140,601
Due from banks	-	51,427,747	2,947,224	-	54,374,971	-	-	-	54,374,971
Net settled derivative financial instruments	-	27,772	10,810	6,018	44,600	12,292	1,207	13,499	58,099
Loans and advances to banks	-	2,531,553	3,490,314	2,476,794	8,498,661	12,456,523	-	12,456,523	20,955,184
Loans and advances to customers	3,124,264	8,133,839	4,152,289	1,505,316	16,915,708	23,508,636	14,309,621	37,818,257	54,733,965
Investment securities	-	61,673,091	9,348,367	23,561,120	94,582,578	29,043,799	6,975,124	36,018,923	130,601,501
Other assets (excluding prepayments, accrued income, inventory and taxes)	6,181,448	10,265	-	-	6,191,713	-	-	-	6,191,713
Total	23,446,313	123,804,267	19,949,004	27,549,248	194,748,832	65,021,250	21,285,952	86,307,202	281,056,034
Liabilities									
Due to banks	2	-	-	-	2	-	-	-	2
Deposits from banks:									
-Current accounts	97,358	-	-	-	97,358	-	-	-	97,358
-Savings accounts	103,190	-	-	-	103,190	-	-	-	103,190
	200,548	-	-	-	200,548	-	-	-	200,548
Deposits from customers:									
-Current accounts	138,222,140	-	-	-	138,222,140	-	-	-	138,222,140
-Savings accounts	10,432,844	-	-	-	10,432,844	-	-	-	10,432,844
-Term deposits	-	76,936,726	11,644,304	14,953,911	103,534,941	6,334,642	22,077	6,356,719	109,891,660
	148,654,984	76,936,726	11,644,304	14,953,911	252,189,925	6,334,642	22,077	6,356,719	258,546,644
Borrowings from financial institution	-	-	-	-	-	-	215,572	215,572	215,572
Net settled derivative financial instruments	-	16,788	16,498	5,494	38,780	12,292	1,207	13,499	52,279
Lease liabilities*	-	10,525	10,713	26,092	47,330	256,795	282,387	539,182	586,512
Other liabilities	112,082	354,282	362,717	-	829,081	-	-	-	829,081
Total	148,967,616	77,318,321	12,034,232	14,985,497	253,305,666	6,603,729	521,243	7,124,972	260,430,638
Net liquidity gap	(125,521,303)	46,485,946	7,914,772	12,563,751	(58,556,834)	58,417,521	20,764,709	79,182,230	20,625,396
Gross settled derivatives									
Financial assets									
Contractual amounts receivable	-	1,551	143,173	139,151	283,875	433,125	-	433,125	717,000
Contractual amounts payable	-	(3,300)	(109,280)	(108,912)	(221,492)	(347,063)	-	(347,063)	(568,555)
	-	(1,749)	33,893	30,239	62,383	86,062	-	86,062	148,445
Financial liabilities									
Contractual amounts receivable	-	9,149	14,461	19,110	42,720	58,509	-	58,509	101,229
Contractual amounts payable	-	(7,541)	(13,660)	(18,885)	(40,086)	(66,642)	-	(66,642)	(106,728)
	-	1,608	801	225	2,634	(8,133)	-	(8,133)	(5,499)
Total gross settled derivatives assets/(liabilities)	-	(141)	34,694	30,464	65,017	77,929	-	77,929	142,946
Total net financial assets/(liabilities)	(125,521,303)	46,485,805	7,949,466	12,594,215	(58,491,817)	58,495,450	20,764,709	79,260,159	20,768,342

* The prior year comparative figure has been amended to conform with changes in the current year presentation.

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk and funding management (cont'd)

Analysis of financial assets and liabilities by remaining contractual maturities (cont'd)

	THE GROUP								
	2024								
	On demand	Less than 3 months	3 to 6 months	6 to 12 months	Sub total less than 12 months	1 to 5 years	Over 5 years	Sub total over 12 months	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets									
Cash and balances with banks	18,847,227	-	-	-	18,847,227	-	-	-	18,847,227
Due from banks	-	34,094,866	4,416,701	-	38,511,567	-	-	-	38,511,567
Net settled derivative financial instruments	-	81,454	144	375	81,973	117,296	-	117,296	199,269
Loans and advances to banks	3	482,820	1,780,019	1,091,598	3,354,440	11,292,976	-	11,292,976	14,647,416
Loans and advances to customers	3,087,880	5,844,105	4,015,289	1,397,469	14,344,743	20,464,145	13,048,598	33,512,743	47,857,486
Investment securities	-	62,286,724	11,546,289	19,725,135	93,558,148	34,151,254	6,987,985	41,139,239	134,697,387
Other assets (excluding prepayments, accrued income, inventory and taxes)	5,288,059	32,000	12,031	-	5,332,090	-	-	-	5,332,090
Total	27,223,169	102,821,969	21,770,473	22,214,577	174,030,188	66,025,671	20,036,583	86,062,254	260,092,442
Liabilities									
Due to banks	868	-	-	-	868	-	-	-	868
Deposits from banks:									
-Current accounts	16,202	-	-	-	16,202	-	-	-	16,202
-Savings accounts	318,849	-	-	-	318,849	-	-	-	318,849
	335,051	-	-	-	335,051	-	-	-	335,051
Deposits from customers:									
-Current accounts	131,194,562	-	-	-	131,194,562	-	-	-	131,194,562
-Savings accounts	8,547,424	-	-	-	8,547,424	-	-	-	8,547,424
-Term deposits	-	56,300,962	17,984,638	21,964,102	96,249,702	5,844,734	14,220	5,858,954	102,108,656
	139,741,986	56,300,962	17,984,638	21,964,102	235,991,688	5,844,734	14,220	5,858,954	241,850,642
Borrowings from financial institution	-	-	-	-	-	-	239,827	239,827	239,827
Net settled derivative financial instruments	-	79,647	144	375	80,166	117,296	-	117,296	197,462
Lease liabilities	-	3,614	3,669	7,516	14,799	31,077	-	31,077	45,876
Other liabilities	133,158	261,728	382,488	100,167	877,541	29,405	-	29,405	906,946
Total	140,211,063	56,645,951	18,370,939	22,072,160	237,300,113	6,022,512	254,047	6,276,559	243,576,672
Net liquidity gap	(112,987,894)	46,176,018	3,399,534	142,417	(63,269,925)	60,003,159	19,782,536	79,785,695	16,515,770
Gross settled derivatives									
Financial assets									
Contractual amounts receivable	-	1,551	143,173	139,151	283,875	433,125	-	433,125	717,000
Contractual amounts payable	-	(3,300)	(109,280)	(108,912)	(221,492)	(347,063)	-	(347,063)	(568,555)
	-	(1,749)	33,893	30,239	62,383	86,062	-	86,062	148,445
Financial liabilities									
Contractual amounts receivable	-	9,149	14,461	19,110	42,720	58,509	-	58,509	101,229
Contractual amounts payable	-	(7,541)	(13,660)	(18,885)	(40,086)	(66,642)	-	(66,642)	(106,728)
	-	1,608	801	225	2,634	(8,133)	-	(8,133)	(5,499)
Total gross settled derivatives assets/(liabilities)	-	(141)	34,694	30,464	65,017	77,929	-	77,929	142,946
Total net financial assets/(liabilities)	(112,987,894)	46,175,877	3,434,228	172,881	(63,204,908)	60,081,088	19,782,536	79,863,624	16,658,716

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk and funding management (cont'd)

Analysis of financial assets and liabilities by remaining contractual maturities (cont'd)

