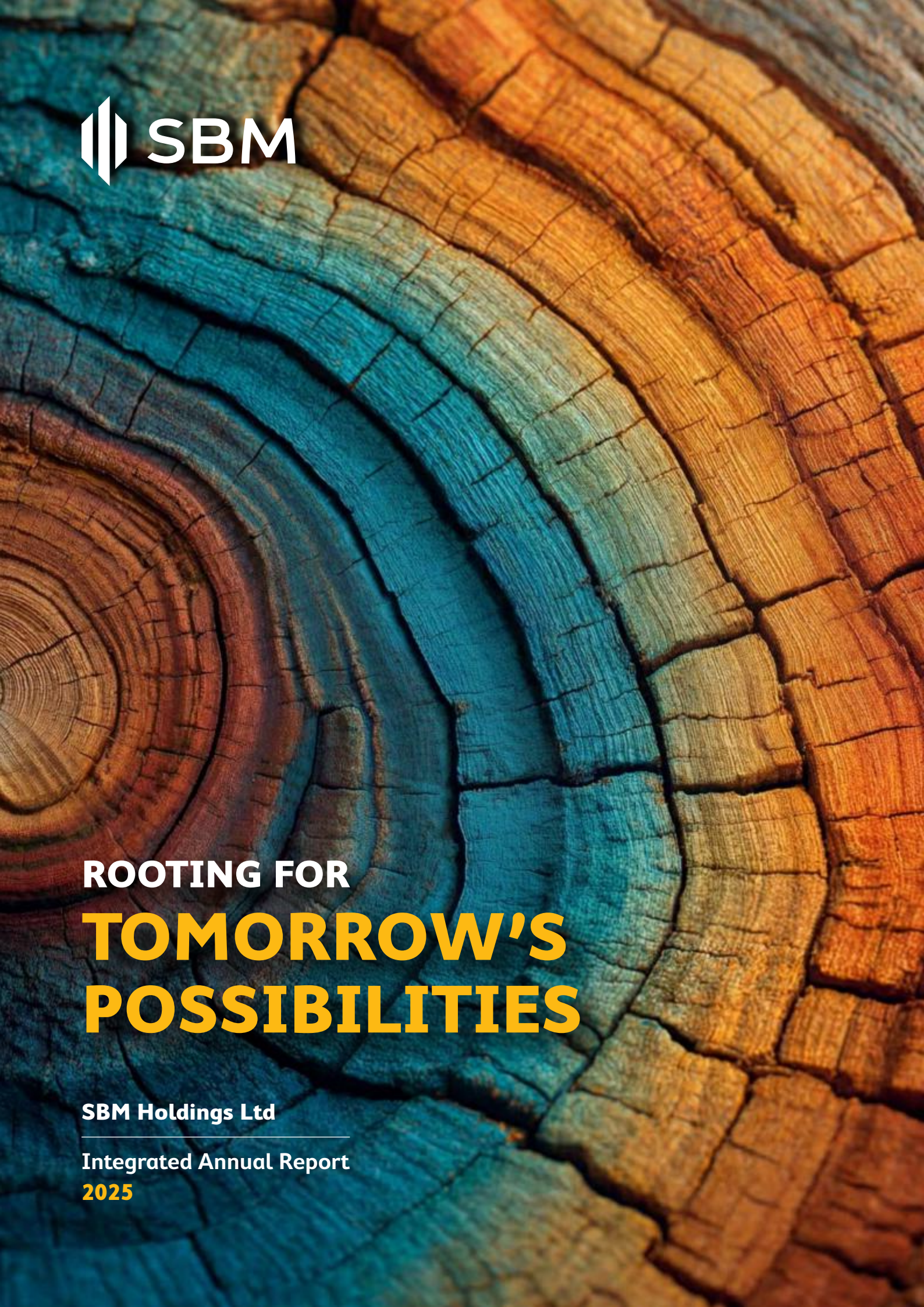


ROOTING FOR TOMORROW'S POSSIBILITIES

SBM Holdings Ltd

Integrated Annual Report
2025

Cautionary statements

In this report, SBM Holdings Ltd has made various forward-looking statements with respect to its financial position, business strategy and management objectives among others. Such forward-looking statements are identified by the use of words such as ‘expects’, ‘estimates’, ‘anticipates’, ‘believes’, ‘intends’, ‘plans’, ‘forecasts’, ‘projects’ or words or phrases of a similar nature.

By their nature, forward-looking statements require SBM Holdings Ltd to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that predictions and other forward-looking statements may not prove to be accurate. Readers of this report are thus cautioned not to place undue reliance on forward-looking statements as a number of factors could cause future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed therein.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including, but not limited to, interest rate and currency value fluctuations, local and global industry evolution, economic and political conditions, pandemic situations and other force majeure, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Company operates, as well as management actions and technological changes. The list of factors is not exhaustive and when relying on forward-looking statements to make decisions with respect to SBM Holdings Ltd, investors and other parties should carefully consider these factors, as well as the inherent uncertainty of forward-looking statements and other uncertainties and potential events. SBM Holdings Ltd does not undertake to update any forward-looking statement that may be made, from time to time, by the organisation or on its behalf.

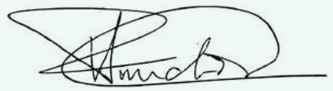


Dear Shareholder,

The Directors of SBM Holdings Ltd are pleased to present the Integrated Annual Report for the year ended 31 December 2025.

The Board of Directors confirms, to the best of its belief, that the Integrated Annual Report addresses the relevant material matters that impact the performance of the Group in a fair and transparent manner.

The Board approved and authorised the publication of the SBM Holdings Ltd Integrated Annual Report 2025 on 13 May 2026.



Mahendra Vikramdass Punchoo
Chairman
SBM Holdings Ltd

About us

The SBM Group is a leading banking and financial services provider in Mauritius, with footprint in India, Kenya and Madagascar through dedicated banking subsidiaries. The Group, which has a solid franchise, delivers a comprehensive array of customised financial solutions to help its wide-ranging customers realise their ambitions.

Present in
4 countries

3,312
employees

~3.8 million
customers

MUR 425 billion
total assets

Creating value for our stakeholders

Contribution of SBM Bank (Mauritius) Ltd to the Mauritian economy and society

National economy

~ 2%
of total value added

~ 32%
of banking sector value added

Job creation in support of nationwide social aspirations

~ 17%
of banking sector employment

Wealth generated by the SBM Group

Shareholders, debt holders and investor community

MUR 1.3 billion

We provide investors and shareholders with interesting returns

Retention for growth

MUR 4.4 billion

Part of wealth created is retained to assist the Group in fuelling its growth ambitions

MUR 11.4 billion in FY 2025

Governments and regulators*

MUR 0.9 billion

We support the authorities by means of our tax payments and help to underpin the progress of societies and communities, notably through our CSR activities

Employees

MUR 4.8 billion

We deliver attractive salaries and benefits to our staff, while underpinning their welfare and career development

** includes the proportion of our CSR contribution remitted to the Mauritius Revenue Authority*

Notes:

- *The figures above, which pertain to the year 2025, are only indicative and should be treated with caution, insofar as they are high-level estimates produced for the purpose of this report.*
- *The ratios have been computed on the basis of certain assumptions made, while being subject to the availability of data.*



Our cover reflects our commitment to harnessing resilient foundations for sustained growth.

In this perspective, our Integrated Annual Report is founded on the concept of 'Roots of Resilience'. The latter draws on nature's most enduring structures – roots, rings and layered growth – to express SBM's strong fundamentals and well-established ambitions.

The concept, which comes to life in different ways across the different sections of this Report, showcases SBM as an institution built on strength and technological innovation while growing confidently into the future.

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FOUNDATIONS THAT FUEL THE FUTURE



Group Chairman's Letter to Shareholders



Dear Shareholder,

The year 2025 was a pivotal year for the SBM Group.

Following its reconstitution in April 2025, the Board of SBM Holdings Ltd (the Board) underwent several directorship changes before achieving operational stability and strong strategic alignment by the close of the financial year.

The Board embarked on a comprehensive medium-term mandate to transform the SBM Group into a robust financial conglomerate with a clear focus on restoring stakeholder confidence and the institution's leadership position within the banking landscape.

At the core of the Board's agenda in 2025 and beyond is a commitment to strengthening governance and rebuilding the Group's risk management culture, modernising its IT systems, optimising workflows, and empowering the workforce - all directed towards sustainable value creation for both our shareholders and society.

Setting the Tone at the Top: Governance and risk culture

The Board, in its meeting deliberations, systematically fulfilled its fundamental role of providing rigorous and independent oversight of the executive management. This oversight is driven by a commitment to embedding the principles of accountability, transparency, fairness, and responsibility throughout the Group.

During the year, the Board has, through its actions, initiated the groundwork to reinforcing governance structures and accountability by clearly defining mandates and metrics for risk management and control functions, engaging transparently and openly with regulators, shareholders, and clients, upholding principles of fairness including the equitable treatment of employees, and demonstrating corporate responsibility by committing to the long-term well-being of our stakeholders and society at large.

To stay ahead of the curve, the Board and the Executive Management are working together to evolve our risk management approach. The Board expects that the planned integration of real-time data analytics platform in the coming years would enable the Group's risk management function to shift from a periodic, retrospective compliance-focused approach into a continuous dynamic, forward-looking risk culture aimed at the identification and monitoring of vulnerabilities as they emerge.

Systems modernisation: Technology and transformation

For far too long, the Group's legacy core infrastructure has operated in functional silos, impeding the seamless integration of real-time data analytics platforms that are vital for delivering next-generation digital experiences and ensuring AI-driven AML/CFT compliance. This fragmentation has significantly hindered our ability to achieve a consolidated view of customer activity, leading to protracted, suboptimal development cycles for new digital solutions and making it challenging to capture and retain Gen-Z and SME consumer segments that demand instant payment solutions, seamless digital wallet integrations, and frictionless digital experiences.

Cognizant of the critical intersection between financial services and technology, and the need for robust security and digital innovation, the Board determined that the traditional CEO-CIO dynamic required evolution. Consequently, the Board established the role of a Deputy Group Chief Executive, bringing in a seasoned banker with deep technology expertise to spearhead the Group's digital transformation and leverage data and technology as the primary competitive differentiator for the SBM Group.

Going forward, technology will represent the single largest strategic investment for the Group with the repatriation of the Core Banking System to Mauritius in line with the regulatory directive alongside a comprehensive modernisation of the technology stack. To support this vision, the Group will be actively increasing investment in our IT workforce to build the internal expertise required to drive and sustain these innovations.

Group performance in FY 2025

For the year ended 31 December 2025, the Group recorded a profit after tax of MUR 4.2 billion, representing a 2.9% decline from FY 2024, primarily due to higher credit loss expenses. Despite this, the financial year demonstrated strong underlying performance, highlighted by a 14.4% increase in operating income to MUR 19.0 billion and a 2.4% reduction in operating expenses to MUR 10.4 billion.

While the net interest margin remained stable at 2.8%, the cost-to-income ratio improved significantly from 63.8% in FY 2024 to 54.5% in FY 2025 - still relatively high by industry standards - reflecting tangible efficiency gains. The decreases in Return on average shareholders' equity to 10.9% and Return on average assets to 1.0% – down from 12.7% and 1.1% in FY 2024, respectively – along with a slight reduction in Earnings per share from MUR 1.68 to MUR 1.63, are considered temporary variances in an otherwise robust financial performance.

The Group's capital position remains strong with both the Capital Adequacy Ratio and Tier 1 capital comfortably above regulatory requirements.

