DEVELOPMENT BANK OF MAURITIUS LTD.
YEAR ENDED 30 JUNE 2025
ANNUAL REPORT

DEVELOPMENT BANK OF MAURITIUS LTD.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Contents

CORPORATE INFORMATION

DIRECTORS:

	Appointed on	Resigned on
Mr Percy Georges LAXADE, MSK	1/Dec/2025	-
Mr Ishwarlall Bonomaully	15/May/2012	-
Mr Nayendrah REECHAYE	1/Dec/2025	-
Mr Sanjitsing PRAYAGSING	1/Dec/2025	-
Mr Maxime Julien Olivier PERMAL	1/Dec/2025	-
Mr Meckduth CHUMROO	1/Dec/2025	-
Mr Suren MOONIEN	1/Dec/2025	-
Mr Roopveersingh RAMBARUTH	1/Dec/2025	-
Mrs Anisha PURLACKEE	1/Dec/2025	-
Mr Khishan Sharma PURMANUND	1/Dec/2025	-
Mr Steven ARMOOGUM	1/Dec/2025	-
Mr Bhaye Mohamud Dilzad Kurreemun	12/Jan/2026	-
Mr Hemraj Rubee	30/Mar/2026	-
Mr Gurushunkur Akash Goojha	11/Mar/2015	26/Nov/2024
Mr Jean Daniel Henry	11/Mar/2015	26/Nov/2024
Mr Premchand Tanakoor	11/Mar/2015	9/Dec/2024
Mr Neil Radhakrishna Chedumbarum Pillay	29/May/2018	21/Nov/2024
Mr Muhammad Azeem Salehmohamed	16/Mar/2020	15/Nov/2024
Mr Rama Krishna Veeramundar	16/Mar/2020	11/Nov/2024
Mr Somduth Dulthumun	16/Mar/2020	9/Dec/2024
Mr Jaywant Pandoo (Chief Executive Officer)	20/Apr/2020	9/Dec/2024
Dr Jairajsing Luchoo (Chairman)	1/Jul/2020	9/Dec/2024
Mrs Chandanee Jhowry	2/Apr/2023	3/Mar/2025
Mrs Bibi Fatwma Abdool Raman-Ahmed	9/Dec/2024	1/Jul/2025
Mrs Hilda Chelmiah	9/Dec/2024	1/Dec/2025
Mr Vikraj Ramkelawon	9/Dec/2024	1/Dec/2025
Mr Bhaye Mohamud Dilzad Kurreemun	3/Mar/2025	1/Dec/2025
Mrs B Noorinah Hingah-Suhootoorah	1/Jul/2025	1/Dec/2025

CHIEF EXECUTIVE OFFICER

	Appointed on	Resigned on
Mr Jaywant Pandoo	20/Apr/2020	5/Dec/2024
Mr Hemraj Rubee	22/Dec/2025	-

COMPANY SECRETARY

Mr Dewraz Hosanee

La Chaussée Street
P.O Box 157
Port Louis
Republic of Mauritius

REGISTERED OFFICE:	La Chaussée Street P.O Box 157 Port Louis Republic of Mauritius
LEGAL ADVISERS:	Me Rajeshwar Bucktowonsing Me Hiren Jankee Me Joy Beeharry Me Rajesh Unnuth Solicitor General's Office
AUDITORS:	MOORE (Mauritius) LLP Level 6, Block C, Nexera Lot 7, Côte d'Or Technopole, Moka, Republic of Mauritius
BANKERS:	Bank of Mauritius Ltd Bank of Baroda Ltd Bank One Limited Absa Bank (Mauritius) Limited Banque Patronus Limitée Hong Kong and Shanghai Banking Corporation Limited MauBank Ltd SBI (Mauritius) Ltd SBM Bank (Mauritius) Ltd Mauritius Commercial Bank Limited

Annual Report

The Board of Directors, the "Board", of the Development Bank of Mauritius Ltd., the "Bank" or "DBM" or the "Company", is pleased to submit the Annual Report including the Corporate Governance Report, together with the audited consolidated financial statements of the Bank and its subsidiaries for the financial year ended 30 June 2025.

The Bank and its subsidiaries are together referred to as the "Group".

Principal Activity

The Bank has been at the forefront of the socio-economic development by providing:

1) finance to Micro, Small and Medium Enterprises ("MSMEs") through tailor-made products since its creation in 1963; and
2) industrial space to entrepreneurs at concessionary rates for setting up their enterprises.

Results and Dividends

The results for the year are as shown on pages 10 to 11.

No dividend was paid or declared during the last ten years.

Directors' Remuneration and Interest

The directors' remuneration and interest are detailed in the Corporate Governance Report.

Directors' Service Contracts

The Bank did not have any service contract with its directors, except for an employment contract with the Chief Executive Officer.

Directors' Responsibilities in respect of the Consolidated Financial Statements

Company law requires the directors to prepare consolidated financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Group and the Bank. In preparing those consolidated financial statements, the directors are required to:

· select suitable accounting policies and then apply them consistently;
· make judgements and estimates that are reasonable and prudent;
· state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
· prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.
· design, implement and maintain internal controls relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Directors' Responsibilities in respect of the Consolidated Financial Statements (Contd)

The directors confirm that they have complied with the above requirements in preparing the consolidated financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Bank and to enable them to ensure that the consolidated financial statements comply with the Mauritius Companies Act 2001, International Financial Reporting Standards ("IFRS") and the Financial Reporting Act 2004.

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

Auditors

MOORE (Mauritius) LLP acted as the External Auditor of the Bank and remuneration for audit and other services have been disclosed in the Corporate Governance Report.

Mr Ishwarlall Bonomaully
Director

Date: 23/04/2026

DEVELOPMENT BANK OF MAURITIUS LTD

Directors' Report

The Board of Directors of the Development Bank of Mauritius Ltd, the "Bank" or "DBM" or the "Company", is pleased to submit the Annual Report including the Corporate Governance Report, together with the audited consolidated financial statements of the Bank and its subsidiaries for the financial year ended 30 June 2025. The Bank and its subsidiaries and associates are together referred to as the "Group".

Corporate Mission: Since its creation in 1964, the Bank has been at the forefront of the socio-economic development of the Republic of Mauritius by engaging in the:

1. provision of project finance to enterprises and entrepreneurs through tailor-made loan schemes.
2. provision of industrial space i.e. lands and/or buildings on long-term lease, to enterprises and entrepreneurs to develop or house their businesses, at subsidized rates.
3. development and implementation of sustainable government-funded projects such as solar water heater and water tank grant schemes and provision of subsidized loans for the implementation of green projects.
4. production of electricity through photovoltaic (PV) panels on rooftops of DBM and Government buildings, thereby contributing to the Government objective to produce 60% of the country's energy consumption from renewable sources by 2030.

Economic Outlook 2025

Mauritius entered 2025 with steady economic momentum, supported by solid domestic fundamentals and ongoing reforms to boost long-term competitiveness. Real GDP growth of 3.2% is targeted for the year, in line with the Bank of Mauritius' forecast range of 3.0% - 3.5%. This outlook reflects continued government and private-sector efforts to maintain stability despite global trade uncertainties, rising tariffs, and shifts in U.S. policy that continue to reshape external demand conditions.

DEVELOPMENT BANK OF MAURITIUS LTD

Directors' Report

Tourism Drives Growth

Tourism remains the main engine of short-term growth. Tourists' arrivals reached around 1.38 million in 2024**,** with 1.43 million expected in 2025 - and possibly more if current trends persist along. The sector continues to support activity across food services, trade, accommodation, and transport. However, operators still face challenges such as softer demand from key markets, higher operating costs, labour shortages, and frequent exchange rate volatility.

A Diverse but Uneven Sectoral Picture

Growth is also supported by financial services, insurance, business services, and a growing ICT sector. Non-sugar agriculture and domestic manufacturing are expected to expand moderately, helped by entrepreneurship programmes and import-substitution initiatives though rising costs still remain a major concern.

Some of the sectors still face difficulties. Textile manufacturing is expected to contract further due to a weak global demand together with the expiry of AGOA in September 2025. Construction may slow slightly after several strong years, and investment levels are projected to decline, pushing the national investment ratio below 20% of GDP. Export performance remains subdued, with net exports at –11.2% of GDP in 2024, and the Export Oriented Enterprises continue their downward trend, contributing only 3.7% of GVA.

Government Strategy and Reform Agenda

The government projects 3.7% growth in FY 2025/26, aiming for 4% – 5% over the medium term. Achieving this will require improvements in productivity, investment, and export capacity. The 2025–2026 Budget focuses on economic resilience, fiscal consolidation, and social renewal, with initiatives in renewable energy, the blue economy, waste-to-wealth, and creative industries. The USD 680 million Special Economic Package from India will support major infrastructure projects expected to enhance our Health Sector and better transport.

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Directors' Report

Fiscal Consolidation Challenges

Fiscal consolidation is a key priority. Public sector debt is expected to reach 86.4% of GDP by June 2025, whilst the budget deficit widened to 9.8% of GDP in FY 2024/25. Social benefits account for a significant share of spending. The government aims to reduce the deficit to 1.3% by FY 2027/28 and bring debt down to 79.7%, supported by pension reform, new tax measures such as the Alternative Minimum Tax, and tighter fiscal rules.

Pension Reform

Pension reform is central to long-term sustainability. With pension spending at 8% of GDP in Financial Year 2024/2025, the eligibility age will gradually increase from 60 to 65, supported by transitional income assistance. A Commission of Experts is presently reviewing all pension pillars, with success depending on public communication, trust, and strong governance.

Labour Market Trends

The labour market shows gradual improvement, with unemployment down to 5.9% in Q2 2025. However, female and youth unemployment remain high at 7.9% and 20.1%, respectively. Labour force participation, especially among women, remains low, and demographic pressures continue to weigh on labour supply.

Inflation and External Position

Inflation is expected to remain manageable, averaging about 3.8% by December 2025, supported by lower global commodity prices, reduced freight costs, and the Rs 10 billion Price Stabilisation Fund. The current account deficit stood at 7.0% of GDP in 2024 and is projected to narrow slightly. Despite trade pressures, the balance of payments posted a Rs 36.4 billion surplus in the first half of 2025, and reserves remain strong at USD 9.6 billion, covering 13.1 months of imports.

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Directors' Report

Conclusion

Mauritius enters 2025 with cautious optimism. Strong fundamentals, structural reforms, and targeted sectoral investments support growth prospects, even as the country faces external headwinds, fiscal pressures, and demographic challenges. Continued commitment to fiscal discipline, pension reform, productivity gains, and trade diversification will be key to building a more resilient and competitive economy in the years ahead.

Loan Operations

The DBM continued to support local entrepreneurs through various initiatives aimed at MSMEs, agriculture, fishers, breeders, green energy, and small contractors.

In terms of agriculture support, the DBM runs an agricultural loan scheme at 3.5% p.a. interest rate with a maximum loan of Rs 10 million. In the sugar sector, the Bank helped planters by providing loans under the Cane Replantation Revolving Loan Scheme which had allowed the replantation of 7000 arpents of land over the last two years.

The Bank implemented loan schemes to promote green energy and help the country to meet the target of 60% of renewable sources by 2030. In addition to the Photovoltaics (PV) loan for households, the Bank also introduced a PV loan for SMEs where a maximum amount of Rs 1M was earmarked per project at interest rate of 2% p.a.

From July 2024 to June 2025, the Bank sanctioned approximately Rs 599 million under its current loan schemes and disbursed around Rs 647 million. Akin to the last financial year, the focus is still tilted towards agricultural activities. This strong performance was largely driven by the New Agricultural Loan Scheme which was launched during the previous financial year.

Additionally, the Cane Replantation Revolving Loan Scheme also contributed to this success with the MSME Loan Scheme and the New Business Loan Scheme following closely.

In summary, DBM's performance can be attributed to its favourable interest rates and its relatively easy credit terms which have been reflected across all loan schemes. It was thus able to effectively help sectors that were either badly affected or in need of genuine assistance.

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Directors' Report

STATISTICS: JULY 2024 TO JUNE 2025			
Loan Schemes	**Sanctions**		**Disbursements**
	No. of Cases	**Amount (Rs)**	**Amount (Rs)**
Micro Credit Scheme (New)	3	690,000	1,875,000
New Backyard Gardening (Rs 100,000)	4	400,000	300,000
Computer	85	5,906,210	5,774,035
Rainwater Harvesting System	5	250,000	250,000
Women Entrepreneur	85	27,357,000	29,448,800
Multi-Purpose Loan	1	200,000	200,000
New Agriculture Loan (Budget 2023/2024)	131	127,474,000	104,622,368
Fishing – Canotte Loan Scheme	77	18,563,846	8,764,386
MSME Financing	73	78,654,000	71,402,000
Business Loan (New)	65	71,821,000	97,931,000
Special Loan Scheme for Retailers	87	77,823,662	72,578,000
Construction of water tank & irrigation system	4	516,000	381,000
Acquisition of PV Systems (Domestic)	86	21,698,000	20,060,500
Acquisition of PV Systems for SME's	3	2,269,000	2,517,000
Canotte Scheme	77	18,563,846	8,764,386
Bee Keeping	4	400,000	400,000
Loan for Taxi Operators	82	48,574,500	43,812,700
Revolving Loan (Sugar Cane Replantation)	8	92,660,000	138,753,000
SME INT FREE	–	–	14,200,000
COVID Special Scheme	–	–	15,228,000
Belal Rehabilitation Loan Scheme	17	5,212,800	10,568,300
GRAND TOTAL	**897**	**599,033,864**	**647,830,475**

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Directors' Report

Industrial Estates Activities

The Bank continues to focus on consolidation of its industrial estates activities through upgrading and renovation of existing industrial buildings, and construction of new SME parks to support the development of SMEs. Furthermore, the Bank is using the rooftops of its industrial buildings to produce electricity through PV panels to assist Government in achieving its sustainable goals.

The SME Park at Vuillemin, comprising of 40 Units housed in 10 building blocks and inaugurated in July 2023, was fully occupied as at end of June 2025.

Construction of the SME Park at Plaine Magnien reached some 70% of completion. However, construction works could not be pursued further due to non-obtention of a Building and Land Use Permit requested by the Grand Port District Council following flooding of the construction site and its vicinities in April 2022.

As regards the project of construction of an industrial park for SMEs at Solferino, the Bank has decided not to proceed further after considering the high preliminary cost estimates submitted by the Consultant Mega Design Limited and the necessity to construct an appropriate access road which includes land acquisition procedures, which compromised the financial viability of the project.

The Bank is pursuing its plan to renovate and refurbish its industrial estates and buildings, including installation and commissioning of the necessary fire safety equipment, with emphasis laid on rendering the vacant building spaces in leasable state which will enable it to increase its rental income in the forthcoming years. The focus areas include Plaine Lauzun, Coromandel, Valentina-Phoenix and Triolet Industrial Estates. The applications for fire certificates with the Mauritius Fire and Rescue Service for these buildings are in process.

The Bank is also concentrating on recovery of unpaid rentals, and has decided to procure a dedicated software for its rental portfolio.

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Directors' Report

Furthermore, the Bank will carry on with the sale of its seized properties so as to unlock financial resources to be invested in the upgrading and refurbishment of its industrial buildings.

Rental income from the industrial estates activities continues to be a major source of income for the Group. Rental income for the financial year was Rs 207 million in 2025 compared to Rs 187 million in 2024. Rental collections for financial year 2025 stood at Rs 166 million.

Loan Recovery

Recovery of loan dues is the lifeblood of the Bank.

For the financial year 2025, loan collections stood at Rs 852 million compared to Rs 768 million in 2024. Despite the slight increase in loan collections, recovery of past dues is still a major cause of concern for the Bank.

Management is in the process of revamping the Recovery Department and is expected to reassess the current loan collection strategies with a view to increase collections and clean the loan portfolio.

DBM Pension Fund

The DBM Group Pension Fund remains another major cause of concern given the substantial and growing deficit in the Defined Benefits Pension Fund which is due to the fact that outflows are higher than inflows mainly on account of the increased number of beneficiaries amidst the VRS Scheme implemented in 2013 and the constant decline in the return of the investments. The Fund is and will not be sustainable in the future despite the previous annual contribution of Rs 25 million by the Bank. The Directors understand their fiduciary duty to make the Fund sustainable. In this respect, discussions have been engaged with SICOM on ways and means to address the issue. The mandatory contribution towards the Fund is 6% for the Employee and 12% for the Employer. To this end, the Bank had since 01 March 2024 contributed 14% instead of 12% towards the Fund. Furthermore, as from the Financial Year 2024-2025, the annual contribution by the Bank has been increased to Rs 30 million.

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Human Resource

Human capital remains the foundation of the Bank's success. This year, the Bank continued to prioritize developing a capable, engaged, and resilient workforce equipped to meet both current operational needs and future strategic objectives. Our commitment to fostering a culture of accountability, and supporting employee well-being has guided our human capital initiatives throughout the year.

Recognizing that our people are our most valuable asset, we expanded our efforts to cultivate a skilled and engaged workforce. Our Training programs were aligned with organizational priorities and emerging skills needs such as "Artificial Intelligence" and training in data literacy and digital tools.

The focus was also on enhancement of the Performance Management System (PMS) which will provide a broader and more holistic strategy for improving employee performance. The new PMS is designed to align individual contributions with organizational objectives, ensuring clarity of expectations, consistent feedback, and accountability. Key Performance Indicators designed to empower staff at all levels in an effective and efficient manner were also developed.

The Bank is committed to supporting the health and well-being of all employees. The healthcare coverage includes a contributory Medical Insurance for inpatient and outpatient care, and prescribed medications. All full-time employees are eligible for healthcare benefits.

Sustainable Development

Since the takeover, from the CWA, of the Water Tank and Water Pump Grant Scheme in February 2022 which provided for a grant of Rs 8,000 i.e. Rs 5,000 for a water tank and Rs 3,000 for a water pump, the Bank had processed 30,082 applications resulting in a total disbursement of Rs 227.7 million.

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Budget 2023/2024 made provision for a new Water Tank and Water Pump Grant Scheme with an increased grant of Rs 15,000 as follows: Rs 10,000 for a water tank plus Rs 1,000 for fittings; and Rs 4,000 for a water pump. The household income threshold to be eligible under the new Scheme was increased from Rs 50,000 to Rs 60,000.

The Bank has issued 36,740 coupons as at December 2025 under the new Scheme.

The Mentoring & Hand Holding Unit

During the financial year 2025, the mentoring program was further extended to DBM clients reaching a total number of 278 mentees, with 29 new mentees and completion of the program for 43 mentees.

As for the previous years, new mentees hail from diverse sectors across the entire island and availing of loans under DBM various Schemes, with a greater participation of women entrepreneurs.

30 mentees were featured in an online magazine launched by the Bank in October 2024.

The mentees continue to benefit from professional guidance to operate in a structured and informed way and to obtain inspiration to realise their potential.

It is planned to further structure and strengthen the Mentoring and Hand Holding Unit to enable more clients to benefit from this program. The Bank also intends to host informative and enriching workshops with the collaboration of other players in the SME and financial sectors to further support the entrepreneurs.

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Directors' Report

Consolidation of the activities of Subsidiaries

DBM Financial Services Ltd

DBM Financial Services Ltd (DBMFS), incorporated on 29 July 2002, is a wholly owned subsidiary of DBM whose initial main activity was to recover debts of the Ex-MCCB Ltd (in liquidation).

DBMFS is also acting as debt collector for the Mauritius Business & Growth Scheme (MBGS) portfolio, assigned by the Ministry of Finance, Economic Planning & Development in November 2018.

Furthermore, DBMFS is duly licensed by the Financial Services Commission to act as insurance agent for four major insurance companies namely SICOM, SWAN, MUA and NIC.

For the financial year 2025, the income generated from the insurance activities amounted to Rs 2.688 million while income from debt collection (Ex-MCCB & MBGS) amounted to Rs 2.463 million.

DBM Leasing

DBM Leasing is the trade name under which the DBMFS market its leasing products. DBM Leasing is regulated by the Financial Services Commission under Licence Number LC19000007 to conduct leasing activities as from 10 June 2019.

The setting up of DBM Leasing Unit in the Group is a measure announced in Budget 2018/2019 to enable the DBMFS provide leasing facilities to Micro, Small & Medium Enterprises (MSMEs) and finance equipment and vehicles under a financial lease to support the businesses. A lessee utilizes the financed asset against payment of a monthly rental and, upon expiry of the lease, there is an option of becoming the asset's owner against payment of a residual sum (usually of a nominal amount).

DBM Leasing at present offers competitive rates on the market.

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Directors' Report

DBM Leasing portfolio review

From August 2019 to 30 June 2025, DBM Leasing sanctioned and disbursed a total of Rs 1.3 billion, benefiting 1,993 lessees as follows:

Year ended	New Lease	Cumulative Disbursement (Y/E)	No. of New Clients	Cumulative No. of Clients (Y/E)
30-Jun-2020	37,319,071	37,319,071	67	67
30-Jun-2021	55,983,879	93,302,950	100	167
30-Jun-2022	78,957,877	172,260,827	142	309
30-Jun-2023	128,511,531	300,772,358	222	531
30-Jun-2024	375,432,055	676,204,413	548	1,079
30-Jun-2025	591,739,740	1,267,944,153	914	1,993
Total	**1,267,944,153**		**1,993**	

As of 30 June 2025, the outstanding balance on leased assets amounted to Rs 938 million. Collections totalling Rs 330 million have been reinvested into the leasing activity to reduce the loan from DBM.

For the financial year 2025, the interest income amounted to Rs 59.8 million, compared to Rs 29.7 million in 2024, representing a 101% increase.

For the financial year 2025, the profit before tax amounted to Rs 36.5 million, compared to Rs 15.3 million in 2024, representing a 139% increase in profitability of the DBM Leasing Unit.

DBM Energy Ltd

DBM Energy Ltd, another wholly owned subsidiary of DBM, was incorporated in 2019 to undertake the production of electricity from photovoltaic (PV) panels installed on rooftops of DBM industrial buildings and Government buildings. The services of a Consultant had been enlisted to spearhead the implementation of the rooftop PV projects.

Following tenders launched, DBM Energy Ltd awarded the Contracts for the Works of "Supply, installation, testing and commissioning of a photovoltaic power plant on the rooftops of buildings" at four sites, namely DBM Triolet Industrial Estate for a 0.95 MWp plant; Jawaharlal Nehru Hospital (Rose Belle) for a 0.68 MWp plant; DBM Coromandel Industrial Estate for a 2.9 MWp plant; and DBM Head Office (Port Louis) for a 42 kWp plant.

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The projects at DBM Triolet Industrial Estate and DBM Head Office (Port Louis) have been completed and commissioned by CEB, and the power generated are being exported on the CEB grid since October 2024 and June 2025 respectively.

The other two PV power plants at Jawaharlal Nehru Hospital (Rose Belle) and DBM Coromandel Industrial Estate have been sectionally completed to the tune of 0.45 MWp and 1.24 MWp respectively and commissioned by CEB, and the power generated are being exported on the CEB grid since April 2025 and September 2025 respectively.

The remaining PV power plant capacity of 1.64 MWp at Coromandel is awaiting commissioning by CEB, while the works for the remaining PV power plant capacity of 0.23 MWp at Jawaharlal Nehru Hospital are expected to be completed by June 2026.

Rodrigues Business Park Development Co Ltd

The Bank together with the Rodrigues Regional Assembly have incorporated a company, namely Rodrigues Business Park Development Co Ltd, with the objective to undertake the construction and management of a Technopark at Baladirou, Rodrigues. This project aims at pioneering the development of the ICT Sector in Rodrigues subsequent to the advent of the Mauritius - Rodrigues Submarine Cable (MARS) in Rodrigues, and shall provide the necessary ICT infrastructure and facilities to potential service providers in the ICT Sector.

Construction works for the Technopark started in 2021. However, due to the unprecedented Covid-19 pandemic and the closure of borders and air flights, there have been significant delays in the project. The building will become operational by end of 2026.

The construction of the necessary access road to the Technopark rests on the Rodrigues Regional Assembly. However, this is a major cause of concern for the occupation of the Technopark upon its completion, as the implementation of the project of construction of the access road is yet to start.

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DBM Properties Development Ltd

DBM Properties Development Ltd (DBMPD) is a private limited company established to manage the Garden Tower Complex, a 17-storeyed co-owned commercial-cum-office building located at La Poudrière Street, Port Louis.

Ownership of DBMPD and Garden Tower Complex

- **Shareholders of DBMPD:** DBM & the Municipal City Council of Port Louis.
- **Co-Owners of Garden Tower Complex:** Government of Mauritius (77%) & DBMPD (23%).
- **Government Ownership:** Part of the 5th Floor, 11 floors (6th to 16th), and four parking levels (Basement, 2nd to 4th Floor Parking Level).
- **DBMPD Ownership:** Part of the 5th Floor, Ground Floor, Mezzanine, and 1st Floor Parking Level.
- **Ground Floor Rental**: Leased to Pick & Buy Ltd (Winners).
- **Mezzanine Rentals**: 23 commercial outlets for rental to medium and small retailers.
- **Parking Rentals**: 35 reserved lots on the 1st Floor Parking Level.
- **Role of DBMPD:** Acting as the Syndic (property management) for Garden Tower Complex.

Income Sources

- **Ground Floor Rental:** Leased to Pick & Buy Ltd (Winners).
- **Mezzanine Rentals:** 23 commercial outlets for rental to medium and small retailers.
- **Parking Rentals:** 35 reserved lots on the 1st Floor Parking Level.

Role

DBMPD acts as the Syndic (property management) for Garden Tower Complex.

As co-owner of Garden Tower Complex, DBMPD rents commercial and parking spaces to individuals and companies, and is responsible for the smooth operation of the Complex.

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Directors' Report

The Way Forward

It is clear that the path ahead will be fraught with challenges. While the economic environment has not yet been fully stabilized, we remain confident in the resilience, commitment, and determination of DBM personnel. Time and again, they have demonstrated their readiness to confront obstacles head-on and to adapt effectively in the face of change.

The Bank should put greater emphasis on the promotion and marketing of facilities available under its general loan schemes, as well as on the rental of its industrial premises, to support sustainable revenue generation.

Also, with the gradual expiry of the grace periods granted to beneficiaries of the Covid loan schemes, the Bank's focus towards loan recovery should definitely be enhanced so that its financial obligations can be fulfilled.

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Corporate Governance Report

Compliance Statement

Development Bank of Mauritius Ltd., the "Bank", or the "Company", or "DBM", and its subsidiaries, together referred to as the "Group". The Group is committed to the highest standard of business integrity, transparency and professionalism in all its activities to ensure that the activities within the Group are managed ethically and responsibly. As an essential part of this commitment, the Board of Directors, the "Board", subscribes to and is fully committed to complying with the requirements and provisions set out in the National Code of Corporate Governance for Mauritius (2016) **(the "Code").**

Group's Governance Philosophy

The Group prioritizes strong corporate governance as fundamental to achieving sustainable growth and maintaining stakeholder confidence. The Board of Directors acknowledges the National Code of Corporate Governance for Mauritius (2016) as best practice and ensures that the Group's operations embody the Code's characteristics of good governance, including discipline, transparency, independence, accountability, fairness, social responsibility, and professionalism. The Board adapts the Code to the Group's specific circumstances, size, and complexity, as well as the risks and challenges it faces.

DBM's Board is a unitary board that collectively assumes accountability and responsibility for the Group's long-term success, reputation, and governance. Each Director is appointed with the understanding of the amount of time and care that they will have to devote to the Board and the Company.

Principle 1: Governance Structure

"***All organizations should be headed by an effective Board. Responsibilities and accountabilities within the organization should be clearly identified."***

DBM, a company incorporated in the Republic of Mauritius, is a Public Interest Entity as defined by the Financial Reporting Act 2004. The Board and management are committed to ensuring and maintaining a high standard of corporate governance within the Bank and its subsidiaries.