	THE BANK								
	2026								
	On demand	Less than 3 months	3 to 6 months	6 to 12 months	Sub total less than 12 months	1 to 5 years	Over 5 years	Sub total over 12 months	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets									
Cash and balances with banks	13,388,062	-	-	-	13,388,062	-	-	-	13,388,062
Due from banks	-	28,316,776	-	-	28,316,776	-	-	-	28,316,776
Net settled derivative financial instruments	-	90,877	1,891	815	93,583	3,232	-	3,232	96,815
Loans and advances to banks	120	8,916,579	6,850,217	6,554,340	22,321,256	9,901,554	-	9,901,554	32,222,810
Loans and advances to customers	673,334	11,217,994	5,734,917	4,314,091	21,940,336	34,457,292	23,971,938	58,429,230	80,369,566
Investment securities	28,764	116,648,347	7,127,516	20,514,529	144,319,156	24,124,767	5,240,837	29,365,604	173,684,760
Other assets (excluding prepayments, accrued income, inventory and taxes)	6,700,995	3,778,665	-	-	10,479,660	-	-	-	10,479,660
Total	20,791,275	168,969,238	19,714,541	31,383,775	240,858,829	68,486,845	29,212,775	97,699,620	338,558,449
Liabilities									
Due to banks	11,572	-	-	-	11,572	-	-	-	11,572
Deposits from banks:									
-Current accounts	582,943	-	-	-	582,943	-	-	-	582,943
-Savings accounts	111,368	-	-	-	111,368	-	-	-	111,368
	694,311	-	-	-	694,311	-	-	-	694,311
Deposits from customers:									
-Current accounts	183,770,554	-	-	-	183,770,554	-	-	-	183,770,554
-Savings accounts	11,103,875	-	-	-	11,103,875	-	-	-	11,103,875
-Term deposits	11,420	82,415,315	13,044,889	15,582,939	111,054,563	4,609,981	27,396	4,637,377	115,691,940
	194,885,849	82,415,315	13,044,889	15,582,939	305,928,992	4,609,981	27,396	4,637,377	310,566,369
Borrowings from financial institution	-	-	-	-	-	-	173,814	173,814	173,814
Net settled derivative financial instruments	-	90,276	2,202	2,724	95,202	3,232	-	3,232	98,434
Lease liabilities	-	9,569	9,568	19,296	38,433	287,998	253,677	541,675	580,108
Other liabilities	90,183	181,938	398,498	-	670,619	-	-	-	670,619
Total	195,681,915	82,697,098	13,455,157	15,604,959	307,439,129	4,901,211	454,887	5,356,098	312,795,227
Net liquidity gap	(174,890,640)	86,272,140	6,259,384	15,778,816	(66,580,300)	63,585,634	28,757,888	92,343,522	25,763,222
Gross settled derivatives									
Financial assets									
Contractual amounts receivable	-	1,374	147,629	1,937	150,940	1,751	-	1,751	152,691
Contractual amounts payable	-	(843)	(114,713)	(1,119)	(116,675)	(1,020)	-	(1,020)	(117,695)
	-	531	32,916	818	34,265	731	-	731	34,996
Financial liabilities									
Contractual amounts receivable	-	3,184	6,621	7,746	17,551	11,277	-	11,277	28,828
Contractual amounts payable	-	(4,553)	(9,284)	(10,719)	(24,556)	(15,650)	-	(15,650)	(40,206)
	-	(1,369)	(2,663)	(2,973)	(7,005)	(4,373)	-	(4,373)	(11,378)
Total gross settled derivatives assets/(liabilities)	-	(838)	30,253	(2,155)	27,260	(3,642)	-	(3,642)	23,618
Total net financial assets/(liabilities)	(174,890,640)	86,271,302	6,289,637	15,776,661	(66,553,040)	63,581,992	28,757,888	92,339,880	25,786,840

Derivatives assets and liabilities have been categorised as net settled and gross settled disclosed at contractual undiscounted cash flows.

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk and funding management (cont'd)

Analysis of financial assets and liabilities by remaining contractual maturities (cont'd)

	THE BANK								
	2025								
	On demand	Less than 3 months	3 to 6 months	6 to 12 months	Sub total less than 12 months	1 to 5 years	Over 5 years	Sub total over 12 months	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets									
Cash and balances with banks	14,140,601	-	-	-	14,140,601	-	-	-	14,140,601
Due from banks	-	51,427,747	2,947,224	-	54,374,971	-	-	-	54,374,971
Net settled derivative financial instruments	-	27,772	10,810	6,018	44,600	12,292	1,207	13,499	58,099
Loans and advances to banks	-	2,531,553	3,490,314	2,476,794	8,498,661	12,456,523	-	12,456,523	20,955,184
Loans and advances to customers	3,124,264	8,133,839	4,152,289	1,505,316	16,915,708	23,508,636	14,309,621	37,818,257	54,733,965
Investment securities	-	61,673,091	9,348,367	23,561,120	94,582,578	29,043,799	6,975,124	36,018,923	130,601,501
Other assets (excluding prepayments, accrued income, inventory and taxes)	6,181,442	10,265	-	-	6,191,707	-	-	-	6,191,707
Total	23,446,307	123,804,267	19,949,004	27,549,248	194,748,826	65,021,250	21,285,952	86,307,202	281,056,028
Liabilities									
Due to banks	2	-	-	-	2	-	-	-	2
Deposits from banks:									
-Current accounts	97,358	-	-	-	97,358	-	-	-	97,358
-Savings accounts	103,190	-	-	-	103,190	-	-	-	103,190
	200,548	-	-	-	200,548	-	-	-	200,548
Deposits from customers:									
-Current accounts	138,224,173	-	-	-	138,224,173	-	-	-	138,224,173
-Savings accounts	10,432,844	-	-	-	10,432,844	-	-	-	10,432,844
-Term deposits	-	76,936,726	11,644,304	14,953,911	103,534,941	6,334,642	22,077	6,356,719	109,891,660
	148,657,017	76,936,726	11,644,304	14,953,911	252,191,958	6,334,642	22,077	6,356,719	258,548,677
Borrowings from financial institution	-	-	-	-	-	-	215,572	215,572	215,572
Net settled derivative financial instruments	-	16,788	16,498	5,494	38,780	12,292	1,207	13,499	52,279
Lease liabilities *	-	10,525	10,713	26,092	47,330	256,795	282,387	539,182	586,512
Other liabilities	111,162	354,282	362,717	-	828,161	-	-	-	828,161
Total	148,968,729	77,318,321	12,034,232	14,985,497	253,306,779	6,603,729	521,243	7,124,972	260,431,751
Net liquidity gap	(125,522,422)	46,485,946	7,914,772	12,563,751	(58,557,953)	58,417,521	20,764,709	79,182,230	20,624,277
Gross settled derivatives									
Financial assets									
Contractual amounts receivable	-	1,551	143,173	139,151	283,875	433,125	-	433,125	717,000
Contractual amounts payable	-	(3,300)	(109,280)	(108,912)	(221,492)	(347,063)	-	(347,063)	(568,555)
	-	(1,749)	33,893	30,239	62,383	86,062	-	86,062	148,445
Financial liabilities									
Contractual amounts receivable	-	9,149	14,461	19,110	42,720	58,509	-	58,509	101,229
Contractual amounts payable	-	(7,541)	(13,660)	(18,885)	(40,086)	(66,642)	-	(66,642)	(106,728)
	-	1,608	801	225	2,634	(8,133)	-	(8,133)	(5,499)
Total gross settled derivatives assets/(liabilities)	-	(141)	34,694	30,464	65,017	77,929	-	77,929	142,946
Total net financial assets/(liabilities)	(125,522,422)	46,485,805	7,949,466	12,594,215	(58,492,936)	58,495,450	20,764,709	79,260,159	20,767,223

* The prior year comparative figure has been amended to conform with changes in the current year presentation.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk and funding management (cont'd)

Analysis of financial assets and liabilities by remaining contractual maturities (cont'd)