SBM Bank (Mauritius) Ltd [SBMBM] continued to anchor the Group's profitability, contributing MUR 3.7 billion to the Group's profit after tax (PAT). The holding company, SBM Holdings Ltd, recorded a standalone PAT of MUR 0.5 billion, complemented by a PAT of MUR 0.2 billion from the non-banking financial cluster (NBFC) and a marginal PAT for Banque SBM Madagascar SA. However, these positive outcomes were partially offset by operational losses at SBM Bank (India) Limited [SBMBI] and SBM Bank (Kenya) Limited [SBMBK] at Group level, alongside elevated total Group credit loss expenses of MUR 3.5 billion for FY 2025.

Despite recording a consolidated loss at the Group level due to the recognition of fair value loss in FY 2025, which relates to prior years adjustments, SBMBK achieved a major operational and standalone turnaround in FY 2025, driven by revenue growth, disciplined cost management, and improved asset quality. SBMBK returned to profitability on a standalone basis, with profit before tax (PBT) improving to KShs. 614 million from a loss of KShs. 1.6 billion in FY 2024.

With regard to our Indian subsidiary's operations, the fall-out from the tightening regulations by the Reserve Bank of India (RBI) necessitated a strategic pivot to ensure regulatory compliance and enhanced oversight. While these initial investments increased costs and tapered short-term revenue, they enabled SBMBI to restructure its operations. On current trends, SBMBI is well poised to return to profitability in the years ahead and in support of the Indian Team's efforts, SBMH has infused capital of amount INR 946 million in FY 2025 and is expected to inject a further INR 1.5 billion in FY 2026.

"... the financial year demonstrated strong underlying performance, highlighted by a 14.4% increase in operating income to MUR 19.0 billion ..."

Strategic outlook for FY 2026 and beyond: Our commitment to shareholders

Historically, the Group has operated under a decentralised model, functioning primarily as a holding entity that collects dividends from geographically dispersed subsidiaries in Mauritius, India, Kenya, and Madagascar. This structure resulted in largely siloed operations with minimal cross-border synergy. Furthermore, the consolidated performance remains highly correlated to the Mauritian economy's business cycle, as SBMBM conducts a predominantly domestic business and accounts for 75.6% of total Group assets.

The Board recognises the untapped potential within the Group's geographic footprint, particularly given the positioning of Mauritius as a vibrant, full-fledged regional financial centre, alongside the urgency to rebalance asset origination. To capture this opportunity, SBMH is evolving from a passive investor and provider of capital into an active parent entity by appointing its own directors to the boards of all subsidiaries.

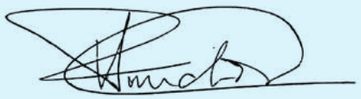
This approach aligns the strategic priorities of the holding company with operational execution at the subsidiary level. Consequently, it improves information flow, strengthens governance by ensuring that risk management, regulatory compliance, and technology-driven transformations are implemented and monitored consistently across all Group entities. By eliminating geographical and operational silos, this synergy-driven model seeks to leverage shared resources and collective market expertise to ensure the consolidated value of the Group exceeds the sum of its parts.

Despite holding lead positions in key segments, the Group has considerable scope for growth across the wider portfolio. The Board is committed to a disciplined strategy of revenue diversification and enhanced earnings capacity, underpinned by rigorous risk oversight. We see a clear runway to expand our core business over the next three to five years with a view to securing sustainable long-term profitability.

"The Board is committed to a disciplined strategy of revenue diversification and enhanced earnings capacity, underpinned by rigorous risk oversight."

Our commitment to society

As a key partner in the nation's development, the Group looks beyond its balance sheet to drive broad-based economic and financial progress. We remain steadfast in supporting initiatives that promote sustainability and foster financial inclusion, ensuring that essential financial services are both accessible and affordable for every citizen and viable enterprise.



Mahendra Vikramdass Punchoo
Chairman
SBM Holdings Ltd

Message from the Group CEO



Dear Valued Stakeholders,

Resilience in a challenging environments

FY 2025 was a year of both progress and challenge for the SBM Group. Despite a demanding operating environment across our jurisdictions, we delivered robust top-line growth, materially improved our cost efficiency and made meaningful strides in our strategic transformation – all while maintaining a strong capital position well above regulatory requirements.

We are transparent about the challenges that remain — particularly elevated credit losses — and I want to assure shareholders that we are taking deliberate, structured action to address them. At the same time, I remain firmly confident that the foundations we are building today will drive sustainable value creation in the years ahead.

Across our markets — characterised by fast-evolving economic conditions, volatile interest rates and heightened regulatory expectations — we consistently executed our strategy with discipline and purpose. The dedication of our management teams and employees was instrumental in preserving our financial strength and our standing as a trusted financial institution.

The SBM Group remains a leading banking and financial services provider in Mauritius, with our overseas entities in India, Kenya and Madagascar continuing to advance their operational and commercial agendas despite the headwinds they face.

Ultimately, the Group has created meaningful value for our shareholders and other stakeholders, while continuing to play a catalytic role in the growth of the Mauritian economy and society.

Resilient financial performance

For the year ended 31 December 2025, the SBM Group delivered strong pre-provision profitability, with profit before credit loss expense increasing by 44.0% to MUR 8.7 billion — a testament to the underlying earnings power of our franchise. Profit after tax of MUR 4.2 billion was 2.9% below the prior year, reflecting a significant increase in credit loss expense driven by IFRS 9 provisioning requirements. While this weighed on reported earnings, we view it as a necessary and prudent step in strengthening our balance sheet quality.

Operating income rose by 14.4% to MUR 19.0 billion, a strong result given the challenging environment across our markets. Net interest income grew by 9.1%, supported by an 8.1% increase in gross loans and advances to non-bank customers to MUR 195.4 billion. Non-interest income grew strongly by 25.2%, driven by higher fee and commission income and gains from fixed income securities trading.

Operating expenses of MUR 10.4 billion were broadly stable lower year-on-year, even as we continued investing in people and technology to build a more competitive, customer-centric organisation. This reflects the tangible impact of our cost discipline programme across all entities.

This contributed to a significant improvement in our cost-to-income ratio, which fell to 54.5% in FY 2025 from 63.8% in FY 2024 – a 930-basis point improvement that reflects our improved operating leverage and disciplined cost management.

> ***"We continued to invest in the capabilities that will underpin long-term shareholder value creation"***

The increase in credit loss expense is predominantly attributable to additional IFRS 9 impairments on resident advances at SBM Bank (Mauritius) Ltd. We recognise that credit risk management is a priority focus area and have put in place enhanced frameworks and oversight to proactively address this systematically. Shareholders can expect continued improvement in our asset quality metrics as these measures take effect.

The Group's capital position remains robust, with a Tier 1 ratio of 14.7% and a capital adequacy ratio of 20.5% as at 31 December 2025 – both comfortably exceeding regulatory minimums and providing ample headroom to support growth and withstand adverse scenarios.

Executing our group-wide strategy

We continued to invest in the capabilities that will underpin long-term shareholder value creation. This included enhancing digital customer experiences, modernising our technology infrastructure, and deepening risk and compliance capabilities. Governance was strengthened through the establishment of two new Board sub-committees at SBM Holdings Ltd – the Group Transformation and Technology Committee and the Sustainability Committee. While some of these investments created short-term pressure on financial results, they are essential to building a stronger, safer and more competitive SBM Group. Meaningful progress was made in harmonising processes, strengthening oversight, and improving coordination across risk, audit and operations.

Capital management remained a Board-level priority. We maintained sound capital and debt profiles across the Group, ensuring each entity has the resources needed to meet regulatory requirements and pursue disciplined growth.

We also advanced our Sustainability Agenda, further embedding ESG principles into our business model and governance. We view sustainability not merely as a responsibility, but as a driver of long-term revenue and value – addressing climate risk, promoting social inclusion and financial access, and aligning with the UN Sustainable Development Goals.

"The Group has created meaningful value for our shareholders and other stakeholders, while continuing to play a catalytic role in the growth of the Mauritian economy and society."

Performance across our operating entities

Across Mauritius, India, Kenya and Madagascar, our entities each navigated distinct market realities with a shared focus on disciplined growth, operational improvement, and deepening customer relationships. Innovation and digital transformation were consistent priorities, as we supported our clients through their own growth and transformation journeys.

SBM Bank (Mauritius) Ltd maintained its position as a leading financial services player in Mauritius, preserving strong market shares of around 39% in mortgage lending and some 20% in domestic corporate banking. The bank advanced its digital transformation agenda, enhancing its SBM Tag mobile platform and improving customer experiences across digital touchpoints. Operational resilience was strengthened through technology upgrades, cybersecurity improvements, data management and automation-led process re-engineering. The bank also made measured progress on its regional diversification agenda.

In Mauritius, the SBM Non-Banking Financial Cluster (NBFC) continued to expand its suite of financial solutions across asset management, stockbroking, insurance agency, fund services and corporate finance. SBM Capital Markets Ltd (SCM), a leading investment dealer in the region, delivered strong results in FY 2025 with traded value exceeding USD 8 billion and Assets under Custody of USD 338 million. SCM is actively extending its regional footprint, particularly into Kenya through its partnership with SBM Bank (Kenya) Limited.

Our overseas subsidiaries operate in competitive markets and face real operational and capital challenges, which we continue to support them in addressing. SBM Bank (India) Limited advanced its multi-year transformation, strengthening Corporate Banking and MSME lending, growing its Priority Sector Lending portfolio and executing a six-pillar digital strategy covering automation, security, customer acquisition and product innovation. SBM Bank (Kenya) Limited consolidated its position in the middle market, serving affluent individuals, businesses and local corporates through a broad branch and digital network, while maintaining its partnership with the Africa Guarantee Fund to support MSMEs and women-owned enterprises. Banque SBM Madagascar SA made progress in its business development, strengthening sales structures, customer service quality, credit monitoring and risk controls.

Outlook, commitments and appreciation

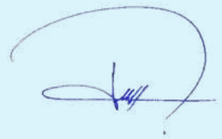
I wish to extend my sincere appreciation to the Chairperson and Board of Directors of SBM Holdings Ltd for their leadership and governance during a demanding year. I also thank the Boards of our subsidiary entities for their active engagement as we worked together to navigate challenges and sharpen our strategic direction.

I extend my deepest thanks to our employees across every entity of the Group. Their dedication, professionalism and resilience have been the foundation of our progress this year. Together, we are building an organisation that is agile, technology-driven, future-ready and purpose-led.

While FY 2025 was a year of stabilisation and investment in our foundations, FY 2026 represents a decisive inflection point, with our focus firmly on accelerated execution and value delivery. Our strategic priorities are clear: strengthen operational resilience, diversify and grow revenue streams, and drive disciplined profitability. We are committed to delivering improving returns to our shareholders and to providing transparent and timely reporting on our progress against these goals.

We remain equally committed to Mauritius and its people – helping households and SMEs achieve their financial goals and championing financial inclusion for the most vulnerable in our society.

These ambitions will be achieved through the collective commitment of our Board, Management, employees, customers and shareholders. I look forward to sharing our progress with you and thank you for your continued confidence in SBM Group.



Raoul Gufflet
Group Chief Executive Officer
SBM Holdings Ltd

In Conversation with the Deputy Group CEO



You joined SBM recently. What is your assessment of the current state of the financial services industry?