DBM and the Group is headed by an effective Board of Directors. The Board is collectively accountable for the overall corporate governance of the Company and the Group. The Board is aware of its responsibility to maintain a high standard of corporate governance to ensure protection and transparency of its shareholders and stakeholders at large.

The Group operates with a clearly defined governance framework where accountability and transparency throughout the Group are the cornerstones of the organisation. The Board also determines the Group's mission, vision, values and strategy.

Key governance documents

This report describes, amongst others, the main corporate governance framework and compliance requirements of the Group which are laid down in the following:

- DBM's Constitution;
- Subsidiaries' Constitutions;
- Board Charter; and
- the Financial Reporting Act 2004.

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Corporate Governance Report (Contd)

Principle 1: Governance Structure (Contd)

The Board is of the view that the Board Charter, the Company's and subsidiaries respective Constitution, and the various rules and regulations issued by the Bank of Mauritius and the DBM's own internal policies which apply to the Group are sufficiently detailed and elaborate to serve as benchmark and terms of reference.

As part of its obligations under the Code, the following documents have been posted on the Bank's website:

- Constitution of the Bank
- Directors' Profile
- Board Charter

Board Charter

The Board Charter outlines the roles, responsibilities, and authorities of the Company's Board of Directors. It serves as a guide for the board's decision-making processes, establishes a framework for governance, and helps to ensure the board operates in an effective and efficient manner, while maintaining transparency and accountability.

Code of Ethics

The Company commits itself to the highest standards in the conduct of its activities on a daily basis. Some of the core principles and values adopted by the Board and management are: honesty, impartiality, transparency, integrity, confidentiality, the creation of value for shareholders, and service quality to its customers.

Additionally, the Group has in place a written job description/position statement for each senior governance position, a written description of the major accountabilities within the organisation as well as the organisational chart. The organisation chart has been revamped to enable the Group to streamline its processes in order to meet the challenges unfolding in the aftermath of the Covid-19 pandemic and other business challenges. The Group deems it is sufficient that the information is available upon request in writing to the Company Secretary for consultation and has not published same on its website.

Key Governance functions of the Board

The Company operates within a well-defined governance framework that provides for clear delegation of authority and responsibility while allowing the Board to retain effective control over the entire Group. Ultimately, the Board is accountable and responsible for the Group's performance and affairs.

The key functions of the Board include *inter alia:*

- providing direction for the Group
- assuming responsibility for leading and controlling the Group and meeting all legal and regulatory requirements
- monitoring the effectiveness of the Group's governance practices and making changes as needed
- reviewing, and where appropriate, approving risk policy, financial statements, annual budgets, business plans and Committees reports
- overseeing the conduct of the Group's business, to evaluate whether the business is being properly managed at all levels;
- ensuring that the appropriate systems of control are in place to prevent any malpractice.
- Ensuring that the principles of corporate governance policies are adhered by all subsidiaries under the supervision of the internal auditor.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 1: Governance Structure (Contd)

Key Governance Positions

The Board of Directors of DBM approves all key governance positions and defines the responsibilities associated with them. They lead and oversee the Company, ensuring compliance with all legal and regulatory requirements. The profile of the Chairperson, the CEO and all other Directors are outlined in the company's official website.

The Board operates according to its Constitution and Board Charter along with established practices, policies, and goals. Meetings are regularly held as per the Board's charter, where significant matters are discussed and according to a predetermined agenda.

Role and Functions of the Chairperson

The Chairman presides overboard meetings and ensures the smooth functioning of the Board. The Chairman ensures that the Board operates in an effective manner with the contribution of each and every Director to promote efficiency, transparency and ethical functioning within the Company. He also has the responsibility that all relevant information and facts are placed before the Board to enable the Directors to reach informed decisions.

Role and Functions of the Chief Executive Officer

Mr. Jaywant Pandoo was appointed as the Managing Director on 20 April 2020 and the post was restyled as Chief Executive Officer in December 2022. He left the Bank on 05.12.2024.

Following his departure, his roles and responsibilities were assumed by the Ag. Officer in Charge.

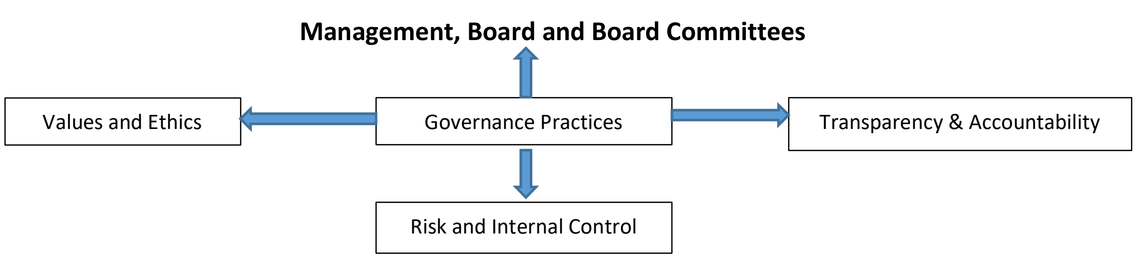
Mr. Hemraj Rubee was subsequently appointed as the Chief Executive Officer on 22 December 2025 by the Board of Directors.

The CEO is responsible for the implementation of policies and decisions reached at the Board level. Leading the Management team, the CEO oversees the daily operations of the company and Group, ensuring effective management and supervision. Additionally, the CEO acts as a bridge between the Board of Directors and the Management team.

By virtue of a written shareholder's resolution, Mr Hemraj Rubee was appointed as Executive Director on the Board of the DBM on 30 March 2026.

The Articles & Memorandum of the DBM is being amended to increase the number of Directors on its Board to Thirteen (13).

The main governance practices of the DBM are summarised below:

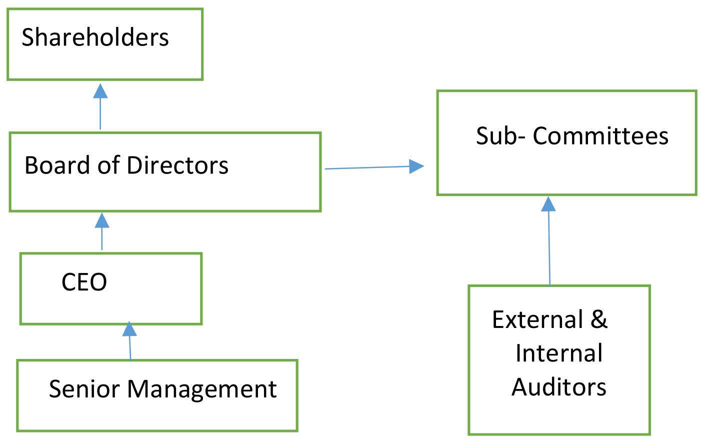


DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 1: Governance Structure (Contd)

Corporate Governance Structure Chart



Principle 2: The Structure of the Board and its Committees

"The Board should contain independently minded directors. It should include an appropriate combination of executive directors, independent directors and non-independent non-executive directors to prevent one individual or a small group of individuals from dominating the Board's decision taking. The Board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation. Appropriate Board committees may be set up to assist the Board in the effective performance of its duty."

Board Structure

The Board has a unitary structure.

The Board of Directors represents the shareholders' interests and is collectively responsible for the long-term success of the Group, its reputation and governance. The board is responsible to all its shareholders and to its stakeholders for leading and controlling the organization and meeting all legal and regulatory requirements and is also accountable for determining that the Group is managed in a way to achieve its objectives.

The Board is of the view that its composition is adequately balanced and that the current directors have the range of skills, expertise and experience to carry out their duties properly.

Besides, members of the sub-committees of the Board have the appropriate balance of skills, experience, independence and knowledge to enable them to discharge their duties as evidenced by their profiles.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

Board Size

The DBM's Constitution provides that the Board of Directors shall consist of not less than five (5) and not more than twelve (12) Directors.

(i) Board changes during the financial year ended 30 June 2025.

Appointment		Departure	
Name	**Date**	**Name**	**Date**
Mrs B F Abdool Raman Ahmed	09.12.2024	Mr Jairajsing Luchoo	09.12.2024
Mrs Hilda Chelmiah	09.12.2024	Mr Gurushunkur Akash Goojha	26.11.2024
Mr Vikram Ramkelawon	09.12.2024	Mr Jean Daniel Henry	26.11.2024
Mr B M Dilzad Kurreemun	03.03.2025	Mr Premchand Tanakoor	09.12.2024
		Mr Neil Radhakrishna Chedumbarum Pillay	21.11.2024
		Mr Muhammad Azeem Salehmohamed	15.11.2024
		Mr Somduth Dulthumun	09.12.2024
		Mr Rama Krishna Veeramundar	11.11.2024
		Mrs Chandanee Jhowry	03.03.2025
		Mr Jaywant Pandoo	09.12.2024

(ii) Holding structure and common director

The holding structure of the Bank is as illustrated:

Subsidiaries	% Holding
DBM Financial Services Ltd ("DBMFS")	100
DBM Venture Capital Fund Ltd ("DBMVCF") – Dormant Company	100
DBM Energy Ltd ("DBM ENERGY")	100
DBM Properties Development Ltd ("DBM PROPERTIES")	80
Rodrigues Business Park Development Co Ltd ("RBPDCL")	50

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

(iii) Directors

The names of common directors at each level are:

	DBM	DBMFS	DBMVCF	DBM Energy	DBM Properties	RBPDCL
Mr Jairajsing Luchoo (resigned on 09.12.2024)	√			√	√	
Mr Ishwarlall Bonomaully	√		√	√		
Mr Gurushunkur Akash Goojha (resigned on 26.11.2024)	√	√				√
Mr Jean Daniel Henry (resigned on 26.11.2024)	√	√				√
Mr Premchand Tanakoor (resigned on 09.12.2024)	√				√	
Mr Neil Radhakrishna Chedumbarum Pillay (resigned on 21.11.2024)	√	√				
Mr Muhammad Azeem Salehmohamed (resigned on 15.11.2024)	√					
Mr Somduth Dulthumun (resigned on 09.12.2024)	√	√				
Mr Rama Krishna Veeramundar (resigned on 11.11.2024)	√			√		
Mrs Chandanee Jhowry (resigned on 03.03.2025)	√					
Mrs B F Abdool Raman Ahmed (resigned on 01.07.2025)	√					
Mrs Hilda Chelmiah (resigned on 01.12.2025)	√	√	√			
Mr Vikram Ramkelawon (resigned on 01.12.2025)	√			√	√	
Mr B M Dilzad Kurreemun (resigned on 01.12.2025 and re-appointed on 12.01.2026)	√	√				√
Mr Jaywant Pandoo (resigned on 09.12.2024)	√	√	√	√	√	√

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

Following constitution of a full Board on 01.12.2025, the current names of common directors at each level are:

	DBM	DBMFS	DBMVCF (Dormant Company)	DBM Energy	DBM Properties	RBPDCL
Mr Percy Georges Laxade, M.S.K	√	√			√	√
Mr Ishwarlall Bonomaully	√		√	√		
Mr Nayendrah Reechaye	√					
Mr Sanjitsing Prayagsing	√	√				
Mr Maxime Julien Olivier Permal	√					
Mr Meckduth Chumroo	√			√		
Mr Surendra Moonien	√					√
Mr Roopveersingh Rambaruth	√	√				
Mrs Anisha Purlackee	√	√				
Mr Khishan Sharma Purmanund	√			√		
Mr Steven Armoogum	√				√	

Mr Hemraj Rubee was subsequently appointed on the Board of DBM Financial Services Ltd, DBM Energy Ltd, DBM Properties Development Ltd and RBPDCL.

(iv) Shareholding of the Bank is as follows:

	% Holding	Number of Shares
Government of Mauritius	96.3	4,861,500
State Investment Corp. Ltd	3.7	187,500
	100.00	**5,049,000**

Powers of the Board

The role and responsibilities of the Board of Directors is as per the company's Constitution and in compliance with the Companies Act 2001 and other relevant legislation. The Board also follows the principle of good governance as recommended by the NCCG.

Both Executive and Non-Executive directors are entrusted with same responsibilities in respect of corporate strategic decisions and monitoring of corporate performance and activities. The Directors are well aware of their legal duties.

Board Composition

As at 30 June 2025, the Board was composed as follows:

Directors	Category
Mr Ishwarlall Bonomaully	Non-Executive Director
Mrs B F Abdool Raman Ahmed	Non-Executive Director
Mrs Hilda Chelmiah	Non-Executive Director
Mr Vikram Ramkelawon	Non-Executive Director
Mr B M Dilzad Kurreemun	Non-Executive Director

As at 30 June 2025, the Board comprised of five (5) Non-Executive Directors.

Mrs B F Abdool Raman Ahmed resigned on 01.07.2025 and was replaced by Mrs Bibi Noorinah Hingah-Suhootoorah.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

The full Board of the Bank was subsequently constituted on 01.12.2025, the current directors are as follows:

Directors	Category
Mr Percy Georges Laxade, M.S.K	Chairperson -Independent and Non-Executive Director
Mr Ishwarlall Bonomaully	Non-Executive Director
Mr Nayendrah Reechaye	Independent and Non-Executive Director
Mr Sanjitsing Prayagsing	Independent and Non-Executive Director
Mr Maxime Julien Olivier Permal	Independent and Non-Executive Director
Mr Meckduth Chumroo	Independent and Non-Executive Director
Mr Surendra Moonien	Independent and Non-Executive Director
Mr Roopveersingh Rambaruth	Independent and Non-Executive Director
Mrs Anisha Purlackee	Independent and Non-Executive Director
Mr Khishan Sharma Purmanund	Independent and Non-Executive Director
Mr Steven Armoogum	Independent and Non-Executive Director

Messrs Bhaye Mohamud Dilzad Kurreemun and Mr Hemraj Rubee were subsequently re-appointed and appointed as Directors on the 12.01.2026 and 30.03.2026 respectively.

Board Diversity

Diversity of Board Members is important to ensure that the Board has the requisite expertise, professional background to optimise the decision-making process.

As at 30 June 2025, the Board members were all ordinarily resident of Mauritius.

Board of Directors

The Board of Directors is the main decision-making level in the organisation and it exercises leadership, entrepreneurship, integrity and sound judgement so as to achieve continuing prosperity for the organisation while ensuring both performance and compliance.

The Board also ensures that the activities of the Bank and its subsidiaries comply with all legal and regulatory requirements as well as with their Constitutions from which the Board derives its authority to act.

The Board is ultimately accountable and responsible for the performance and affairs of the Group through the review and adoption of strategic plans, the overview of business performance, adoption of appropriate risk management systems and establishment of proper internal control and compliance systems.

All directors are aware of the key discussions and decisions of the sub-committees as the Chairman of each sub-committee provides a summary to the directors at the main Board meeting following the relevant sub-committee meetings where these decisions are ratified/approved.

The Board of Directors assesses the Terms of Reference of the Board Committees on a regular basis to ensure that same are being applied correctly and that the said Terms of Reference are still compliant with the various regulations.

Besides, it is also the Board's responsibility to apply effective corporate governance principles and to be the focal point of the corporate governance system. The non-executive Directors provide objective oversight, independent of the Executive Director to contribute to effective decision-making at Board level.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

Directors' Profiles

The names of all directors, their profile and qualifications are uploaded on the DBM's website and same are reproduced below:

Mr Jairajsing Luchoo was appointed director and Chairperson on 01 July 2020. He is a medical Consultant (Cardiology) by profession and has worked in all National State hospitals. He has a strong administrative team leadership and management abilities. He is also adept at cultivating a positive culture focused on cost-effective and culturally sensitive national requirements. He holds a MD and a PhD.

Mr Ishwarlall Bonomaully was a director since 15 May 2012 and is currently Deputy Financial Secretary at the Ministry of Finance, Economic Planning and Development. Mr Bonomaully is a Fellow of the Association of Chartered Certified Accountants (FCCA) and also holds a MSc Finance. He is director on the Board of several Government-owned institutions.

Mr Gurushunkur Akash Goojha was a director since 11 March 2015. He holds a BSc (Honours) Major French/Chemistry from University of Toronto, PGCE from Mauritius Institute of Education and MA Education from University of Brighton, UK. He is presently Deputy Rector. He has some 30 years' experience in the Educational sector.

Mr Jean Daniel Henry was a director since 11 March 2015. He was in the past director on the Board of the National Insurance Company and Head of the Mauritius Telecom Foundation from 2016 to 2022. He was also a director on the Board of the Medical Council of Mauritius. He holds a Diploma in Business Management & Marketing from ABE UK University and a Certificate of Masters in Environmental, Social and Governance from the International Institute for Corporate Sustainability & Responsibility (IICSR).

Mr Premchand Tanakoor was a director since 11 March 2015. He was the Division Forest Officer at the Ministry of Agro-Industry and Food Security. He holds a Certificate in Seed Production Technology from Kenya Forest Institute. He also holds a Diploma in Association of Business Executive and a Certificate in Forestry. He has been a civil servant since 1978 at the Ministry of Agriculture. He cumulated the post of Officer-in-charge at SSR Botanic Garden from 2015 to 2020.

Mr Neil Radhakrishna Chedumbarum Pillay was a director since 29 May 2018. He is a Barrister-at-Law with some 36 years practice at the Mauritius Bar and is the holder of a Masters in Law from University College of London with specialisation in Information Technology, Telecommunication and International Finance Law. He has in the past been the senior legal counsel at the Financial Services Commission and Manager of legal affairs at Information and Communication Technologies Authority (ICTA).

Mr Somduth Dulthumun, OSK, was a director since 16 March 2020. He is presently the Chairman of the National Museum Council. He had some 39 years' experience in the Public Sector where he had worked as Chief Valuation Technician. He was director on the Board of DBM and on the Board of IBA from 2005 to 2014.

Mr Muhammad Azeem Salehmohamed was a director since 16 March 2020 and was an Advisor on Economic Matters to the Ministry of Finance, Economic Planning and Development. He has in the past held the position of Economist at the Mauritius Chamber of Commerce and Industry (MCCI). He holds a BA (Honours) in Economics, Politics, and International Studies from the University of Warwick, United Kingdom. His fields of expertise include economic planning, policy analysis and strategy development.

Mr Rama Krishna Veeramundar was a director since 16 March 2020. He is holder of a "Diplome en Français des Affaires, Chambre de Commerce et D'Industrie de Paris". He has in the past worked as Director of Government Information Services (GIS), Director of Communication, Prime Minister's Officer, Senior Adviser – Prime Minister's Office, Adviser in Information Matter, Ministry of Finance, Economic Planning and Development and Ministry of Technology, Communication and Innovation and Editor in Chief.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

Mrs Bibi Fatwma Abdool Raman Ahmed was appointed as Director on 09.12.2024. She was the Permanent Secretary of the Ministry of Finance and Economic Development and was previously Permanent Secretary of the Ministry of Industrial Development, SMEs and Cooperatives (Industrial Development Division). She has years of experience in the Public Sector. She holds a Master of Business Administration with Specialisation in Human Resource Management from the University of Mauritius. Mrs Abdool Raman Ahmed, in her capacity as Supervising Officer of the Industrial Development Division, plays an instrumental role in advising the Government on industrial policies and strategies for the manufacturing sector.

Mrs Chandanee Jhowry was a director since 02 April 2023. She is a Permanent Secretary and is currently posted to the Ministry of Industrial Development, SMEs and Cooperatives (Cooperatives Division). She has worked in various Ministries and has a long experience as a public administrator. She has also served on the Board of a number of parastatals and Committees. Mrs Jhowry holds a Master of Arts in Public Policy and Administration.

Mrs Hilda Chelmiah was appointed as Director on 10 February 2025. She holds a BSc (Honours) in Finance and a Master of Science in Finance and Investment. She is presently posted at the Ministry of Finance as Analyst/Senior Analyst.

Mr Vikraj Ramkelawon was appointed as Director on 18 December 2024. He is a Lead Analyst at the Ministry of Finance. He has a wide experience in the public sector management. Mr Ramkelawon holds a Master's Degree of Science in Electronic Business from the University of Mauritius and is also a Fellow of the Association of Chartered and Certified Accountants (FCCA). He is a director on the Board of several Government owned institutions.

Mr Bhaye Mohamud Dilzad Kurreemun was appointed as Director on 03 March 2025. He holds a Bachelor of Science (Hons) Economics and a Master in Business Administration. He is a Permanent Secretary and is currently posted at the Ministry of Industry, SME and Cooperatives. He has worked in various Ministries and has served on various Boards and Committees.

Mrs. Noorinah Hingah-Suhootoorah was appointed as Director on 01 July 2025. She holds a BSc in Economics and Finance and a Master's degree in Finance and Investment. She is currently Lead Analyst at the Ministry of Finance, with extensive experience in public finance management, macroeconomic analysis, and fiscal policy development. She is involved in the national budget formulation, the preparation of medium-term fiscal framework and policy impact assessments.

Mr Jaywant Pandoo was a Director since 20.04.2020. He was previously working at the Bank of Mauritius for some 37 years. His post was restyled as Chief Executive Officer in December 2022. He has a wide experience in banking and financial matters. He is a fellow of the Association of the Chartered and Certified Accountants (FCCA), Glasgow, UK and holder of a masters (MSc) in Banking and Finance. He also has a certificate in Banking Studies.

<u>NEW BOARD MEMBERS</u>

Mr Percy Georges Laxade, M.S.K was appointed as Chairperson on 01.12.2025. He worked as Human Resources and Administrative Director with over three decades of executive experience, has been formally recognized for his significant contributions to national development, corporate governance, community wellbeing, and civic engagement. His distinguished career includes senior leadership roles at prominent organizations such as Total Mauritius Ltd, Barclays Bank (Indian Ocean Region), Delphis Bank, the Mauritian sugar industry, Iframac and Constance group. At Total Mauritius Ltd, he served as Chairman of the Total Mauritius CSR Fund, founding and steering impactful community initiatives. He also served as HR and Administrative Director.
In recognition of his outstanding service to the community, Mr. Laxade was decorated with the MSK (Member of the Star & Key of the Indian Ocean).

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

Mr Nayendrah Reechaye was appointed as Director on 01.12.2025. He has worked at the SBM for a period of 41 years. He has been working as Bank Manager for 15 years and Area/Senior Manager for 9 years. He has followed a course in Management at Pune Institute of Management, India and has attended several local courses in Banking, Finance and Managerial/Leadership skills.

Mr Sanjitsing PRAYAGSING was appointed as Director on 01.12.2025. He is an Executive Leader with deep experience driving organizational success and fostering collaboration. He has the requisite skill in strategic planning, financial oversight and stakeholder engagement. He is presently the Executive Director of Inesha Tech Holdings Ltd and Anagha Capital Ltd. He was previously working as Administration and Accounting Executive of the same company. He holds a diploma in Accounting from the Association of Chartered & Certified Accountants and is pursuing his studies to be a qualified accountant.

Mr Maxime Julien Olivier PERMAL was appointed as Director on 01.12.2025. He is a Businessman and Company Director since 2018, with experience in hotel renovation projects and residential cleaning services and Contracting Services. He has also held senior responsibility positions within private sector companies, contributing to operational management, team coordination and service delivery, with a focus on performance, efficiency and quality standards.
As part of his leadership, he brings a pragmatic entrepreneurial mindset and strong management capabilities, supporting structured operations, stakeholder coordination and sustainable business growth.
Previously, he served within a local government institution, gaining exposure to public sector administration, regulatory processes and institutional coordination.

Mr Meckduth CHUMROO was appointed as Director on 01.12.2025. He is holder of a MA from University of Baroda. He was previously the Chairperson of the CEB during the period 1992 to 1995 and during his Chairmanship, he had the opportunity to acquire profound experience of the various process of good governance.

Mr Surendra MOONIEN was appointed as Director on 01.12.2025. He holds a Master of Science (MSC) from the University of Surrey (UK). He is an HR professional with a proven ability to develop and implement Human Resource strategies that support business and financial objectives. He has performed as HR Director/Head of HR in several companies across all sectors of Mauritius like Omnicane Ltd, Ferney Spinning Mills Ltd, Alcodis Ltd, Axess, Cie de Beau Vallon Ltée, Holiday Inn Mon Tresor, SO Sofitel Mauritius and Mauvilac Industries Ltd.

Mr Roopveersingh RAMBARUTH was appointed as Director on 01.12.2025. He works as Chartered Management Accountant, bringing over 13 years of experience in Financial Management, Investment Analysis and regulatory compliance. As a Finance Director, he actually leads financial strategy, reporting, internal auditing and overall performance of an organisation.

Mr R Rambaruth holds an MBA with a focus on strategic financial management and business leadership, further strengthening his ability to align financial objectives with long term corporate strategy. With deep expertise in accounting, taxation, finance and strategic planning, he applies a management accountant perspective whereby he integrates business strategy, finance and operations to enhance organisational value. His strategic insight, analytical rigour and practical leadership enable him to bring substantial value to the Board, contributing to strong governance, sustainable growth and decision making.

Mrs Anisha PURLACKEE was appointed as Director on 01.12.2025. She is a dedicated professional with over 13 years of experience in the education sector. She holds a BSc in Mathematics and Statistics, a PGCE, and an MSc in Educational Administration and Technology. She has demonstrated strong leadership through the successful coordination of major committees and community-focused initiatives.

Mrs Purlackee provides valuable insights in data-driven decision-making, process improvement, and talent development, contributing meaningfully to organizational and community advancement.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

Mr Khishan Sharma PURMANUND was appointed as Director on 01.12.2025. He is a high-caliber professional and strategic leader with over 15 years of multifaceted experience in international trade, financial risk management, and organizational governance. As a seasoned entrepreneur and Managing Director, he has demonstrated a sophisticated understanding of the Mauritian business landscape, successfully founding and scaling Dodoboutique.com and co-leading C&K Purmanund Co Ltd. His expertise spans the end-to-end supply chain, from managing complex international supplier relationships across Europe, South America and Asia to optimizing local logistics and digital infrastructure. His professional background is underpinned by an elite academic foundation. He holds an MSc in Management, Organisation and Governance (Merit) from the London School of Economics and Political Science (LSE) and a BSc (Hons) in Investment and Financial Risk Management (First Class) from Cass Business School, London. His technical proficiency in financial engineering, company valuation, and asset-liability management provides him with the analytical depth required for the rigorous oversight of development banking.

Mr Steven ARMOOGUM was appointed as Director on 01.12.2025. He holds a Bachelor Degree in Social Science (Specialisation in Sociology) and Master Degree in Social Development both from the University of Mauritius and is presently completing a MPhil in Education at the Mauritius Institute of Education. He is a Sociology Educator at the Ministry of Education & Human Resource and is presently the Head of Department. He is also a part-time Lecturer in Sociology, School social work and Poverty related issues.

Mr Bhaye Mohamud Dilzad Kurreemun was appointed as Director on 03 March 2025. He holds a Bachelor of Science (Hons) Economics and a Master in Business Administration. He is a Permanent Secretary and is currently posted at the Ministry of Industry, SME and Cooperatives. He has worked in various Ministries and has served on various Boards and Committees.

Mr. Hemraj Rubee was appointed as Executive Director on 30 March 2026. He is holder of a BSc, (Banking and Finance) from the University of London in association with The London School of Economics and a Master in Business Administration from Heriot- Watt University -Edinburgh Business School. Previously, he has been working as Head of Retail Banking and SME/Leasing at Major Commercial Banks. He has also worked as a Consultant with the Commercial Banks and Leasing Companies and has provided advice and assistance to start ups and to re-engineering existing SME businesses.

Profile of Senior Management Team

Mr. Hemraj Rubee was appointed as the Chief Executive Officer on 22 December 2025. He is holder of a BSc, (Banking and Finance) from the University of London in association with The London School of Economics and a Master in Business Administration from Heriot- Watt University -Edinburgh Business School. Previously, he has been working as Head of Retail Banking and SME/Leasing at Major Commercial Banks. He has also worked as a Consultant with the Commercial Banks and Leasing Companies and has provided advice and assistance to start ups and to re-engineering existing SME businesses.