	THE BANK								
	2024								
	On demand	Less than 3 months	3 to 6 months	6 to 12 months	Sub total less than 12 months	1 to 5 years	Over 5 years	Sub total over 12 months	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets									
Cash and balances with banks	18,847,227	-	-	-	18,847,227	-	-	-	18,847,227
Due from banks	-	34,094,866	4,416,701	-	38,511,567	-	-	-	38,511,567
Net settled derivative financial instruments	-	81,454	144	375	81,973	117,296	-	117,296	199,269
Loans and advances to banks	3	482,820	1,780,019	1,091,598	3,354,440	11,292,976	-	11,292,976	14,647,416
Loans and advances to customers	3,087,880	5,844,105	4,015,289	1,397,469	14,344,743	20,464,145	13,048,598	33,512,743	47,857,486
Investment securities	-	62,286,724	11,546,289	19,725,135	93,558,148	34,151,254	6,987,985	41,139,239	134,697,387
Other assets (excluding prepayments, accrued income, inventory and taxes)	5,288,053	32,000	12,031	-	5,332,084	-	-	-	5,332,084
Total	27,223,163	102,821,969	21,770,473	22,214,577	174,030,182	66,025,671	20,036,583	86,062,254	260,092,436
Liabilities									
Due to banks	868	-	-	-	868	-	-	-	868
Deposits from banks:									
-Current accounts	16,202	-	-	-	16,202	-	-	-	16,202
-Savings accounts	318,849	-	-	-	318,849	-	-	-	318,849
	335,051	-	-	-	335,051	-	-	-	335,051
Deposits from customers:									
-Current accounts	131,197,026	-	-	-	131,197,026	-	-	-	131,197,026
-Savings accounts	8,547,424	-	-	-	8,547,424	-	-	-	8,547,424
-Term deposits	-	56,300,962	17,984,638	21,964,102	96,249,702	5,844,734	14,220	5,858,954	102,108,656
	139,744,450	56,300,962	17,984,638	21,964,102	235,994,152	5,844,734	14,220	5,858,954	241,853,106
Net settled derivative financial instruments	-	79,647	144	375	80,166	117,296	-	117,296	197,462
Borrowings from financial institution	-	-	-	-	-	-	239,827	239,827	239,827
Lease liabilities	-	3,614	3,669	7,516	14,799	31,077	-	31,077	45,876
Other liabilities	132,291	261,728	382,488	100,167	876,674	29,405	-	29,405	906,079
Total	140,212,660	56,645,951	18,370,939	22,072,160	237,301,710	6,022,512	254,047	6,276,559	243,578,269
Net liquidity gap	(112,989,497)	46,176,018	3,399,534	142,417	(63,271,528)	60,003,159	19,782,536	79,785,695	16,514,167
Gross settled derivatives									
Financial assets									
Contractual amounts receivable	-	1,551	143,173	139,151	283,875	433,125	-	433,125	717,000
Contractual amounts payable	-	(3,300)	(109,280)	(108,912)	(221,492)	(347,063)	-	(347,063)	(568,555)
	-	(1,749)	33,893	30,239	62,383	86,062	-	86,062	148,445
Financial liabilities									
Contractual amounts receivable	-	9,149	14,461	19,110	42,720	58,509	-	58,509	101,229
Contractual amounts payable	-	(7,541)	(13,660)	(18,885)	(40,086)	(66,642)	-	(66,642)	(106,728)
	-	1,608	801	225	2,634	(8,133)	-	(8,133)	(5,499)
Total gross settled derivatives assets/(liabilities)	-	(141)	34,694	30,464	65,017	77,929	-	77,929	142,946
Total net financial assets/(liabilities)	(112,989,497)	46,175,877	3,434,228	172,881	(63,206,511)	60,081,088	19,782,536	79,863,624	16,657,113

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk and funding management (cont'd)

The table below shows the contractual expiry by maturity of the Group's and the Bank's commitments.

	THE GROUP AND THE BANK				
	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 Years	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
30 June 2026					
Financial guarantees	**314,668**	**1,514,162**	**3,884,859**	**63,636**	**5,777,325**
Letters of credit	**103,673**	**30,956**	**35,400**	**-**	**170,029**
Bills for collection	**1,491,119**	**-**	**-**	**-**	**1,491,119**
Commitments	**6,812,070**	**4,026,337**	**2,147,240**	**1,121,581**	**14,107,228**
Total	**8,721,530**	**5,571,455**	**6,067,499**	**1,185,217**	**21,545,701**
30 June 2025					
Financial guarantees	792,084	1,278,550	1,610,109	58,124	3,738,867
Letters of credit	179,129	36,831	-	-	215,960
Bills for collection	2,453,164	22,381	-	-	2,475,545
Commitments	4,240,812	4,161,451	2,337,437	2,807,729	13,547,429
Total	7,665,189	5,499,213	3,947,546	2,865,853	19,977,801
30 June 2024					
Financial guarantees	610,352	1,060,978	955,212	56,029	2,682,571
Letters of credit	48,764	43,231	-	-	91,995
Bills for collection	1,673,387	-	-	-	1,673,387
Commitments	4,892,563	4,634,854	2,001,963	1,350,457	12,879,837
Total	7,225,066	5,739,063	2,957,175	1,406,486	17,327,790

Refer to Note 35 for more details.

The Group and the Bank do not expect all the contingent liabilities or commitments to be drawn before expiry of commitments.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates. The Group and the Bank classify exposures to market risk into either trading or non trading portfolios and manage these portfolios separately. Except for the concentrations within foreign currency, the Group and the Bank have no significant concentration of 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. Management has established limits on the maximum adverse volatility on its future net interest income.

The Group's and the Bank's main exposure to interest rate risk stems from a variety of sources: Yield curve risk, which refers to changes in the level, slope and shape of the yield curve; Repricing risk, which arises from timing differences in the maturity and repricing of balance-sheet items; Basis risk that is caused by imperfect correlation between different yield curves.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market risk (cont'd)

(i) Interest rate risk (cont'd)

The following tables demonstrate the sensitivity to a Day 1 100 basis points shock (2025 and 2024: 100 basis points) on the Group's and the Bank's net interest income. The net interest income sensitivity is the effect of the assumed changes in interest rates, based on the financial assets and financial liabilities held at 30 June.

	THE GROUP					
	2026	2025	2024	**2026**	2025	2024
Currency	**Change in Basis points**	Change in Basis points	Change in Basis points	**Sensitivity of profit or loss**	Sensitivity of profit or loss	Sensitivity of profit or loss
				MUR'000	MUR'000	MUR'000
AUD	**+100**	+100	+100	**439**	1,404	6,332
	- 100	- 100	- 100	**(439)**	(1,404)	(6,332)
EUR	**+100**	+100	+100	**229,789**	249,603	203,367
	- 100	- 100	- 100	**(229,403)**	(246,770)	(203,367)
GBP	**+100**	+100	+100	**41,254**	37,009	46,377
	- 100	- 100	- 100	**(41,254)**	(37,009)	(46,377)
MUR	**+100**	+100	+100	**200,566**	122,581	78,834
	- 100	- 100	- 100	**(200,566)**	(124,227)	(80,261)
USD	**+100**	+100	+100	**891,421**	538,016	515,359
	- 100	- 100	- 100	**(891 421)**	(538 016)	(515 359)

	THE BANK					
	2026	2025	2024	**2026**	2025	2024
Currency	**Change in Basis points**	Change in Basis points	Change in Basis points	**Sensitivity of profit or loss**	Sensitivity of profit or loss	Sensitivity of profit or loss
				MUR'000	MUR'000	MUR'000
AUD	**+100**	+100	+100	**439**	1,404	6,332
	- 100	- 100	- 100	**(439)**	(1,404)	(6,332)
EUR	**+100**	+100	+100	**229,789**	249,603	203,367
	- 100	- 100	- 100	**(229,403)**	(246,770)	(203,367)
GBP	**+100**	+100	+100	**41,254**	37,009	46,377
	- 100	- 100	- 100	**(41,254)**	(37,009)	(46,377)
MUR	**+100**	+100	+100	**200,566**	122,581	78,834
	- 100	- 100	- 100	**(200,566)**	(124,227)	(80,261)
USD	**+100**	+100	+100	**891,421**	538,016	515,359
	- 100	- 100	- 100	**(891,421)**	(538,016)	(515,359)

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market risk (cont'd)

(i) Interest rate risk (cont'd)

The table below analyses the Group's and the Bank's interest rate risk exposure on non-trading financial assets and liabilities. The Group's and the Bank's assets and liabilities are included at carrying amount and categorised by the earlier of contractual repricing or maturity dates.