The financial services industry is among the most digitised sectors globally, yet it remains one of the most structurally challenged. Over the past decade, it has been reshaped by successive waves of disruption from fintech entrants to platform-based ecosystems to new models of data monetisation and the rapid emergence of artificial intelligence.

Banks today operate in an environment defined by accelerating technological change, evolving customer expectations and growing regulatory and geopolitical complexity. While the industry has invested heavily in digital capabilities, the real question is whether the speed of organisational change is sufficient to keep pace with the scale of transformation occurring around us.

For me, this is not a theoretical question. There is a real opportunity here to reshape the organisation's future and that is what brought me to SBM at this stage.

Are we changing fast enough?

The response to this disruption cannot be incremental. Transformation is not simply about deploying additional systems or layering new tools onto existing structures. It requires a fundamental rethinking of how the bank operates across credit, risk, compliance, finance and customer engagement.

Today, transformation is no longer a process exercise. It is an architectural one. It involves redesigning the foundations of how decisions are made, how data flows through the organisation, how value can be created and ultimately delivered to clients through a more future-ready institution.

Why is this transformation necessary now?

Much of the infrastructure that underpins the banking industry, such as core banking systems, payments platforms, ERP and CRM environments, was designed for a different era. While these systems have provided resilience and scale, they were not built for the speed, adaptability and intelligence that the current environment demands.

> ***"... SBM is well positioned with a rare chance to renew its technology foundations and underlying infrastructure in ways that many larger institutions find harder to execute."***

The rise of AI-driven platforms is forcing banks to rethink not only their technology stack, but also the way institutions assess risk, allocate capital and interact with customers.

This moment echoes the concept of "creative destruction" articulated by Joseph Schumpeter, which I studied during my time at INSEAD – where innovation systematically displaces legacy models.

In an environment shaped by technological acceleration, geopolitical uncertainty and evolving customer expectations, institutions that fail to adapt risk becoming increasingly constrained by their own legacy architectures.

What does this mean for SBM?

SBM occupies a particularly interesting position in this evolving landscape. It carries both the legacy and the potential to once again be among the institutions that shape the industry. SBM is at an inflection point today and that is what makes this moment both challenging and strategically important for the Group.

Early in my career, when I was working in a competing bank more than two decades ago, SBM was widely regarded as a benchmark for the industry, whether in terms of credit discipline, risk management, financial performance or technological leadership. In many respects, it was the institution that defined the market.

Over time, unfortunately, SBM has experienced periods where momentum slowed and opportunities were missed. Yet this also creates a unique opening today. Unlike institutions that remain heavily constrained by legacy choices, SBM has the ability to learn, to recalibrate and to reposition itself. We have the space to rebuild core capabilities that once defined the bank's leadership, while embracing a fundamentally different era of banking.

Indeed, SBM is well positioned with a rare chance to renew its technology foundations and underlying infrastructure in ways that many larger institutions find harder to execute.

So transformation is central to your vision?

Absolutely. Transformation, in my experience, is fundamentally data-driven.

My own professional journey – from the telecom sector, where data ecosystems are native, to leading transformation initiatives across institutions ranging from central banking environments to large pan-African banking franchises – has consistently reinforced one major lesson: technology, while complex to implement, is rarely the true constraint.

The real differentiator is, more often than not, organisational alignment. Institutions succeed when leadership, teams and governance structures align around a shared vision and execute with discipline and consistency.

Then how will you ensure that execution happens?

Since joining the Group, one of my priorities has been to engage directly with teams across our operations in Mauritius, Kenya, Madagascar and India.

The objective was simple: to understand whether the organisation still possessed the energy and ambition required to undertake a meaningful change agenda. What I have seen has been encouraging. Across the Group, I have encountered a depth of talent, resilience and latent energy that remains largely untapped.

This collective capability – more than any system or technology platform – is our most strategic asset. It is also the foundation upon which our future evolution will be built.

So everything is already in place?

Not quite. While the ambition is clear, the journey may not be as straightforward.

We are not seeking incremental improvements. Our objective is to enable SBM to leapfrog into a new operating model – one that is more agile, data-driven and closely aligned with the evolving expectations of our customers and stakeholders.

Achieving this will require difficult choices, disciplined execution and sustained commitment across the organisation. Transformation is rarely comfortable. But institutions that avoid it risk becoming irrelevant.

At the same time, this journey presents a powerful opportunity to redefine what SBM stands for in the years ahead and to re-establish the institution as a reference point for the industry.

"Our ambition is to build a stronger, more agile institution – one that expands opportunity and contributes meaningfully to the economies and communities we serve."

A final word for our stakeholders?

The journey ahead is about the future we want to build. I am personally committed to this transformation. It is both a responsibility and a mandate.

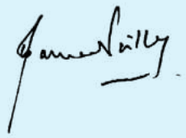
While technology is reshaping the possibilities for financial institutions, the purpose of banking remains unchanged – to enable economic participation, empower individuals and support the broader development of society.

SBM has played that role before, bringing banking services to rural communities and individuals who previously had little or no access to financial services. That mission remains just as relevant today.

Our ambition is to build a stronger, more agile institution – one that expands opportunity and contributes meaningfully to the economies and communities we serve.

The spirit that once defined SBM – ambition, discipline and commitment to service excellence – still exists. Our task now is to translate that spirit into action, ensuring that SBM continues to shape the future of banking while staying true to its purpose.

That is the responsibility we all carry as we build the next chapter of SBM together.



Mooneesing J. Naikeny (Vimal)
Deputy Group Chief Executive Officer
SBM Holdings Ltd

GROWTH ROOTED IN TOMORROW



Our Reporting Universe and Philosophy

This section explains what guides the organisation when undertaking its business and creating stakeholder value in the short and longer runs.

About our Integrated Annual Report

Background

Our Integrated Annual Report has been prepared in accordance with relevant rules, guidelines, standards and frameworks. The report has, in various respects, been based on the key principles set out by the International Integrated Reporting Council.

Purpose

The key purpose of this report is to help our stakeholders to better understand our performance and how we create sustainable value for their benefit, while tapping into opportunities and managing risks faced.

This report is intended to inform stakeholder groups that have an impact on or are affected by our business. It aims to provide them with a holistic, balanced, transparent and concise depiction of the performance and positioning of the SBM Group, including its strategy, achievements and governance framework.

Scope and boundaries

Scope: Operations and positioning of the SBM Group and its banking and non-banking financial entities
Period covered: From 01 January 2025 to 31 December 2025. Material events after this date and up to the approval of this report on 13 May 2026 are also catered for in this report.

SBM Group Disclosures



Integrated Annual Report



Quarterly Financial Results



Annual Meeting

Access our full reporting suite online at ***https://investors.sbmgroup.mu/***

Pursuing an integrated reporting journey

Scope and purpose

While positioning itself as a purposeful and transparent organisation which is guided by sustainability principles, the SBM Group has made further headway in its integrated reporting journey when producing this Integrated Annual Report, by adhering to the International Integrated Reporting Council Principles. We have set out to communicate our financial and non-financial progress in an increasingly holistic, structured and transparent manner, thus showing how we are fulfilling our purpose. This report conveys a forward-looking perspective of our business, while demonstrating how, amidst an evolving operating landscape, value is created by means of a well-defined business model.

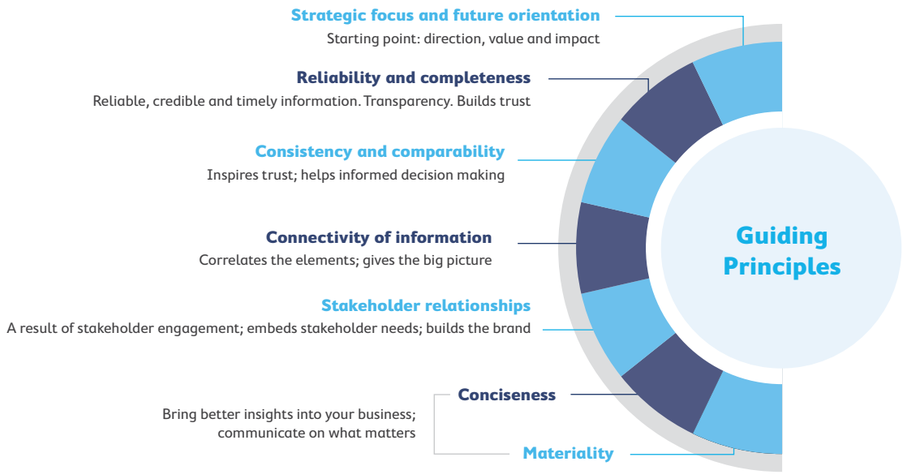
In this spirit, the organisation shows how it is impactfully engaging with its stakeholders, in line with their expectations, while harnessing its reputation as a resilient, dynamic and purpose-driven organisation.

Looking ahead, the SBM Group is committed to further improving the quality of its reporting, with expanded focus on integrated thinking, strategic value drivers and the creation of shared value.

Navigation toolkit Read more in this Report | Further details on our website

Key principles

The principles guiding information contained in our Integrated Annual Report are as follows:



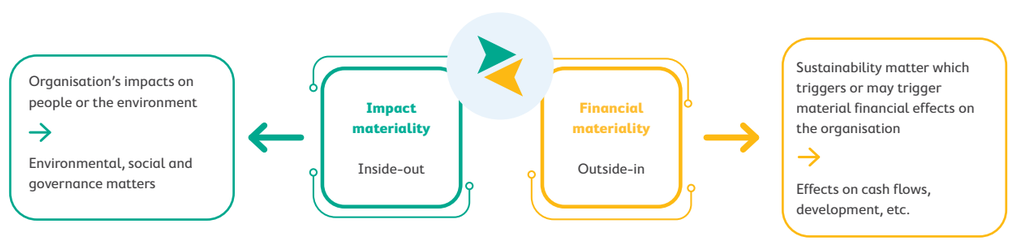
Determination of our material matters

Background

While serving as a basis to reflect the Group's identity and to strengthen the strategy management process, information disclosed in our Integrated Annual Report is founded on our material matters.

We define material matters as those which can significantly affect our ability to achieve our organisational purpose as well as to create and preserve value for our stakeholders, over both the short and longer runs. These material matters are deemed as being important enough to help achieve the Group's vision, mission, goals and strategies. We are dedicated to reassessing our material matters on a regular basis to cater for the fast-changing economic, market and industry environments.

Being guided by the double materiality concept



The Group's foundational material matters	
	Economic performance The company's overall financial health and success, as measured by metrics like revenue, cost of funds, profitability, return on investment, impairment ratio, total assets, cost to income ratio and operating income.
	Regulatory compliance Relevant rules, policies, standards and laws are complied with across operating contexts to maintain license to operate, including adherence to cybersecurity protocols and data protection regulations. This encompasses the preparedness for changes in legislation, litigation policy and emerging digital threats, ensuring the security and privacy of sensitive information throughout the organisation's operations.
	Customer experience Customer experience and satisfaction through innovative banking channels and the ability to adapt to change and demand by developing suitable products and services to enhance the customer's experience and meet their legitimate requirements whilst being mindful of critical environmental, social and governance issues.
	Employee wellbeing Employees feel valued, respected and derive meaning from performing their jobs in an environment where transparency and communication are promoted. Physical, emotional and mental wellbeing is prioritised through awareness and the establishment of relevant programmes and support systems.
	Diversity, equity and inclusion The policies and programmes used by organisations to encourage representation and participation of diverse groups of people with diverse backgrounds, experiences, skills and expertise, including the diversity of the board within the Group while also contributing to the social advancement of individuals in the community through the enhancement of opportunities and providing access to resources, especially for disadvantaged individuals. This includes Foundation and Academy programmes as well as government initiatives.
	Climate consciousness Based on the foundations of ESG principles, it refers to the controlling and reducing of the organisation's carbon footprint through the measurement of tracked carbon emissions (direct, indirect and all other emissions associated with a company's activities) and the consideration of other ESG elements.
	Social inclusion Contributing to the improvement of participation in society for all individuals through the enhancement of opportunities and providing access to resources, especially for disadvantaged individuals. This includes Foundation and Academy programmes as well as government initiatives.