Mr Sujit Kumar Rughoobur was appointed as Ag. Officer in Charge on 18.03.2025. He joined the Development Bank of Mauritius Ltd on 07.11.1994 as Assistant Manager. He was appointed as Head of the Business Services Dept on 01.09.2024. He is holder of a Bachelor of Technology in Electronics Engineering and a Master in Business Administration. He has been working in various departments of the Bank at senior position.

Mr S K Rughoobur has more than 30 years' experience at the Bank and has attended many Committees on procurement matters.

Mr D Gungaram was appointed as Ag. Officer in Charge on 18.12.2024 following the departure of Mr J Pandoo. He has a wide experience on the operations of the Bank as he joined the DBM on February 1986. In the past, he served on the Board of the National Equity Fund Ltd.
He was appointed as Head of Operations on 01.09.2024. He is a qualified Accountant and has attended different training on Project Finance in India, South Africa and Japan. He submitted his resignation as Ag. Officer in Charge on 17.03.2025.

Principle 2: The Structure of the Board and its Committees (Contd)

Mr Jaywant Pandoo joined DBM on 20 April 2020 as Managing Director. He was previously working at the Bank of Mauritius for some 37 years. His post was restyled as Chief Executive Officer in December 2022. He has a wide experience in banking and financial matters. He is a fellow of the Association of the Chartered and Certified Accountants (FCCA), Glasgow, UK and holder of a masters (MSc) in Banking and Finance. He also has a certificate in Banking Studies.

Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer are separate and each of them has clearly defined responsibilities. These ensure a proper balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chief Executive Officer is responsible for the day to day running of the Company business, developing and implementing the Company's strategy as approved by the Board.

The role of the Chairman is assumed by a Non-Executive director. The Chief Executive Officer reports to Chairman and the Board, giving therefore sufficient segregation of power between the Chairman and the Management.

The Chairman, who is a Non-Executive director, is responsible for leading the Board and ascertaining its effectiveness. He ensures that the corporate strategy and the related execution are aligned together with operational efficiencies. He is also responsible for ensuring that the directors receive accurate, timely and clear information and he encourages the active participation of all Board members in discussions and decisions.

Company Secretary

The Company Secretary is appointed by the Board.

All directors have access to the advice and services of the Company Secretary who is responsible for providing detailed guidance to the Chairman and the directors as to their fiduciary duties, responsibilities and powers. The Company Secretary also ensures that the Company and its subsidiaries are at all times complying with their Constitutions, applicable laws, rules and regulations.

Mr. Dewraz Hosanee is the Company Secretary for the Group. He is a member of the Fellow of the Association of Chartered and Certified Accountant (FCCA) and holds an MSc in Risk Management. He started his career at DBM in 1988 and has been working in many Departments of the Bank at senior position. He is also a member of the Mauritius Institute of Professional Accountants (MIPA). The Company Secretary works closely with the Chairman to ensure effective functioning of the Board and proper recording of Board's meetings.

Board Meetings

The Bank's Board meetings are conducted in accordance with the Bank's Constitution and the Mauritius Companies Act 2001 and are convened by giving appropriate notice to the directors. Detailed agenda, as determined by the Chairman, together with other supporting documents are circulated in advance to the directors to enable them to participate meaningfully in the decision-making process and make informed deliberations at Board meetings. In order to address specific urgent business needs, meetings are at times called at shorter notice. Furthermore, the directors have the right to request independent professional advice at DBM's expense.

Board meetings are attended by the Board Members. However, when warranted, Officers of the Bank and/or Consultants could also be invited to provide clarifications to the Members on specific matters.

A quorum of three (3) directors is currently required for a Board Meeting of the Bank and in case of equality of votes, the Chairman has a casting vote.

During the year under review, the Board met on 8 occasions. Decisions were also taken by way of resolutions in writing, agreed and signed by all directors and these resolutions are ratified at the next Board meeting.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

The minutes of the proceedings of each Board meeting of the Bank are recorded by the Company Secretary and are entered in the minutes book of the Bank. The minutes of each Board meeting are submitted for confirmation at its next meeting and these are then signed by the Chairman and the Company Secretary.

Board Committees

The Code provides that Board Committees are a mechanism to assist the Board of Directors in discharging their duties and responsibilities through a more comprehensive evaluation of specific issues, followed by well-considered recommendations to the Board.

As such, six Board committees have been constituted namely the Corporate Governance Committee, the Audit & Risk Committee, the Credit Committee, the Recovery Committee, the Nomination and Remuneration Committee and the Procurement Committee to assist the Board in the effective performance of its responsibilities. These Committees operate within defined Terms of Reference. The Terms of Reference of the six Committees are amended as required, subject to the approval of the Board.

The Chairman of the Board Committees reports on the proceedings of the Committees at each Board meeting where the minutes of each Committee are considered for approval/ratification. The Committees regularly recommend actions to the Board.

The Board recognises that Board Committees are an effective part of the corporate governance framework of the Group which enable the directors to discharge their duties more effectively by sharing the work of the Board, enhancing Board efficiency and effectiveness and enabling issues to be studied in greater depth. However, the Board also understands that it is ultimately responsible and accountable for the performance of the Bank and its subsidiaries and that delegating authority to Board Committees does not in any way absolve the Board of its duties and responsibilities.

The Company Secretary also acts as secretary to the Board Sub-Committees.

The Board Committees are authorised to obtain, at the DBM's expense, professional advice both within and outside the organisation in order for them to perform their duties.

(i) Corporate Governance Committee

The membership and attendance of the said Committee for the year ended 30.06.2025 was as follows:

Members	Category
Mr Premchand Tanakoor (resigned on 09.12.2024)	Independent Non-Executive Director
Mr Neil Radhakrishna Chedambarum Pillay (resigned on 21.11.2024)	Independent Non-Executive Director
Mr Somduth Dulthumun (resigned on 09.12.2024)	Independent Non-Executive Director
Mr Akash Gurushunkur Goojha (resigned on 26.11.2024)	Independent Non-Executive Director
In attendance	
Mr Jaywant Pandoo	Chief Executive Officer

Effective 15.12.2025, the Committee was constituted as follows;

Members	Category
Mr Meckduth Chumroo	Independent Non-Executive Director
Mr Maxime Julien Olivier Permal	Independent Non-Executive Director
Mr Roopveersingh Rambaruth	Independent Non-Executive Director
Mr Surendra Moonien	Independent Non-Executive Director
In attendance as from 22.12.2025 Mr Hemraj Rubee	Chief Executive Officer

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

The Corporate Governance Committee operates under the Terms of Reference approved by the Board and a quorum of three (3) members was required for a meeting of the said Committee.

In accordance with its Terms of Reference, the Corporate Governance Committee is responsible to provide guidance to the Board on aspects of corporate governance and for recommending the adoption of policies and best practices as appropriate for the Group. The Committee also ascertains that the Corporate Governance Report and disclosures embodied in the DBM's Annual Report are in compliance with the provisions of the National Code of Corporate Governance and applicable legislations.

The Board Corporate Governance Committee which reviewed and recommended the present corporate governance report on 13.04.2026 confirms that it has met its responsibilities for the year under review, in compliance with its Terms of Reference.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

Audit & Risk Committee

The membership of the Audit & Risk Committee for the year ended 30 June 2025 is as follows:

Members	Category
Mr Ishwarlall Bonomaully	Non-Executive Director
Mr Jean Daniel Henry (resigned on 26.11.2024)	Independent Non-Executive Director
Mr Neil Radhakrishna Chedumbarum Pillay (resigned on 21.11.2024)	Independent Non-Executive Director
Mr Muhammad Azeem Salehmohamed (resigned on 15.11.2024)	Non-Executive Director
Mr Somduth Dulthumun (resigned on 09.12.2024)	Independent Non-Executive Director
Mrs Hilda Chelmiah (appointed on 09.12.2024 and resigned on 01.12.2025)	Non-Executive Director
Mr Vikraj Ramkelawon (appointed on 09.12.2024 and resigned on 01.12.2025)	Non-Executive Director
In attendance	
Mr Jaywant Pandoo (resigned on 05.12.2024)	Chief Executive Officer
Mr S K Rughoobur as from 18.03.2025	Ag. Officer in Charge
Mrs S Ramchurn	Internal Auditor
Mr M Nunkoo	Risk Officer
Miss K Mooneea	Compliance & Data Protection Officer
	External Auditors when warranted

Effective 15.12.2025, the Committee was constituted as follows;

Members	Category
Mr Ishwarlall Bonomaully	Non-Executive Director
Mr Nayendrah Reechaye	Independent Non-Executive Director
Mr Roopveersingh Rambaruth	Independent Non-Executive Director
Mr Khishan Sharma Purmanund	Independent Non-Executive Director
Mr Sanjitsing Prayagsing	Independent Non-Executive Director
In attendance as from 22.12.2025 Mr Hemraj Rubee	Chief Executive Officer

The Committee operates under the Terms of Reference approved by the Board of Directors.

A quorum of three (3) members is currently required for a meeting of the said Committee. The Audit & Risk Committee confirms that it has fulfilled its responsibilities for the year under review, in accordance with its Terms of Reference and is also focussed on the Bank's risk management.

The Committee is governed by a Charter and is responsible to assist the Board in fulfilling its financial reporting responsibilities. The Committee also reviews the financial reporting process, the internal control system and the management of risks. The approach, scope and timing of the audit field is discussed with the audit team prior to the start of any audit. The Committee is also responsible for the recommendation for appointment of external auditors.

The Committee has delegated authority from the Board for the quality, integrity and reliability of the Bank's risk management. The Committee consists solely of Non-Executive Directors.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

The *Terms of Reference* of the Committee in respect of risk matters include:

- review, together with Bank's legal advisor, of any legal matters that could have a significant impact on the Bank's business;
- review of executive management reports detailing the adequacy and overall effectiveness of the Bank's risk management function and its implementation by management, and reports on internal control and any recommendations, and confirm that appropriate action has been taken;
- review of risk philosophy, strategy and policies recommended by executive management and consider reports therefrom;
- ensure compliance with policies, and overall risk profile of the Bank;
- review of risk identification and measurement methodologies;
- monitor procedures to deal with and review the disclosure of information to clients;
- have due regard for principles of governance and codes of best practice; and
- liaise with the Board in relation to the preparation of the Committee's report to shareholders.

The Audit & Risk Committee met four (4) times during the financial year ended 30 June 2025 to review principally the consolidated financial statements of the Bank and to receive reports of the work conducted by the Internal Audit team, the Risk Unit and the Compliance Unit.

The said Audit & Risk Committee met on 13th April 2026 to recommend to the Board the approval of the annual consolidated financial statements for the financial year ended 30 June 2025.

Mr Ishwarlall Bonomaully, Non-Executive Director, is the Chairperson of the Audit & Risk Committee. He is a Fellow of the Association of Chartered Certified Accountant and holds an MSc Finance. As at 30.06.2025, none of the Independent Directors have the relevant financial experience with a qualification from one of the professional accountancy bodies. Mr Ishwarlall Bonomaully has carried out his work as Chairman of the Audit & Risk Committee in an independent way.

Other Committees

The composition of the other Committees is as detailed below:

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

Credit Committee

The membership and attendance of the Credit Committee for the year ended 30 June 2025 was as follows:

Members	Category
Mrs Chandanee Jhowry (resigned on 03.03.2025)	Non-Executive Director
Mr Premchand Tanakoor (resigned on 09.12.2024)	Independent Non-Executive Director
Mr Gurushunkur Akash Goojha (resigned on 26.11.2024)	Independent Non-Executive Director
Mr Rama Krishna Veeramundar (resigned on 11.11.2024)	Independent Non-Executive Director
Mr Bhaye Mohamud Dilzad Kurreemun (appointed on 03.03.2025, resigned on 01.12.2025 and re-appointed on 12.01.2026))	Non-Executive Director
Mrs B Fatwma Abdool Raman-Ahmed (appointed on 09.12.2024 and resigned on 01.07.2025)	Non-Executive Director
Mrs Hilda Chelmiah (appointed on 09.12.2024 and resigned on 01.12.2025)	Non-Executive Director
In attendance	
Mr Jaywant Pandoo (resigned on 05.12.2024)	Chief Executive Officer
Mr Sujit Kumar Rughoobur (as from 18.03.2025)	Ag. Officer in Charge
Mr Danirow Bhiwajee	Head of Credit Administration Department

Effective 15.12.2025, the Committee was constituted as follows:

Members	Category
Mr Sanjitsing Prayagsing	Independent Non-Executive Director
Mr Nayendrah Reechaye	Independent Non-Executive Director
Mr Khishan Sharma Purmanund	Independent Non-Executive Director
Mr Maxime Julien Olivier Permal	Independent Non-Executive Director
In attendance as from 22.12.2025 Mr Hemraj Rubee	Chief Executive Officer

Mr Bhaye Mohamud Dilzad Kurreemun (Non-Executive Director) was subsequently appointed as member of the Credit Committee on 30.01.2026.

The Credit Committee was established to consider and approve loan applications as per existing credit policy of the Bank.

The duties of the Credit Committee shall be to:

- assess the credit risk and credit worthiness of the customers;
- ensure compliance with the Credit Policy
- ensure that proper KYC has been done and that due diligence has been exercised;
- review and monitor the effectiveness and application of credit risk management policies;
- ensure that the systems and procedures to identify, assess, manage and monitor the loan facilities are operating effectively.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

The Members of the Board Credit Committee possess the requisite skill, experience and professional judgement to assess and mitigate risks effectively. Their expertise spans across credit analysis, financial risk Management ensuring that decisions are made with a high degree of diligence and prudence.

Recovery Committee

Committee was established to boost up the collection and recovery of impaired loan portfolio of the Bank.

The membership of the Recovery Committee as at 30.06.2025 was as follows:

Members	Category
Mr Jean Daniel Henry (resigned on 26.11.2024)	Independent Non-Executive Director
Mr Gurushunkur Akash Goojha (resigned on 26.11.2024)	Independent Non-Executive Director
Mr Premchand Tanakoor (resigned on 09.12.2024)	Independent Non-Executive Director
Mr Rama Krishna Veeramundar (resigned on 11.11.2024)	Independent Non-Executive Director
Mr Vikraj Ramkelawon (appointed on 09.12.2024 and resigned on 01.12.2025)	Non-Executive Director
Mr Bhaye Mohamud Dilzad Kurreemun (appointed on 03.03.2025, resigned on 01.12.2025 and re-appointed on 12.01.2026)	Non-Executive Director
Mrs Hilda Chelmiah (appointed on 09.12.2024 and resigned on 01.12.2025)	Non-Executive Director
In attendance	
Mr Jaywant Pandoo (resigned on 05.12.2024)	Chief Executive Officer
Mr Sujit Kumar Rughoobur (as from 18.03.2025)	Ag. Officer in Charge

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

Effective 15.12.2025, the Committee was constituted as follows;

Members	Category
Mr Nayendrah Reechaye	Independent Non-Executive Director
Mr Maxime Julien Olivier Permal	Independent Non-Executive Director
Mr Khishan Sharma Purmanund	Independent Non-Executive Director
Mrs Anisha Purlackee	Independent Non-Executive Director
In attendance as from 22.12.2025 Mr Hemraj Rubee	Chief Executive Officer

Mr Bhaye Mohamud Dilzad Kurreemun (Non-Executive Director) was subsequently appointed as member of the Recovery Committee on 30.01.2026.

The Recovery Committee was established to boost up the collection and recovery of impaired loan portfolio of the Bank.

Nomination and Remuneration Committee

The membership of the Nomination and Remuneration Committee for the year ended 30 June 2025 was as follows:

Members	Category
Mr Neil Radhakrishna Chedunbarum Pillay (resigned on 21.11.2024)	Independent Non-Executive Director
Mr Ishwarlall Bonomaully	Non-Executive Director
Mr Muhammad Azeem Salehmohamed (resigned on 15.11.2024)	Non-Executive Director
Mr Somduth Dulthumun (resigned on 09.12.2024)	Independent Non-Executive Director
In attendance	
Mr Jaywant Pandoo (resigned on 05.12.2024)	Chief Executive Officer

Effective 15.12.2025, the Committee was constituted as follows:

Members	Category
Mr Surendra Moonien	Independent Non-Executive Director
Mrs Anisha Purlackee	Independent Non-Executive Director
Mr Steven Armoogum	Independent Non-Executive Director
Mr Nayendrah Reechaye	Independent Non-Executive Director
In attendance as from 22.12.2025 Mr Hemraj Rubee	Chief Executive Officer

The Nomination and Remuneration Committee was established to review and make recommendations to the Board on management’s proposals concerning:

- changes in Group’s organisation structure;
- determination of the remuneration packages for all staff members and new recruits;
- organisational reviews including terms and conditions of employment, salary structures for each category of personnel and the Salary Agreement of the Bank and its subsidiaries;
- the responsibility to act as mediator/negotiator in industrial arbitration;
- approval of Human Resource Policies and Procedures on recruitment and pay; and
- the consideration and approval of the Performance Appraisal System of the Bank and its subsidiaries.

During the year under review, all Nomination and Remuneration Committee responsibilities were handled at the level of the Board.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

Procurement Committee

The membership and attendance of the Procurement Committee for the year ended 30 June 2025 was as follows:

Members	Category
Mr Gurushunkur Akash Goojha (resigned on 26.11.2024)	Independent Non-Executive Director
Mr Jean Daniel Henry (resigned on 26.11.2024)	Independent Non-Executive Director
Mrs Chandanee Jhowry (resigned on 03.03.2025)	Non-Executive Director
Mr Somduth Dulthumun (resigned on 09.12.2024)	Independent Non-Executive Director
Mr Bhaye Mohamud Dilzad Kurreemun (appointed on 03.03.2025, resigned on 01.12.2025 and re-appointed on 12.01.2026))	Non-Executive Director
Mr Vikraj Ramkelawon (appointed on 09.12.2024 and resigned on 01.12.2025)	Non-Executive Director
Mrs B Fatwma Abdool Raman-Ahmed (appointed on 09.12.2024 and resigned on 01.07.2025)	Non-Executive Director
Mr Jaywant Pandoo (resigned on 05.12.2024)	Chief Executive Officer
Mr Sujit Kumar Rughoobur (as from 18.03.2025)	Ag. Officer in Charge

Effective 15.12.2025, the Committee was constituted as follows;

Members	Category
Mr Roopveersingh Rambaruth	Independent Non-Executive Director
Mr Steven Armoogum	Independent Non-Executive Director
Mr Maxime Julien Olivier Permal	Independent Non-Executive Director
Mr Meckduth Chumroo	Independent Non-Executive Director
In attendance as from 22.12.2025 Mr Hemraj Rubee	Chief Executive Officer

The Procurement Committee was established to review and make recommendations to the Board on management's proposals concerning:

- Procurement plan;
- Registration of suppliers;
- Tender documents;
- Bid openings; and
- Award of procurement.

The members of the Procurement Committee ascertain those goods and services are availed at the best quote, in a cost effective and transparent manner and transactions are concluded with reliable providers offering quality products and services.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

Board and Board Committees Attendance

The following table sets out the attendance of directors at scheduled Board and Committee Meetings during the year under review.

	Status	Board	Recovery Committee	Credit Committee	Procurement Committee	Audit & Risk Committee
Total Number of Meetings		**8**	**4**	**9**	**4**	**4**
Dr J Luchoo	INED	2/2				
Mr I Bonomaully	NED	8/8				4/4
Mr G A Goojha	INED	2/2	3/3	3/4	2/2	
Mr J D Henry	INED	2/2	3/3		2/2	1/1
Mr P Tanakoor	INED	2/2	3/3	3/4	1/2	
Mr N R Chedumbarum Pillay	INED	1/2				0/1
Mr M A Salehmohamed	NED	2/2				1/1
Mr R K Veeramundar	NED	2/2	3/3	4/4		
Mr S Dulthumun	INED	1/2			1/2	0/1
Mrs C Jhowry	NED	3/5		5/6	3/3	
Mrs B F Abdool Raman-Ahmed	NED	5/5		4/5	2/2	
Mr B M Dilzad Kurreemun	NED	3/3	1/1	3/3	1/1	
Mr V Ramkelawon	NED	6/6	1/1		2/2	3/3
Mrs H Chelmiah	NED	5/6	0/1	3/5		3/3
Mr J Pandoo	ED	2/2				

NED: Non-Executive Director
INED: Independent Non-Executive Director
ED: Executive Director

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 2: The Structure of the Board and its Committees (Contd)

Director's Independence

The members ascertain that all decisions taken are in the interest of the Group. The Board also ensures that directors provide an independent opinion/view on any matter presented at the level of the Board and any potential conflict is brought to the attention of the Board.

Access to information to the Directors

All directors receive timely information so that they could contribute effectively in board meetings. All board members have access to the Company Secretary for any further information they require and independent professional advice is available to directors in appropriate circumstances, at the Company's expense. The Company Secretary maintains the Group's and the Company's interests register and which is available for perusal to shareholders or relevant stakeholders upon written request to the Company Secretary. Any related-party transaction and conflict of interest transaction is conducted in accordance with conflict of interest and related party transaction policy of the Group.

Principle 3: Director Appointment Procedures

"There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence and with due regard for the benefits of diversity on the Board, including gender). The Board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders."

Directors Appointment

Directors are appointed/re-appointed by the shareholders at the Annual Meeting or by written Shareholders' Resolution and hold office until the next Annual Meeting.

The following factors are carefully considered by the shareholders when recommending directors for appointment.

- Competence & relevant skills
- Previous experience
- Character
- Diligence
- Honesty
- Integrity
- Judgment
- Independence
- Conflict of interest
- Benefits of diversity, including gender

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 3: Director Appointment Procedures (Contd)

Director's Induction

Newly appointed directors receive an '**Induction Pack'** containing information on the Bank and its subsidiaries, duties and responsibilities under the Mauritius Companies Act 2001 and Code of Corporate Governance.

An induction program is organised to introduce newly appointed directors to the Group's businesses and to Senior Executives. The induction program meets the specific needs of both the Bank and its subsidiaries and the newly appointed director and enables any new director to make the maximum contribution as quickly as possible.

The induction provided to the newly appointed Director depends on the past experience of the said Director and same tries to compensate the fields in which the new Director lacks to fully understand the business and operations of the Bank.

Professional Development

The Group ensures that the necessary resources for developing and updating its directors' knowledge and capabilities are provided as and when required. Continuous training is necessary for directors to keep abreast with the rapidly changing financial environment.

The Group is endeavouring to organise a workshop for its Directors shortly on emerging issues like ESG, Data Governance and AML/CFT.

It is important that the directors use reasonable care, skill and diligence to carry out their role. By investing in training and development, the right signal is sent to the effect that continuous learning and development is valued by the DBM Group.

Succession Planning

All directors are appointed or re-appointed at the Annual Meeting on the recommendation of the main shareholder and ratified by the Board after evaluation. The directors are appointed based upon their technical and professional skills. New appointed directors are subject to an induction exercise. Furthermore, the appointment of directors is done upon satisfaction of relevant due diligence procedures.

The Board of Directors recognises the importance of continuity/succession planning for directors and senior management team. New Directors are appointed by the shareholders based on qualifications, experience and fitness & propriety for appointment whenever a director resigns or ceases to act. For senior management positions, the Board conducts a rigorous selection process based on qualifications and experience.

With a view to enhance its services to the customers, DBM has set up a **Hand-Holding and Mentoring Unit** and a Mentor is assisting the Bank's entrepreneurs.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 4: Director Duties, Remuneration and Performance (Contd)

"Directors should be aware of their legal duties. Directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Conflicts of interest should be disclosed and managed. The Board is responsible for the governance of the organisation's information, information technology and information security. The Board, committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality in order to perform to required standards. The Board, committees and individual directors should have their performance evaluated and be held accountable to appropriate stakeholders. The Board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives."

All directors are aware of their legal and fiduciary duties and responsibilities.

The fees paid to the directors are agreed by the shareholders. Directors are paid monthly fees for their services to the organisation. They also receive fees agreed by the shareholders for membership to Board Committees.

Legal Duties

The Directors of the Company are aware of their legal duties and responsibilities as listed in the Constitution of DBM and its subsidiaries, the *Companies Act 2001*, *FIAMLA 2002,* the *Financial Reporting Act* and other relevant legislation.

The Board confirms that the Directors have exercised their duties with a degree of care, skill and diligence during the year under review.

The Directors are required to:

- **Act in good faith**: at all times, the Directors must act in good faith for the overall interests of the company and the Group.
- **Exercise reasonable care and skill**: A Director must act to exercise reasonable level of care as any prudent person would in the circumstances and on the facts known to him. The required level of knowledge expertise and skill may vary between the Directors be they for instance executive and non-executive. They may rely partially on others when acting collectively for their skills and knowledge in reaching a Board decision. The directors have collectively exercised reasonable care and skill during the year in review.
- **Exercise their powers as a Director for a proper purpose**: The Directors should not abuse any of their executive power to ensure their own position. At all times during the year under review, the Directors have acted in good faith for the interest of the company and the Group as a whole.
- **Disclose any conflict of interest:** At all times, Directors must declare any potential conflict of interest. They must not take on any new position that may endanger their existing relationships without the express permission of the Board of the company. There has been no reported conflict of interest during the year under review.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 4: Director Duties, Remuneration and Performance (Contd)

Code of Ethics

The Board of Directors is also mindful of the interest of other stakeholders such as suppliers, clients and the public at large when running the Group's operations and is committed to high standards of integrity and ethical conduct in dealing with them. The Bank has reviewed its reception counter to make it more user-friendly.

Furthermore, all employees must, at all times, comply with all applicable laws and regulations. The Group will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery. The Group does not permit any activity that fails to stand the closest possible public scrutiny.

All business conduct should be above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing the Group's operations. Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their superior, who, if necessary, should seek the advice and guidance of officers at the highest level of the Bank's hierarchy.

The Group is committed to a policy for fair, honest dealing and integrity in the conduct of its business. This commitment, which is endorsed by the Board, is based on a fundamental belief that business should be conducted honestly, fairly and legally.

Board and Board Committees' Fees

The remuneration and benefits received by the directors for the year ended 30 June 2025 were as shown below:

Directors' Fee for the DBM Group for the year ended 30 June 2025 (Rs)	
Non-Executive Directors	**Amount (Rs)**
Mr Jairajsing Luchoo	730,162
Mr Ishwarlall Bonomaully	825,950
Mr Gurushunkar Akash Goojha	333,500
Mr Jean Daniel Henry	393,875
Mr Neil Radakrishna Chedumbarum Pillay	227,250
Mr Premchand Tanakoor	264,057
Mr Muhammad Azeem Salehmohamed	127,750
Mr Rama Krishna Veeramundar	307,000
Mr Somduth Dulthumun	239,307
Mrs Chandanee Jhowry	321,250
Mrs B F Abdool Raman Ahmed	271,200
Mrs Hilda Chelmiah	220,200
Mr Vikram Ramkelawon	444,000
Mr B M Dilzad Kurreemun	196,000
Total	**4,901,501**
Executive Director	
Mr Jaywant Pandoo	3,345,670
Grand Total	**8,247,171**

Remuneration Philosophy

The Board is responsible for the remuneration policy of the Bank and its subsidiaries.

The Group aims at promoting a fair remuneration which is instrumental to better performance and provision has been made to attract and retain professionals amongst others.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 4: Director Duties, Remuneration and Performance (Contd)

Conflict of Interest

The Board of Directors strictly believes that a director should make his/her best effort to avoid conflict of interest or situation where others might reasonably perceive such a conflict.

It is the responsibility of each director to ensure that any conflict of interests be disclosed and recorded by the Company Secretary.

The Company Secretary maintains a register of disclosure of any conflict of interest and same is available for consultation to shareholders upon written request to the Company Secretary.