	THE GROUP							
	2026							
	Carrying amount	On demand	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets								
Cash and balances with banks	13,388,062	12,903,266	-	-	-	-	-	484,796
Due from banks	28,316,776	-	28,316,776	-	-	-	-	-
Derivative financial instruments	132,220	-	-	32,732	-	2,673	-	96,815
Loans and advances to banks	32,222,810	120	8,916,579	6,850,217	6,554,340	9,901,554	-	-
Loans and advances to customers	80,369,566	673,334	11,217,994	5,734,917	4,314,091	34,457,292	23,971,938	-
Debt instruments measured at amortised cost	163,755,904	-	108,128,167	6,949,390	19,766,522	23,670,988	5,240,837	-
Other assets (excluding prepayments, accrued income and inventory)	10,479,660	-	-	-	-	-	-	10,479,660
Total assets	328,664,998	13,576,720	156,579,516	19,567,256	30,634,953	68,032,507	29,212,775	11,061,271
Liabilities								
Due to banks	11,572	11,572	-	-	-	-	-	-
Deposits from banks	694,311	111,368	-	-	-	-	-	582,943
Deposits from customers	310,144,154	13,726,477	82,415,315	13,044,889	15,582,939	4,195,537	21,247	181,157,750
Derivative financial instruments	110,763	-	-	-	-	12,329	-	98,434
Borrowings from financial institution	142,977	-	-	-	-	-	142,977	-
Lease liabilities	450,122	-	9,569	9,568	19,296	191,439	220,250	-
Other liabilities	671,539	920	-	-	-	-	-	670,619
Total liabilities	312,225,438	13,850,337	82,424,884	13,054,457	15,602,235	4,399,305	384,474	182,509,746
Total interest sensitivity gap	16,439,560	(273,617)	74,154,632	6,512,799	15,032,718	63,633,202	28,828,301	(171,448,475)

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market risk (cont'd)

(i) Interest rate risk (cont'd)

	THE GROUP							
	2025							
	Carrying amount	On demand	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets								
Cash and balances with banks	14,140,601	12,543,527	-	-	-	-	-	1,597,074
Due from banks	54,374,971	-	51,427,747	2,947,224	-	-	-	-
Derivative financial instruments	136,312	-	-	-	-	78,213	-	58,099
Loans and advances to banks	20,955,184	-	2,531,553	3,490,314	2,476,794	12,456,523	-	-
Loans and advances to customers	54,733,965	3,124,264	8,133,839	4,152,289	1,505,316	23,508,636	14,309,621	-
Debt instruments measured at amortised cost	120,490,242	-	54,965,834	8,284,208	21,700,451	28,589,579	6,950,170	-
Other assets (excluding prepayments, accrued income and inventory)	6,191,713	-	10,271	-	-	-	-	6,181,442
Total assets	271,022,988	15,667,791	117,069,244	18,874,035	25,682,561	64,632,951	21,259,791	7,836,615
Liabilities								
Due to banks	2	2	-	-	-	-	-	-
Deposits from banks	200,548	103,190	-	-	-	-	-	97,358
Deposits from customers	257,972,767	12,677,904	76,936,725	11,644,304	14,953,911	5,766,247	16,596	135,977,080
Borrowings from financial institution	157,253	-	-	-	-	-	157,253	-
Derivative financial instruments	78,394	-	-	-	-	26,115	-	52,279
Lease liabilities	444,038	-	10,525	10,713	26,092	160,846	235,862	-
Other liabilities	829,081	920	-	-	-	-	-	828,161
Total liabilities	259,682,083	12,782,016	76,947,250	11,655,017	14,980,003	5,953,208	409,711	136,954,878
Total interest sensitivity gap	11,340,905	2,885,775	40,121,994	7,219,018	10,702,558	58,679,743	20,850,080	(129,118,263)

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market risk (cont'd)

(i) Interest rate risk (cont'd)

	THE GROUP							
	2024							
	Carrying amount	On demand	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets								
Cash and balances with banks	18,847,227	18,031,803	-	-	-	-	-	815,424
Due from banks	38,511,567	-	34,094,866	4,416,701	-	-	-	-
Derivative financial instruments	366,664	-	-	-	-	167,395	-	199,269
Loans and advances to banks	14,647,416	3	482,820	1,780,019	1,091,598	11,292,976	-	-
Loans and advances to customers	47,857,486	3,087,880	5,844,105	4,015,289	1,397,469	20,464,145	13,048,598	-
Debt instruments measured at amortised cost	125,588,785	-	60,302,916	9,694,694	18,341,876	30,282,395	6,966,904	-
Other assets (excluding prepayments, accrued income and inventory)	5,332,090	-	32,006	12,031	-	-	-	5,288,053
Total assets	251,151,235	21,119,686	100,756,713	19,918,734	20,830,943	62,206,911	20,015,502	6,302,746
Liabilities								
Due to banks	868	868	-	-	-	-	-	-
Deposits from banks	335,051	318,849	-	-	-	-	-	16,202
Deposits from customers	239,910,949	10,766,737	56,104,513	17,642,649	21,074,287	5,337,394	10,120	128,975,249
Borrowings from financial institution	167,183	-	-	-	-	-	167,183	-
Derivative financial instruments	224,771	-	-	-	-	27,309	-	197,462
Lease liabilities	44,582	-	3,614	3,669	7,516	29,783	-	-
Other liabilities	906,946	867	-	-	-	-	-	906,079
Total liabilities	241,590,350	11,087,321	56,108,127	17,646,318	21,081,803	5,394,486	177,303	130,094,992
Total interest sensitivity gap	9,560,885	10,032,365	44,648,586	2,272,416	(250,860)	56,812,425	19,838,199	(123,792,246)

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market risk (cont'd)

(i) Interest rate risk (cont'd)

	THE BANK							
	2026							
	Carrying amount	On demand	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets								
Cash and balances with banks	13,388,062	12,903,266	-	-	-	-	-	484,796
Due from banks	28,316,776	-	28,316,776	-	-	-	-	-
Derivative financial instruments	132,220	-	-	32,732	-	2,673	-	96,815
Loans and advances to banks	32,222,810	120	8,916,579	6,850,217	6,554,340	9,901,554	-	-
Loans and advances to customers	80,369,566	673,334	11,217,994	5,734,917	4,314,091	34,457,292	23,971,938	-
Debt instruments measured at amortised cost	163,755,904	-	108,128,167	6,949,390	19,766,522	23,670,988	5,240,837	-
Other assets (excluding prepayments, accrued income and inventory)	10,479,660	-	-	-	-	-	-	10,479,660
Total assets	328,664,998	13,576,720	156,579,516	19,567,256	30,634,953	68,032,507	29,212,775	11,061,271
Liabilities								
Due to banks	11,572	11,572	-	-	-	-	-	-
Deposits from banks	694,311	111,368	-	-	-	-	-	582,943
Deposits from customers	310,145,776	13,728,099	82,415,315	13,044,889	15,582,939	4,195,537	21,247	181,157,750
Derivative financial instruments	110,763	-	-	-	-	12,329	-	98,434
Borrowings from financial institution	142,977	-	-	-	-	-	142,977	-
Lease liabilities	450,122	-	9,569	9,568	19,296	191,439	220,250	-
Other liabilities	670,619	-	-	-	-	-	-	670,619
Total liabilities	312,226,140	13,851,039	82,424,884	13,054,457	15,602,235	4,399,305	384,474	182,509,746
Total interest sensitivity gap	16,438,858	(274,319)	74,154,632	6,512,799	15,032,718	63,633,202	28,828,301	(171,448,475)