Creating long-term sustainable value in an integrated way

In line with our integrated reporting principles and while catering for our material matters, we interact, through various channels, with multiple stakeholders having a direct or indirect impact on our business. These material topics form the foundation of our strategic response and are embedded across our three core pillars of engagement: Sustainable business, Responsible organisation and Inclusive communities.

This report sheds light on our regular stakeholder engagement, which enables us to deliver a coherent strategy that drives sustainable value creation on the basis of trustworthy relationships. Towards this end, we demonstrate how we make judicious use of our forms of capital in line with the categories defined by the International Integrated Reporting Council. Along the way, we seek to deliver on our prioritised UN Sustainable Development Goals, through which we believe we can generate the most impactful value. See further details below, supported by navigational icons used throughout the report.

Capitalising on our resources …

Financial capital
Funds that are available for use by the organisation in the production of goods or provision of services, obtained through financing or generated through operations and investments

Manufactured capital
Matters and objects that are available for use by the organisation in the production of goods or provision of services, including buildings, machinery and equipment as well as infrastructures

Intellectual capital
Intangibles, including intellectual property (e.g. patents, copyrights and licences), organisational capital (e.g. tacit knowledge, systems, procedures and protocols) and the brand/reputation of the organisation

Human capital
Competencies, capabilities and experience of the organisation's employees, including their ability to understand, develop and implement its strategy, as well as their motivations to innovate while leading, managing and collaborating

Social and relationship capital
Institutions and relationships established within and between each community, group of stakeholders and other networks towards enhancing individual and collective wellbeing, while promoting shared norms and values and protecting stakeholder interests

Natural capital
Renewable and non-renewable environmental stocks that provide goods and services in support of the current and future prosperity of the organisation, including air, water and land as well as relevant biodiversity structures and ecosystems

… to meet stakeholder expectations …

Shareholders, debt holders and investor community
Striving to generate sound and sustainable financial returns

Customers
Delivering relevant financial solutions and service to our customers

Employees
Shaping a competent and engaged workforce that effectively meets our customer needs

Societies and communities
Promoting inclusive and socially advanced nations

Governments and regulators
Doing the right business, the right way

Suppliers and strategic partners
Leveraging networks and ecosystems to achieve our ambitions

… while adhering to prioritised UN Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
10 REDUCED INEQUALITIES
13 CLIMATE ACTION
14 LIFE BELOW WATER
17 PARTNERSHIPS FOR THE GOALS

Assurance and responsibility

Our reporting process for this Integrated Annual Report is guided by all applicable standards, principles, guidelines, laws and regulations, including the Mauritius Companies Act 2001, Banking Act 2004, The Financial Services Act 2007, Financial Reporting Act 2004, Bank of Mauritius Guidelines, The Stock Exchange of Mauritius Listing Rules, IFRS Accounting Standards, The National Code of Corporate Governance for Mauritius (2016), the International Integrated Reporting Framework and several laws and regulations as applicable. We also have an internal assurance model to ascertain that we provide reliable information throughout this Integrated Annual Report.

The full content of the Integrated Annual Report has been reviewed by the Senior Management Team of SBM Holdings Ltd (SBMH) and, in line with related mandates, specific reports were also reviewed and recommended to the Board of Directors of SBMH for approval by the Corporate Governance and Conduct Review, Sustainability, Audit and Risk Management Committees.

The Board of Directors of SBMH has reviewed and validated the Integrated Annual Report before its publication.

Your feedback matters
We welcome and value your feedback on our Integrated Annual Report.
Please write to us on **investor.relations@sbmgroup.mu**

STRONG FOUNDATIONS, HIGH RESILIENCE



Overview of the SBM Group

This section sheds light on our core identity, how we are organised to carry out our business across jurisdictions and the key tenets of our business model.

Who we are

At a glance

Building on its franchise and customer proximity, the SBM Group is a leading banking and financial services player in Mauritius. It is, furthermore, actively involved in the Asia-Africa corridor through its dedicated banking subsidiaries operating in India, Kenya and Madagascar.

The Group strives to meet the highest standards of responsibility and integrity in its functioning and activities. We are dedicated to paving the way for the sustainable growth and prosperity of our multiple stakeholders, while delivering cutting-edge and tailored financial solutions to help our individual, corporate and institutional customers achieve their aspirations.

The Group helps economic sectors, entrepreneurs and individuals to achieve their financial and growth aspirations, alongside financing key investment projects as well as facilitating trade and capital flows that are essential for sustained socio-economic development.

Key facts and figures

Our stakeholders

Shareholders

SBM Holdings Ltd remains a key player on the local stock market, with a comprehensive shareholding that testifies to the favourable positioning and growth potential of the Group.

Second largest listing on the Stock Exchange of Mauritius

MUR 20.3 billion as market capitalisation

Individual and Institutional investors **17,721**

Customers

Our growth story is built on a diverse and widening customer base across the jurisdictions where we are present, underpinned by our tailored and appealing value proposition. proposition.

~ 3,839,890 customers
Local entities: **~ 615,150**
Foreign entities: **~ 3,224,740**

~ 334,860 Internet Banking customers

~ 180,420 SMS Banking customers

~ 687,500 e-Commerce users

Employees

We strongly believe in providing our employees with a stimulating, empowering, fair and inclusive environment to achieve their goals, alongside supporting our business and growth objectives.

3,312 employees
Local entities: **1,867**
Foreign entities: **1,445**

Our channels

We serve our valued customers by means of convenient delivery and digital channels, while we seek to continuously strengthen the quality, reach and extensiveness of our various platforms.

106 branches and counters

169 ATMs

6,070 POS terminals

Credentials and accolades

SBM Holdings Ltd

- Prominent banking and financial services provider
- Part of the Stock Exchange of Mauritius Sustainability Index (SEMSI)

SBM Bank (Mauritius) Ltd

- One of the leading banks in Mauritius
- Rated Ba1 by Moody's Investors Service
- Domestic market shares:
  - Highest market share in mortgage: ~ 39%
  - Total domestic loans: ~ 25%
  - Total rupee deposits: ~ 23%
- Mauritius' Best Bank for Customer Experience - Euromoney Awards for Excellence 2025
- Best SME Bank in Mauritius – Best SME Banks 2026 Awards – Global Finance
- Mauritius' Best for HNW trophy – Euromoney Private Banking Awards 2025
- Straight-Through Processing Award – CitiGroup
- Digital CX Awards 2025 - Outstanding Use of Digital Channels for Improved CX (Mauritius) – The Digital Banker

SBM Bank (India) Limited

- Best Data Quality Silver Award in the Foreign Bank Consumer Segment – TransUnion CIBIL
- Finacle Innovation Gold Award 2025 for Ecosystem - Led Innovation – Infosys
- Best Senior Leadership Program – Inventicon Asia

SBM Bank (Kenya) Limited

- Most Innovative Digital Banking Platform Kenya 2025 – Gazet International
- Best Bank for Customer Experience Kenya 2025 – Gazet International
- Fastest Growing Corporate Bank Kenya 2025 – Gazet International
- ESG Communication Campaign of the Year – The Public Relations Society of Kenya
- Simplicity and Affordability (1st place) – Pesalink Bank Awards 2025
- Early Adopter – Pesalink Bank Awards 2025
- Ecosystem Collaboration Champion – Pesalink Bank Awards 2025

SBM Non-Banking Financial Cluster

- Best Brokerage Services – Africa Global Funds Service Providers Awards 2025

What is our growth story

Our identity

Vision

To be one of the leading and trusted financial services providers in our geographies of presence driven by innovation and technology

Mission

To achieve strong and sustainable returns for our shareholders, meet the relevant needs of our stakeholders and support the development of the community at large

Values

Customer centricity
Trustworthiness
Integrity
Prudence
Respect

Our distinctive culture

Our distinctive culture is a crucial lever to drive growth and create long-term value for our customers and the societies in which we are involved, alongside optimising shareholder returns.

We build sustained capabilities to forge a resilient, strong, sustainable and future-ready organisation, while developing our customer-focused franchise.

We strive to meet the highest standards of integrity, corporate responsibility and risk management in our functioning and activities.

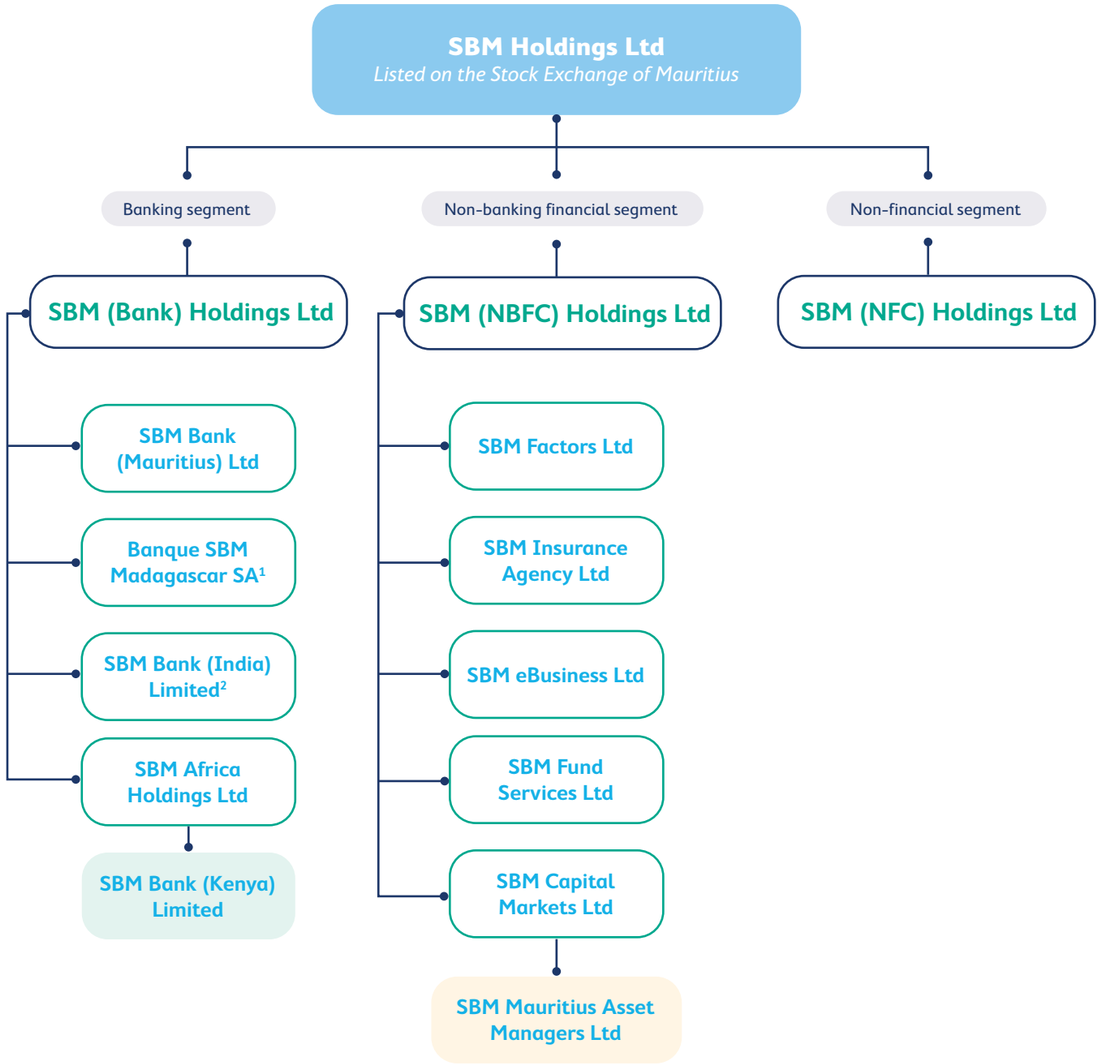
Our growth underpinnings



- We build strong links with our local and foreign subsidiaries, while supporting their growth and catering for their jurisdictional imperatives and requirements.
- We build strategic partnerships and undertake constructive dialogues with our stakeholders to help them achieve their ambitions.
- Digitalisation and innovation are integral to our ambitions to transform our productivity levels and business agenda in a nimble and secure manner.
- We undertake targeted investments in people, technology and processes to create a smart and successful organisation, amidst prudent cost management.
- Our strategic pillars remain our core foundation for business development and stakeholder management, supported by sustained customer centricity.