Related Party Transactions

The Group has adopted a Conflict of Interest and Related Party Transactions Policy which was approved by the Board.

The Bank and its subsidiaries enter into a number of transactions with related parties in the normal course of business i.e, with the major shareholder, fellow subsidiaries, associates and other governmental bodies. Note 28 to these consolidated financial statements show the details of these transactions.

Board Evaluation

Upon the recommendation of the Corporate Governance Committee, the Board of Directors has approved that a Board evaluation exercise be carried out on an annual basis and in this regard, a Performance Evaluation/ Matrix Questionnaire has been designed.

During the year under review, the directors have been requested to evaluate their performance by filling the Performance Evaluation/ Matrix Questionnaire.

It is also worth mentioning that the directors have been appointed as members of Board Sub-Committees, in the light of their wide range of skills and competence acquired through several years of working experience and professional background. The Board is of the view that its composition is adequately balanced and that the current directors have the range of skills, expertise and experience to carry out their duties properly, except that there is a deficiency in terms of gender.

Furthermore, Non-Executive directors are chosen for their business experience and acumen as well as their ability to provide a blend of knowledge, skills, objectivity, integrity, experience and commitment to the Board.

These directors are free from any business or other relationships which would materially affect their ability to exercise independent judgement and are critical observers.

Board Information

All directors receive regular information about the organisation so that they are equipped to play their role fully in Board Meetings. Papers for Board and Committee Meetings are circulated prior to the relevant meeting. All Board Members have access to the Company Secretary for any further information they require. The appointment and removal of the Company Secretary is a matter for the Board. Independent professional advice is available to directors in appropriate circumstances, at the DBM's expense.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 4: Director Duties, Remuneration and Performance (Contd)

The Board members ensure that matters relating to the organisation, learned in their capacity as directors, are strictly confidential and private and shall not be divulged to anyone without the authority of the Board and the directors have an undertaking to that effect.

Information, Information Technology and Information Security Governance

The board of Directors is conscious that in today's world of technology, it is important to have a strategic plan for information security aligned with the business strategy to achieve the goals set. The Board is therefore responsible to oversee information governance within the Company and ensures that the performance of information and information technology (IT) systems lead to business benefits and create value. Risks are identified and the company allocates resources to ensure that proper policies are put in place to ensure that it is mitigated to minimise the impact on information resources.

The Board also ensures that the information security policy be regularly reviewed and monitored and that sufficient resources be allocated in the annual budget towards the IT expenditure.

The Company is also investing in IT to have digital information properly secured and safeguarded in different location to ensure business continuity. In addition, the company ensures that access rights are granted to authorised personnel only and passwords changed regularly together with back up of digital information.

Principle 5: Risk Governance and Internal Control

"The Board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The Board should ensure the maintenance of a sound internal control system."

Internal Control and Risk Management

(a) Responsibility and application

The Board is responsible for risk management and for the definition of the overall strategy for risk tolerance. Management and the assurance process on risk management are delegated to the Board Audit & Risk Committee. The Committee is responsible for the design and implementation of the risk management processes and day-to-day management of risk is assigned to management.

The Board also protects and enhances the Bank's assets for the best interests of its shareholders and other stakeholders.

(b) Structures and processes for identification of risks and risk management

The Group's main entity is DBM (the Bank) and the Bank's core business is financial intermediation as a Development Finance Institution. Management has with the approval of the Board set up different units to ensure that there is proper segregation of duties, internal control and checks to carry the processes on completion. The different Dept/Units are Sales & Marketing Unit, Industrial Estate Dept, Underwriting & Loan Administration Unit, Recovery Unit, Legal & Contentieux Unit, IT unit, Finance Unit, Compliance Unit, Risk Unit, Internal Audit Unit, Administration & HR Unit and Procurement and Supply Section.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 5: Risk Governance and Internal Control (Contd)

The different units are headed by Officers-in-Charge who have the appropriate academic qualifications and experience. The different risks as detailed below are identified and proper procedures are in place to mitigate/eliminate risks.

Management issues instructions to all concerned parties regarding compliance to the established policies and procedures. Outside expert's services have been solicited to establish the manual for IT risks.

The Bank has also a second core activity which is the leasing of industrial land and buildings. Staff of the Industrial Estate Department are responsible for administration of the industrial buildings, maintenance and cleaning of sites as well as management of tenants regarding rentals, and which duties fall under the supervision of top management.

(c) Integration of internal control and risk management

The system of internal control, which is embedded in all key operations, provides reasonable rather than absolute assurance that the Group's business objectives will be achieved within the risk tolerance levels defined by the Board.

(d) Assurance on the effectiveness of the risk management process

The Board also receives assurance from the *Audit & Risk Committee*, which derives its information in part, from regular internal and external audit reports on risk and internal control throughout the Bank.

(e) Identification of risks

Within the Group, the risk elements are viewed under the following headings:

- *Operational risk*: Operations risk is defined as risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.
- *Human resource risk:* Losses arising from acts inconsistent with employment, health and safety laws, personal injury claims, etc.
- *Compliance risks*: Dishonest or fraudulent acts intended to defraud or misappropriate property or circumvent regulations, law and policies and involve at least one internal party and a third party respectively. The operations of the Company have been fully compliant with all rules, regulations and policies laid down by the Authorities and furthermore the Company regularly reviews its position towards any new regulation as set by the relevant authorities to ensure strict compliance.
- *Physical risks*: Losses due to fire, cyclones, riots, etc.
- *Technology risks*: Includes hardware and software failures, system development and infrastructure issues.
- *Business continuity risks*: Losses from failed transaction processing, and process management.
- *Reputational risks*: Losses due to unintentional or negligent failure to meet a professional obligation to specific clients or from the nature or design of a product.
- *Liquidity risks:* Inability to meet financial commitments when they will fall due.
- *Counterparty risks:* Arises when a number of counterparties may default on their contractual obligations.
- *Financial risks*: The identification and management of these risks are further discussed in Note 29 to the consolidated financial statements.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 5: Risk Governance and Internal Control (Contd)

(f) Whistle-blowing Policy

The Group has embedded a whistle-blowing policy which sets out the procedures to be followed.

The policy:

- Encourages the staff to feel confident about raising their qualms and to reveal any act that may raise concerns about practices leading to disrepute to the organisation.
- Provides comfort to the staff that they will be protected from possible reprisals.
- Mitigate the Group's exposure to the damage that may occur in the event the staff members circumvent the existing procedures and systems.

(g) Anti-Corruption Policy

The Board has approved the **Anti-Corruption Policy** with a view to combat corruption in all its forms at all times including the application of appropriate prevention and detection control measures. The bank is in the process of finalising an AML/CFT policy to be approved by the board.
On 11 November 2025, a training session on Financial Crime Prevention for some 35 senior staff was conducted by the Education and Preventive Division of the Financial Crimes Commission. The following topics were covered:

- Understanding financial crimes
- Financial crime prevention
- Roles and responsibilities in the fight against financial crimes
- Enhancing internal controls regarding procurement process.

(h) Information Governance

The Group lays significant emphasis on the confidentiality, integrity and availability of information. It ascertains that a robust framework is in place to protect its information asset. Circulars are issued to staff members reminding them that information pertaining to the Bank's affairs should be protected.

The Board places great importance on transparency and optimal disclosure within legal parameters and hence ensures that the stakeholders are kept informed on matters affecting the Company or Group. It also aims to keep them updated on a regular basis on all matters affecting the Company or Group through announcements and disclosures in the annual report and at the annual meeting of shareholders.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 6: Reporting with Integrity

"The Board should present a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook in its annual report and on its website."

The Board of the Company affirms its responsibilities for preparing the financial statements of the Company. The Board also considers that the financial statements of the Company, taken as a whole, are fair, balanced and understandable and provide the information necessary for the sole shareholder and other key stakeholders to assess the Company's and the Group's position, performance and outlook.

The Directors are also responsible for keeping adequate accounting records explaining the Company's or Group's transactions and disclosing with reasonable accuracy at any point in time the financial position of the Company. They also have the duty to safeguard the assets of the company and to prevent and detect frauds. The Directors have confirmed same as disclosed in the Statement of Directors' responsibilities.

The Company demonstrates a commitment to operate in a sustainable global economy. The Company strives as well to make decisions that combine long term profitability with ethical behaviour, social justice and environmental care at all times.

Statement of Directors' Responsibilities in respect of the Preparation of Consolidated Financial Statements

The directors affirm their responsibilities for preparing the annual report and consolidated financial statements of DBM that fairly present the state of affairs of the Bank, and its subsidiaries and the results of their operations.

Any deviation from the above are reported in the Independent Auditor's Report.

The Statement of Directors' Responsibilities is found on pages 2(a) to 2(b) of the Annual Report.

Dividend Policy

The Group aims to pay stable dividend to the shareholders after carrying out Solvency Test as prescribed.

No dividend was paid or declared during the last eleven years.

Health, Safety and Environmental Issues

There is a Health and Safety Committee constituted to advise the Chief Executive Officer on the critically important responsibilities for sound management of safety, occupational health and environmental matters in line with existing legislative and regulatory frameworks. Regular meetings are scheduled. The Committee advises the Chief Executive Officer on best practices to be adopted on matters relating to the provisions of the Workers' Rights Act, the Occupational Safety, Health and Welfare Act, the Environment Protection Act and any other applicable legislations. The Company is committed to sustainable development and endeavours to the extent possible that its operations are conducted in a way that minimises their impact on the environment.

The Group has set up its wellness programme with the primary objective of promoting a healthy balance of mind and spirit among its employees.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 6: Reporting with Integrity (Contd)

Social Issues/ Human Resources Report

The human capital plays a significant role in the success of the organisation. As part of the human capital strategy the Group endeavours to provide its employees with the requisite support within a sound environment, to continuously encourage a high-performed culture.

The Group aims at giving equal opportunities to all employees. For any new recruitment or promotion exercise, it is advertised both internally and externally. There is also an annual performance appraisal which is carried out and where rewards and merits are provided for. The length of service of employees is also recognised and rewarded through events.

The Group recognises the importance of the role it has to play in society and it actively participates in endeavours to alleviate social and environmental problems. The Group is also committed to creating sustainable value for the social and economic well-being of the society. The Group is also in the process of setting up a Staff Welfare Association.

Corporate Social Responsibility

In this post of Covid-19 era, many organisations are turning to Corporate Social Responsibility (CSR) to build a brand around their companies. In this respect DBM has brought some joy in the life of children in need through donation to orphanage and charitable institutions for Christmas since December 2021. This practice has continued during the financial 2024-2025

Charitable & Political Contributions and Sponsorship

During the year, the Group has made the following contributions:

Organisations/Events	Amount (Rs)
Mauritius Athletics Association – Inter Club Relay Championship	75,000
Donation of food items and gifts to orphanage	57,905
	132,905

The contribution for the year 2024 was Rs 899,585 including Rs 690,585 for donation under CSR.

There was no political contribution during the year under review.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 7: Audit

"***Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation's internal and external auditors."***

Internal Audit

(i) Role and responsibilities

The Internal Audit Unit assists the Board and management to improve processes and helps the Board in discharging its responsibilities to maintain and strengthen the internal control framework. The internal audit function is responsible for providing assurance to the Board regarding the implementation, operation and effectiveness of internal control and risk management.

The Bank recruited a new Internal Auditor in March 2024 to head the Internal Audit Unit. She has a direct reporting line to the Audit & Risk Committee and also reports administratively to the Chief Executive Officer/Ag. Officer in Charge.

The Board has delegated the responsibility for overseeing the internal audit function and for receiving internal audit reports to the Audit & Risk Committee.

The Audit & Risk Committee has the following duties in respect of the internal audit function:

- advise and approve the appointment or removal of the head of internal audit;
- approve the scope and work plan of the internal audit function;
- receive and consider reports from internal audit;
- advise the Board on significant matters arising from the internal auditors' work and ensure that appropriate action has been taken following detection of deficiencies within the internal controls and risk management processes;
- coordinate the activities of internal and external auditors to maximise the efficiency of audit effort and avoid omissions in coverage; and
- approve the annual internal audit work plan. The plan is based on the principles of risk management to align coverage and effort with the degree of risk attributable to the areas audited.

(ii) Reporting and disclosure

Structure & Organisation

An internal audit charter governs the internal audit activity within the organisation. The internal audit charter, which is reviewed and approved annually by the Board, establishes the composition, role, scope, authority, independence, reporting procedures, auditing standards and responsibilities of the internal audit function.

Reporting lines

The Head of Internal Audit has a direct reporting line to the Audit & Risk Committee and maintains an open and constructive communication with senior and executive management. She also has direct access to the Chairman of the Board. This reporting structure allows the Internal Audit Unit to remain independent and report all items of significance to the Board and the Audit & Risk Committee.

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 7: Audit (Contd)

Coverage and Risk management

The Internal Audit Unit performs a wide range of audit services including financial audits, compliance audits and operational audits. Audits are performed in accordance with professional standards. These different audits are:

- Financial audits address questions regarding accounting and the propriety of financial transactions.
- Operational audits review information and procedures to determine if any modifications of the operations could result in greater efficiency and effectiveness.
- Investigative audits and fraud assess emergency situations.
- Follow-up on matters raised by the External Auditors in the Management Letters.

The Internal Audit plan adopts a risk-based approach and is designed to ensure adequate audit coverage of the Bank's organisational units and processes. The internal audit plan is derived from the risk management assessment, then pre-discussed with the executive management and finally approved by the Audit & Risk Committee.

A typical audit is made up of four stages: planning, fieldwork, reporting, and follow-up. The audit team collects data and documents the procedures, controls and/or activities being reviewed. Based on the risk assessment, the audit team performs various types of tests, concludes and makes recommendations to management to improve these controls based on system testing and control analysis.

Access to records

The Internal Audit has unrestricted access to the records, management or employees of the Bank and its subsidiaries.

Non-audit services

There were no such services during the year under review.

External Audit

The External Auditors meet the members of the Audit & Risk Committee to discuss on the annual consolidated financial statements and the accounting principles and guidelines adopted. They also have discussions with the Internal Audit Team. Moore (Mauritius) LLP was appointed as External Auditors on 16.07.2024 through a tendering process and was re-appointed by the Shareholders for the audit of the financial year under review.

Fees to external Auditors

The fees payable to the auditors for the year ended 30 June 2025 are as follows:

	Bank		Subsidiaries	
	2025 (Rs'000)	**2024 (Rs'000)**	**2025 (Rs'000)**	**2024 (Rs'000)**
Audit and tax compliance fees	**2,550**	2,340	**870**	885

DEVELOPMENT BANK OF MAURITIUS LTD.

Corporate Governance Report (Contd)

Principle 7: Audit (Contd)

Audit & Risk Committee

The Audit & Risk Committee (ARC) reviews and report to the Board on the clarity and accuracy of the Company's financial statements. When conducting its reviews, the ARC considers the following:

- The accounting policies and practices applied
- Material accounting judgements and assumptions made by management or significant issues or audit risks identified by the external auditor
- Compliance with relevant accounting standards

Principle 8: Relations with Shareholders and Other Key Stakeholders

"The Board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The Board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose."

Shareholders' Agreement

There was no such agreement during the year under review.

Employee Share Option Plan

No Employee Share Option Plan is available.

Third Party Management Agreement

There was no agreement between third parties and the Bank or its subsidiaries during the year under review.

Shareholders' and Stakeholders' Communication

The Board aims to properly understand the information needs of the shareholders and places great importance on an open and meaningful dialogue with all those involved with the Group. It ensures that shareholders are kept informed on matters pertaining to the Group.

Website

In order to be compliant with the requirements of the Code, the Board will ensure that the DBM's website, namely www.dbm.mu, is kept up-to-date. All the relevant disclosures will be published therein.

Important Events

The Group endeavours to comply with the statutory requirements regarding preparation of consolidated financial statements, completion of audit, review of the consolidated financial statements by the Audit & Risk Committee, approval by the Board and holding of the Annual Meeting within the prescribed period, unless events prevent same to be done.

STATEMENT OF COMPLIANCE

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

We, the Directors of DEVELOPMENT BANK OF MAURITIUS LTD, confirm that, to the best of our knowledge, the Company has complied with its obligations and requirements under the Code of Corporate Governance except for certain sections as described on page 5(b).

Signed by:

Mr Ishwarlall Bonomaully
Director

Mr Bhaye Mohamud Dilzad Kurreemun
Director

Date: 23/04/2026

Date: 23/04/2026

Partial Compliance with the National Code of Corporate Governance for Mauritius 2016

Principle 3: Director Appointment Procedures

Succession Plan and Professional Development

The Company has not developed a formal succession plan for Directors since directors are appointed by the shareholders.

The Company organises in-house training by senior staff. Structured training for senior management and Board particularly on AML/CFT will be arranged soon.

Certificate from the Secretary under Section 166 (d) of the Mauritius Companies Act 2001

I hereby certify, to the best of my knowledge and belief, that the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001 in terms of Section 166 (d) during the financial year ended 30 June 2025.

Hosanee

Mr Dewraz Hosanee

Company Secretary

Date: 23/04/2026

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DEVELOPMENT BANK OF MAURITIUS LTD.

Report on the Audit of the Consolidated and Separate Financial Statements

Our Opinion on the Consolidated and Separate Financial Statements

We have audited the consolidated and separate financial statements of **DEVELOPMENT BANK OF MAURITIUS LTD.** (the "Bank") and its subsidiaries (together referred to as the "Group") set out on pages 8 to 93, which comprise the consolidated and separate statements of financial position as at 30 June 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year ended 30 June 2025, and the notes to the consolidated and separate financial statements, including a summary of material accounting policies.

In our opinion, the consolidated and separate financial statements on pages 8 to 93 give a true and fair view of the financial position of the Group and the Bank as at 30 June 2025 and of their financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and the Bank in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DEVELOPMENT BANK OF MAURITIUS LTD.

Report on the audit of the Consolidated and Separate Financial Statements (continued)

Responsibilities of Directors and those charged with Governance for the consolidated and separate financial statements

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

The Directors should also ensure that the Bank complies with the provisions of Part V of the Public Procurement Act 2006.

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

The directors are responsible for overseeing the Bank's financial reporting process.

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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Bank's internal control.

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DEVELOPMENT BANK OF MAURITIUS LTD.

Report on the audit of the Consolidated and Separate Financial Statements (continued)

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

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Bank's members those matters that we are required to state 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, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DEVELOPMENT BANK OF MAURITIUS LTD.

Report on the audit of the Consolidated and Separate Financial Statements (continued)

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Bank or any of its subsidiary other than in our capacity as auditor and tax advisors of the Bank and its subsidiary 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.

Public Procurement Act 2006

Based on our audit for the year ended 30 June 2025, the Bank has complied with the provision of Part V of the Public Procurement Act 2006.

Financial Reporting Act 2004 - Corporate Governance Report

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the public interest entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code and satisfactory explanation disclosed on the principles of the Code which have not been complied with.

Moore

MOORE (Mauritius) LLP
Chartered Accountants

Arvin Rogbeer, FCA, FCCA
Licensed by FRC

Moka, Republic of Mauritius

Date: **23/04/2026**

DEVELOPMENT BANK OF MAURITIUS LTD.

Consolidated statement of financial position as at 30 June 2025

	Notes	The Group 2025 Rs'000	2024 Rs'000
ASSETS			
Cash and cash equivalents	12	**1,215,541**	1,261,405
Loans	6	**4,455,056**	4,988,651
Investment properties	7(a)	**4,295,790**	4,245,450
Inventory properties	7(b)	**31,519**	32,259
Securities	8(a)	**567,762**	489,674
Intangible assets	9	**59,762**	67,986
Property, plant and equipment	10	**752,976**	573,675
Other assets	11	**995,865**	597,292
Right-of-use assets	13	**247,048**	251,470
Deferred tax asset	21.4	**661,283**	529,043
Current tax assets	21.2	**6,522**	4,020
Non-current assets held for sale	14	**3,500**	3,500
Total assets		**13,292,624**	**13,044,425**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	**504,900**	504,900
Retained earnings		**3,065,421**	3,302,294
Other reserves		**423,668**	302,876
Owners' interest		**3,993,989**	**4,110,070**
Non-controlling interests		**62,167**	63,353
Total equity		**4,056,156**	**4,173,423**
LIABILITIES			
Deposits from customers	16	**1,309,302**	1,224,307
Borrowings	17	**6,031,746**	5,945,641
Retirement benefit obligations	18	**985,476**	1,017,412
Current tax liabilities	21.2	**7,010**	354
Deferred grant income	20(a)	**278,196**	89,097
Lease liabilities	19	**280,924**	278,692
Trade and other payables	20(b)	**343,814**	315,499
Liabilities directly associated with non-current assets held for sale	14	-	-
Total liabilities		**9,236,468**	**8,871,002**
Total equity and liabilities		**13,292,624**	**13,044,425**

Approved by the Board of Directors on 23/04/2026 and signed on its behalf by:

Mr Ishwarlall Bonomaully
Director

Mr Bhaye Mohamud Dilzad Kurreemun
Director

The notes on pages 17 to 93 form an integral part of these consolidated financial statements.

DEVELOPMENT BANK OF MAURITIUS LTD.

Separate statement of financial position as at 30 June 2025

		The Bank	
		2025	2024
	Notes	Rs'000	Rs'000
ASSETS			
Cash and cash equivalents	12	**1,114,304**	1,123,908
Loans	6	**4,455,056**	4,988,651
Investment properties	7(a)	**3,785,114**	3,779,542
Inventory properties	7(b)	**31,519**	32,259
Securities	8(a)	**567,762**	489,674
Investments in subsidiaries	8(c)	**218,460**	208,460
Intangible assets	9	**59,221**	67,513
Property, plant and equipment	10	**432,157**	437,339
Other assets	11	**946,182**	599,901
Right-of-use assets	13	**247,048**	251,470
Deferred tax asset	21.4	**660,980**	529,243
Current tax assets	21.2	**6,005**	3,690
Total assets		**12,523,808**	**12,511,650**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	**504,900**	504,900
Retained earnings		**2,941,463**	3,214,106
Other reserves		**420,109**	299,316
Total equity		**3,866,472**	**4,018,322**
LIABILITIES			
Deposits from customers	16	**1,341,874**	1,246,807
Borrowings	17	**5,732,746**	5,646,641
Retirement benefit obligations	18	**985,476**	1,017,412
Lease liabilities	19	**280,924**	278,692
Trade and other payables	20	**316,316**	303,776
Total liabilities		**8,657,336**	**8,493,328**
Total equity and liabilities		**12,523,808**	**12,511,650**

Approved by the Board of Directors on 23/04/2026 and signed on its behalf by:

Mr Ishwarlall Bonomaully

Director

Mr Bhaye Mohamud Dilzad Kurreemun

Director

The notes on pages 17 to 93 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income for the year ended 30 June 2025

		The Group		The Bank	
		2025	2024	**2025**	2024
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Interest income	22	**315,219**	379,103	**329,166**	387,755
Interest expense	23	**(93,287)**	(81,439)	**(91,753)**	(80,616)
Net interest income		**221,932**	297,664	**237,413**	307,139
Other income	24	**347,853**	319,852	**263,193**	268,225
Operating income		**569,785**	617,516	**500,606**	575,364
Operating expenses	25	**(407,786)**	(465,427)	**(381,039)**	(442,756)
Operating profit		**161,999**	152,089	**119,567**	132,608
Movement in provision for credit impairment	27	**(509,181)**	(94,321)	**(509,181)**	(94,321)
Fair value gain on revaluation of investment properties	7(a)	**-**	-	**-**	-
Gain on sale of inventory properties	7(b)	**1,889**	0	**1,889**	799
Profit before tax		**(345,293)**	57,768	**(387,725)**	39,086
Tax credit/(expense)	21.1	**107,359**	(14,047)	**115,082**	(27,568)
Profit after tax		**(237,934)**	43,721	**(272,643)**	11,518
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of post-employment benefit obligations	18(a)(vi)	**52,721**	(156,961)	**52,722**	(156,961)
Tax effect on remeasurements of retirement benefit obligations	21.4	**(10,017)**	26,683	**(10,017)**	26,683
		42,704	**(130,278)**	**42,705**	**(130,278)**

The notes on pages 17 to 93 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income for the year ended 30 June 2025 (Contd)

	Notes	The Group 2025 Rs'000	The Group 2024 Rs'000	The Bank 2025 Rs'000	The Bank 2024 Rs'000
Other comprehensive income (Contd):					
Items will not be reclassified to profit or loss (Contd)					
Increase in fair value of investments (net)	8(a)	**78,088**	32,633	**78,088**	32,633
Other comprehensive (loss)/income for the year		**120,792**	(97,645)	**120,793**	(97,645)
Total comprehensive (loss)/income for the year		**(117,142)**	**(53,924)**	**(151,850)**	**(86,127)**
Profit attributable to:					
- Owners of the parent		**(236,873)**	39,866	**(272,643)**	11,518
- Non-controlling interests		**(1,061)**	3,855	**-**	-
		(237,934)	**43,721**	**(272,643)**	**11,518**
Total comprehensive (loss)/income attributable to:					
- Owners of the parent		**(116,081)**	(57,779)	**(151,850)**	(86,127)
- Non-controlling interests		**(1,061)**	3,855	**-**	-
		(117,142)	**(53,924)**	**(151,850)**	**(86,127)**

The notes on pages 17 to 93 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 30 June 2025

The Group	Attributable to equity holders of the parent								
	Share Capital	Revaluation and other reserves	Actuarial loss reserves	Fair value reserves	Capital reserve	Retained earnings	Total	Non-controlling interests	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2024	504,900	705,886	(822,460)	415,891	3,559	3,302,294	4,110,070	63,353	4,173,423
Dividends paid	-	-	-	-	-	-	-	(125)	(125)
Profit for the year	-	-	-	-	-	(236,873)	(236,873)	(1,061)	-237,934
Other comprehensive loss for the year	-	-	42,704	78,088	-	-	120,791	-	120,791
Total comprehensive loss for the year	-	-	42,704	78,088	-	(236,873)	(116,082)	(1,186)	(117,268)
At 30 June 2025	504,900	705,886	(779,756)	493,979	3,559	3,065,421	3,993,989	62,167	4,056,156

The notes on pages 17 to 93 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 30 June 2025 (Contd)

The Group	Attributable to equity holders of the parent								
	Share Capital	Revaluation and other reserves	Actuarial loss reserves	Fair value reserves	Capital reserve	Retained earnings	Total	Non-controlling interests	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2023	**504,900**	**705,886**	**(692,182)**	**383,258**	**3,559**	**3,262,428**	**4,167,849**	**59,623**	**4,227,472**
Dividend paid	-	-	-	-	-	-	-	(125)	(125)
Profit for the year	-	-	-	-	-	39,866	39,866	3,855	43,721
Other comprehensive income for the year	-	-	(130,278)	32,633	-	-	(97,645)	-	(97,645)
Total comprehensive income for the year	-	-	(130,278)	32,633	-	39,866	(57,779)	3,730	(54,049)
At 30 June 2024	**504,900**	**705,886**	**(822,460)**	**415,891**	**3,559**	**3,302,294**	**4,110,070**	**63,353**	**4,173,423**

The notes on pages 17 to 93 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 30 June 2025 (Contd)

The Bank	Share capital Rs'000	Revaluation reserves Rs'000	Actuarial loss reserves Rs'000	Fair value reserves Rs'000	Retained earnings Rs'000	Total Rs'000
At 01 July 2024	**504,900**	**705,885**	**(822,460)**	**415,891**	**3,214,106**	**4,018,322**
Profit for the year	-	-	-	-	**(272,643)**	**(272,643)**
Other comprehensive loss for the year	-	-	**42,705**	**78,088**	-	**120,793**
Total comprehensive loss for the year	-	-	**42,705**	**78,088**	**(272,643)**	**(151,850)**
At 30 June 2025	**504,900**	**705,885**	**(779,755)**	**493,979**	**2,941,463**	**3,866,472**

The notes on pages 17 to 93 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 30 June 2025 (Contd)

The Bank	Share capital Rs'000	Revaluation reserves Rs'000	Actuarial loss reserves Rs'000	Fair value reserves Rs'000	Retained earnings Rs'000	Total Rs'000
At 01 July 2023	504,900	705,885	(692,182)	383,258	3,202,588	4,104,449
Profit for the year	-	-	-	-	11,518	11,518
Other comprehensive income for the year	-	-	(130,278)	32,633	-	(97,645)
Total comprehensive income for the year	-	-	(130,278)	32,633	11,518	(86,127)
At 30 June 2024	**504,900**	**705,885**	**(822,460)**	**415,891**	**3,214,106**	**4,018,322**

The notes on pages 17 to 93 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows for the year ended 30 June 2025

		The Group		The Bank	
		2025	**2024**	**2025**	**2024**
	Notes	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Operating activities:					
Cash from/(used in) operations	26	**202,981**	198,966	**144,585**	179,730
Change in working capital:					
Change in other assets		**(434,239)**	(180,833)	**(381,808)**	(191,588)
Change in loans		**59,940**	(293,361)	**59,940**	(293,361)
Change in deposits		**84,995**	88,059	**95,067**	83,801
Change in trade and other payables		**28,315**	(15,392)	**12,540**	(21,450)
Net cash used in operations		**(58,008)**	(202,561)	**(69,676)**	(242,868)
Net tax paid	21.2	**(44,864)**	(26,033)	**(28,987)**	(23,224)
Net cash used in operating activities		**(102,872)**	(228,594)	**(98,663)**	(266,092)
Investing activities					
Purchase of property, plant and equipment	10	**(194,998)**	(141,452)	**(5,857)**	(16,415)
Purchase of intangible assets	9	**(357)**	(4,687)	**(167)**	(4,427)
Purchase of investment properties	7(a)	**(50,340)**	(97,147)	**(5,572)**	(23,775)
Purchase of inventory properties	7(b)	**(462)**	(231)	**(462)**	(231)
Purchase of investment in subsidiaries	8(c)	**-**	-	**(10,000)**	(5,000)
Proceeds from disposal of property, plant and equipment		**-**	5,532	**-**	5,532
Proceeds from disposal of investment properties		**-**	2,000	**-**	2,000
Proceeds from disposal of inventory properties	7(a)	**3,091**	1,613	**3,091**	1,613
Dividends received	24	**32,651**	25,843	**32,650**	25,833
Net cash used in investing activities		**(210,415)**	(208,529)	**13683**	(14,870)
Financing activities					
Proceeds from borrowings	30	**400,001**	1,170,179	**400,001**	1,016,179
Repayment of borrowings	30	**(313,896)**	(397,967)	**(313,896)**	(397,967)
Payment of lease liabilities	30	**(10,729)**	(10,145)	**(10,729)**	(10,144)
Dividend paid		**(125)**	-	-	-
Grant received		**192,172**	89,097	-	-
Net cash from financing activities*		**267,423**	851,164	**75,376**	608,068
Net change in cash and cash equivalents		**(45,864)**	414,041	**(9,604)**	327,106
Movement in cash and cash equivalents					
At beginning of year		**1,261,405**	847,364	**1,123,908**	796,802
Net change in cash and cash equivalents		**(45,864)**	414,041	**(9,604)**	327,106
At end of year	12	**1,215,541**	1,261,405	**1,114,304**	1,123,908

**For reconciliation of liabilities arising from financing activities, refer to Note 30.*

The notes on pages 17 to 93 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 30 June 2025

1. General information and statement of compliance with International Financial Reporting Standards ("IFRS")

DEVELOPMENT BANK OF MAURITIUS LTD., formerly known as DBM Ltd, the "Bank" or the "DBM" or the "Company", is a private company incorporated in Mauritius. The main activity of the Bank is to provide finance for the development of the economy. Its registered office is situated at La Chaussée, P.O. Box 157, Port Louis, Republic of Mauritius.