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market risk (cont'd)

(i) Interest rate risk (cont'd)

	THE BANK							
	2025							
	Carrying amount	On demand	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets								
Cash and balances with banks	14,140,601	12,543,527	-	-	-	-	-	1,597,074
Due from banks	54,374,971	-	51,427,747	2,947,224	-	-	-	-
Derivative financial instruments	136,312	-	-	-	-	78,213	-	58,099
Loans and advances to banks	20,955,184	-	2,531,553	3,490,314	2,476,794	12,456,523	-	-
Loans and advances to customers	54,733,965	3,124,264	8,133,839	4,152,289	1,505,316	23,508,636	14,309,621	-
Debt instruments measured at amortised cost	120,490,242	-	54,965,834	8,284,208	21,700,451	28,589,579	6,950,170	-
Other assets (excluding prepayments, accrued income and inventory)	6,191,707	-	10,265	-	-	-	-	6,181,442
Total assets	271,022,982	15,667,791	117,069,238	18,874,035	25,682,561	64,632,951	21,259,791	7,836,615
Liabilities								
Due to banks	2	2	-	-	-	-	-	-
Deposits from banks	200,548	103,190	-	-	-	-	-	97,358
Deposits from customers	257,974,800	12,679,937	76,936,725	11,644,304	14,953,911	5,766,247	16,596	135,977,080
Derivative financial instruments	78,394	-	-	-	-	26,115	-	52,279
Borrowings from financial institution	157,253	-	-	-	-	-	157,253	-
Lease liabilities	444,038	-	10,525	10,713	26,092	160,846	235,862	-
Other liabilities	828,161	-	-	-	-	-	-	828,161
Total liabilities	259,683,196	12,783,129	76,947,250	11,655,017	14,980,003	5,953,208	409,711	136,954,878
Total interest sensitivity gap	11,339,786	2,884,662	40,121,988	7,219,018	10,702,558	58,679,743	20,850,080	(129,118,263)

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market risk (cont'd)

(i) Interest rate risk (cont'd)

	THE BANK							
	2024							
	Carrying amount	On demand	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets								
Cash and balances with banks	18,847,227	18,031,803	-	-	-	-	-	815,424
Due from banks	38,511,567	-	34,094,866	4,416,701	-	-	-	-
Derivative financial instruments	366,664	-	-	-	-	167,395	-	199,269
Loans and advances to banks	14,647,416	3	482,820	1,780,019	1,091,598	11,292,976	-	-
Loans and advances to customers	47,857,486	3,087,880	5,844,105	4,015,289	1,397,469	20,464,145	13,048,598	-
Debt instruments measured at amortised cost	125,588,785	-	60,302,916	9,694,694	18,341,876	30,282,395	6,966,904	-
Other assets (excluding prepayments, accrued income and inventory)	5,332,084	-	32,000	12,031	-	-	-	5,288,053
Total assets	251,151,229	21,119,686	100,756,707	19,918,734	20,830,943	62,206,911	20,015,502	6,302,746
Liabilities								
Due to banks	868	868	-	-	-	-	-	-
Deposits from banks	335,051	318,849	-	-	-	-	-	16,202
Deposits from customers	239,913,413	10,769,201	56,104,513	17,642,649	21,074,287	5,337,394	10,120	128,975,249
Derivative financial instruments	224,771	-	-	-	-	27,309	-	197,462
Borrowings from financial institution	167,183	-	-	-	-	-	167,183	-
Lease liabilities	44,582	-	3,614	3,669	7,516	29,783	-	-
Other liabilities	906,079	-	-	-	-	-	-	906,079
Total liabilities	241,591,947	11,088,918	56,108,127	17,646,318	21,081,803	5,394,486	177,303	130,094,992
Total interest sensitivity gap	9,559,282	10,030,768	44,648,580	2,272,416	(250,860)	56,812,425	19,838,199	(123,792,246)

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market risk (cont'd)

(ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management has set limits on positions by currency. Positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within established limits.

The table below indicates the currencies to which the Group and the Bank had significant exposure at 30 June on all its monetary assets and liabilities and its forecast cash flows. The analysis calculates the effect of a reasonably possible movement of the currency rate against the MUR, with all other variables held constant on the statements of profit or loss (due to the fair value of currency sensitive non trading monetary assets and liabilities). A negative amount in the table reflects a potential net reduction in the statements of profit or loss, while a positive amount reflects a net potential increase.

		THE GROUP		
		2026		
Currency	% Change in Currency rate	Effect of change in currency on		Sensitivity of profit or loss
		Assets	Liabilities	
		MUR'000	MUR'000	MUR'000
AUD	**+5%**	**49,776**	**(49,730)**	**46**
	-5%	**(49,776)**	**49,730**	**(46)**
EUR	**+5%**	**2,630,284**	**(2,632,926)**	**(2,642)**
	-5%	**(2,630,284)**	**2,632,926**	**2,642**
GBP	**+5%**	**566,124**	**(565,564)**	**560**
	-5%	**(566,124)**	**565,564**	**(560)**
USD	**+5%**	**10,573,297**	**(10,568,809)**	**4,488**
	-5%	**(10,573,297)**	**10,568,809**	**(4,488)**

		2025		
Currency	% Change in Currency rate	Effect of change in currency on		Sensitivity of profit or loss
		Assets	Liabilities	
		MUR'000	MUR'000	MUR'000
AUD	+5%	44,145	(44,098)	47
	-5%	(44,145)	44,098	(47)
EUR	+5%	2,192,363	(2,201,164)	(8,801)
	-5%	(2,192,363)	2,201,164	8,801
GBP	+5%	650,703	(649,778)	925
	-5%	(650,703)	649,778	(925)
USD	+5%	8,583,016	(8,595,666)	(12,650)
	-5%	(8,583,016)	8,595,666	12,650

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market risk (cont'd)

(ii) Currency risk (cont'd)

	THE GROUP			
		2024		
Currency	% Change in Currency rate	Effect of change in currency on		Sensitivity of profit or loss
		Assets	Liabilities	
		MUR'000	MUR'000	MUR'000
AUD	+5%	46,534	(46,457)	77
	-5%	(46,534)	46,457	(77)
EUR	+5%	1,805,359	(1,811,828)	(6,469)
	-5%	(1,805,359)	1,811,828	6,469
GBP	+5%	562,964	(562,768)	196
	-5%	(562,964)	562,768	(196)
USD	+5%	8,200,306	(8,204,061)	(3,755)
	-5%	(8,200,306)	8,204,061	3,755

	THE BANK			
		2026		
Currency	**% Change in Currency rate**	**Effect of change in currency on**		**Sensitivity of profit or loss**
		Assets	**Liabilities**	
		MUR'000	**MUR'000**	**MUR'000**
AUD	**+5%**	**49,776**	**(49,730)**	**46**
	-5%	**(49,776)**	**49,730**	**(46)**
EUR	**+5%**	**2,630,284**	**(2,632,926)**	**(2,642)**
	-5%	**(2,630,284)**	**2,632,926**	**2,642**
GBP	**+5%**	**566,124**	**(565,564)**	**560**
	-5%	**(566,124)**	**565,564**	**(560)**
USD	**+5%**	**10,573,297**	**(10,568,809)**	**4,488**
	-5%	**(10,573,297)**	**10,568,809**	**(4,488)**