What we do

Our Group structure



Notes:

1. Banque SBM Madagascar SA
- SBM (Bank) Holdings Ltd - 99.99%
- SBM Capital Markets Ltd, SBM Fund Services Ltd & SBM Mauritius Asset Managers Ltd hold 1 share each (total of 0.01%)

2. SBM Bank (India) Limited
- SBM (Bank) Holdings Ltd - 99.99%
- SBM Overseas One Ltd, SBM Overseas Two Ltd, SBM Overseas Three Ltd, SBM Overseas Four Ltd, SBM Overseas Five Ltd & SBM Overseas Six Ltd hold 1 share each (total of 0.01%)

SBM 3S Ltd
- SBM Holdings Ltd - 100%

SBM Africa Equity Fund Ltd
- SBM Holdings Ltd - 100% (Class B participating redeemable shares)

In process of winding up:
- SBM Bank Representative Office, Yangon Myanmar
- SBM Maharaja Fund

Overview of our operating entities

SBM Bank (Mauritius) Ltd

Employees **1,735** | Customers **~ 569,900** | Branches and counters **45**

- It is the mainstay and flagship entity of the SBM Group. It is a leading banking operator in Mauritius, while contributing actively to the country's socio-economic development and advancement.
- The bank attends to the needs of a wide range of customer segments, comprising Retail, Private Banking and Wealth Management, Microfinance, Small and Medium Enterprise (SME), Corporate, International Banking, Financial, Government and Non-Government Institutions, amongst others. It depicts prominent local market shares, notably in the retail segment, while being also cautiously involved in cross-border transactions.
- With the support of its employees and multichannel capabilities, the bank provides seamless customer experiences and an extensive range of solutions to its client base, based on the principles of proximity. Solutions offered to clients include easy-to-use and secured Internet Banking and Mobile Banking services.

SBM Bank (India) Limited

Employees **741** | Customers **~ 3.1 million** | Branches and counters **22**

- SBM Bank (India) Limited operated as a branch of SBM Bank (Mauritius) Ltd since 1994 and commenced operations as a Wholly Owned Subsidiary (WOS) of SBM Holdings Ltd since 01 December 2018. It is the first foreign owned WOS entity to have been licensed to operate as a full-fledged Indian commercial bank.
- Running three primary business divisions – Corporate, Retail and Treasury – which cater for clients across and outside India, the bank has built a respected brand, backed by its human expertise and a network of 22 branches spread across 12 major cities and 5 rural and semi-urban locations. The bank is focused towards the mid-market corporate and MSME opportunities. It also serves the retail and HNI/UHNI segments.
- The bank's product suite notably includes multiple payments channels, debit and credit card products, differentiated retail and corporate credit products as well as trade finance capabilities.

SBM Bank (Kenya) Limited

Employees **586** | Customers **~ 102,800** | Branches and counters **33**

- The bank started its operations in Kenya in May 2017 and has a network of 33 branches countrywide, which is complemented by ATMs, mobile banking, online banking, debit, prepaid and credit cards, agency banking services and a call centre that is available 24/7 to support the client base. The bank operates as an Authorized Depository and Securities Dealer, licensed by the Capital Markets Authority of Kenya.
- The bank aspires to be one of the leading and trusted financial services providers in Kenya, while achieving strong and sustainable returns for its shareholder, meeting the needs of its stakeholders and supporting the development of the community at large, backed by committed growth and reinforced capabilities.
- The bank's strategic intent is to serve the middle segment of the market, focusing on affluent, business banking and local corporate customers. Solutions offered are tailor-made for the targeted specific segments, which include Consumer Banking, Business Banking and Corporate Banking. Within Consumer Banking, centres of excellence seek to address the needs of women, youth, diaspora and High-Net-Worth individuals.

Banque SBM Madagascar SA

Employees
118

Customers
~ 2,800

Branches and counters
6

- Headquartered in Antananarivo, the bank started operations in 1998 and, presently, operates branches in Antsahavola, Andraharo, Tanjombato, Behoririka, Talatamaty and Toamasina.
- The bank focuses primarily on large corporates. At the same time, mid-cap corporates, SMEs and High-Net-Worth individuals are also targeted in line with the bank's objective to diversify its client portfolio.
- Through its continuous endeavours, the bank has developed into a trusted partner for several large and medium corporate entities operating in the local business arena.

SBM Non-Banking Financial Cluster (SBM NBFC)

- SBM NBFC is a leading Non-Banking Financial Company in Mauritius. It delivers a range of diversified financial solutions through its subsidiaries that are duly licensed and regulated by the Financial Services Commission. The entity strengthens the one-stop-shop banking franchise of SBM Group by complementing the services of the Group's banking entities with diverse solution structures.
- The entity addresses the needs of its customers through a panoply of innovative financial solutions, including capital markets expertise (e.g. trading, asset management, CIS funds, etc.), corporate finance solutions (e.g. capital raising, Mergers & Acquisitions, debt capital and equity capital), insurance agency services (e.g. comprehensive insurance solutions tailored to the needs of clients) and fund services (e.g. end-to-end solutions in Fund Administration, Fund Accounting, Noteholder Representation and Security Agent services).
- The entity capitalises on the business acumen of its workforce and leverages synergies with other Group entities to deepen market penetration both in Mauritius and abroad.

Read more on the business initiatives and achievements across entities on pages 71 to 81

Group Governance and Leadership



Board of Directors of SBM Holdings Ltd

- A — Audit Committee
- CG — Corporate Governance and Conduct Review Committee
- GT — Group Transformation and Technology Committee
- NR — Nomination and Remuneration Committee
- RM — Risk Management Committee
- SB — Strategy and Business Review Committee
- S — Sustainability Committee
- ◆ — Committee Chairperson



1.
Mr Mahendra Vikramdass Punchoo
Chairman

Date of appointment: **15 September 2025**

GT RM

Qualifications
- Masters in Economics with Merit – Birkbeck College, University of London, UK
- Maîtrise in Economic Sciences – University of Aix-Marseille III, France
- Licence in Economic Sciences – University of Aix-Marseille III, France

Background and experience
An economist by training in France and the United Kingdom (UK) and by profession, Mr Punchoo worked close to 25 years in the Bank of Mauritius (BoM) Department of Economic Research, Analysis and Statistics during which he held various senior positions before being appointed as Second Deputy Governor in December 2014 until his retirement in February 2020.

During his career at the BoM, he has developed core competencies in economic analysis and research, banking regulation and supervision, financial markets and foreign exchange reserves management. His diverse skill set comes from the high offices he has occupied as Deputy Governor and Member of the Board of Directors and of the Monetary Policy Committee of the BoM, as Director on the Statistics Board and Member of the Financial Reporting Council and Member of various internal committees as well as years of interacting with international and regional organisations as representative of the BoM.

His atypical background offering a rare combination of a macroeconomist with a fairly deep knowledge of the economic and financial development of Mauritius and of a banking sector specialist in the field of regulation and supervision creates a unique value proposition in terms of his outlook and insights.

Mr Punchoo was the former Chairperson on the Board of Directors of La Prudence Leasing Finance Co. Ltd and a Panel Member of Rating Committee of CARE Ratings (Africa) Pvt. Ltd.

Directorship in other entities
SBM (Bank) Holdings Ltd (Chairman), SBM (NBFC) Holdings Ltd (Chairman), SBM (NFC) Holdings Ltd and other entities of the SBM Group



2.
Mr Mohamed Javed Aboobakar
Independent Director

Date of appointment: **16 October 2025**

A NR RM SB

Qualifications
- BA (Hons) Accounting and Finance – University of Leeds, England
- MBA (International Business) – University of Bristol, England and the Ecole Nationale des Ponts et Chaussées Paris, France
- LLB (Hons) – University of London, UK
- Trust and Estates Practitioner (TEP)

Background and experience
Mr Aboobakar has wide experience in setting-up and administering private equity and credit funds, real estate funds, hedge funds, hybrid funds and Special Purpose Vehicles (SPVs) and multinational companies investing in Asia, Middle East and Africa for the last 25 years.

He was formerly the Managing Director of Citco (Mauritius) Ltd and has been also responsible for Citco's corporate & trust offices in India, Dubai and New Zealand.

Prior to joining the Citco Group, the leading Alternative fund administrator in the world with around USD 2 trillion AUA, he was a Director of one of the largest fiduciary companies in Mauritius (Multiconsult), which was part of DCDM (ex-Arthur Andersen). He was previously the General Manager of BNPI (BNP Paribas) Offshore Banking Unit and General Manager of BNPI (BNP Paribas) Mauritius Trust Corporation.

Within these various roles, he has been actively involved in investment and strategy committees, corporate and fund governance frameworks and committees, Investor relations, AML/CFT, Financial Reporting and dealing with various Regulators around the world.

Directorship in other entities
Samena Capital Investments Ltd (Dubai International Financial Centre), SBM (NBFC) Holdings Ltd, The Union Sugar Estate Company Ltd (DEM) and various companies in the global business sector



3.
Mr Pramod Kumar Bissessur
Independent Director

Date of appointment: **11 April 2025**

A CG SB S

Qualifications
- Doctorat en Droit privé et Sciences Criminelles (currently reading) – Université Paris Nanterre, France
- Master of Laws with specialisation in Commercial Law (Company Law, Insurance Law, International Tax Law) – University of Birmingham, UK
- Bachelor of Laws (Honours) – University of Mauritius, Mauritius

Background and experience
Mr Bissessur is a seasoned legal scholar who has been lecturing law at University level for over two decades. He has also been a lead corporate trainer and has conducted several workshops for the Board of Directors and the Management teams of companies that are mainly in the financial sector. He has carried out extensive legal research and his articles have been published both in international peer reviewed journals and in local newspapers. He has moreover regularly participated in international conferences and webinars. His core competencies are in Corporate Governance, Company Law, Risk Management, Insolvency Procedures and Public Governance.

He is a propounder of good governance procedures and international best business practices to be adopted by the Board of Directors of companies. He also aligns with modern decision-making concepts such as climate governance and artificial intelligence, which are pertinent to the financial and banking sectors.

Directorship in other entities
SBM (Bank) Holdings Ltd and other entities of the SBM Group



4.