The Bank and its subsidiaries are together referred to as the "Group".

The activities of the subsidiaries are described on page 53.

Ultimate Controlling Party

The directors consider the Government of Mauritius as the ultimate controlling party. The financial statements include the consolidated financial statements of the holding company and its subsidiaries (collectively referred to as the "Group") and the separate financial statements of the "Bank".

The consolidated financial statements are presented in Mauritian Rupee ("MUR" or "Rs"), which is also the functional currency of the Group and rounded to the nearest thousands (000's).

The consolidated financial statements of the Group have been prepared in accordance with IFRS as issued by International Accounting Standards Board ("IASB").

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence fo r the foreseeable future. Thus, the Group has applied the going concern basis of accounting in preparing the financial statements.

2. Application of new and revised IFRS

2.1 New and revised standards that are effective for annual year beginning on 01 July 2025

Several other amendments and interpretations apply for the first time in 2025, but do not have an impact on the financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the "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 01 July 2025.

2.1 Standards and Interpretations adopted with "no" material effect on the financial statements

IFRS 16	Lease liability in a sale and leaseback - amendment to IFRS 16
IAS 7 and IFRS 7	Supplier Finance Arrangements - amendments to IAS 7 and IFRS 7
IFRS S1	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	IFRS S2 Climate-related disclosures

Notes to the consolidated financial statements

For the year ended 30 June 2025

2. Application of new and revised IFRS (Contd)

2.2 Standards and amendments to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, the following relevant Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 *Effective date: Postponed indefinitely*
IFRS 7 & 9	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures *Effective date: 01 January 2026*
IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	Annual Improvements to IFRS Accounting Standards — Volume 11 The pronouncement comprises the following amendments: •IFRS 1: Hedge accounting by a first-time adopter •IFRS 7: Gain or loss on derecognition •IFRS 7: Disclosure of deferred difference between fair value and transaction price •IFRS 7: Introduction and credit risk disclosures •IFRS 9: Lessee derecognition of lease liabilities •IFRS 9: Transaction price •IFRS 10: Determination of a 'de facto agent' •IAS 7: Cost method *Effective date : 01 January 2026*
IFRS 18	IFRS 18 Presentation and Disclosure in Financial Statements *Effective date: 01 January 2027*
IFRS 19	IFRS 19 Subsidiaries without Public Accountability: Disclosures *Effective date: 01 January 2027*

At the date of authorisation of these consolidated financial statements, certain new standards and amendments to existing standards have been published but are not yet effective and have not been adopted early by the Group.

2. Application of new and revised IFRS (Contd)

2.2 Standards and amendments to existing standards that are not yet effective and have not been adopted early by the Group (Contd)

Management has yet to assess the impact of the above standards and amendments to existing standards on the Group's financial statements.

Management anticipates that all of the relevant pronouncements, as relevant to Group's activities, will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements.

3. Material accounting policies

3.1 Overall considerations

The consolidated financial statements have been prepared using the material accounting policies and measurement bases summarised below.

3.2 Basis of consolidation

The Group financial statements consolidate those of the Bank and all of its subsidiaries as of 30 June 2025. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. All subsidiaries have a reporting date of 30 June and are incorporated in Mauritius.

Notes to the consolidated financial statements

For the year ended 30 June 2025

3. Material accounting policies (Contd)

3.2 Basis of consolidation (Contd)

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the consolidated financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of the subsidiaries' profit or loss and net assets that are not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3.3 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3.4 Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Freehold land and buildings are subsequently shown at revalued amount, based on valuation by external independent valuers, less subsequent depreciation for buildings. All other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the items can be measured reliably.

Increases in the carrying amounts arising from revaluation are credited directly to revaluation reserves. However, the increase shall be recognised in profit or loss to the extent that reverses a revaluation decrease of the same class of assets previously recognised in profit or loss.

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

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with the carrying amount of the assets and are recognised in profit or loss. On disposal of revalued assets, the amounts included in revaluation reserves are transferred to retained earnings.

3. Material accounting policies (Contd)

3.4 Property, plant and equipment (Contd)

Depreciation is calculated to write down the cost or revalued amount of property, plant and equipment over their expected useful lives. The annual rates and depreciation methods used for the purpose are as follows:

	Bank	Subsidiaries
Office building	2%	2%
Building on leasehold land	over lease period	-
Furniture, fittings and equipment	15%-20%	10%-20%
Motor vehicles	20%	20%
Computer equipment	15%	20% and $33^{1}/_{3}$%
Integrated banking system	15%	-

The assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at each reporting date. Repairs and maintenance costs are expensed as incurred.

Subsequent expenditures related to an item of property, plant and equipment are added to its net book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenditures are expensed as and when incurred.

3.5 Investment properties

All the Group's properties held to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Investment properties are revalued based on fair values determined by external independent valuers once every 3 years or more frequently if market factors indicate a material change in fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the year in which they arise.

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

3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition less accumulated impairment losses, if any.

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

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

3. Material accounting policies (Contd)

3.7 Intangible assets

Software costs

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. The assets are amortised at of 10% to 15 % based on their estimated useful life. Costs associated with maintaining computer software programmers are recognised as an expense as

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

• It is technically feasible to complete the software product so that it will be available for use;

• The management intends to complete the software product and use or sell it;

• There is an ability to use or sell the software product;

• It can be demonstrated how the software product will generate probable future economic benefits;

• Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and

• The expenditure attributable to the software product during its development can be reliably measured.

3.8 Investments in subsidiaries

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

Separate financial statements

Investment in subsidiaries in the separate financial statements of the Company is carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

3. Material accounting policies (Contd)

3.8 Investments in subsidiaries (Contd)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree (if any) over the fair value of the Bank's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a gain on bargain purchase.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

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

3.9 Investments in associates

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Separate financial statements

In the separate financial statements of the investor, investments in associates are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

Investments in associates are accounted for by the equity method except when classified as held for sale. The Group's investments in associates may include goodwill, net of any accumulated impairment loss identified on acquisition. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

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

3. Material accounting policies (Contd)

3.9 Investments in associates (Contd)

Consolidated financial statements (Contd)

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

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the consolidated financial statements of associates to bring the accounting policies used in line with those adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

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

3.10 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss ("FVTPL")
- fair value through other comprehensive income ("FVOCI")

The classification is determined by both:

- the Group's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

3. Material accounting policies (Contd)

3.10 Financial instruments (Contd)

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, other assets, loans and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income ("FVOCI")

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income ("OCI") will be recycled upon derecognition of the asset.

The Group's investments in securities fall in this category. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

- they are held under a business model whose objective is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income ("OCI") will be recycled upon derecognition of the asset.

The Group's investments in securities fall in this category. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Principles of valuation of investments

Quoted investments

The investments in the quoted companies, if any, are measured based on the prices listed on the Stock Exchange of Mauritius.

Unquoted investments

Unlisted investments are stated at amounts considered by the directors to be a reasonable assessment of their fair value, where fair value is the amount at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

3. Material accounting policies (Contd)

3.10 Financial instruments (Contd)

Subsequent measurement of financial assets (Contd)

Unquoted investments (Contd)

The fair value of the unquoted investments has been determined based on the Net Assets Value basis, less allowances for market risk.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets where contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss ("ECL") model'. Instruments within the scope of these requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

Stage 1

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk.

3. Material accounting policies (Contd)

3.10 Financial instruments (Contd)

Impairment of financial assets (Contd)

Stage 2

- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low.

Stage 3

This would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

The Group applies the IFRS 9 general approach to measure expected credit losses which uses a 12 month and lifetime expected loss allowance for loan receivables. To measure the expected credit losses, the financial assets have been grouped based on shared credit risk characteristics and the days past due.

The impairment requirements apply to financial assets measured at amortised cost. In the event of a significant increase in credit risk, allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognised are considered to be 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment are considered to be in default or otherwise credit impaired are in 'stage 3'.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on a collective basis, depending on the nature of the underlying portfolio of financial instruments which is on the basis of their product types.

The lifetime expected loss rates ("LTECLs") are based on the Group's historical credit losses based on the pattern of movement of financial assets over a period of three years before the reporting date. An additional loss allowance for financial assets is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of financial asset. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the financial assets.

Significant increase in credit risk is determined using quantitative and qualitative information based on the Group's historical experience, credit risk assessment and forward-looking information. The assessment of significant credit deterioration is key in determining when to move from measuring an allowance based on 12-month ECLs to one that is based on lifetime ECLs (i.e., transfer from Stage 1 to Stage 2). If contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

3. Material accounting policies (Contd)

3.10 Financial instruments (Contd)

Impairment of financial assets (Contd)

Stage 3 (Contd)

Financial assets are classified as 'stage 3' where they are determined to be credit impaired. This includes exposures that are at least 180 days past due and where the obligor is unlikely to pay without recourse against available collateral.

Impairment is the difference between contractual and expected cash flows of a financial asset. The Group presents allowance for impairment separately from the gross balance of respective assets rather than directly reducing their carrying amounts.

The calculation of ECLs

The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period.

The Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss given default "(LGD") is defined as the likely loss intensity in case of a counterparty default. It provides an estimation of the exposure that cannot be recovered in a default event and therefore captures the severity of a loss. Conceptually, LGD estimates are independent of a customer's probability of default. The LGD models ensure that the main drivers for losses (i.e., different levels and quality of collateralization and customer or product types or seniority of facility) are reflected in specific LGD factors. In the LGD models the Group assigns collateral type specific LGD parameters to the collateralized exposure (collateral value after application of haircuts).

The mechanics of the ECL method are summarised below:

Stage 1: The 12-month ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12-month ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. These expected default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3. Material accounting policies (Contd)

3.10 Financial instruments (Contd)

Impairment of financial assets (Contd)

Expected Credit Loss on Rent Receivable

The Group is applying the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for rent receivable. To measure the expected credit losses, rent receivable has been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the Group's historical credit losses based on the pattern of movement of receivables over a period of five years before the reporting date. An additional loss allowance for receivables is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivable. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

Specific Provision

The Group measures specific provision on financial assets on the basis of individual risk factors involved in different arrangements and past trends. On remaining balances in segments, expected credit loss method is applied.

Derecognition of financial assets

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership nor the Group has retained control.

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
(ii) Is prohibited from selling or pledging the assets; and
(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

3. Material accounting policies (Contd)

3.10 Financial instruments (Contd)

Financial Liabilities (Contd)

Classification and subsequent measurement of financial liabilities

In both the current and prior periods, financial liabilities are classified as subsequently measured at amortised cost, except for:

• Financial liabilities at fair value through profit or loss: this classification is applied to derivatives financial instruments, financial liabilities held-for-trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit and loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability) and partially in statement of profit or loss (the remaining amount of change in the fair value of the liability). This is applicable unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains or losses attributable to changes in the credit risk of the liability are also presented in statement of profit or loss;

• Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expense incurred on the financial liability; and

• Financial guarantee contracts and loan commitments.

Derecognition of financial liabilities

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

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

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

3. Material accounting policies (Contd)

3.11 Other assets

Other assets are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

3.12 Trade and other payables

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

3.13 Borrowings

Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position.

For the purposes of each financial liability, interest expense includes initial transaction costs as well as any interest payable while the liability is outstanding. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

3.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank and short-term deposits with banks.

3.15 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

The Group considers key management personnel, directors and shareholders as related parties.

3.16 Operating expenses

Operating expenses are recognised in the statement of comprehensive income upon utilisation of the service or as incurred.

3.17 Equity and reserves

Share capital is determined using the value of shares that have been issued. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from proceeds.

Notes to the consolidated financial statements

For the year ended 30 June 2025

3. Material accounting policies (Contd)

3.17 Equity and reserves (Contd)

Other reserves include:

- Fair value reserves comprise unrealised gains and losses on remeasurement of financial instruments at FVOCI.

- Actuarial reserves represent the cumulative actuarial gains and losses on remeasurement of retirement benefit obligations.

- Revaluation reserves relate to gains and losses from the revaluation of land and buildings classified under property, plant and equipment.

- Capital reserve relate to gains on buy back of treasury shares at a discount.

- Retained earnings include all current and prior years' results as disclosed in the statement of comprehensive income.

All transactions with owners of the parent are recorded separately within equity.

3.18 Loans

Loans are presented net of specific and general allowance for uncollectibility. The Group assesses at the end of each reporting period whether there is objective evidence that loans are impaired. Loans are impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the asset that can be reliably estimated.

The Group first assesses whether objective evidence of impairment exists individually for loans that are individually significant, and individually or collectively for loans that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. The calculation of the present value of the estimated future cash flows of a collateralised asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

Future cash flows in a group of loans that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

3. Material accounting policies (Contd)

3.18 Loans (Contd)

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

3.19 Taxation

The tax expense for the year comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period. The Bank and its subsidiaries are subject to a tax rate of 15%. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority.The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

CCR

The government has also recently introduced a new levy called Corporate Climate Responsibility Levy (CCR) of 2% on chargeable income of all companies having a turnover exceeding MUR 50 million.

Corporate Social Responsibility

The Bank and its subsidiaries are subject to CSR and the contribution is at the rate of 2% on the chargeable income of the preceding financial year. The CSR contribution to the Mauritius Revenue Authority must be at least 75% or reduced up to 50% if prior written approval of the National CSR Foundation is obtained.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

3. Material accounting policies (Contd)

3.19 Taxation (Contd)

Deferred tax (Contd)

Deferred tax assets are recognised to the extent that it is probable that future taxable amounts will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

3.20 Retirement benefit obligations

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined liability, which comprises actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the year as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.
Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

Other long-term benefits
Other benefits are calculated and provided for and are recognised as liabilities in the statement of financial position. The obligations arising under this item are not funded.

State pension plan

Contributions to the state pension plan are expensed in the statement of comprehensive income in the period in which they fall due.

3. Material accounting policies (Contd)

3.20 Retirement benefit obligations (Contd)

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3.21 Foreign currencies

Functional and presentation currency

Items included in the consolidated financial statements are measured using the Mauritian rupees, the currency of the primary economic environment in which the Group operates ('functional currency'). The consolidated financial statements are presented in Mauritian rupees, which is the Group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cashflow hedges and qualifying net investment hedges.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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

The average exchange rates for the year are as follows:

	2025	2024
	Rs	Rs
USD	45.04	47.44
EURO	52.78	51.07

3.22 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3. Material accounting policies (Contd)

3.23 Leases

The Group as a lessee

For any new contracts entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

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

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

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

The lease liability is presented as a separate line in the consolidated and separate statement of financial position.

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

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

3. Material accounting policies (Contd)

3.23 Leases (Contd)

The Group as a lessee (Contd)

The right-of-use assets are presented as a separate line in the consolidated and separate statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.
When the Group revises its estimate of the term of any lease (because, for example, they re-assess the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

On the consolidated statement of financial position, right-of-use assets and lease liabilities have been disclosed as a separate line items. Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

Finance leases – The Group as a Lessor

The Group provides financing under finance leases conditions to micro, small and medium enterprises for principally the acquisition of motor vehicles, industrial equipment and machines. . As part of the wider risk management principles of the Group, the risks associated with the lease portfolio was monitored through rigorous credit assessment, determining the financed amount as part of the cost of the asset based on the customers' credit risk profile, setting up buy back agreements with suppliers for assets with high residual values, amongst others.

(i) **Recognition and initial measurement**

Lease classification is determined at the inception date and is reassessed only if there is a lease modification. A lease modification is where there is a change in the scope of the lease, or the consideration for a lease, that was not part of the lease.

ownership are transferred by the Group, and thus the lease payment receivable is treated by the Group as repayment of principal and interest income to reimburse and reward the lessor for its investment and services.

Initial direct costs such as commissions, legal fees and internal costs that are incremental and directly attributable to negotiating and arranging a lease, but excluding general overheads, are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term. The interest rate implicit in the lease is defined in such a way that the initial direct costs are included automatically in the finance lease receivable; there is no need to add them separately.

3. Material accounting policies (Contd)

3.23 Leases (Contd)

Finance leases – The Group as a Lessor (Contd)

(ii) **Subsequent measurement**

The Group aims to allocate finance income over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the Group's net investment in the finance lease. The net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease. The gross investment in the lease is the sum of lease payments receivable by the Group and any unguaranteed residual value accruing to the Group. Lease payments relating to the period, excluding costs for services, are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

Lease repayments relating to the period, excluding cost for services, are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

Estimated unguaranteed residual values used in computing the Group's gross investment in a lease are reviewed regularly. If there has been a reduction in the estimated unguaranteed residual value, the income allocation over the lease term is revised and any reduction in respect of amounts accrued is recognised immediately.

Operating leases

Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

3.24 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are expensed.

3.25 Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income for all interest-bearing instruments using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant year.

3.26 Other income

Other income earned by the Group are recognised on the following bases:

- Rental income - on an accrual basis.
- Dividend income - when the right to receive payment is established.
- Fee and commission income - when financial services are provided.
- Factoring income – at point in time upon approval of application of customers.
- Finance lease income – See Note 3.23.

3. Material accounting policies (Contd)

3.27 Inventory properties

Property seized by the Group represents properties acquired through auction at the Master's Bar further to the default of clients. The properties are inventory held by the Group until they are sold. Seized properties are stated at the lower of the cost (price paid at bar together with all related expenses incurred on the acquisition and net realisable value (the estimate of the selling price in the ordinary course of business less the costs to completion and applicable variable selling expenses). Realised loss/gain on disposal of inventory property is taken to the statement of comprehensive income. No depreciation is charged on inventory properties.

3.28 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.29 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. This condition is regarded as met only, when the sale is highly probable and the asset is available for immediate sale in its present condition.

Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations.

3.30 Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to the grant and that the grant will be received. This includes non-monetary grants which are recognised at fair value.

Government grants received as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support are recognised in the income statement when receivable as 'other income'. Government grants in respect of capital expenditure, or the grant of non-monetary assets are recognised as deferred income and amortised over the anticipated useful life of the relevant asset as other income.

3.31 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3.32 Significant management judgment in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, the disclosure of contingent liabilities. Uncertainties about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

The following are the judgments made by management in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

Determination of functional currency

The determination of the functional currency of the Group is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. Management has considered those factors and have determined that the functional currency of the Group is the MUR or Rs.

Significant increase in 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 significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the group's investment property portfolios and concluded that the group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the group has not recognised any deferred taxes on changes in fair value of investment properties as the group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Leases - Determining the lease term of contracts with renewal and termination options

In determining the lease term for the land and buildings being rented, management considers the broader economics of its arrangement with the lessor, including economic penalties for each of the lessor and the Group if the Group were to vacate the leased premises.

Useful lives of depreciable assets

Property, plant and equipment are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.. The carrying amounts are analysed in Notes 9, 10 and 13. Actual results, however, may vary due to technical obsolescence, particularly relating to computer equipment.

3.32 Significant management judgment in applying accounting policies and estimation uncertainty (Contd)

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

(a) *Pension benefits*

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligations.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 18.

(b) *Fair value of land and buildings and investment properties*

In arriving at the fair value of the properties, which is determined on an open market value basis, the independent valuers have to make assumptions that are mainly based on market conditions existing at the end of the reporting period. Should these assumptions and estimates change, or not be met, the valuation as adopted in the consolidated financial statements will be affected.

(c) *Impairment of financial assets*

The Group uses the guidance of IFRS 9 to determine the degree of impairment of its financial assets. Management considers a broader range of information when assessing credit risk and estimating the credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the receivables. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

(d) *Measurement of the expected credit loss allowance*

The measurement of the expected credit loss allowance for loans is an area that requires the use of complex models which are highly dependent on management's judgement and significant assumptions about future economic conditions and credit behaviour. The parameters used by the Group to measure the ECL, including PD, LGD and EAD, each involve numerous judgements and assumptions. Explanation of the assumptions and estimation techniques used in the ECL is further detailed in Note 3.10.

(e) *Provision for credit impairment*

The Group reviews its loans with regard to non-performing accounts on a regular basis to assess whether an allowance for impairment should be recognised. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to allowance.

3. Material accounting policies (Contd)

3.32 Significant management judgment in applying accounting policies and estimation uncertainty (Contd)

Estimation uncertainty (Contd)

(e) Provision for credit impairment (Contd)

The portfolio provision is based upon historical patterns of losses in each component of the portfolio of loans as well as management estimate of the impact of current economic and other relevant conditions on the recoverability of the loans portfolio.

(f) Impairment of assets

Property, plant and equipment, investment properties and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself. Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. Cash flows which are utilised in these assessments are extracted from the yearly budget.

(g) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty

(h) Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities in Note 19. The IBR is the rate of interest that the Group 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 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. Fair value measurement

4.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the assets or liability.

The financial assets measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

The Group and the Bank 2025	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Assets				
Financial assets at FVOCI	**324,808**	**-**	**233,350**	**558,158**

2024	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Assets				
Financial assets at FVOCI	271,637	-	218,037	489,674

There were no transfers between levels in 2025 and 2024.

Measurement of fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period.

A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1 and comprise primarily quoted equity instruments classified as financial instrument at FVOCI.

The reconciliation of the carrying amounts of financial assets classified within Level 3 is as follows:

Investments in unquoted companies	2025 Rs'000	2024 Rs'000
At 01 July	**218,037**	196,938
Fair value gain	**15,313**	21,099
At 30 June	**233,350**	**218,037**

The table above only includes financial assets. Level 3 financial instruments comprise investments in unquoted companies and the valuation technique used is the net asset value method. Hence, sensitivity analysis is not applicable because no unobservable inputs were applied.

4. Fair value measurement (Contd)

4.2 Fair value measurement of financial instruments not carried at fair value

The Group's other financial assets and financial liabilities are measured at their carrying amounts which approximate their fair values.

4.3 Fair value measurement of non-financial instruments

The Group's non-financial assets comprise property, plant and equipment, right-of-use assets, intangible assets, investment properties, current tax assets, inventory properties, investments in subsidiaries and associates, non-current assets held for sale, prepayments and deposits and non-financial liabilities comprise retirement benefit obligations, liabilities directly associated with non-current assets held for sale, deferred tax liabilities and current tax liabilities.

For both non-financial assets and non-financial liabilities, fair value measurement is not applicable, except for investment properties and land and buildings, since these are not measured at fair value on a recurring or non-recurring basis.

Fair value hierarchy of non-financial assets measured at fair value

The following table shows the levels within the hierarchy of non-financial assets measured at fair value.

The Group

2025	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Property, plant and equipment				
Land and buildings	-	-	**394,443**	**394,443**
Investment properties				
Land and buildings	-	-	**4,073,187**	**4,073,187**

2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Property, plant and equipment				
Land and buildings	-	-	397,880	**397,880**
Investment properties				
Land and buildings	-	-	4,063,842	**4,063,842**

4. Fair value measurement (Contd)

4.3 Fair value measurement of non-financial instruments (Contd)

The Bank

2025	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Property, plant and equipment				
Land and buildings	-	-	394,442	394,442
Investment properties				
Land and buildings	-	-	3,785,114	3,785,114

2024	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Property, plant and equipment				
Land and buildings	-	-	397,880	397,880
Investment properties				
Land and buildings	-	-	3,779,542	3,779,542

There were no transfers between levels for both the Group and the Bank during the year.
The Group's land and buildings and investment properties are revalued every 5 years or more frequently if market forces indicate a material change in fair value. The Group engages external, independent and qualified valuers to determine the fair value of the land and buildings and investment properties. The fair value of the land and buildings and investment properties was determined by Professional Valuers Co Ltd and Elevante Property Services Ltd in 2023.

The appraisal was carried based on sales comparison approach (for land) taking into account recent transactions and depreciated replacement cost for building and income capitalisation approach.