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market risk (cont'd)

(ii) Currency risk (cont'd)

Currency	% Change in Currency rate	THE BANK 2025 Effect of change in currency on Assets	THE BANK 2025 Effect of change in currency on Liabilities	THE BANK 2025 Sensitivity of profit or loss
		MUR'000	MUR'000	MUR'000
AUD	+5%	44,145	(44,098)	47
	-5%	(44,145)	44,098	(47)
EUR	+5%	2,192,363	(2,201,164)	(8,801)
	-5%	(2,192,363)	2,201,164	8,801
GBP	+5%	650,703	(649,778)	925
	-5%	(650,703)	649,778	(925)
USD	+5%	8,583,016	(8,595,666)	(12,650)
	-5%	(8,583,016)	8,595,666	12,650

Currency	% Change in Currency rate	THE BANK 2024 Effect of change in currency on Assets	THE BANK 2024 Effect of change in currency on Liabilities	THE BANK 2024 Sensitivity of profit or loss
		MUR'000	MUR'000	MUR'000
AUD	+5%	46,534	(46,457)	77
	-5%	(46,534)	46,457	(77)
EUR	+5%	1,805,359	(1,811,828)	(6,469)
	-5%	(1,805,359)	1,811,828	6,469
GBP	+5%	562,964	(562,768)	196
	-5%	(562,964)	562,768	(196)
USD	+5%	8,200,306	(8,204,061)	(3,755)
	-5%	(8,200,306)	8,204,061	3,755

(e) Other price risk

Other price risk is the risk that the fair value of equities decreases as a result of changes in the level of equity indices. The non-trading equity price risk exposure arises from debt instrument measured at fair value through other comprehensive income.

38. CAPITAL

The Bank actively manages its capital structure in accordance with its Capital Management Policy, adapting to changing economic conditions, regulatory requirements, and business priorities. The main objectives of capital management are to:

- Ensure continuous compliance with externally imposed capital requirements;

- Maintain a strong financial position to support business growth; and

- Generate sustainable returns for shareholders.

The Bank's capital adequacy ratio is regularly monitored against both internal limits and applicable regulatory limits. This process is underpinned by comprehensive capital planning, forward-looking stress testing, and scenario analysis under normal and adverse conditions.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

38. CAPITAL (CONT'D)

ELIGIBLE RISK-WEIGHTED CAPITAL

	THE GROUP			THE BANK		
	Basel III	Basel III	Basel III	**Basel III**	Basel III	Basel III
	2026	2025	2024	**2026**	2025	2024
	MUR'000	MUR'000	MUR'000	**MUR'000**	MUR'000	MUR'000
Tier 1 capital	**25,265,205**	21,269,217	18,363,168	**25,264,504**	21,268,101	18,361,569
Tier 2 capital	**1,573,876**	1,200,854	854,999	**1,573,876**	1,200,854	854,999
Total capital	**26,839,081**	22,470,071	19,218,167	**26,838,380**	22,468,955	19,216,568
Risk-weighted assets ("RWA")	**142,131,105**	110,657,632	93,510,768	**142,131,103**	110,657,627	93,509,073
	%	%	%	**%**	%	%
Capital adequacy ratio	**18.88**	20.31	20.55	**18.88**	20.30	20.55

Regulatory capital is the sum of Tier 1 capital and Tier 2 capital. Tier 1 Capital is further divided between Common Equity Tier 1 Capital which comprises of share capital, retained earnings, other reserves net of regulatory adjustments and Additional Tier 1 Capital comprised of Class A shares. The other component of regulatory capital is Tier 2 capital which includes stage 1 and stage 2 provisions, country risk reserves and additional provision above IFRS 9 provisions.

RWA is the sum of credit risk RWA, market risk RWA and operational risk RWA computed in line with the applicable Bank of Mauritius guidelines. The Bank calculates credit risk RWA using the standardised approach while the market risk capital requirement is primarily driven by the Bank's foreign exchange open position risk, arising from exposures in both the banking book and the trading book. The Bank also applies the basic indicator approach for computing operational risk RWA.

39. EVENTS AFTER REPORTING DATE

Dividend declaration

On 09 September 2026, the Board of Directors declared and approved a dividend of MUR 97.8m on Class A shares series 1 and 2 for the period ended 30 June 2026 and a final dividend of MUR 1.7bn on ordinary shares for the year ended 30 June 2026, subject to approval from the regulators.

40. OFFSETTING FINANCIAL INSTRUMENTS

The Group's and the Bank's offsetting financial arrangement is summarised below.

Derivatives and loans and advances to customers

The Group and the Bank uses master netting agreements and holds cash collateral and marketable securities to mitigate the credit risk of derivatives, repurchase agreements and securities lending. The below refers to netting potential not recognised in the statement of financial position.

The Group and the Bank enter into derivatives with central counterparty clearing houses (CCPs) or bilaterally under International Swaps and Derivatives Association (ISDA) master netting agreements. ISDA Master Netting agreements give either party the legal right of offset on termination of the contract or on default of the other party. The Group and the Bank execute a credit support annex in conjunction with each ISDA agreement, which requires the Group and the Bank and each counterparty to post collateral to mitigate credit risk. Collateral is also posted daily in respect of derivatives transacted on exchanges and with CCPs. The collateral posted with regards to open derivatives is cash or marketable securities.

The Group's and the Bank's repurchase, and reverse repurchase, transactions and securities borrowing and lending are covered by master agreements with netting terms similar to those of ISDA master netting agreements.

40. OFFSETTING FINANCIAL INSTRUMENTS (CONT'D)

Derivatives and loans and advances to customers (cont'd)

2026	THE GROUP				
	Effect of offsetting on statement of financial position			Related amounts not offset	
	Gross amount	Amount offset	Net amount reported	Cash collateral	Net amount
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
ASSETS					
Derivative financial instruments	**132,220**	-	**132,220**	**(111,368)**	**20,852**
Loans and advances to customers	**80,369,566**	-	**80,369,566**	**(2,241,223)**	**78,128,343**
	80,501,786	-	**80,501,786**	**(2,352,591)**	**78,149,195**
LIABILITIES					
Deposits from banks	**694,311**	-	**694,311**	**(111,368)**	**582,943**
Deposits from customers	**310,144,154**	-	**310,144,154**	**(2,241,223)**	**307,902,931**
	310,838,465	-	**310,838,465**	**(2,352,591)**	**308,485,874**

2025	Effect of offsetting on statement of financial position			Related amounts not offset	
	Gross amount	Amount offset	Net amount reported	Cash collateral	Net amount
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
ASSETS					
Derivative financial instruments	136,312	-	136,312	(103,190)	33,122
Loans and advances to customers	54,733,965	-	54,733,965	(1,943,003)	52,790,962
	54,870,277	-	54,870,277	(2,046,193)	52,824,084
LIABILITIES					
Deposits from banks	200,548	-	200,548	(103,190)	97,358
Deposits from customers	257,972,767	-	257,972,767	(1,943,003)	256,029,764
	258,173,315	-	258,173,315	(2,046,193)	256,127,122

2024	Effect of offsetting on statement of financial position			Related amounts not offset	
	Gross amount	Amount offset	Net amount reported	Cash collateral	Net amount
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
ASSETS					
Derivative financial instruments	366,664	-	366,664	(318,849)	47,815
Loans and advances to customers	47,857,486	-	47,857,486	(1,772,810)	46,084,676
	48,224,150	-	48,224,150	(2,091,659)	46,132,491
LIABILITIES					
Deposits from banks	335,051	-	335,051	(318,849)	16,202
Deposits from customers	239,910,949	-	239,910,949	(1,772,810)	238,138,139
	240,246,000	-	240,246,000	(2,091,659)	238,154,341