Mr Raoul Claude Nicolas Gufflet

Group Chief Executive Officer / Executive Director

Date of appointment: **28 November 2022**

SB

Qualifications

- Advanced Management Programme – INSEAD, France
- Certified Internal Auditor (CIA) – Institute of Internal Auditors, USA
- Post Graduate Diploma International Finance – Université de Paris XIII, France
- Master's Degree in Economics (specialisation in Finance) – University of Paris (La Sorbonne), France
- BSc Economics – University of Paris (La Sorbonne), France

Background and experience

Mr Gufflet is a seasoned professional with over three decades of experience in banking and finance. Throughout his career, he has gained extensive knowledge of banking and financial markets across multiple and diverse jurisdictions. He began as a strategic consultant in audit and corporate advisory at PwC, working with banks and central banks across France, Central and Eastern Europe and Africa. He has also contributed to studies conducted in collaboration with the World Bank and the European Bank for Reconstruction and Development, focusing on financial institutions in both developed and transitional economies.

Before joining the SBM Group, he served as Deputy Chief Executive Officer at a leading bank in Mauritius, where he also sat on the boards of its entities across Africa and the Indian Ocean. He has been instrumental in building the international franchise of that bank, establishing its footprint in Structured Finance and Commodities Trade Finance across Africa. He also played a key role in transforming other business units, creating alignment with international best practices, regulatory and technological trends. A strong advocate for ESG principles in responsible banking and finance, he is dedicated to fostering sustainable banking practices - key drivers in unlocking long-term shareholder value.

Directorship in other entities

SBM (Bank) Holdings Ltd, SBM Bank (Mauritius) Ltd, SBM (NBFC) Holdings Ltd, SBM (NFC) Holdings Ltd and other entities of the SBM Group



5.

Mr Mooneesing Janna Naikeny (Vimal)

Deputy Group Chief Executive Officer / Executive Director

Date of appointment: **11 November 2025**

GT SB

Qualifications

- Strategic Management in Banking Programme – INSEAD, Fontainebleau, France
- Leading Digital, Executive Program – MIT Sloan School of Management, US
- Executive Program in FinTech and Regulatory Innovation – Cambridge Judge Business School, UK
- Master of Business Administration – Université Paris-Dauphine, France
- MSc in Project Management – University of Mauritius, Mauritius
- B.Eng. in Computer Science and Engineering – University of Mauritius, Mauritius

Background and experience

Mr Janna Naikeny (J. Naikeny) brings to the Board over two decades of senior leadership across banking, central banking and financial services, complemented by deep expertise in the technology fields that increasingly define how banks compete. He represents a new generation of banking leadership: one that pairs sound financial judgement with the digital fluency modern institutions demand.

As Head of Technology and Operations at Standard Bank Group, Mr J. Naikeny sat at the centre of one of Africa's largest banking franchises, contributing to a 20% increase in revenue and reducing client onboarding time by 40%. His remit covered core banking operations, payments, risk systems and the customer experience platforms that underpin retail and corporate banking across multiple African markets, thus giving him a rare end-to-end view of how a large bank runs.

His tenure as Advisor to Management at the BoM placed him at the heart of the country's financial system. He led the implementation of the National Payment Switch, which materially improved the efficiency and resilience of interbank settlement in Mauritius and contributed to work undertaken by the BoM on the Central Bank Digital Currency. This gives him a regulator's perspective on prudential supervision, payment system oversight and financial stability, which is an asset on any banking board.

Earlier in his career, Mr J. Naikeny held senior roles at Huawei Technologies and Emtel Ltd, where his work on Emtel Cash helped extend financial services to underbanked segments of the Mauritian population, which served as an early and concrete contribution to financial inclusion.

Mr J. Naikeny is a recognised voice on the future of banking, having addressed forums including Mobile World Congress in Barcelona and AfricaCom. He writes regularly on the intersection of financial services, regulation and technology.

Directorship in other entities

SBM (Bank) Holdings Ltd, SBM Bank (Mauritius) Ltd, SBM (NBFC) Holdings Ltd, SBM (NFC) Holdings Ltd and other entities of the SBM Group



6.
Mr Deobruthsingh Jaypaul
Independent Director

Date of appointment: **11 April 2025**

CG GT NR S

Qualifications
- Masters in Business Administration – University of Cork, Ireland
- PgDL- Bar vocational course – University of Northumbria, UK
- LLB (Hons) – University of Wolverhampton, UK

Background and experience
Mr Jaypaul is a highly skilled litigator with 17 years of experience in civil and criminal matters. He has been the intellectual property rights representative of a foreign digital imaging technology company and acts as legal advisor to several private companies. He has also been the legal advisor of the Medical Council of Mauritius and the Medical and Health Officers Association - MHOA.

Mr Jaypaul has been involved in several companies in Mauritius providing legal assistance and guidance in their transformation journey for streamlining their operations and strategies. He is a member of the Honorable Society of Lincoln's Inn London, UK and the Mauritius Bar Association.

Directorship in other entities
SBM (Bank) Holdings Ltd and other entities of the SBM Group



7.
Mr Aakash Krishan Kalachand
Independent Director

Date of appointment: **11 April 2025**

A NR RM SB

Qualifications
- Associate of the Institute of Chartered Accountants in England and Wales (ACA, ICAEW)
- BSc (Hons) in Accounting & Finance - London School of Economics, UK

Background and experience
Mr Kalachand is a distinguished business and finance expert with over 15 years of extensive experience across diverse sectors, including financial services, risk management, investment, operational and strategic management and corporate governance.

Currently, he holds the esteemed position of Executive Director at J Kalachand & Co. Ltd, where he contributes significantly to the management team, overseeing the company's operations with strategic insight.

Mr Kalachand had served as an independent Director on the Board of SBM Holdings Ltd (SBMH) and SBM Bank (Mauritius) Ltd (SBMBM) from 2014 to 2015. In his capacity as the former Chairman of the Risk Management Committee of SBMH and SBMBM, he was instrumental in fortifying their risk management framework and ensuring adherence to regulatory standards, notably the Basel III regulations.

His professional journey also encompasses roles at EPIC Private Equity LLP in London, where he functioned as an Investment Executive, and Deloitte LLP, where he served as a Senior Consultant. His expertise lies in audit, risk advisory, and regulatory compliance, having worked with prominent financial sector groups such as Morgan Stanley, Barclays Capital and BNP Paribas.

Directorship in other entities
J Kalachand & Co. Ltd, Mauritius Freeport Development, SBM Bank (Mauritius) Ltd and other entities of the SBM Group



8.
Mrs Danisha Sornum
Independent Director

Date of appointment: **11 April 2025**

CG NR SB S

Qualifications
- Master of Public Policy (MPP) - Gerald R. Ford School of Public Policy, University of Michigan, USA
- Master of Laws with Distinction (LL.M. International Commercial Law) - University of Birmingham, UK
- Bachelor's degree in laws (Honours) - University of Mauritius, Mauritius
- Fulbright Scholar

Background and experience
Mrs Sornum is a barrister-at-law, with a focus on International Trade and Investment Law, Arbitration and ESG compliance in banking practices. She has been a Consultant with numerous international institutions, including the World Bank and the African Development Bank. A seasoned corporate trainer, Mrs Sornum leverages her unique mixed legal and policy background to promote alternative dispute resolution and to mainstream ESG imperatives in business operations and management. As the youngest member of the Equal Opportunities Commission, she has investigated and facilitated conciliation in several cases of discrimination.

Mrs Sornum manages a portfolio of companies, both local and international, providing legal guidance and assisting them in drafting of internal policies, compliance and navigation of legal risks. She also collaborates closely with public and private stakeholders to foster diversity, equity and inclusion across the workplace and the community at large.

Directorship in other entities
SBM (NFC) Holdings Ltd (Chairperson) and other entities of the SBM Group



9.
Mrs Belinda Vacher
Independent Director

Date of appointment: **16 October 2025**

A CG GT RM S

Qualifications
- LL.M. International Business Law – Université Paris II, Panthéon-Assas, France
- Graduate Diploma in Law (In progress) – University of Lancashire, UK
- Master of Business Administration – University of Mauritius, Mauritius
- BSc (Hons) Finance – University of Mauritius, Mauritius
- Certificate of Business Accounting – Chartered Institute of Management Accounting, UK
- Strategy Execution for Business Leaders – INSEAD, France (Executive Education)
- Financing the Entrepreneurial Business Programme – London Business School, UK (Executive Education)

Background and experience
Mrs Vacher is a dynamic and distinguished finance expert and corporate law advisor with over 20 years of experience across listed and international companies in Mauritius, the UK and Africa. She has served in senior leadership roles within diversified conglomerates, driving strategic, financial and operational excellence at both group and functional levels.

Her core expertise lies in high-finance engineering, mergers and acquisitions, capital structuring, fund-raising and complex deal execution, combined with a strong command of corporate governance, risk management and audit oversight. A proven architect of transformation, she has led major reorganisations, turnarounds and capital allocation strategies that strengthened performance and sustainability.

Mrs Vacher's track record includes raising capital in multi-jurisdictions, listing on stock exchanges and fund-raising for leading entities, structuring financial products and championing ESG integration across corporate frameworks. Her leadership approach blends strategic vision, financial discipline and cross-border execution, positioning her as a leader capable of steering growth and transformation across complex organisations.

Directorship in other entities
Ascencia Ltd, SBM (NFC) Holdings Ltd and other entities of the SBM Group and Velogic Holding Company Ltd

Management Team of SBM Holdings Ltd



Mr Raoul Claude Nicolas Gufflet (Raoul Gufflet)
Group Chief Executive Officer / Executive Director

(Refer to page 40)



Mr Mooneesing J. Naikeny (Vimal)
Deputy Group Chief Executive Officer / Executive Director

(Refer to page 41)



Mr Jaswant Rao (Nuvin) Balloo
Group Chief Strategy Officer

Qualifications
- Master of Economics – University of Sydney, Australia
- BSc Economics – University of Mauritius, Mauritius

Background and experience
Mr Balloo is a seasoned professional with around 20 years of experience in the banking and financial services sector. At SBM Holdings Ltd, he is currently in charge of overseeing and monitoring overall strategy management and sustainability management, while catering for the Company's Investor Relations function and acting as its main Economist.

After obtaining his Master of Economics from the University of Sydney, Australia, Mr Balloo worked as an Economic Advisor at KPMG Mauritius, where he participated in influential projects and studies for private and public sector clients operating both locally and abroad. He then joined a leading banking and financial services player where he acted as the Deputy Head of the Strategy, Research and Development department as well as the Lead Economist. There, he took part in a wide range of high-profile projects and assignments that closely contributed to the sound and sustained growth of the organisation in Mauritius and across the African continent, alongside helping to strengthen its image and goodwill vis-à-vis multiple stakeholders.

Directorship in other entities
SBM (NFC) Holdings Ltd and other entities of the SBM Group



Mr Akshay Faugoo
Group Chief Operations and Transformation Officer

Qualifications
- Master's Degree in Strategy and Organisational Consulting – Ecole Supérieure de Commerce de Paris, France
- Bachelor's Degree in Information Technology with Business – National University of Singapore, Singapore
- Fintech Certificate – Massachusetts Institute of Technology, USA

Background and experience
Mr Faugoo has over 20 years of experience in the banking and financial services and technology sectors. With a practitioner's approach, he currently oversees the operations, technology and digital transformation functions of the organisation, providing both strategic and hands-on support to the Group's entities.