The significant unobservable input is the adjustment for factors specific to the building in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

4. Fair value measurement (Contd)

4.3 Fair value measurement of non-financial instruments (Contd)

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:

The Group **2025**	**Property, plant and equipment**	**Investment properties**
	Rs'000	**Rs'000**
At 01 July 2024	**397,880**	**4,063,842**
Transfer to investment properties	**-**	**-**
Transfer from property, plant and equipment	**-**	**-**
Depreciation charge for the year	**(4,886)**	**-**
Additions	**1,449**	**9,345**
Disposal	**-**	**-**
Revaluation adjustment	**-**	**-**
At 30 June 2025	**394,443**	**4,073,187**

2024	**Property, plant and equipment**	**Investment properties**
	Rs'000	**Rs'000**
At 01 July 2023	402,737	4,042,067
Transfer to inventory properties	-	-
Transfer from property, plant and equipment	-	-
Depreciation charge for the year	(4,857)	-
Additions	-	23,775
Disposals	-	(2,000)
Revaluation Adjustment	-	-
At 30 June 2024	**397,880**	**4,063,842**

The Bank **2025**	**Property, plant and equipment**	**Investment properties**
	Rs'000	**Rs'000**
At 01 July 2024	**397,880**	**3,779,542**
Transfer to inventory properties (note 7(b))	**-**	**-**
Transfer from property, plant and equipment (note 10)	**-**	**-**
Additions	**(4,886)**	**5,572**
Disposals	**-**	**-**
Revaluation adjustment	**-**	**-**
At 30 June 2025	**392,994**	**3,785,114**

2024	**Property, plant and equipment**	**Investment properties**
	Rs'000	**Rs'000**
At 01 July 2023	**402,737**	**3,757,767**
Transfer to inventory properties (note 7(b))	**-**	**-**
Transfer from property, plant and equipment (note 10)	**-**	**-**
Depreciation charge for the year	**-**	**-**
Additions	**(4,857)**	**23,775**
Disposals	**-**	**(2,000)**
Revaluation adjustment	**-**	**-**
At 30 June 2024	**397,880**	**3,779,542**

5. Capital risk management

The capital structure of the Group consists of debts, which includes borrowings, and equity attributable to equity holders of the parent, comprising of issued capital and reserves. The Group's funding strategy also comprises raising funds through deposits and borrowings from government. As at 30 June, the situation was as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	Rs'000	Rs'000	Rs'000	Rs'000
Total debts	**6,031,746**	5,945,641	**5,732,746**	5,646,641
Cash and bank balances	**(124,981)**	(1,136,416)	**(989,322)**	(998,918)
Net debts	**5,906,765**	**4,809,225**	**4,743,424**	**4,647,723**
Total equity	**4,056,156**	**4,173,423**	**3,866,472**	**4,018,322**
Debt-to-adjusted capital ratio	**1.46**	**1.15**	**1.23**	**1.16**

6. Loans

(a) Loans are summarised as follows:

The Group and the Bank	2025	2024
	Rs'000	Rs'000
Loans - Gross	**6,561,655**	6,727,303
Expected credit losses (Note (b))	**(2,106,599)**	(1,738,652)
Loans - Net	**4,455,056**	**4,988,651**

(b) Expected credit losses

The Group and the Bank	2025	2024
	Rs'000	Rs'000
At 01 July	**1,738,652**	1,745,171
Addition for the year (Note 27)	**473,655**	83,707
Write-off during the year	**(105,708)**	(90,226)
At 30 June	**2,106,599**	**1,738,652**

(c) Analysis of the gross carrying amount and corresponding ECL allowances as at 30 June is as follows:

The Group and the Bank	Stage 1	Stage 2	Stage 3	Total
2025	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount	**3,757,914**	**213,587**	**2,590,154**	**6,561,655**
Impairment losses	**(152,319)**	**(54,992)**	**(1,899,288)**	**(2,106,599)**
	3,605,595	**158,595**	**690,866**	**4,455,056**

Notes to the consolidated financial statements

For the year ended 30 June 2025

6. Loans (Contd)

(c) Analysis of the gross carrying amount and corresponding ECL allowances as at 30 June is as follows: (Contd)

The Group and the Bank	Stage 1	Stage 2	Stage 3	Total
2024	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Gross carrying amount	4,133,183	680,691	1,913,429	6,727,303
Impairment losses	(206,515)	(139,937)	(1,392,200)	(1,738,652)
	3,926,668	**540,754**	**521,229**	**4,988,651**

(d) At 30 June 2025, the Bank had collateral valued at Rs. 772,127,942 (2024: Rs. 641,256,107) after applying a 50% prudential haircut and capping the collateral value at the related outstanding loan balance. These adjusted collateral amounts were considered in the measurement of expected credit losses.

(e) At 30 June, the analysis of changes in the gross carrying amount:

The Group and the Bank	Stage 1	Stage 2	Stage 3	Total
2025	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Gross carrying amount opening balance	**4,133,183**	**680,691**	**1,913,429**	**6,727,303**
New assets originated or purchased	**643,855**	**-**	**-**	**643,855**
Transfers to stage 1	**256,816**	**(236,679)**	**(20,137)**	**-**
Transfers to stage 2	**(191,962)**	**193,887**	**(1,925)**	**-**
Transfers to stage 3	**(432,432)**	**(407,069)**	**839,501**	**-**
Assets derecognised or repaid (excluding write offs)	**(672,637)**	**(72,375)**	**(107,222)**	**(852,234)**
Changes to contractual cash flows due to modifications not resulting in derecognition	**21,091**	**55,132**	**72,216**	**148,439**
Amounts written off	**-**	**-**	**(105,708)**	**(105,708)**
Gross carrying amount closing balance	**3,757,914**	**213,587**	**2,590,154**	**6,561,655**

Notes to the consolidated financial statements

For the year ended 30 June 2025

6. Loans (Contd)

(e) At 30 June, the analysis of changes in the gross carrying amount: (Contd)

The Group and the Bank	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
2024	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Gross carrying amount opening balance	4,027,922	504,981	1,991,265	6,524,168
New assets originated or purchased	1,009,130	-	-	1,009,130
Transfers to stage 1	253,642	(125,061)	(128,581)	-
Transfers to stage 2	(208,528)	232,613	(24,085)	-
Transfers to stage 3	(142,634)	(448,284)	590,918	-
Assets derecognised or repaid (excluding write offs)	(587,153)	(87,707)	(104,955)	(779,815)
Changes to contractual cash flows due to modifications not resulting in derecognition	(219,196)	604,149	(320,907)	64,046
Amounts written off	-	-	(90,226)	(90,226)
Gross carrying amount closing balance	**4,133,183**	**680,691**	**1,913,429**	**6,727,303**

6. Loans (Contd)

(f) At 30 June, reconciliation of ECL balance is given below:

The Group and the Bank	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
2025	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
ECL allowance – opening balance	**206,515**	**139,937**	**1,392,200**	**1,738,652**
Net remeasurement of loss allowance	**301,909**	**173,220**	**(1,474)**	**473,655**
Transfers to stage 1	**10,409**	**(9,593)**	**(816)**	**-**
Transfers to stage 2	**(49,424)**	**49,920**	**(496)**	**-**
Transfers to stage 3	**(317,090)**	**(298,492)**	**615,582**	**-**
Amounts written off	**-**	**-**	**(105,708)**	**(105,708)**
ECL allowance - closing balance	**152,319**	**54,992**	**1,899,288**	**2,106,599**

The Group and the Bank	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
2024	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
ECL allowance – opening balance	20,741	271,097	1,453,333	1,745,171
Net remeasurement of loss allowance	197,541	(50,029)	(63,805)	83,707
Transfers to stage 1	29,548	(18,126)	(11,422)	-
Transfers to stage 2	(30,152)	37,631	(7,479)	-
Transfers to stage 3	(11,163)	(100,636)	111,799	-
Amounts written off	-	-	(90,226)	(90,226)
ECL allowance - closing balance	**206,515**	**139,937**	**1,392,200**	**1,738,652**

7. Properties

(a) Investment properties

	The Group		**The Bank**	
	2025	**2024**	**2025**	**2024**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At 01 July	**4,245,450**	4,042,067	**3,779,542**	3,757,767
Transfer to inventory properties (note 7(b))	**-**	-	**-**	-
Transfer from property, plant and equipment (note 10)	**-**	108,236	**-**	-
Additions	**50,340**	97,147	**5,572**	23,775
Disposals	**-**	(2,000)	**-**	(2,000)
Revaluation adjustment	**-**	-	**-**	-
At 30 June	**4,295,790**	**4,245,450**	**3,785,114**	**3,779,542**

Rental income and direct operating expenses

The gross rental income from the investment properties amounted to **Rs 219M** (2024: Rs 196.1M) for the Group and **Rs 207M** (2024: Rs 187 M) for the Bank and direct operating expenses amounted to **Rs 50.96M** (2024: Rs 49.01M) for the Group and **Rs 37.82M** (2024: Rs 37.82M) for the Bank.

7. Properties

(a) Investment properties (Contd)

Rodrigues Business Park Development Co Ltd

During the review year, capital expenditure for the ongoing construction of Technopark in Rodrigues totaled Rs 40,995,435 (2024: Rs 73,371,774).

Fair valuation

The investment properties were revalued on 30 June 2023 by Professional Valuers Co Ltd, Chartered Valuation Surveyors, on an open market value basis based on sales comparison approach (for land) taking into account recent transactions and depreciated replacement cost for buildings. The Board consider that the fair value of the investment properties as at 30 June 2025 has not materially changed from last year's valuation as at 30 June 2025. It is the policy of the Bank to revalue its investment properties every three years as no significant change is expected from one to three years.

Details of the Group's and the Company's freehold land and buildings measured at fair value and information about the fair value hierarchy as at 30 June 2025 are as follows:

	The Group		The Bank	
	2025	**2024**	**2025**	**2024**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
	Level 3	**Level 3**	**Level 3**	**Level 3**
Freehold land	**1,321,537**	**1,321,537**	**1,321,537**	**1,321,537**
Buildings	**2,747,877**	**2,742,305**	**2,463,577**	**2,458,005**
Carrying amount	**4,069,414**	**4,063,842**	**3,785,114**	**3,779,542**

The Sales Comparison Approach estimates the value of a property by comparing it to similar properties recently sold on the open market, with the estimated price per arpents being the significant unobservable input. For the purpose of this valuation, the Sales Comparison Approach has been used for the freehold land element and the Depreciated Replacement Cost Approach has been used for the building and structures standing thereon with

The Depreciated Replacement Cost Approach estimates the value by computing the current cost of replacing a property and subtracting any depreciation resulting from one or more of the following factors: physical deterioration, functional obsolescence and external (or economic) obsolescence. The value of the land, as though it were vacant and available, is then added to the depreciated value of the premises in order to produce a total value estimate.

A quantitative sensitivity analysis is shown below for the land on price per arpents and for buildings on price per square feet which are the unobservable inputs that management consider to be most significant.

Price per Arpents

Increase of 5% in price per Arpents would increase fair value gain by MUR 66.1m for the Bank and the Group.

Decrease of 5% in price per Arpents would decrease fair value gain by MUR 66.1m for the Bank and the Group.

7. Properties

(a) Investment properties (Contd)

Price per square feet

Increase of 5% in price per square feet would increase fair value gain by MUR 123.2m and MUR 137.1m for the Bank and the Group respectively.

Decrease of 5% in price per square feet would decrease fair value gain by MUR 123.2m and MUR 137.1m for the Bank and the Group respectively.

(b) Inventory properties

The Group and the Bank	2025 Rs'000	2024 Rs'000
At 01 July	**32,259**	40,796
Write-off	**-**	(7,954)
Acquired during the year	**462**	231
Disposals during the year	**(1,202)**	(814)
At 30 June	**31,519**	**32,259**
Analysed as follows:		
Stock of land and buildings	**31,519**	**32,259**

Inventory properties with carrying value of Rs.1.2m (2024: Rs.0.8m) were disposed for consideration of Rs.3.1m (2024: Rs.1.6m) during the year, resulting in net gain of Rs 1.9m (2024: Rs.0.8m) recognised under other income.

There is no fixed or floating charges on the inventories of the Group.

8. Investments

(a) Securities

	The Group		The Bank	
	2025 Rs'000	2024 Rs'000	2025 Rs'000	2023 Rs'000
Fair value:				
Quoted investments	**324,808**	271,637	**324,808**	271,637
Unquoted investments	**233,350**	218,037	**233,350**	218,037
Total	**558,158**	**489,674**	**558,158**	**489,674**

8. Investments (Contd)

(a) Securities (Contd)

(i) Movement during the year:

	The Group		The Bank	
	2025	**2024**	**2025**	**2024**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At 01 July	**489,674**	457,016	**489,674**	457,016
Addition	**-**	25	**-**	25
Fair value gain on remeasurement	**78,088**	32,633	**78,088**	32,633
At 30 June	**567,762**	**489,674**	**567,762**	**489,674**

(ii) The market value of quoted investments is based on listed share prices on the Stock Exchange of Mauritius on 30 June 2025.

(iii) The fair values of the unquoted investments are based on a Net Asset Value basis after making allowance for market risks.

(iv) Both the listed and unquoted investments are classified as financial assets at fair value through other comprehensive income for the Group.

(v) Details of fair value hierarchy are shown under note 4.1.

(b) Investments in associates

The Group and the Bank	**2025**	**2024**
	Rs'000	**Rs'000**
At 01 July and at 30 June	-	-

(i) The associated companies are as follows:

	Reporting date	Nature of business	Country of incorporation	% holding
2025				
State Investment Finance Corporation Ltd	31 December	Insurance	Republic of Mauritius	20
SIC Fund Management Ltd	31 December	Investment	Republic of Mauritius	49
2024				
State Investment Finance Corporation Ltd	31 December	Insurance	Republic of Mauritius	20
SIC Fund Management Ltd	31 December	Investment	Republic of Mauritius	49

(ii) The above investments have been impaired and restricted to Rs Nil at Group and Company level. No financial summaries have been disclosed as they are dormant companies and considered immaterial.

8. Investments (Contd)

(c) Investments in subsidiaries

The Bank	2025 Rs'000	2024 Rs'000
At 01 July	**208,460**	203,460
Additions	**10,000**	5,000
At 30 June	**218,460**	208,460

(i) Details of the Bank's subsidiaries are as follows:

	Country of incorporation	Ordinary shares Direct % holding 2025	Ordinary shares Direct % holding 2024
DBM Financial Services Ltd	Republic of Mauritius	**100**	100
DBM Properties Development Ltd	Republic of Mauritius	**80**	80
DBM Venture Capital Fund Ltd	Republic of Mauritius	**100**	100
Rodrigues Business Park Development Co Ltd	Rodrigues	**50**	50
DBM Energy Ltd	Republic of Mauritius	**100**	100

(ii) The principal activities of the subsidiaries are as follows:

(a) DBM Financial Services Ltd recovers debts in respect of the ex-MCCB (in liquidation), provides finance lease facilities and factoring services to MSMEs.
(b) DBM Venture Capital Fund Ltd provides equity and quasi equity loans to small entrepreneurs.
(c) DBM Properties Development Ltd is engaged in the rental of properties.
(d) Rodrigues Business Park Development Co Ltd is engaged in investment properties.
(e) DBM Energy Ltd is engaged in the production of electricity from renewable sources.

Notes to the consolidated financial statements

For the year ended 30 June 2025

8. Investments (Contd)

(c) Investments in subsidiaries (Contd)

(iii) Summarised financial information on subsidiaries with material non-controlling interests.

	Current assets Rs'000	Non-current assets Rs'000	Current liabilities Rs'000	Non-current liabilities Rs'000	Revenue Rs'000	Profit/(loss) for the year Rs'000	Profit/(loss) allocated to non-controlling interests Rs'000	Dividend paid to non-controlling interests Rs'000	Accumulated non-controlling interests Rs'000
2025									
DBM Properties Development Ltd	**44,959**	**294,523**	**22,951**	**-**	**9,872**	**7,569**	**1,514**	**(125)**	**63,306**
Rodrigues Business Park Development Co Ltd	**74,289**	**222,603**	**170**	**299,000**	**-**	**(3,370)**	**(1,685)**	**-**	**2,666**
2024									
DBM Properties Development Ltd	39,907	289,550	19,624	247	10,415	24,338	4,868	(125)	61,917
Rodrigues Business Park Development Co Ltd	120,515	181,608	2,031	299,000	-	(3,806)	1,903	-	4,351

(iv) Summarised cash flow information:

	Operating activities Rs'000	Investing activities Rs'000	Financing activities Rs'000	Net (decrease)/ increase in cash and cash equivalents Rs'000
2025				
DBM Properties Development Ltd	**10,744**	**(6,012)**	**-**	**4,732**
Rodrigues Business Park Development Co Ltd	**(5,231)**	**(73,372)**	**(40,995)**	**(46,226)**
2024				
DBM Properties Development Ltd	3,194	(1,931)	(189)	1,074
Rodrigues Business Park Development Co Ltd	6,252	(73,372)	80,628	86,880

The above summarised financial information is before intra-group eliminations.

9. Intangible assets

	The Group		The Bank	
	2025	**2024**	**2025**	**2024**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Gross carrying amount				
At 01 July	**85,137**	114,163	**84,038**	113,324
Additions*	**357**	4,687	**167**	4,427
Disposal	**(341)**	-	**-**	-
Scrapped**	**-**	(33,713)	**-**	(33,713)
At 30 June	**85,153**	**85,137**	**84,205**	**84,038**
Amortisation				
At 01 July	**17,151**	39,929	**16,525**	39,411
Charge for the year	**8,580**	10,935	**8,459**	10,827
Disposal	(341)	-	**-**	-
Scrapped**	**-**	(33,713)	**-**	(33,713)
At 30 June	**25,390**	**17,151**	**24,984**	**16,525**
Carrying amount at 30 June	**59,762**	**67,986**	**59,221**	**67,513**

*The additions refer to cost incurred for the upgrade of the Core Banking System which has gone live in November 2022. The cost so far incurred for this project has been capitalised.

**The scrapped items relate to old softwares which have been decommissioned in 2024 upon the full deployment of the new Core Banking System.

Notes to the consolidated financial statements

For the year ended 30 June 2025

10. Property, plant and equipment

The Group	Land and buildings Rs'000	Improvement to building on leasehold land Rs'000	Asset under construction Rs'000	Energy-generating Equipment Rs'001	Furniture, fittings and equipment Rs'000	Motor vehicles Rs'000	Computer equipment Rs'000	Integrated banking system Rs'000	Total Rs'000
Cost or valuation									
At 01 July 2024	**402,737**	**15,316**	**132,660**	**-**	**69,498**	**4,226**	**73,049**	**34,535**	**732,021**
Additions	**1,449**	**698**	**186,881**	**-**	**5,214**	**-**	**756**	**-**	**194,998**
Disposal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to Energy-generating Equipment	**-**	**-**	**(83,079)**	**83,079**	**-**	**-**	**-**	**-**	**-**
At 30 June 2025	**404,186**	**16,014**	**236,463**	**83,079**	**74,712**	**4,226**	**73,805**	**34,535**	**927,019**
Accumulated depreciation									
At 01 July 2024	**4,857**	**2,615**	**-**	**-**	**57,210**	**647**	**62,127**	**30,890**	**158,346**
Charge for the year	**4,886**	**276**	**-**	**3,532**	**2,823**	**845**	**2,477**	**858**	**15,697**
Disposal adjustment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 30 June 2025	**9,743**	**2,891**	**-**	**3,532**	**60,033**	**1,492**	**64,604**	**31,748**	**174,043**
Carrying amount									
At 30 June 2025	**394,443**	**13,123**	**236,463**	**79,547**	**14,679**	**2,734**	**9,201**	**2,787**	**752,976**

Notes to the consolidated financial statements

For the year ended 30 June 2025

10. Property, plant and equipment (Contd)

The Group	Land and buildings Rs'000	Improvement to building on leasehold land Rs'000	Asset under construction Rs'000	Furniture, fittings and equipment Rs'000	Motor vehicles Rs'000	Computer equipment Rs'000	Integrated banking system Rs'000	Total Rs'000
Cost or valuation								
At 01 July 2023	510,973	8,648	9,554	62,699	6,940	72,262	33,261	704,337
Additions	-	6,668	123,106	6,893	2,724	787	1,274	141,452
Disposal	-	-	-	(94)	(5,438)	-	-	(5,532)
Transfer to Investment Property	-		-					-
Revaluation adjustment	(108,236)	-	-	-	-	-	-	(108,236)
At 30 June 2024	**402,737**	**15,316**	**132,660**	**69,498**	**4,226**	**73,049**	**34,535**	**732,021**
Accumulated depreciation								
At 01 July 2023	-	2,353	-	55,599	5,335	59,667	30,032	152,986
Charge for the year	4,857	262	-	1,750	506	2,460	858	10,693
Disposal adjustment	-	-	-	(139)	(5,194)	-	-	(5,333)
Revaluation adjustment	-	-	-	-	-	-	-	-
At 30 June 2024	**4,857**	**2,615**	**-**	**57,210**	**647**	**62,127**	**30,890**	**158,346**
Carrying amount								
At 30 June 2024	**397,880**	**12,701**	**132,660**	**12,288**	**3,579**	**10,922**	**3,645**	**573,675**

Notes to the consolidated financial statements

For the year ended 30 June 2025

10. Property, plant and equipment (Contd)

The Bank	Land and buildings Rs'000	Improvement to building on leasehold land Rs'000	Furniture, fittings and equipment Rs'000	Motor vehicles Rs'000	Computer equipment Rs'000	Integrated banking system Rs'000	Total Rs'000
Cost or valuation							
At 01 July 2024	**402,737**	**15,316**	**57,445**	**4,226**	**73,049**	**34,535**	**587,308**
Additions	**1,448**	**698**	**2,955**	**-**	**756**	**-**	**5,857**
At 30 June 2025	**404,185**	**16,014**	**60,400**	**4,226**	**73,805**	**34,535**	**593,165**
Accumulated depreciation							
At 01 July 2024	**4,857**	**2,615**	**48,833**	**647**	**62,127**	**30,890**	**149,969**
Charge for the year	**4,886**	**279**	**1,698**	**845**	**2,473**	**858**	**11,039**
At 30 June 2025	**9,743**	**2,894**	**50,531**	**1,492**	**64,600**	**31,748**	**161,008**
Carrying amount							
At 30 June 2025	**394,442**	**13,120**	**9,869**	**2,734**	**9,205**	**2,787**	**432,157**

Notes to the consolidated financial statements

For the year ended 30 June 2025

10. Property, plant and equipment (Contd)

The Bank	Land and buildings Rs'000	Improvement to building on leasehold land Rs'000	Furniture, fittings and equipment Rs'000	Motor vehicles Rs'000	Computer equipment Rs'000	Integrated banking system Rs'000	Total Rs'000
Cost or valuation							
At 01 July 2023	402,737	8,648	52,577	6,940	72,262	33,261	576,425
Additions	-	6,668	4,962	2,724	787	1,274	16,415
Disposals	-	-	(94)	(5,438)	-	-	(5,532)
Transfer to Investment property	-	-	-	-	-	-	-
Revaluation adjustment	-	-	-	-	-	-	-
At 30 June 2024	402,737	15,316	57,445	4,226	73,049	34,535	587,308
Accumulated depreciation							
At 01 July 2023	-	2,353	47,799	5,335	59,667	30,032	145,186
Disposals	-	-	(139)	(5,194)	-	-	(5,333)
Charge for the year	4,857	262	1,173	506	2,460	858	10,116
Revaluation adjustment	-	-	-	-	-	-	-
At 30 June 2024	4,857	2,615	48,833	647	62,127	30,890	149,969
Carrying amount							
At 30 June 2024	397,880	12,701	8,612	3,579	10,922	3,645	437,339

(a) The Group's and the Company's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses.

All freehold land and buildings were revalued on 30 June 2023 by Professional Valuers Co Ltd, Chartered Valuation Surveyors, on an open market value basis based on Sales Comparison Approaches for land taking into account recent transactions and Depreciated Replacement Cost for buildings. It is the policy of the Group to revalue its land and buildings every five years. The Board consider that the fair value of land and buildings at 30 June 2025 was not materially different from the fair value as at 30 June 2023.

Notes to the consolidated financial statements

For the year ended 30 June 2025

10. Property, plant and equipment (Contd)

(b) Details of the Group's and the Company's freehold land and buildings measured at fair value and information about the fair value hierarchy as at 30 June are as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	Rs'000	Rs'000	Rs'000	Rs'000
	Level 3	Level 3	Level 3	Level 3
Freehold land	159,900	159,900	159,900	159,900
Buildings	244,286	242,837	234,542	237,980
Carrying amount	404,186	402,737	394,442	397,880

A reconciliation of PPE classified within Level 3 is shown under note 4.3.
The Sales Comparison Approach estimates the value of a property by comparing it to similar properties recently sold on the open market with the estimated price per arpents being the significant unobservable input. For the purpose of this valuation, the Sales Comparison Approach has been used for the freehold land element and the Depreciated Replacement Cost Approach has been used for the building and structures standing thereon with the estimated cost price per square feet being the significant unobservable input.

The Depreciated Replacement Cost Approach estimates the value by computing the current cost of replacing a property and subtracting any depreciation resulting from one or more of the following factors: physical deterioration, functional obsolescence and external (or economic) obsolescence. The value of the land, as though it were vacant and available, is then added to the depreciated value of the premises in order to produce a total value estimate.

10. Property, plant and equipment (Contd)

(c) A quantitative sensitivity analysis is shown below for the land on price per arpents and for buildings on price per square feet which are the unobservable inputs that management consider to be most significant.

Price per Arpents

Increase of 5% in price per Arpents would increase fair value gain by MUR 8m for both the Group and the Bank.

Decrease of 5% in price per Arpents would decrease fair value gain by MUR 8m for both the Group and the Bank.

Price per square feet

Increase of 5% in price per square feet would increase fair value gain by MUR 12.2m and MUR 11.7m for both the Group and the Bank respectively.

Decrease of 5% in price per square feet would decrease fair value gain by MUR 12.2m and MUR 11.7m for both the Group and the Bank respectively.

(d) Depreciation charge has been booked in operating expenses as follows:

	The Group		The Bank	
	2025 Rs'000	**2024 Rs'000**	**2025 Rs'000**	**2024 Rs'000**
Operating expenses	**15,697**	10,693	**11,039**	10,116

11. Other assets

	The Group		The Bank	
	2025	**2024**	**2025**	**2024**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Rental income receivable - gross	**312,214**	268,733	**303,168**	265,436
Expected credit losses (Note (i))	**(286,126)**	(250,460)	**(283,932)**	(248,406)
Rental income receivable – net	**26,088**	18,273	**19,236**	17,030
Net investment in finance lease (Note (iii))	**868,490**	474,474	**-**	-
Other receivables	**71,252**	74,226	**34,676**	41,395
Advance towards investment	**25,000**	25,000	**25,000**	25,000
Prepayments	**5,036**	5,319	**5,036**	5,319
Due from subsidiaries	**-**	-	**862,235**	511,157
	995,865	**597,292**	**946,182**	**599,901**

(i) The Group's and the Bank's rental income receivable has been reviewed for indicators of impairment in accordance with IFRS 9 and expected credit losses of **Rs 286.1M** (2024: Rs 250.5M), and of **Rs 283.9M** (2024: Rs 248.4M) respectively for the Group's and the Bank's have been recognised as at year end.