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

40. OFFSETTING FINANCIAL INSTRUMENTS (CONT'D)

Derivatives and loans and advances to customers (cont'd)

THE BANK					
2026	**Effect of offsetting on statement of financial position**			**Related amounts not offset**	
	Gross amount	**Amount offset**	**Net amount reported**	**Cash collateral**	**Net amount**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
ASSETS					
Derivative financial instruments	**132,220**		**132,220**	**(111,368)**	**20,852**
Loans and advances to customers	**80,369,566**		**80,369,566**	**(2,241,223)**	**78,128,343**
	80,501,786	**-**	**80,501,786**	**(2,352,591)**	**78,149,195**
LIABILITIES					
Deposits from banks	**694,311**		**694,311**	**(111,368)**	**582,943**
Deposits from customers	**310,145,776**		**310,145,776**	**(2,241,223)**	**307,904,553**
	310,840,087	**-**	**310,840,087**	**(2,352,591)**	**308,487,496**

2025	Effect of offsetting on statement of financial position			Related amounts not offset	
	Gross amount	Amount offset	Net amount reported	Cash collateral	Net amount
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
ASSETS					
Derivative financial instruments	136,312	-	136,312	(103,190)	33,122
Loans and advances to customers	54,733,965	-	54,733,965	(1,943,003)	52,790,962
	54,870,277	-	54,870,277	(2,046,193)	52,824,084
LIABILITIES					
Deposits from banks	200,548	-	200,548	(103,190)	97,358
Deposits from customers	257,974,800	-	257,974,800	(1,943,003)	256,031,797
	258,175,348	-	258,175,348	(2,046,193)	256,129,155

2024	Effect of offsetting on statement of financial position			Related amounts not offset	
	Gross amount	Amount offset	Net amount reported	Cash collateral	Net amount
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
ASSETS					
Derivative financial instruments	366,664	-	366,664	(318,849)	47,815
Loans and advances to customers	47,857,486	-	47,857,486	(1,772,810)	46,084,676
	48,224,150	-	48,224,150	(2,091,659)	46,132,491
LIABILITIES					
Deposits from banks	335,051	-	335,051	(318,849)	16,202
Deposits from customers	239,913,413	-	239,913,413	(1,772,810)	238,140,603
	240,248,464	-	240,248,464	(2,091,659)	238,156,805

The Group and the Bank receive cash collaterals as security on various loan arrangements. The Group and the Bank have a right to offset these cash collaterals against the loan amounts on default of the Group's and the Bank's clients.

41. ADDITIONAL DISCLOSURE REQUIREMENTS AS REQUIRED BY BANK OF MAURITIUS

In previous years, the Bank disclosed information analysed between segment A and segment B in line with the requirement of section 58 of the Bank of Mauritius Guideline on Public Disclosure of Information (revised November 2009). For prior year disclosures, refer to the prior years annual report available on the Bank's website. In the current year, section 58 of the said guideline has been amended to now disclose residents and non-residents activities in line with Addendum 2 - Disclosure Requirements for Banks with respect to Residents and Non-Residents Activities (March 2025).

The Bank of Mauritius requires the Bank to disclose its assets and liabilities, income and expenditure classified into Residents and Non-Residents. Non-Resident activity is essentially directed to the provision of international financial services that give rise to 'foreign source income', excluding global business licence services. Resident activity relates to all banking business other than Non-Resident activity. Expenditure incurred by the Bank but which is not directly attributable to its income derived from Mauritius or its foreign source income is apportioned in a fair and reasonable manner.

The following table presents components of operating income segregated between Resident and Non-Resident.

		2026			2025			2024		
		Resident	**Non-Resident**	**Total**	**Resident**	**Non-Resident**	**Total**	**Resident**	**Non-Resident**	**Total**
(a)	**Operating Income**	**MUR'000**	**MUR'000**	**MUR'000**	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
	Interest income	**3,687,611**	**9,501,715**	**13,189,326**	3,574,438	8,683,592	12,258,030	3,272,401	8,130,017	11,402,418
	Interest expense	**(2,889,941)**	**(2,012,539)**	**(4,902,480)**	(3,123,486)	(1,923,584)	(5,047,070)	(2,716,588)	(1,541,437)	(4,258,025)
	Net interest income, calculated using EIR method	**797,670**	**7,489,176**	**8,286,846**	450,952	6,760,008	7,210,960	555,813	6,588,580	7,144,393
	Fee and commission income	**962,646**	**734,588**	**1,697,234**	1,139,906	431,146	1,571,052	820,299	592,512	1,412,811
	Fee and commission expense	**(121,449)**	**(450,820)**	**(572,269)**	(94,525)	(427,283)	(521,808)	(76,634)	(399,905)	(476,539)
	Net fee and commission income	**841,197**	**283,768**	**1,124,965**	1,045,381	3,863	1,049,244	743,665	192,607	936,272
	Net trading income	**835,107**	**1,623,325**	**2,458,432**	733,024	1,366,305	2,099,329	691,327	1,138,659	1,829,986
	Other gains/(losses)	**-**	**353**	**353**	-	(874)	(874)	-	1,187	1,187
	Other operating income	**2,387**	**-**	**2,387**	658	-	658	4,069	-	4,069
	Total operating income	**2,476,361**	**9,396,622**	**11,872,983**	2,230,015	8,129,302	10,359,317	1,994,874	7,921,033	9,915,907

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

41. ADDITIONAL DISCLOSURE REQUIREMENTS AS REQUIRED BY BANK OF MAURITIUS (CONT'D)

The following table presents asset and liability information segregated between Resident and Non-Resident

		2026			2025			2024		
		Resident	Non-Resident	Total	Resident	Non-Resident	Total	Resident	Non-Resident	Total
(b)	**Statements of Financial Position**	**MUR'000**	**MUR'000**	**MUR'000**	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
	ASSETS									
	Cash and balances with banks	**497,041**	**12,891,021**	**13,388,062**	1,609,385	12,531,216	14,140,601	829,882	18,017,345	18,847,227
	Due from banks	**2,800,181**	**25,516,595**	**28,316,776**	5,773,484	48,601,487	54,374,971	6,451,103	32,060,464	38,511,567
	Derivative financial instruments	**36,328**	**95,892**	**132,220**	102,150	34,162	136,312	167,451	199,213	366,664
	Loans and advances to banks	**696,012**	**31,526,798**	**32,222,810**	1,620,248	19,334,936	20,955,184	1,383,019	13,264,397	14,647,416
	Loans and advances to customers	**41,317,969**	**39,051,597**	**80,369,566**	33,236,186	21,497,779	54,733,965	29,389,394	18,468,092	47,857,486
	Investment securities	**31,543,599**	**142,141,161**	**173,684,760**	30,316,465	100,285,036	130,601,501	26,564,158	108,133,229	134,697,387
	Other assets	**7,088,829**	**3,870,497**	**10,959,326**	6,485,064	93,126	6,578,190	5,543,926	64,896	5,608,822
	Property and equipment	**753,539**	**3,389**	**756,928**	795,385	1,130	796,515	603,729	713	604,442
	Right of use assets	**428,385**	**658**	**429,043**	439,618	2,229	441,847	41,648	3,773	45,421
	Intangible assets	**254,065**	**-**	**254,065**	262,569	-	262,569	265,545	-	265,545
	Deferred tax assets	**144,234**	**324,944**	**469,178**	129,086	250,866	379,952	66,136	228,083	294,219
	TOTAL ASSETS	**85,560,182**	**255,422,552**	**340,982,734**	80,769,640	202,631,967	283,401,607	71,305,991	190,440,205	261,746,196
	EQUITY AND LIABILITIES									
	LIABILITIES									
	Due to banks	**-**	**11,572**	**11,572**	-	2	2	-	868	868
	Deposits from banks	**35,812**	**658,499**	**694,311**	80,673	119,875	200,548	152,088	182,963	335,051
	Deposits from customers	**179,031,713**	**131,114,063**	**310,145,776**	152,452,857	105,521,943	257,974,800	145,849,610	94,063,803	239,913,413
	Borrowings from financial institution	**-**	**142,977**	**142,977**	-	157,253	157,253	-	167,183	167,183
	Derivative financial instruments	**99,488**	**11,275**	**110,763**	27,559	50,835	78,394	185,458	39,313	224,771
	Current tax liabilities	**385,300**	**617,406**	**1,002,706**	175,540	255,873	431,413	252,449	270,272	522,721
	Lease liabilities	**449,201**	**921**	**450,122**	441,428	2,610	444,038	40,417	4,165	44,582
	Other liabilities	**447,353**	**424,646**	**871,999**	430,016	548,206	978,222	393,123	688,432	1,081,555
	Employee benefits	**184,469**	**-**	**184,469**	188,174	-	188,174	186,599	-	186,599
	TOTAL LIABILITIES	**180,633,336**	**132,981,359**	**313,614,695**	153,796,247	106,656,597	260,452,844	147,059,744	95,416,999	242,476,743
	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT									
	Ordinary shares			**3,641,049**			3,641,049			3,641,049
	Class A shares			**1,385,768**			1,385,768			1,385,768
	Retained earnings			**15,593,314**			12,450,419			10,359,062
	Other reserves			**6,747,908**			5,471,527			3,883,574
	TOTAL EQUITY			**27,368,039**			22,948,763			19,269,453
	TOTAL EQUITY AND LIABILITIES			**340,982,734**			283,401,607			261,746,196