Before joining SBM Holdings Ltd, he was the Head of Transformation at Bank One Limited, where he led the bank's transformation through an ambitious programme consisting of channels revamp, process digitalisation, data, fintech and innovation.

Prior to that, Mr Faugoo worked at The Mauritius Commercial Bank Ltd where he was instrumental in setting up the bank's digital transformation programme and had the responsibility of customer journey transformation as part of their digital agenda.

He started his career and lived in Singapore for several years, where he worked as a consultant in the telecommunications and technology sectors with reputable organisations such as Siemens and Accenture.

Directorship in other entities
SBM Fund Services Ltd



Mr Sivakrisna (Kovi) Goinden
Group Chief Financial Officer

Qualifications
- Fellow of the Association of Chartered Certified Accountants (FCCA),UK
- Postgraduate Diploma in Business Administration, Heriot-Watt University, UK

Background and experience
Mr Goinden is the Group Chief Financial Officer of SBM Holdings Ltd, with overall responsibility for finance, capital management, performance monitoring and procurement across the Group. He provides strategic guidance and support to SBM's subsidiaries on financial management, budgetary control, capital requirements and project execution.

Throughout his tenure at SBM, Mr Goinden has played a pivotal role in the Group's transformation, leveraging his extensive expertise in mergers and acquisitions, corporate restructuring and capital projects. With nearly two decades of experience in the financial sector, predominantly in banking, he brings deep industry knowledge and strong leadership to the organisation. He is also a councillor of the SBM Foundation, the Group's corporate social responsibility arm.

Directorships in other entities
Industrial Finance Corporation of Mauritius (Equity) Ltd, SBM (NBFC) Holdings Ltd, SBM (NFC) Holdings Ltd and other entities of the SBM Group



Mrs Chayah Harah
Audit Lead, SBM Bank (Mauritius) Ltd

Qualifications
- Certified Internal Auditor (CIA)
- Certified Fraud Examiner (CFE)
- Fellow of the Association of Chartered Certified Accountants, UK (FCCA)

Background and experience
Mrs Harah is presently leading the Internal Audit Department of SBM Bank (Mauritius) Ltd. She is a seasoned professional with 22 years of experience in the banking sector, of which over 15 years in internal audit.

She is well-versed in risk-based audit planning, team leadership, compliance, governance and fraud investigation. Her earlier roles in branch and operations management, provided a strong foundation in banking operations and customer service. Mrs Harah handles the responsibilities of the Internal Audit functions of SBM Holdings Ltd simultaneously.



Mr Ahmad Mazahir Koussa
Group Chief Risk and Compliance Officer

Qualifications
- Fellow of the Institute of Chartered Accountants in England and Wales (FCA, ICAEW)
- BA (Econ) Hons in Accounting and Finance – University of Manchester, UK

Background and experience
Mr Koussa brings over two decades of extensive experience in risk management and governance, gained across leading international financial institutions, including Barclays Capital (UK), Standard Bank Group (South Africa) and Barclays DIFC (UAE). Prior to joining SBM Holdings Ltd, he served as Vice President, Group Risk Management for the global Corporate and Investment Banking division of First Abu Dhabi Bank (UAE), where he oversaw risk management activities across more than 20 countries.

Throughout his career, Mr Koussa has held senior leadership roles in risk management, with a proven track record in designing and strengthening enterprise-wide risk frameworks, fostering a strong risk culture, leveraging technological solutions and building effective relationships with key stakeholders. He has played a pivotal role in the development and implementation of the Group's Enterprise Risk Management Framework, with a particular focus on embedding risk awareness, transparency and accountability across the organisation.

Mr Koussa is a Fellow Chartered Accountant and began his professional career with a Big Four firm in London.

Group Executives



Mrs Chirin Dittoo
Chief Executive Officer, Banque SBM Madagascar SA

Qualifications
- Master's Degree in Finance, IAE Paris, Sorbonne Paris Business School – AIM
- Master's Degree in Marketing Strategy – IAE Poitiers (France) - Inscae, Madagascar
- Bachelor's Degree with specialisation in Business Administration - Inscae, Madagascar

Background and experience
Mrs Dittoo brings over 15 years of experience in the banking sector across Sub-Saharan Africa, Mauritius and Madagascar. Her experience spans across areas such as business strategy, business development and organisational and technological transformation projects.

Most recently, she established and led the Transformation Department at BNI Madagascar, a leading bank in the country, as part of its development plan and digital transition. Prior to that, she honed her business development skills in the Democratic Republic of Congo as Head of Retail and further applied her experience across Sub-Saharan Africa and Mauritius in business and organisational development strategy for the MCB Group.

Mrs Dittoo is committed to driving Banque SBM Madagascar SA's strategic ambition by strengthening its market presence, driving sustainable growth and ensuring excellence in customer service to secure a competitive future in the national financial sector.



Mr Louis Gervais Franco Gua
Officer-in-Charge, SBM Bank (Mauritius) Ltd

Qualifications
- Chartered Banker by Experience (CBBE)
- Fellow, Association of Chartered Certified Accountants (FCCA), UK
- Member, Society of Trust and Estate Practitioners (STEP), UK

Background and experience
Mr Gua is a seasoned banking and financial services executive with extensive C-suite experience across wealth management, commercial, retail and international banking.

Mr Gua has held senior leadership roles in global financial institutions and has led the establishment and scaling of regulated banking and wealth management platforms across multiple jurisdictions. Notably, he was part of the founding leadership team that established Deutsche Bank in Mauritius.

He later established and led a licensed wealth management platform in Singapore for the Reliance Financial Group, serving as Chief Operating Officer and subsequently as Chief Executive Officer.

Throughout his career, Mr Gua has operated under some of the world's most stringent regulatory regimes and is recognised for his strong regulatory credibility, operational excellence and disciplined governance. His leadership approach is focused on building resilient institutions and delivering sustainable, long-term growth.

Mr Gua is the recipient of multiple prestigious industry awards recognising outstanding leadership, client service excellence, and strategic business transformation. Notable recognitions include the Global Award Winner, Deutsche Bank (2006) for highest global revenue generation from a single transaction and exceptional service quality, as well as recognition for service excellence and superior client satisfaction in asset management at Reliance/Nippon Life Asset Management, Singapore.

He was appointed Officer-in-Charge of the Bank on 01 March 2026.



Mr Bhartesh Shah

Chief Executive Officer, SBM Bank (Kenya) Limited

Qualifications

- MBA - Warwick Business School, UK
- Bachelor of Science in Banking and Finance - Loughborough University, UK

Background and experience

Mr Shah is a visionary banking leader with over 25 years of experience driving strategic transformation, operational excellence and sustainable growth across Eastern Africa, Singapore and the United Kingdom. With a deep understanding of banking, fintech and digital transformation, he has played a pivotal role in reshaping financial institutions and delivering innovative solutions that enhance customer experience, operational efficiency and shareholder value.

He has expanded his expertise in data science and analytics through executive programs at Harvard Business School and the University of California, Berkeley. His academic foundation, combined with a hands-on approach to leadership, enables him to drive data-driven decision-making and business transformation.

Throughout his career, Mr Shah has successfully led large-scale transformations, including the digitalisation of banking services, expansion into new markets and the implementation of risk and governance frameworks that enhance institutional resilience.



Mr Shailendrasingh (Shailen) Sreekeessoon

Chief Executive Officer, SBM (NBFC) Holdings Ltd

Qualifications

- Fellow of the Association of Chartered Certified Accountants, UK (FCCA)
- Master of Science in Finance and Economics - London School of Economics and Political Science, UK
- Bachelor of Science in Economics – London School of Economics and Political Science, UK

Background and experience

Mr Sreekeessoon has over 25 years of experience in the business and financial sectors in Mauritius, including more than 15 years at senior management level. His experience spans various sectors, including marketing and economic research, strategy, strategic communications, programme management, investment banking and SME financing. He has spearheaded several research publications and has been an economics spokesperson for the institution. Formerly, the Head of Strategy and Research, he joined the Non-Banking Financial Cluster of the SBM Group in July 2019 and was promoted to CEO in 2020. Under his leadership, this cluster has experienced significant growth and innovation and has become a prominent part of the Group.



Mr Ashish Vijayakar

Managing Director & Chief Executive Officer, SBM Bank (India) Limited

Qualifications

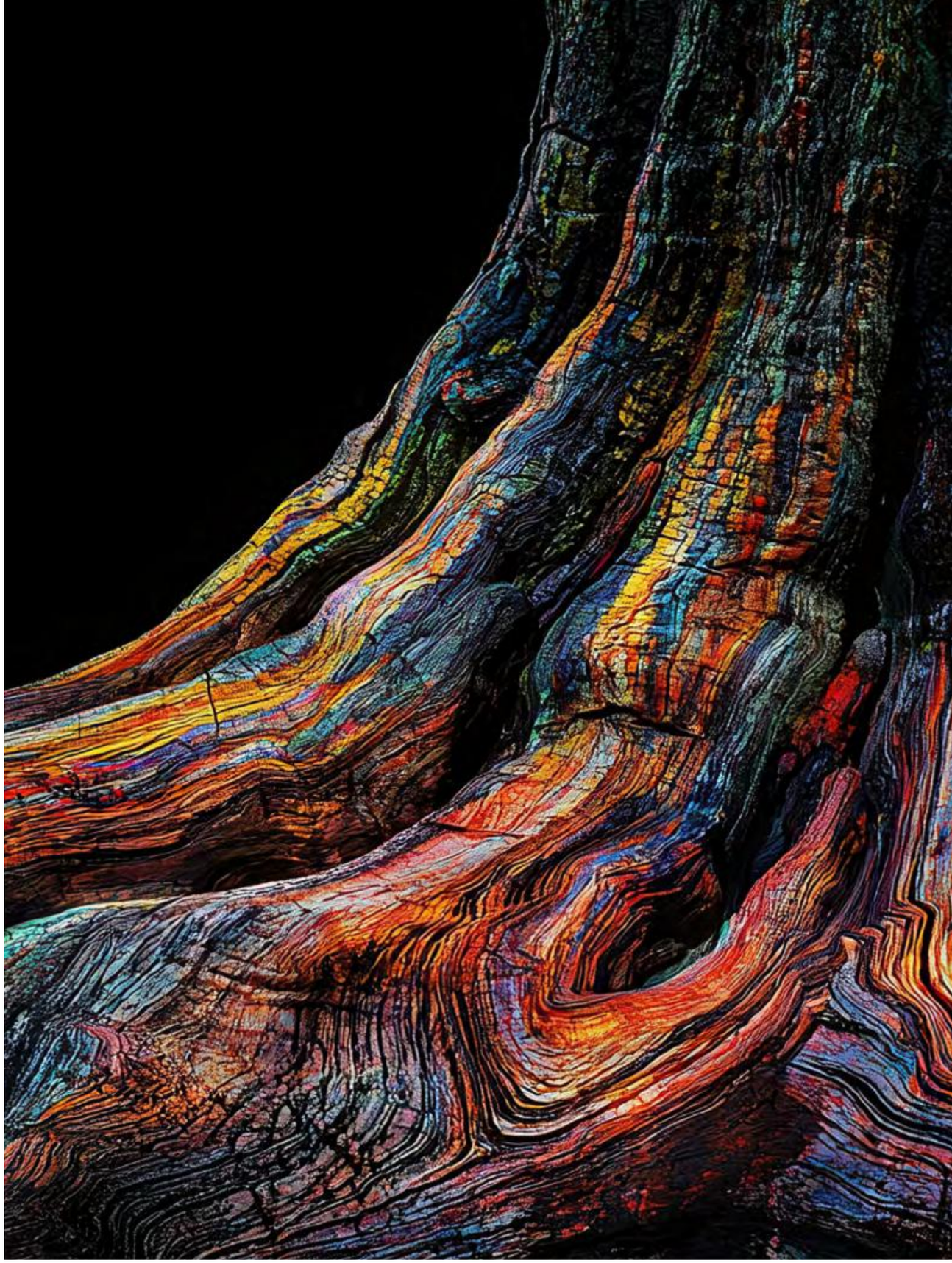
- Chartered Accountant - Institute of Chartered Accountants of India, India
- LLB (General) - University of Mumbai, India
- Bachelor of Commerce - University of Mumbai, India

Background and experience

Mr Vijayakar is a veteran banker with nearly three decades of rich experience in the banking and financial services sector. He has an impressive track record of building and expanding global businesses while assuming leadership roles across various geographies and domains.