The movement in the allowance for credit losses is presented below:

	The Group		The Bank	
	2025	**2024**	**2025**	**2024**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At 01 July	**250,460**	239,846	**248,406**	237,792
Expected credit losses for the year (Note 27)	**35,666**	10,614	**35,526**	10,614
At 30 June	**286,126**	**250,460**	**283,932**	**248,406**

Notes to the consolidated financial statements

For the year ended 30 June 2025

11. Other assets (Contd)

The Group

(ii) At 30 June 2025, the carrying value of rent receivable is analysed as follows:

	ECL Rate	Estimated total gross carrying amount	Less ECL Allowance	Rent receivable net of ECL
	%	Rs'000	Rs'000	Rs'000
Number of days carrying value of rent receivables have been past due				
- 0 to 30 days	**0**	**3,524**	**(17)**	**3,507**
- 30 to 60 days	**1**	**1,827**	**(18)**	**1,809**
- 60 to 90 days	**2**	**1,346**	**(30)**	**1,316**
- 90 to 120 days	**4**	**2,517**	**(106)**	**2,411**
- 120 to 150 days	**9**	**1,125**	**(96)**	**1,029**
- 150 to 180 days	**13**	**1,030**	**(132)**	**898**
- 180 to 210 days	**53**	**3,277**	**(1,747)**	**1,530**
- 210 to 240 days	**90**	**1,518**	**(1,368)**	**150**
- 240 to 270 days	**81**	**429**	**(345)**	**84**
- 270 to 300 days	**87**	**3,879**	**(3,364)**	**515**
- 300 to 330 days	**62**	**4,093**	**(2,548)**	**1,545**
- 330 to 360 days	**90**	**1,687**	**(1,515)**	**172**
- More than 360 days	**96**	**285,962**	**(274,840)**	**11,122**
Carrying value of rent receivable net of ECL		**312,214**	**(286,126)**	**26,088**

At 30 June 2024, the carrying value of rent receivable is analysed as follows:

	ECL Rate	Estimated total gross carrying amount	Less ECL Allowance	Rent receivable net of ECL
	%	Rs'000	Rs'000	Rs'000
Number of days carrying value of rent receivables have been past due				
- 0 to 30 days	6	2,582	(148)	2,434
- 30 to 60 days	6	1,925	(121)	1,804
- 60 to 90 days	8	4,041	(311)	3,730
- 90 to 120 days	9	2,879	(256)	2,623
- 120 to 150 days	13	3,802	(477)	3,325
- 150 to 180 days	17	2,201	(381)	1,820
- 180 to 210 days	55	2,850	(1,556)	1,294
- 210 to 240 days	84	7,792	(6,549)	1,243
- 240 to 270 days	100	6,189	(6,189)	-
- 270 to 300 days	100	4,070	(4,070)	-
- 300 to 330 days	100	3,138	(3,138)	-
- 330 to 360 days	100	7,722	(7,722)	-
- More than 360 days	100	219,542	(219,542)	-
Carrying value of rent receivable net of ECL		**268,733**	**(250,460)**	**18,273**

Notes to the consolidated financial statements

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11. Other assets (Contd)

The Bank

(ii) At 30 June 2025, the carrying value of rent receivable is analysed as follows:

	ECL Rate	Estimated total gross carrying amount	Less ECL Allowance	Rent receivable net of ECL
	%	Rs'000	Rs'000	Rs'000
Number of days carrying value of rent receivables have been past du				
- 0 to 30 days	**0**	**3,524**	**(17)**	**3,507**
- 30 to 60 days	**1**	**1,827**	**(18)**	**1,809**
- 60 to 90 days	**2**	**1,346**	**(30)**	**1,316**
- 90 to 120 days	**4**	**2,517**	**(106)**	**2,411**
- 120 to 150 days	**9**	**1,125**	**(96)**	**1,029**
- 150 to 180 days	**13**	**1,030**	**(132)**	**898**
- 180 to 210 days	**53**	**3,277**	**(1,747)**	**1,530**
- 210 to 240 days	**90**	**1,518**	**(1,368)**	**150**
- 240 to 270 days	**81**	**429**	**(345)**	**84**
- 270 to 300 days	**87**	**3,879**	**(3,364)**	**515**
- 300 to 330 days	**62**	**4,093**	**(2,548)**	**1,545**
- 330 to 360 days	**90**	**1,686**	**(1,515)**	**171**
- More than 360 days	**98**	**276,918**	**(272,646)**	**4,272**
Carrying value of rent receivable net of ECL		**303,168**	**(283,932)**	**19,236**

At 30 June 2024, the carrying value of rent receivable is analysed as follows:

	ECL Rate	Estimated total gross carrying amount	Less ECL Allowance	Rent receivable net of ECL
	%	Rs'000	Rs'000	Rs'000
Number of days carrying value of rent receivables have been past du				
- 0 to 30 days	6	2,582	(148)	2,434
- 30 to 60 days	6	1,925	(121)	1,804
- 60 to 90 days	8	4,041	(311)	3,730
- 90 to 120 days	9	2,879	(256)	2,623
- 120 to 150 days	13	3,802	(477)	3,325
- 150 to 180 days	17	2,201	(381)	1,820
- 180 to 210 days	55	2,850	(1,556)	1,294
- 210 to 240 days	100	4,496	(4,496)	-
- 240 to 270 days	100	6,189	(6,189)	-
- 270 to 300 days	100	4,070	(4,070)	-
- 300 to 330 days	100	3,138	(3,138)	-
- 330 to 360 days	100	7,723	(7,723)	-
- More than 360 days	100	219,542	(219,542)	-
Carrying value of rent receivable net of ECL		**265,436**	**(248,406)**	**17,030**

Notes to the consolidated financial statements

For the year ended 30 June 2025

11. Other assets (Contd)

(iii) Net investment in finance lease

The Group	2025 Rs'000	2024 Rs'000
Movement during the year:		
At 01 July	**474,474**	214,911
Leases granted during the year	**570,096**	340,996
Capital repayment during the year	**(174,072)**	(80,856)
At 30 June	**870,498**	475,051
Allowance for credit impairment (Note (f) below)	**(2,008)**	(577)
Net investment in finance lease	**868,490**	**474,474**
Analysed as follows:		
Non-current:		
Later than 1 year and not later than 5 years	**645,299**	160,010
Later than 5 years	**10,629**	177,018
Total non-current	**655,928**	**337,028**
Current:		
Not later than 1 year	**212,562**	137,446
	868,490	**474,474**

(a) Before granting lease to clients, the Group has an appraisal process to assess the potential client's credit quality and reliability. Upon satisfactory appraisal and submission of all necessary documents, the lease is granted. The Group enters into finance lease arrangements for inter-alia motor vehicles, industrial equipment and machinery for an average term of 5 to 8 years. Finance leases are secured by the assets under lease.

(b) The average credit period for lease receivable is 180 days.

(c) Ageing analysis:

	2025 Rs'000	2024 Rs'000
Up to 3 months	**58,943**	132,662
Over 3 months and up to 6 months	**52,316**	2,374
Over 6 months and up to 12 months	**103,310**	2,986
Over 1 year and up to 5 years	**645,299**	160,010
Over 5 years	**10,630**	177,019
	870,498	**475,051**

The maximum exposure to credit risk of net investment in finance lease for the current year is the carrying amount reported at 30 June 2025.

(d) The interest rate inherent in the finance lease is fixed at the contract date for the entire lease term. The average effective interest rate contracted is 6.95% per annum with interest rate ranging from 6% to 9%.

(e) The lease receivables for the year ended 30 June 2025 are collateralised by the value of assets to the extent of Rs 1,57Bn(2024: Rs 881M).

11. Other assets (Contd)

(f) Analysis of the gross carrying amount and corresponding ECL allowance as at 30 June 2025 is as follows:

30-Jun-25	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount	**739,443**	**99,897**	**31,158**	**870,498**
Impairment losses	**(17)**	**(81)**	**(1,910)**	**(2,008)**
	739,426	**99,816**	**29,248**	**868,490**
30-Jun-24				
Gross carrying amount	467,648	3,250	4,153	475,051
Impairment losses	-	-	(577)	(577)
	467,648	**3,250**	**3,576**	**474,474**

(i) Other receivables include amount due from third parties which are short term in nature.

(ii) The amounts receivable from the subsidiaries are unsecured, interest-free and receivable on demand.

12. Cash and cash equivalents

	The Group		The Bank	
	2025	2024	2025	2024
	Rs'000	Rs'000	Rs'000	Rs'000
Short term deposits with banks	**1,090,560**	124,989	**124,982**	124,989
Cash in hand and at bank	**124,981**	1,136,416	**989,322**	998,919
	1,215,541	**1,261,405**	**1,114,304**	**1,123,908**

13. Right-of-use assets

	The Group		The Bank	
	2025 Rs'000	2024 Rs'000	2025 Rs'000	2024 Rs'000
Cost				
At 01 July	**276,829**	276,829	**276,829**	276,829
Additions	**3,208**	-	**3,208**	-
Effects of derecognition	**(6,693)**	-	**(6,693)**	-
At 30 June	**273,344**	**276,829**	**273,344**	**276,829**
Depreciation				
At 01 July	**25,359**	17,698	**25,359**	17,698
Charge for the year	**7,630**	7,661	**7,630**	7,661
Effect of derecognition	**(6,693)**	-	**(6,693)**	-
At 30 June	**26,296**	**25,359**	**26,296**	**25,359**
Net book value	**247,048**	**251,470**	**247,048**	**251,470**

Right-of-use assets represent leasehold land and buildings held under operating leases accounted for under IFRS 16. Refer to Note 19 for details on lease liabilities.

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For the year ended 30 June 2025

14. Non-current assets held for sale

The Group

(a) Non-current assets classified as held for sale include properties recovered from debtors of ex-MCCB Ltd (in liquidation), following legal actions taken. These properties have been classified as held for sale in accordance with *IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations* . The non-current assets held for sale have been stated at their fair values at the reporting date.

(b) Details of non-current assets classified as held for sale are as follows:

	2025 Rs'000	2024 Rs'000
Assets directly associated with non-current assets classified as held for sale	**3,500**	3,500

	2025 Rs'000	2024 Rs'000
Non-controlling interests	**-**	-
Trade and other payables	**-**	-
	-	**-**

The Bank

	2025 Rs'000	2024 Rs'000
At 01 July and at 30 June	**-**	-

15. Stated capital

The Group and the Bank	2025 Rs'000	2024 Rs'000
5,049,000 shares of Rs 100 each	**504,900**	504,900
	504,900	504,900

The share confers to its holder the following rights:

(i) the right to vote on poll for every share held at a meeting of the Bank on any resolution;

(ii) the right to an equal share in dividends authorised by the Board; and

(iii) the right to an equal share in the distribution of the surplus assets of the Bank, on winding up.

16. Deposits from customers

	The Group		The Bank	
	2025 Rs'000	2024 Rs'000	2025 Rs'000	2024 Rs'000
Personal, business and government				
Savings and demand deposits	**702,029**	411,584	**734,601**	434,084
Deposit on rental income	**14,413**	13,770	**14,413**	13,770
Time deposits with remaining maturity:				
- Up to 3 months	**421,440**	420,500	**421,440**	420,500
- Over 3 months and up to 6 months	**690**	1,000	**690**	1,000
- Over 6 months and up to 12 months	**150,575**	205,795	**150,575**	205,795
	1,289,147	**1,052,649**	**1,321,719**	**1,075,149**
Time deposits with remaining maturity:				
- Over 1 year and up to 5 years	**5,200**	155,700	**5,200**	155,700
- Over 5 years	**-**	-	**-**	-
	5,200	**155,700**	**5,200**	**155,700**
Interest payable to depositors	**14,955**	15,958	**14,955**	15,958
	1,309,302	**1,224,307**	**1,341,874**	**1,246,807**

17. Borrowings

	The Group		The Bank	
	2025 Rs'000	2024 Rs'000	2025 Rs'000	2024 Rs'000
Government loans (Note (i))	**830,458**	867,070	**531,458**	568,070
Other loans (Notes (ii))	**5,201,288**	5,078,571	**5,201,288**	5,078,571
Total	**6,031,746**	**5,945,641**	**5,732,746**	**5,646,641**

Notes to the consolidated financial statements

For the year ended 30 June 2025

17. Borrowings (Contd)

(i) The government loans bear interest ranging between 0% to 5% and repayable by June 2049. Interest expense amounted to Rs 11.9M at 30 June 2025 (2024: Rs 10.1M) for the Bank and Rs14.1M at 30 June 2025 (2024: Rs11.8M) for the Group. These loans are guaranteed by the Government of Mauritius.

(ii) The Bank contracted loans amounting to Rs 5.9Bn (2024: Rs 5.5Bn) from the Bank of Mauritius in order to implement the Government Wage Assistance Scheme, the COVID-19 Scheme and the Government budgetary measures. The loans bear interest at the rate of 0.5% and 1.35% per annum and are repayable over 3 to 19 years. These loans are guaranteed by the Government of Mauritius.

(iii) Breakdown of borrowings based on repayment period is as follows:

	The Group		The Bank	
	2025	2024	2025	2024
Repayable as follows:	Rs'000	Rs'000	Rs'000	Rs'000
Current:				
Within one year	**511,826**	374,950	**511,826**	374,950
Non-current:				
After one year and before two years	**553,247**	1,112,994	**553,247**	450,509
After two years and before three years	**597,369**	553,247	**597,369**	553,247
After three years and before five years	**1,467,248**	1,267,479	**1,467,248**	1,267,479
After five years	**2,902,056**	2,636,971	**2,603,056**	3,000,456
	5,519,920	**5,570,691**	**5,220,920**	**5,271,691**
Total	**6,031,746**	**5,945,641**	**5,732,746**	**5,646,641**

18. Retirement benefit obligations

The Group and the Bank	2025	2024
	Rs'000	Rs'000
Amount recognised in the consolidated statement of financial position:		
- Defined pension benefits (Note (a))	**879,362**	912,949
- Other long-term benefits (Note (b))	**106,114**	104,463
	985,476	**1,017,412**
Analysed as follows:		
Non-current liabilities	**985,476**	**1,017,412**

18. Retirement benefit obligations (Contd)

The Group and the Bank	**2025**	**2024**
	Rs'000	**Rs'000**
Amount charged to profit or loss:		
- Defined pension benefits (Note (a)(v))	**57,905**	52,848
- Other post-retirement benefits (Note (b)(i))	**6,100**	20,170
	64,005	**73,018**
Amount credited to other comprehensive income:		
- Defined pension benefits (Note (a)(vi))	**52,722**	**(156,961)**

(a) Defined pension benefits

The plan is a defined arrangement for the employees and it is funded. The assets of the funded plan are held independently and administered by the State Insurance Company of Mauritius Ltd.

The Group contributes to a defined benefit pension. The plan is a final salary plan, which provides benefits to members in the form of pension at retirement and a benefit on death or disablement in service before retirement.

The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

(i) The amounts recognised in the consolidated statement of financial position are as follows:

The Group and the Bank	**2025**	**2024**
	Rs'000	**Rs'000**
Present value of funded obligations	**1,236,077**	1,264,579
Fair value of plan assets	**(356,715)**	(351,630)
Liability in the statement of financial position	**879,362**	**912,949**

(ii) The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:

The Group and the Bank	**2025**	**2024**
	Rs'000	**Rs'000**
At 01 July	**912,949**	740,449
Charged to profit and loss	**57,905**	52,848
Debited to other comprehensive income	**(52,722)**	156,961
Contributions paid	**(13,770)**	(12,309)
Special contribution	**(25,000)**	(25,000)
At 30 June	**879,362**	**912,949**

Notes to the consolidated financial statements

For the year ended 30 June 2025

18. Retirement benefit obligations (Contd)

(a) Defined pension benefits (Contd)

(iii) The movement in the defined benefit obligations over the year is as follows:

The Group and the Bank	2025 Rs'000	2024 Rs'000
At 01 July	**1,264,579**	1,075,012
Current service costs	**13,557**	15,677
Interest cost	**69,267**	62,055
Liability loss	**(55,982)**	165,404
Benefits paid	**(55,344)**	(53,569)
At 30 June	**1,236,077**	**1,264,579**

(iv) The movement in the fair value of plan assets of the year is as follows:

The Group and the Bank	2025 Rs'000	2024 Rs'000
At 01 July	**351,630**	334,563
Expected return on plan assets	**19,382**	19,485
Employer contributions	**13,770**	12,309
Employee contributions	**5,901**	5,929
Special contributions	**25,000**	25,000
Benefits paid and other outgoing	**(55,708)**	(54,099)
Asset (loss)/gain	**(3,260)**	8,443
At 30 June	**356,715**	**351,630**

(v) The amounts recognised in profit and loss are as follows:

The Group and the Bank	2025 Rs'000	2024 Rs'000
Current service cost	**13,557**	15,677
Fund expenses	**364**	530
Net expense	**49,885**	42,570
Employee contributions	**(5,901)**	(5,929)
Total included in employee benefit expense (Note 25(a))	**57,905**	**52,848**
Actual return on plan assets	**16,122**	**27,928**

(vi) The amounts recognised in other comprehensive income are as follows:

The Group and the Bank	2025 Rs'000	2024 Rs'000
Remeasurement on the net defined benefit liability:		
Asset experience loss/(gain)	**3,260**	(8,443)
Liability experience loss	**-55,982**	165,404
Actuarial losses	**-52,722**	**156,961**

Notes to the consolidated financial statements

For the year ended 30 June 2025

18. Retirement benefit obligations (Contd)

(a) Defined pension benefits (Contd)

(vii) The fair value of the plan assets at the end of the reporting period for each category, are as follows:

The Group and the Bank	2025	2024
	%	%
Government securities and cash	**47.7**	49.9
Loans	**3.1**	3.1
Local equities	**16.8**	15.2
Overseas bonds and equities	**31.9**	31.3
Property	**0.5**	0.5
Total	**100**	**100**

(viii) The cost of providing the benefits is determined using the Projected Unit Method. The principal actuarial assumptions used for accounting purposes were:

The Group and the Bank	2025	2024
	%	%
Discount rate	**6.00**	5.60
Future salary growth rate	**4.50**	4.50
Future pension growth rate	**3.50**	3.50

(ix) Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase, expected pension growth and mortality. The sensitivity analysis below has been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period for the Group and the Bank:

	Increase	Decrease
2025	**Rs**	**Rs**
Discount rate - 1% lower/higher	**172.1m**	**140.9M**
Expected salary growth - 1% increase/decrease	**54.5M**	**48.9M**
Expected pension growth – 1% increase/decrease	**108.7M**	**94.5M**
Life expectancy – 1% increase/decrease	**37.1M**	**37M**

	Increase	Decrease
2024	**Rs**	**Rs**
Discount rate - 1% lower/higher	188.1M	152.7M
Expected salary growth - 1% increase/decrease	61.7M	55.1M
Expected pension growth – 1% increase/decrease	115.8M	100.3M
Life expectancy – 1% increase/decrease	39.1M	38.9M

Notes to the consolidated financial statements

For the year ended 30 June 2025

18. Retirement benefit obligations (Contd)

(a) Defined pension benefits (Contd)

In reality, one might expect inter-relationships between the assumptions, especially between discount rate and expected salary increase, given that both depend to a certain extent on expected inflation rates. The analysis above abstracts from these interdependences between the assumptions.

The sensitivity above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligations has been calculated using the projected unit credit method.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(x) The plan is exposed to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk. The risk relating to death in service benefits is re-insured.

Investment risk

The plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity risk

The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk

The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the plan liability.

(xi) The funding policy is to pay contributions to an external legal entity at the rate recommended by the Group's actuaries.

(xii) The expected employer contribution for 2025-2026 is Rs 13.1M.

(xiii) The weighted average duration of the defined benefit obligation is 13 years.

Notes to the consolidated financial statements

For the year ended 30 June 2025

18. Retirement benefit obligations (Contd)

(b) Other post-retirement benefits

Other long-term benefits comprise provision for passage benefits and refund of sick and vacation leaves.

(i) The amounts recognised in the statement of profit or loss and other comprehensive income are as follows:

	2025	2024
	Rs'000	Rs'000
Amount included in staff costs (Note 25(a))	**6,100**	20,170

(ii) Movement in the liability recognised in the statement of financial position:

	2025	2024
	Rs'000	Rs'000
At 01 July	**104,463**	87,985
Paid during the year	**(4,449)**	(3,692)
Total expense as above	**6,100**	20,170
At 30 June	**106,114**	**104,463**

Notes to the consolidated financial statements

For the year ended 30 June 2025

19. Lease liabilities

(a) Summary of the leasing arrangement

The Bank's lease liabilities consist of operating lease for rental of buildings and plots of land.

The Group has recognised 16 leases for rental of the above-mentioned assets as finance leases as the contractual terms of these leases meet the definition of finance leases under IFRS 16 "Leases".

(b) The remaining period of the lease contracts varies from 1 to 57 years as at 30 June 2025.

The Group and the Bank	**2025 Rs'000**	**2024 Rs'000**
Non-current	**279,986**	278,066
Current	**938**	626
Total lease liabilities	**280,924**	**278,692**

The Group	**2025 Rs'000**	**2024 Rs'000**
At 01 July	**278,692**	279,109
Additions	**3,208**	-
Payments made during the year	**(10,729)**	(10,145)
Interest accrued during the year	**9,753**	9,728
At 30 June	**280,924**	**278,692**

The Bank	**2025 Rs'000**	**2024 Rs'000**
At 01 July	**278,692**	279,109
Additions	**3,208**	-
Payments made during the year	**(10,729)**	(10,145)
Interest accrued during the year	**9,753**	9,728
At 30 June	**280,924**	**278,692**

19. Lease liabilities (Contd)

(c) Future minimum lease payments at 30 June 2025 were as follows:

The Group	**Within 1 year**	**More than 1 year**	**Total**
2025	**Rs'000**	**Rs'000**	**Rs'000**
Lease payments	**10,665**	**713,357**	**724,022**
Finance charges	**(9,727)**	**(433,371)**	**(443,098)**
Net present values	**938**	**279,986**	**280,924**

The Group	**Within 1 year**	**More than 1 year**	**Total**
2024	**Rs'000**	**Rs'000**	**Rs'000**
Lease payments	10,326	720,974	731,300
Finance charges	(9,700)	(442,908)	(452,608)
Net present values	626	278,066	278,692

The Bank	**Within 1 year**	**More than 1 year**	**Total**
2025	**Rs'000**	**Rs'000**	**Rs'000**
Lease payments	**10,665**	**713,357**	**724,022**
Finance charges	**(9,727)**	**(433,371)**	**(443,098)**
Net present values	**938**	**279,986**	**280,924**

The Bank	**Within 1 year**	**More than 1 year**	**Total**
2024	**Rs'000**	**Rs'000**	**Rs'000**
Lease payments	10,326	720,974	731,300
Finance charges	(9,700)	(442,908)	(452,608)
Net present values	626	278,066	278,692

20(a). Deferred grant income

	The Group		**The Bank**	
	2025	**2024**	**2025**	**2024**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At 01 July	**89,097**	-	-	-
Government assistance received	**192,172**	**89,097**	-	-
Assistance recognised as income (Note 24)	**(3,074)**	-	-	-
At 30 June	**278,196**	**89,097**	-	-

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants. It relates to the installation of photovoltaic panels on the rooftop of DBM buildings and those of Government-owned entities.

Notes to the consolidated financial statements

For the year ended 30 June 2025

20(b) Trade and other payables (Contd)

	The Group		The Bank	
	2025	2024	2025	2024
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables	**201,994**	214,708	**201,994**	214,708
Accruals	**21,969**	21,832	**17,682**	19,681
Other payables	**113,235**	75,459	**93,524**	69,387
Advance from customers	**6,616**	3,500	**3,116**	-
Payables and accruals	**343,814**	315,499	**316,316**	303,776

(i) Payables include deposits received for space reservation of properties, unprocessed credit advices and accruals in the normal course of business.

(ii) The Group has financial risk management policies to ensure that all payables are paid within the credit timeframe.

21. Income tax

The Bank

The Bank is liable to income tax at the rate of 15% and as at 30 June 2025 it had an income tax recoverable of Rs 3.4M (2024: tax recoverable of Rs 3.7M).

The income tax liability is calculated according to the tax rate and tax laws applicable to the fiscal period which it relates, based on the taxable profit for the year.

CSR
Contribution to the CSR Fund is at a rate of 2% on the 'chargeable income' of the preceding financial year.

CCR
The government has also recently introduced a new levy called Corporate Climate Responsibility Levy (CCR) of 2% on chargeable income of all companies having a turnover exceeding MUR 50 million.

The Group

All the subsidiaries are incorporated in the Republic of Mauritius are liable to income tax at the rate of 15%. As at

30 June 2025, the Group had an aggregate tax liability of Rs 6M (2024: tax recoverable of Rs 3.7M).

The Bank and its subsidiaries are also subject to the Advanced Payment Scheme ("APS") whereby they are required to submit an APS Statement and pay tax quarterly on the basis of either last year's income or the income for the current quarter.

21.1 Statement of comprehensive income

	The Group		The Bank	
	2025	2024	2025	2024
	Rs'000	Rs'000	Rs'000	Rs'000
Income tax on the adjusted profit	**24,938**	28,608	**18,165**	26,853
CSR	**3,275**	4,118	**2,422**	3,661
CCR	**6,858**		**6,085**	
Movement on deferred taxation (note 21.4)	**(142,258)**	(18,679)	**(141,754)**	(2,946)
Tax (over)/underprovided	**(171)**	-	**-**	-
Adjustment for TDS	**-**	-	**-**	-
Tax expense/ (credit)	**(107,358)**	**14,047**	**(115,082)**	**27,568**

Notes to the consolidated financial statements

For the year ended 30 June 2025

21. Income tax (Contd)

21.2 Statement of financial position

	The Group		The Bank	
	2025	2024	2025	2024
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July	**(3,666)**	(10,359)	**(3,690)**	(10,980)
Tax paid	**(37,982)**	(19,270)	**(36,355)**	(17,092)
Tax refunded	**14,119**	-	**13,742**	-
Tax charge for the year	**24,938**	28,608	**18,165**	26,853
Tax (over)/underprovided in prior year	**(171)**	-	**-**	-
CSR	**3,275**	4,118	**2,422**	3,661
CCR	**6,858**	-	**6,085**	-
TDS witheld during the year	**(6,882)**	(6,763)	**(6,374)**	(6,132)
Tax liability/ (asset)	**488**	**(3,666)**	**(6,005)**	**(3,690)**

	The Group		The Bank	
	2025	2024	2025	2024
	Rs'000	Rs'000	Rs'000	Rs'000
Tax asset	**(6,522)**	(4,020)	**(6,005)**	(13,742)
Tax liability	**7,010**	354	-	10,052
Tax liability/ (asset)	**488**	**(3,666)**	**(6,005)**	**(3,690)**

21.3 Income tax reconciliation

The tax on the Group's and the Bank's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	Rs'000	Rs'000	Rs'000	Rs'000
(Loss)/Profit before tax	**(345,293)**	57,768	**(387,725)**	39,086
Tax at 15 %	**(51,794)**	8,665	**(58,159)**	5,863
Non-allowable items	**91,745**	35,686	**91,336**	34,910
Exempt income	**(15,013)**	(14,121)	**(15,013)**	(13,309)
Movement on deferred taxation (note 21.4)	**(142,258)**	(18,679)	**(141,754)**	(2,946)
Tax (over)/underprovided in prior year	**(171)**	-	-	-
CSR	**3,275**	4,118	**2,422**	3,661
less CSR paid through donations	**-**	(611)	**-**	(611)
CCR	**6,858**		**6,085**	-
Tax loss utilized	**-**	(1,011)	**-**	-
Tax expense	**(107,358)**	**14,047**	**(115,082)**	**27,568**

21. Income tax (Contd)

21.4 Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 19% (2024: 17%.)

(a) The following amounts are shown in the statements of financial position:

	The Group		The Bank	
	2025	**2024**	**2025**	**2024**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Deferred tax assets	**708,222**	529,290	**660,980**	529,243
Deferred tax liabilities	**(46,939)**	(247)	-	-
Net deferred tax assets	**661,283**	529,043	**660,980**	529,243

(b) The movement on the deferred income tax account is as follows:

	The Group		The Bank	
	2025	**2024**	**2025**	**2024**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At July 01,	**529,043**	483,681	**529,243**	499,614
(Debit)/Credit to profit or loss (note 21.4(c))	**142,257**	18,679	**141,754**	2,946
Credit to other comprehensive income (note 21.4(c))	**(10,017)**	26,683	**(10,017)**	26,683
At June 30,	**661,283**	529,043	**660,980**	529,243

The deferred tax liability is related to accelerated tax depreciation, timing differences in recognition of expected credit losses and recognition of right of use assets under leases.