41. ADDITIONAL DISCLOSURE REQUIREMENTS AS REQUIRED BY BANK OF MAURITIUS (CONT'D)

(c) Sectorwise Distribution of Loans and Advances	2026			2025			2024		
	Resident	Non-Resident	Total	Resident	Non-Resident	Total	Resident	Non-Resident	Total
	MUR'000	**MUR'000**	**MUR'000**	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Other Non-Financial Corporations									
A Agriculture , forestry and fishing	**59,895**	**572,534**	**632,429**	96,367	546,455	642,822	51,755	573,747	625,502
B Mining and quarrying	**-**	**8,530,132**	**8,530,132**	-	1,690,631	1,690,631	-	1,850,112	1,850,112
C Manufacturing	**1,513,328**	**8,667,374**	**10,180,702**	688,277	4,115,705	4,803,982	682,391	3,458,770	4,141,161
D Electricity, gas, steam and air conditioning supply	**868**	**1,305,766**	**1,306,634**	-	1,355,521	1,355,521	-	1,776,314	1,776,314
E Water supply; sewage, waste management and remediation activities	**3,331**	**-**	**3,331**	8,400	-	8,400	18,090	-	18,090
F Construction	**911,554**	**2,130,277**	**3,041,831**	795,294	20	795,314	859,487	71	859,558
G Wholesale and retail trade; and repair of motor vehicles and motorcycles	**4,519,175**	**9,741,276**	**14,260,451**	4,112,320	2,799,651	6,911,971	2,423,427	2,095,433	4,518,860
H Transportation and storage	**365,095**	**1,030,738**	**1,395,833**	179,679	1,753,344	1,933,023	124,274	1,223,347	1,347,621
I Accommodation and food service activities	**2,575,726**	**65**	**2,575,791**	2,822,814	146,501	2,969,315	3,228,521	540,859	3,769,380
J Information and communication	**286,673**	**817,914**	**1,104,587**	291,559	924,514	1,216,073	788,270	470,784	1,259,054
L Real estate activities	**4,408,974**	**615,292**	**5,024,266**	3,726,376	1,189,716	4,916,092	2,897,139	1,306,895	4,204,034
M Professional, scientific and technical activities	**3,534,631**	**598,333**	**4,132,964**	3,177,942	568,316	3,746,258	1,612,383	1,340,091	2,952,474
N Administrative and support service activities	**429,926**	**208,247**	**638,173**	375,372	199,156	574,528	258,512	479,940	738,452
P Education	**17,879**	**49**	**17,928**	5,102	12	5,114	5,030	6	5,036
Q Human health and social work activities	**1,287,366**	**-**	**1,287,366**	360,086	-	360,086	524,542	-	524,542
R Arts, entertainment and recreation	**281,987**	**16**	**282,003**	309,408	-	309,408	281,978	20	281,998
S Other service entities	**-**	**-**	**-**	-	-	-	-	4	4
Other Financial Corporations	**3,871,454**	**2,538,673**	**6,410,127**	2,273,354	2,650,843	4,924,197	3,217,644	1,606,486	4,824,130
Households	**4,679,727**	**1,253,169**	**5,932,896**	4,382,130	951,125	5,333,255	3,907,615	691,753	4,599,368
Central Bank	**-**	**-**	**-**	-	-	-	-	-	-
Banks	**697,615**	**31,540,754**	**32,238,369**	1,623,501	19,363,665	20,987,166	1,385,387	13,313,451	14,698,838
Non-Bank Deposit Taking Institutions	**1,541,516**	**470,981**	**2,012,497**	2,131,130	897,891	3,029,021	1,619,980	-	1,619,980
Central Government	**-**	**2,598,451**	**2,598,451**	-	3,335,451	3,335,451	-	2,577,842	2,577,842
State and Local Government	**-**	**-**	**-**	-	-	-	-	-	-
Public Non-Financial Corporations	**4,337,128**	**-**	**4,337,128**	2,176,614	-	2,176,614	1,125,133	-	1,125,133
Global Business Corporations (GBCs)	**7,352,054**	**-**	**7,352,054**	5,983,579	-	5,983,579	6,141,903	-	6,141,903
	42,675,902	**72,620,041**	**115,295,943**	35,519,304	42,488,517	78,007,821	31,153,461	33,305,925	64,459,386

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

41. ADDITIONAL DISCLOSURE REQUIREMENTS AS REQUIRED BY BANK OF MAURITIUS (CONT'D)

		2026			2025			2024		
		Resident	Non-Resident	Total	Resident	Non-Resident	Total	Resident	Non-Resident	Total
(d)	**Breakdown of Deposits from Customers**	**MUR'000**	**MUR'000**	**MUR'000**	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
	Retail Customers									
	- Current accounts	**8,430,998**	**25,68 4,443**	**34,115,441**	6,988,986	20,355,508	27,344,494	5,561,223	18,193,372	23,754,595
	- Savings accounts	**8,320,737**	**1,486,948**	**9,807,685**	7,917,050	1,347,562	9,264,612	6,627,108	917,701	7,544,809
	- Term deposits	**14,853,106**	**15,253,127**	**30,106,233**	13,058,888	17,658,625	30,717,513	10,807,271	14,167,254	24,974,525
	Corporate Customers									
	- Current accounts	**97,616,533**	**51,787,084**	**149,403,617**	74,621,375	36,135,493	110,756,868	71,919,743	35,404,928	107,324,671
	- Savings accounts	**1,261,628**	**13,873**	**1,275,501**	1,134,942	13,394	1,148,336	971,019	12,469	983,488
	- Term deposits	**47,425,400**	**36,888,588**	**84,313,988**	47,759,066	30,011,361	77,770,427	48,816,958	25,368,079	74,185,037
	Government									
	- Current accounts	**251,496**	**-**	**251,496**	122,811	-	122,811	117,760	-	117,760
	- Savings accounts	**20,689**	**-**	**20,689**	19,896	-	19,896	19,127	-	19,127
	- Term deposits	**851,126**	**-**	**851,126**	829,843	-	829,843	1,009,401	-	1,009,401
		179,031,713	**131,114,063**	**310,145,776**	**152,452,857**	**105,521,943**	**257,974,800**	**145,849,610**	**94,063,803**	**239,913,413**



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