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

(c) Analysis of components of deferred tax:

The Group	At July 01, 2024	(charged)/ credited to profit or loss	Credited to other comprehensive income or loss	At June 30, 2025
2025	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Accelerated tax depreciation	**13,569**	**(449)**	**-**	**13,120**
Right of use assets	**(42,750)**	**(4,189)**	**-**	**(46,939)**
Lease liabilities	**47,378**	**5,998**	**-**	**53,376**
Expected credit losses	**337,886**	**116,601**	**-**	**454,486**
Employee benefit liabilities	**172,960**	**24,297**	**(10,017)**	**187,240**
Net deferred tax assets	**529,043**	**142,258**	**(10,017)**	**661,283**

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21. Income tax (Contd)

21.4 Deferred taxation (Contd)

(c) Analysis of components of deferred tax: (Contd)

The Group	At July 01, 2023	(charged)/ credited to profit or loss	Credited to other comprehensive income or loss	At June 30, 2024
2024	Rs'000	Rs'000	Rs'000	Rs'000
Accelerated tax depreciation	1,991	11,578	-	13,569
Right of use assets	(44,053)	1,303	-	(42,750)
Lease liabilities	47,449	(71)	-	47,378
Expected credit losses	337,460	426	-	337,886
Employee benefit liabilities	140,834	5,443	26,683	172,960
Net deferred tax assets	**483,681**	**18,679**	**26,683**	**529,043**

The Bank	At July 01, 2024	(charged)/ credited to profit or loss	Credited to other comprehensive income or loss	At June 30, 2025
2025	Rs'000	Rs'000	Rs'000	Rs'000
Accelerated tax depreciation	**13,855**	**(752)**	**-**	**13,103**
Right of use assets	**(42,750)**	**(4,189)**	**-**	**(46,939)**
Lease liabilities	**47,378**	**5,998**	**-**	**53,376**
Expected credit losses	**337,800**	**116,401**	**-**	**454,201**
Employee benefit liabilities	**172,960**	**24,297**	**(10,017)**	**187,240**
Net deferred tax assets	**529,243**	**141,754**	**(10,017)**	**660,980**

The Bank	At July 01, 2023	(charged)/ credited to profit or loss	Credited to other comprehensive income or loss	At June 30, 2024
2024	Rs'000	Rs'000	Rs'000	Rs'000
Accelerated tax depreciation	17,924	(4,069)	-	13,855
Right of use assets	(44,053)	1,303	-	(42,750)
Lease liabilities	47,449	(71)	-	47,378
Expected credit losses	337,460	340	-	337,800
Employee benefit liabilities	140,834	5,443	26,683	172,960
Net deferred tax assets	**499,614**	**2,946**	**26,683**	**529,243**

22. Interest income

	The Group		The Bank	
	2025	**2024**	**2025**	**2024**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Loans	**307,481**	372,881	**321,441**	381,534
Placements	**7,738**	6,222	**7,725**	6,221
	315,219	**379,103**	**329,166**	**387,755**

23. Interest expense

	The Group		The Bank	
	2025	**2024**	**2025**	**2024**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Interest expense on:				
- Interest on government loans	**14,146**	11,842	**11,944**	10,060
- Interest on BOM loans	**36,990**	25,975	**36,990**	33,894
- Interest on deposits and savings	**18,522**	33,894	**33,066**	26,934
- Interest on leases	**23,629**	9,728	**9,753**	9,728
	93,287	**81,439**	**91,753**	**80,616**

Notes to the consolidated financial statements

For the year ended 30 June 2025

24. Other income

	The Group		The Bank	
	2025	**2024**	**2025**	**2024**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Rental income	**219,025**	196,082	**206,995**	187,026
Investment income	**33,999**	25,843	**34,499**	25,833
Debts collected from ex-MCCB Ltd (in liquidation) clients	**580**	4,370	**-**	-
Other income (Note (i))	**91,175**	93,557	**21,699**	55,366
Government grant income	**3,074**	-	**-**	-
	347,853	319,852	**263,193**	268,225

(i) Other income includes bad debts recovered, other interest income, income from collection of debt, gain on disposal of non-current assets held for sale and others.

25. Operating expenses

	The Group		The Bank	
	2025	**2024**	**2025**	**2024**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Staff costs (Note 25(a))	**255,050**	261,843	**251,123**	259,233
Depreciation of property, plant and equipment (note 10)	**15,697**	10,693	**11,039**	10,116
Amortisation of intangible assets (note 9)	**8,580**	10,935	**8,459**	10,827
Amortisation of right-of-use assets (note 13)	**7,630**	7,661	**7,630**	7,661
Property management expenses	**41,173**	35,724	**34,122**	37,819
Professional and legal fees	**4,335**	5,206	**3,294**	3,832
Audit fees	**3,143**	2,740	**2,400**	2,200
Directors and secretarial fees	**4,321**	8,856	**3,501**	4,922
Utilities	**7,438**	6,860	**4,881**	4,673
Office expenses	**9,523**	91,986	**9,522**	9,498
Other expenses	**50,896**	22,923	**45,068**	91,975
	407,786	465,427	**381,039**	442,756

(a) *Analysis of staff costs:*

Salaries and allowances	**191,045**	188,825	**187,118**	186,215
Retirement benefits:				
Pension (Note 18(a)(v))	**57,905**	52,848	**57,905**	52,848
- Other long-term benefits (Note 18(b) (i))	**6,100**	20,170	**6,100**	20,170
	255,050	261,843	**251,123**	259,233
Number of employees	**268**	279	**265**	270

Notes to the consolidated financial statements

For the year ended 30 June 2025

26. Notes to the statement of cash flows

	Notes	The Group		The Bank	
		2025	2024	2025	2024
		Rs'000	Rs'000	Rs'000	Rs'000
Cash generated from operating activities					
(Profit)/loss before tax		**(345,293)**	57,768	**(387,725)**	39,086
Adjustments:					
Depreciation on property, plant and equipment	10	**15,697**	10,693	**11,039**	10,116
Depreciation on right-of-use assets	13	**7,630**	7,661	**7,630**	7,661
Amortisation of intangible assets	9	**8,580**	10,935	**8,459**	10,827
Profit on sale of inventory properties		**(1,889)**	-	**(1,889)**	(799)
Increase in provision for retirement benefit obligations	18	**64,005**	73,018	**64,005**	73,018
Expected credit losses on loans	6(b)	**473,655**	83,707	**473,655**	83,707
Expected credit loss on rent	11(i)	**35,666**	10,614	**35,526**	10,614
Inventory properties written off	7(b)	**-**	7,954	**-**	7,954
Movement in provisioning expenses		**1,431**	(920)	**-**	-
Contribution to retirement benefit obligations	18(a)	**(38,770)**	(37,309)	**(38,770)**	(37,309)
Investment income	24	**(33,999)**	(25,843)	**(34,499)**	(25,833)
Interest expense on leases	23	**23,629**	9,728	**9,753**	9,728
Other income		**(4,287)**	(9,040)	**(2,599)**	(9,040)
Government grant release		**(3,074)**	-	**-**	-
Cash used in operations		**202,981**	**198,966**	**144,585**	**179,730**

27. Movement in provision for credit impairment

The Group and the Bank	2025	2024
	Rs'000	Rs'000
Increase in provision on loans and other financial assets (Note 6(b))	**473,655**	83,707
ECL on rental income receivable (Note 11(i))	**35,526**	10,614
	509,181	94,321

28. Related party transactions

(i) The Group

Relationship	Nature of transactions	Volume of transactions - 30 June 2025 Rs'000	(Credit)/ debit balances at 30-Jun-25 Rs'000	Volume of transactions - 30 June 2024 Rs'000	(Credit)/ debit balances at 30-Jun-24 Rs'000
Key management personnel	Emoluments	**8,247**	**-**	15,311	-
Main shareholder	Loan payable	**36,691**	**(830,458)**	115,985	(867,149)
	Deposits	**204,370**	**(572,725)**	13,910	(777,095)
	Interest expense/ payable	**(14,146)**	**-**	(13,004)	-
	Deferred grant income	**189,099**	**(278,196)**		(89,097)
Other related companies	Loan payable	**122,717**	**(5,201,288)**	**656,306**	(5,078,571)
	Interest expense/ payable	**(36,990)**	**-**	**(33,894)**	-
	Other income	**(3,709)**	**-**	**-**	-
	Other expenses	**(8,985)**	**-**	**(8,508)**	-

(ii) The Bank

Relationship	Nature of transactions	Volume of transactions - 30 June 2025 Rs'000	(Credit)/ debit balances at 30-Jun-25 Rs'000	Volume of transactions - 30 June 2024 Rs'000	(Credit)/debit balances at 30-Jun-24 Rs'000
Key management personnel	Emoluments	**8,247**	**-**	15,311	-
Main shareholder	Loan payable	**36,612**	**(531,458)**	260,906	(568,070)
	Deposits	**204,370**	**(572,725)**	13,910	(777,095)
	Interest expense/ payable	**(11,945)**	**(24,515)**	(13,795)	(15,958)
Subsidiaries	Deposits	**18,581**	**(31,903)**	4,258	(13,322)
	Amount due by / borrowings	**331,013**	**841,970**	264,007	510,957
	Interest expense/ payable	**(668)**	**(668)**	(9,178)	(9,178)
	Other income	**31,758**	**500**	11,289	500
	Other expenses	**(1,883)**	**-**	**-**	**-**
Other related companies	Loan payable	**122,717**	**(5,201,288)**	656,306	(5,078,571)
	Interest expense/ payable	**(36,990)**	-	(33,894)	-
	Other expenses	**(6,429)**	**-**	(6,121)	-

Terms and conditions of transactions with related parties

All transactions are conducted on an arms length basis. Where any conflict of interest arises, the directors or employees involved do not participate in the decision making regarding those transactions.

Credit facilities to key management personnel and executive directors are as per their contract of employment.

29. Financial risk management

Risk management objectives and policies

In its ordinary operations, the Group is exposed to various risks such as capital risk, foreign currency risks, interest rate risks, credit risks and liquidity risks. The Group has devised on a central basis a set of specific policies for managing these exposures.

The Group's financial assets and liabilities by category are summarised below.

	Classification and measurement category	The Group		The Bank	
		2025	2024	2025	2024
		Rs'000	Rs'000	Rs'000	Rs'000
Financial assets					
Financial assets at FVOCI	Fair value through OCI	**567,762**	489,674	**567,762**	489,674
Loans and other receivables	Amortised cost	**5,445,885**	5,585,943	**5,396,202**	5,588,552
Cash and cash equivalents	Amortised cost	**1,215,541**	1,261,405	**1,114,304**	1,123,908
		7,229,188	7,337,022	**7,078,268**	7,202,134
Financial liabilities					
Deposits from customers	Amortised cost	**1,309,302**	1,224,307	**1,341,874**	1,246,807
Borrowings	Amortised cost	**6,031,746**	5,945,641	**5,732,746**	5,646,641
Lease liabilities	Amortised cost	**280,924**	278,692	**280,924**	278,692
Trade and other payables	Amortised cost	**343,814**	315,499	**316,316**	303,776
		7,965,786	7,764,139	**7,671,860**	7,475,916

Market risk analysis

Market risk refers to the potential of market price fluctuations, such as those in interest rates, equity prices, foreign exchange rates, and market credit spreads, impacting a Group's income or the valuation of its financial instrument holdings. The primary objective of market risk management is to proficiently handle and regulate these exposures within acceptable benchmarks, all while optimizing returns from risk-associated endeavors.

Foreign exchange risk

The Group undertakes certain transactions denominated in foreign currencies (USD and EURO) and hence is exposed to exchange rate fluctuations.

Currency profile

The currency profile of the Group and the Bank is summarised as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets				
MUR	**7,222,645**	7,328,982	**7,071,725**	7,194,094
USD	**1,349**	2,751	**1,349**	2,751
Euro	**5,194**	5,289	**5,194**	5,289
	7,229,188	7,337,022	**7,078,268**	7,202,134
Financial liabilities				
MUR	**7,965,786**	7,764,139	**7,671,860**	7,475,916

29. Financial risk management (Contd)

Risk management objectives and policies (Contd)

Market risk analysis (Contd)

Foreign exchange risk (Contd)

Foreign exchange sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the MUR against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the reporting date for a 10% change in foreign currency rates. A negative number below indicates a decrease in profits where the MUR appreciates 10% against the relevant currencies. For a 10% weakening of the MUR against the relevant currencies, there would be an equal and opposite impact on the profit, and the balances below would be positive.

Impact of 10% appreciation/depreciation of the Mauritian Rupee on pre-tax profit:

	The Group		The Bank	
	2025	**2024**	**2025**	**2024**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Impact on profit	**(+/-)**	(+/-)	**(+/-)**	(+/-)
USD	**135**	275	**135**	275
Euro	**519**	529	**519**	529

Credit risk analysis

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a documented credit policy to manage its loans and other receivables. Credit exposure is controlled by counterparty limits that are approved and reviewed by key management on a regular basis.

The Group's credit risk is primarily attributable to loans and other assets (rental receivable, net investment in finance lease, other receivables and advance towards investments). The amounts presented in the consolidated statement of financial position are net of allowances for credit losses and represents the Group's maximum exposure to credit risk. The loans are secured by fixed and floating charges over the assets of the borrowers and where the loans are without security, these are guaranteed by the government under specific loans schemes.

Notes to the consolidated financial statements

For the year ended 30 June 2025

29. Financial risk management (Contd)

Risk management objectives and policies (Contd)

Credit risk analysis (Contd)

Loans are assessed for impairment when objective evidence, such as default or delinquency in interest or principal payments, significant financial difficulty of the counterparty or evidence that the borrower will enter bankruptcy or financial re-organisation, indicates that the account may be impaired. Provision is recognised when the present value of the collateral is less that the asset's carrying value.

Before accepting any new customer, the Group assesses the credit quality of the customer and defines the terms and credit limits accordingly for each sector of activity.

The Group does not have significant concentration of risk due to their large number of customers, spread across diverse industries and geographical areas.

(i) Loans	The Group		The Bank	
	2025	2024	2025	2024
	Rs'000	Rs'000	Rs'000	Rs'000
Neither past due nor impaired and past due but not impaired	**3,971,501**	3,721,287	**3,971,501**	4,813,874
Impaired	**2,590,154**	3,006,016	**2,590,154**	1,913,429
Gross	**6,561,655**	6,727,303	**6,561,655**	6,727,303
Less allowances for credit impairment	**(2,106,599)**	(1,738,652)	**(2,106,599)**	(1,738,652)
Net	**4,455,056**	4,988,651	**4,455,056**	4,988,651

(ii) Other assets	The Group		The Bank	
	2025	2024	2025	2024
	Rs'000	Rs'000	Rs'000	Rs'000
Rental income receivable	**312,214**	268,733	**303,168**	265,436
Investment in finance lease	**870,498**	**475,051**	**-**	**-**
Gross	**1,182,712**	**743,784**	**303,168**	**265,436**
Less allowances for credit impairment	**(288,134)**	(251,037)	**(283,932)**	(248,406)
Net	**894,578**	**492,747**	**19,236**	**17,030**
Other receivables	**71,252**	74,227	**34,676**	41,394
Advance towards investment	**25,000**	25,000	**25,000**	25,000
	990,829	**591,974**	**78,912**	**83,424**

(i) The main collaterals held are fixed charges and floating charges on assets of the customers. The main type of collateral obtained for investment in finance leases are assets held under the finance leases. Such assets mostly include motor vehicles, industrial equipment and machinery. The assets under lease are registered under DBM Financial Services Ltd until the lessee pays in full the contractual amount due, whereby title is then transferred. Should the lessee default in payment, the Group has the right to undertake legal procedures to recover the asset under lease, which in substance acts as a collateral against defaults.

Loans and leases with moratorium

The Group has provided short-term capital repayment exemption for periods of four to six months to eligible customers impacted by the COVID-19 pandemic. Normal interest has been accrued during the moratorium period and shall be paid thereafter along with capital. The maturity date has also been accordingly extended. The economic loss to the Group is therefore only representative of the time value of money which is not material.

Notes to the consolidated financial statements

For the year ended 30 June 2025

29. Financial risk management (Contd)

Risk management objectives and policies (Contd)

Credit risk analysis (Contd)

(ii) The Group does not have any concentration of risk with any specific customers. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable.

The Bank holds deposits for some of the rental receivable. The provision has been arrived at after taking into consideration the amount of deposits. No other collateral is held for rental receivable.

(iii) The credit risk for the cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

Interest rate risk

The Group is exposed to interest rate risk in respect of loans, deposits and borrowings. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating interest rates.

The interest rate profile of the financial assets and financial liabilities of the Group and the Bank as at 30 June 2025 and 30 June 2024 with floating interest rates are as follows:

	Lowest	Highest
2025	**%**	**%**
Financial assets		
Deposit with banks	-	2.25
Financial liabilities		
Savings and fixed deposits	-	3.5
Borrowings	3.5	4.5
2024		
Financial assets		
Deposit with banks	-	2.25
Financial liabilities		
Savings and fixed deposits	2.5	3.5
Borrowings	3	4.5

Notes to the consolidated financial statements

For the year ended 30 June 2025

29. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

Interest rate risk (Contd)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the non-derivative instruments at the end of the reporting period. For floating rate financial instruments, the analysis is prepared assuming the amount outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used and it represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's and the Bank's profit/(loss) for the year ended 30 June 2025 would decrease/increase by Rs 490K (2024: Rs 459K) and Rs 824K (2024: Rs 859K) respectively.

Liquidity risk analysis

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

The Group manages liquidity risk by maintaining adequate reserves, securing banking facilities and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturities of financial assets and liabilities at 30 June 2025:

The tables below analyse the Group's and the Bank's financial assets and liabilities to the relevant maturity groupings based on the remaining years of repayment and undiscounted cash flows.

The Group 2025	On demand Rs'000	Less than 12 months Rs'000	1 to 5 years Rs'000	5+ years Rs'000	Total Rs'000
Financial assets					
Deposits and balances with banks	1,090,559	124,982	-	-	1,215,541
Financial assets at FVOCI	-	-	-	567,762	567,762
Loans	1,759,619	453,600	1,685,696	2,662,740	6,561,655
Other assets	-	336,338	931,261	10,630	1,278,229
Total financial assets	**2,850,178**	**914,920**	**2,616,957**	**3,241,132**	**9,623,187**

The above figures exclude prepayments amounting to Rs 5,035,609 (2024:Rs.5,318,931).

In accordance with IFRS 7, the maturity analysis is based on undiscounted contractual cash flows. Expected credit loss allowances are therefore excluded from the above amounts.

Notes to the consolidated financial statements

For the year ended 30 June 2025

29. Financial risk management (Contd)

Risk management objectives and policies (Contd)

Liquidity risk analysis (Contd)

Maturities of financial assets and liabilities at 30 June 2025: (Contd)

The Group 2025	On demand Rs'000	Less than 12 months Rs'000	1 to 5 years Rs'000	5+ years Rs'000	Total Rs'000
Financial liabilities					
Deposits	716,442	587,660	5,200	-	1,309,302
Borrowings	-	561,338	2,762,357	2,988,875	6,312,570
Lease liabilities	-	10,665	37,754	675,603	724,022
Other liabilities	-	343,814	-	-	343,814
Total financial liabilities	716,442	1,503,477	2,805,311	3,664,478	8,689,708
Net liquidity gap	2,133,736	(588,557)	(188,354)	(423,346)	933,479

The Bank 2025	On demand Rs'000	Less than 12 months Rs'000	1 to 5 years Rs'000	5+ years Rs'000	Total Rs'000
Financial assets					
Deposits and balances with banks	989,322	124,982	-	-	1,114,304
Financial assets at FVOCI	567,762	-	-	-	567,762
Loans	1,759,619	453,600	1,685,696	2,662,740	6,561,655
Other assets	862,235	53,911	-	-	916,146
Total financial assets	4,178,938	632,493	1,685,696	2,662,740	9,159,867

The above figures exclude prepayments amounting to Rs.5,035,609 (2024:Rs. 5,318,931).

In accordance with IFRS 7, the maturity analysis is based on undiscounted contractual cash flows. Expected credit loss allowances are therefore excluded from the above amounts.

The Bank 2025	On demand Rs'000	Less than 12 months Rs'000	1 to 5 years Rs'000	5+ years Rs'000	Total Rs'000
Financial liabilities					
Deposits	749,014	587,660	5,200	-	1,341,874
Borrowings	-	561,338	2,762,357	2,689,875	6,013,570
Lease liabilities	-	10,665	37,754	675,603	724,022
Other liabilities	-	316,318	-	-	316,318
Total financial liabilities	749,014	1,475,981	2,805,311	3,365,478	8,395,784
Net liquidity gap	3,429,924	-843,488	(1,119,615)	(702,738)	764,083

29. Financial risk management (Contd)

Risk management objectives and policies (Contd)

Liquidity risk analysis (Contd)

Maturities of financial assets and liabilities at 30 June 2024: (Contd)

The tables below analyse the Group's and the Bank's financial assets and liabilities to the relevant maturity groupings based on the remaining years of repayment.

The Group 2024	On demand Rs'000	Less than 12 months Rs'000	1 to 5 years Rs'000	5+ years Rs'000	Total Rs'000
Financial assets					
Deposits and balances with banks	1,136,415	124,990	-	-	1,261,405
Financial assets at FVOCI	-	-	-	489,674	489,674
Loans	1,829,908	99,675	3,247,829	1,549,891	6,727,303
Other assets	-	229,945	160,010	177,018	566,973
Total financial assets	**2,966,323**	**454,610**	**3,407,839**	**2,216,583**	**9,045,355**

The above figures exclude prepayments amounting to Rs. 5,318,931 and advance towards investment amounting to Rs. 25,000,000. In accordance with IFRS 7, the maturity analysis is based on undiscounted contractual cash flows. Expected credit loss allowances are therefore excluded from the above amounts.

The Group 2024	On demand Rs'000	Less than 12 months Rs'000	1 to 5 years Rs'000	5+ years Rs'000	Total Rs'000
Financial liabilities					
Deposits	425,354	643,253	155,700	-	1,224,307
Borrowings	-	425,902	2,730,126	3,107,842	6,263,870
Lease liabilities	-	10,325	37,065	683,909	731,299
Other liabilities	-	315,499	-	-	315,499
Total financial liabilities	**425,354**	**1,394,979**	**2,922,891**	**3,791,751**	**8,534,975**
Net liquidity gap	**2,540,969**	**(940,369)**	**484,948**	**(1,575,168)**	**510,380**

The Bank 2024	On demand Rs'000	Less than 12 months Rs'000	1 to 5 years Rs'000	5+ years Rs'000	Total Rs'000
Financial assets					
Deposits and balances with banks	998,918	124,990	-	-	1,123,908
Financial assets at FVOCI	489,674	-	-	-	489,674
Loans	1,829,908	99,675	3,247,829	1,549,891	6,727,303
Other assets	511,157	58,425	-	-	569,582
Total financial assets	**3,829,657**	**283,090**	**3,247,829**	**1,549,891**	**8,910,467**

The above figures exclude prepayments amounting to Rs. 5,318,931 and advance towards investment amounting to Rs. 25,000,000. In accordance with IFRS 7, the maturity analysis is based on undiscounted contractual cash flows. Expected credit loss allowances are therefore excluded from the above amounts.

Notes to the consolidated financial statements

For the year ended 30 June 2025

29. Financial risk management (Contd)
Risk management objectives and policies (Contd)
Liquidity risk analysis (Contd)

Maturities of financial assets and liabilities at 30 June 2024: (Contd)

The Bank 2024	On demand Rs'000	Less than 12 months Rs'000	1 to 5 years Rs'000	5+ years Rs'000	Total Rs'000
Financial liabilities					
Deposits	447,854	643,253	155,700	-	1,246,807
Borrowings	-	425,902	2,431,126	3,107,842	5,964,870
Lease liabilities	-	10,325	37,065	683,909	731,299
Other liabilities	-	303,776	-	-	303,776
Total financial liabilities	**447,854**	**1,383,256**	**2,623,891**	**3,791,751**	**8,246,752**
Net liquidity gap	**3,381,803**	**(1,100,166)**	**623,938**	**(2,241,860)**	**663,715**

Comparative maturity amounts have been reclassified to exclude expected credit loss allowances in order to align with the current year's presentation and to reflect contractual undiscounted cash flows as required by IFRS 7. This reclassification has no impact on profit, equity or total financial assets.

Price risk analysis

The Group is not exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.
If the equity prices had increased or decreased by 10%, the fair value reserves included in equity would increase/decrease by Rs 56.8M (2024: Rs 49.0M) for the Group, as a result of the changes in fair value of investments at fair value through profit or loss.

30. Reconciliation of liabilities arising from financing activities

The Group	At 30 June 2025			At 30 June 2024		
	Borrowings Rs'000	Lease liabilities Rs'000	Total Rs'000	Borrowings Rs'000	Lease liabilities Rs'000	Total Rs'000
At 01 July	5,945,641	278,692	6,224,333	5,173,429	279,109	5,452,538
Cash movements	86,105	(10,729)	75,376	772,212	(10,145)	762,067
Non-cash transactions	-	12,961	12,961	-	9,728	9,728
At 30 June	**6,031,746**	**280,924**	**6,312,670**	**5,945,641**	**278,692**	**6,224,333**

Notes to the consolidated financial statements

For the year ended 30 June 2025

30. Reconciliation of liabilities arising from financing activities (Contd)

The Bank	At 30 June 2025			At 30 June 2024		
	Borrowings	Lease liabilities	Total	Borrowings	Lease liabilities	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July	5,646,641	278,692	5,925,333	5,028,429	279,109	5,307,538
Cash movements	86,105	(10,729)	75,376	618,212	(10,144)	608,068
Non-cash transactions	-	12,961	12,961	-	9,727	9,727
At 30 June	**5,732,746**	**280,924**	**6,013,670**	**5,646,641**	**278,692**	**5,925,333**

31. Contingent liabilities

Various legal claims were brought against the Group in the normal course of business. However, no provision has been made for any liability as management considers these claims to be unjustified and the probability that they will require settlement at the Group's expense to be remote. This evaluation is consistent with external independent legal advice.

32. Events after the reporting date

Fair Share Contribution (FSC)

Companies having a chargeable income exceeding MUR 24 million in an accounting year shall be liable to the Fair Share Contribution (FSC) in respect of income derived from 1 July 2025 to 30 June 2028. For companies subject to income tax at the rate of 15%, FSC is 5% of their chargeable income. The FSC was gazetted on 9 Aug 2025 and is considered to be a non-adjusting event as the financial statements for the year ended 30 June 2025 do not reflect the effect of the FSC since the change in the tax law was neither substantively enacted nor enacted as of 30 June 2025. The FSC does not have any effect in the enclosed financial statements as the tax law was not yet approved as at 30 June 2025 and does not have any retrospective impact.

GEOPOLITICAL DEVELOPMENTS – MIDDLE EAST

During March 2026, military hostilities escalated in the Middle East following military operations involving Iran and other regional actors. The situation has resulted in heightened geopolitical tensions and increased uncertainty in global financial and commodity markets.

These developments may affect global economic conditions, including energy prices, inflation, exchange rates and financial market volatility. The extent to which the conflict may impact the Bank's operations and financial performance will depend on future developments, including the duration and scope of the conflict and responses by governments and regulators.

The directors have considered the potential implications of the ongoing conflict on the Bank's operations, financial position and future cash flows based on information available at the date of approval of these financial statements. Based on this assessment, the directors are of the opinion that the conflict has not had a material impact on the Bank's financial position or results of operations as at the reporting date, and that no adjustments are required to these financial statements.

The Bank will continue to monitor the situation closely.

Except for the above, there have been no material events since the end of the reporting year which would require disclosure or adjustment to the consolidated financial statements for the year ended 30 June 2025.