As a career banker, Mr Vijayakar possesses vast expertise in business development, transformation and restructuring, risk and change management and innovation, among other areas of banking operations. He places great emphasis on fostering collaboration, talent development, and upholding the highest standards of integrity and compliance.

Prior to joining SBM Bank (India) Limited, Mr Vijayakar was the Co-Head & Managing Director, Corporate & Institutional Banking at Standard Chartered Bank, India, where he demonstrated his ability to navigate complex market dynamics and deliver sustainable results. Over the course of 24 years with Standard Chartered Bank, he held critical leadership roles across its operations in Africa, the Middle East, and South Asia.



GROUNDED IN FUNDAMENTALS, REBUILDING WITH DISCIPLINE



Strategy Report

This section describes our strategic ambitions, initiatives and accomplishments across operating entities, mindful of the unfolding operating context.

Introduction

This **Strategy Report** sheds light on how the Group and its entities have articulated and executed their **strategic orientations**, mindful of the unfolding operating context across jurisdictions of presence.

While we nurture a holistic approach to strategy envisioning and formulation, the focus of this Strategy Report is on our strategic growth and achievements, both from business and operational perspectives. At the same time, we explain that our business growth is achieved together with the continuous promotion of stakeholder interests. Thus, we also describe how we meet the needs and requirements of our multiple stakeholders. While this stakeholder management approach is a key tenet of our Sustainability Agenda, the latter is – owing to its importance and in alignment with our integrated reporting approach – explained, in its full shape and form, in the **Sustainability Report** that trails this Strategy Report, with comprehensive details on our philosophy and initiatives.

Our operating environment

The context that underpins our business model

We operate in a fast-changing environment that requires that we balance the risks and opportunities of events, trends and dynamics observed. In fact, the economic, market and industry landscape across the jurisdictions where the Group operates are dynamic and, in some instances, complex, thus warranting our sustained focus on assessing the various influences and developments that are or can potentially be relevant to the organisation's operations and functioning. In this light, we ensure that an informed analysis of the main factors that tend to influence our strategic priorities and operating paradigms is undertaken. This allows us to be proactive, to strengthen our response time and be agile enough to take the right decisions, notably in terms of our internal capabilities and our customer relationship management model.

Our modus operandi



The economic environment

The global context

As per the IMF World Economic Outlook issued in April 2026, global activity faces a major test from the outbreak of war in the Middle East. The IMF highlighted that, assuming that the conflict remains limited in duration and scope, global growth is projected to slow to 3.1% in 2026 and 3.2% in 2027, while global headline inflation is forecasted to rise modestly in 2026 before resuming its decline in 2027. Risks to the global outlook are on the downside. Indeed, a prolonged conflict, deeper geopolitical fragmentation, disappointment over AI-driven productivity, or renewed trade tensions could weaken growth and unsettle markets. Besides, high public debt and eroded policy buffers add to vulnerability levels.

In the context of the unfolding global environment, the economies of the Group's presence countries have, during the year under review, faced challenging conditions. This situation has, to different magnitudes, impacted the market environment, with repercussions on the demand for credit, while central banks have adopted dynamic monetary policies against the backdrop of economic trends and inflation and growth outlooks. Looking ahead, our presence countries are likely to be exposed to a demanding global context, amidst geopolitical tensions, volatile financial and commodity markets and endogenous challenges. That said, they are likely to maintain their resilience in 2026, supported by dedicated measures by the public and private sectors.

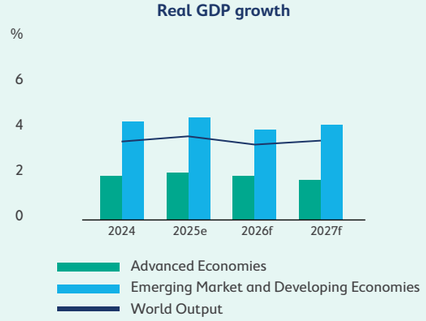
The Mauritian economy

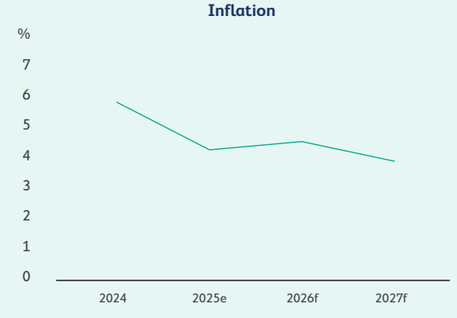
The Mauritian economy has performed encouragingly well recently, notwithstanding pressures linked to a testing global environment and domestic challenges, including climate change impacts. Besides, the fiscal consolidation measures adopted by the Government with the objective of redressing budget balances, reducing public debt and boosting fiscal space need to be monitored given repercussions on aggregate demand. According to Statistics Mauritius, real GDP growth is estimated at 3.2% in 2025, compared to 4.9% in 2024. With regard to 2026, the country's real GDP growth is projected to slow down and attain 3.0%, on account of developments in various sectors as well as the unfolding of public and private investment projects. Importantly, growth will be dependent on the magnitude and duration of the Middle East conflicts and associated supply side shocks. According to Statistics Mauritius, with the outbreak of the conflict in the Middle East, the level of uncertainty has increased substantially in view of the geopolitical instability, the global trade disruptions and the sharp rise in international prices as well as the unknown duration of the conflict. At another level, headline inflation maintained a downtrend for the first quarter of 2025, albeit rising gradually in the later months to reach 3.7% in December 2025 and moving up further in 2026, on the back of domestic price movements and international developments.

Read more on the Mauritian economy in the Group's flagship publication, SBM Insights, on our website

The following illustrations provide an overview of macroeconomic trends and forecasts across the Group's presence countries. The forecasts are depicted at a point in time, while they are likely to be reassessed during the course of the year, depending on evolving local and overseas conditions.

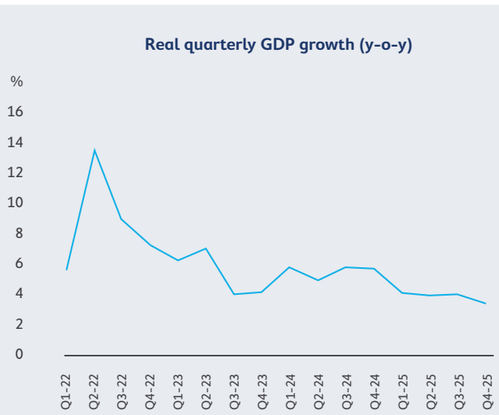
Global economy

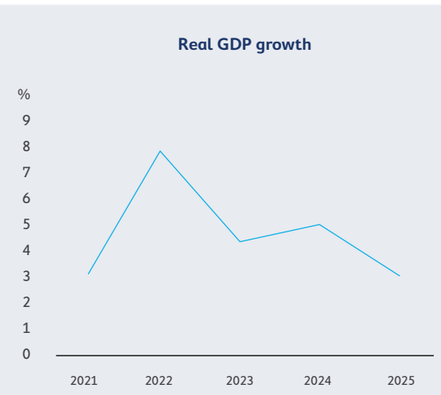


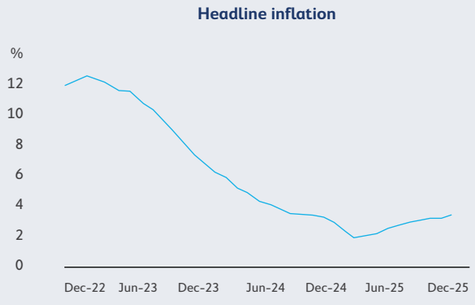


Source: IMF World Economic Outlook (April 2026)

Mauritian economy



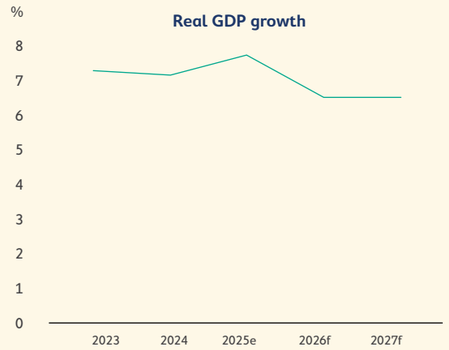


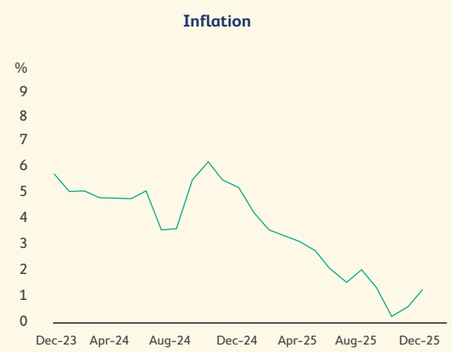




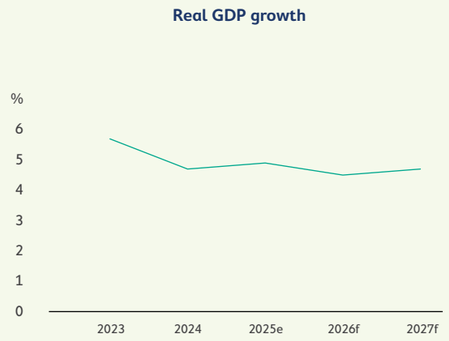
Source: Statistics Mauritius

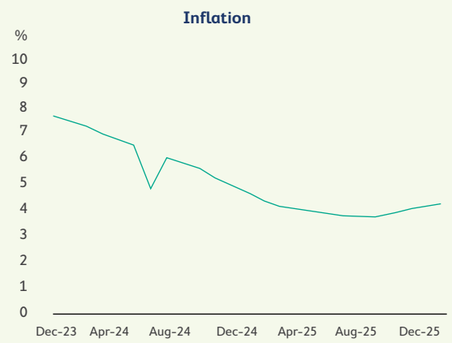
Indian economy





Kenyan economy





Malagasy economy





Sources: IMF World Economic Outlook (April 2026);
India - Ministry of Statistics & Programme Implementation; Kenya - Central Bank of Kenya; Madagascar - Instat

Reacting and adapting to the operating landscape

Personalisation of customer needs and transformation of the society

- Customers are increasingly looking for more convenient, accessible and personalised financial solutions through digital channels, while taking a longer-term approach through dedicated investments. This situation is calling upon banks and other financial institutions to adapt to customer needs, notably via seamless omni-channel platforms. They are expected to remodel their operations and value proposition, in tune with demographic trends as well as the changing socio-economic and age profiles of the customer base. They are also required to accompany customers that are being afflicted by challenging socio-economic conditions, while working cooperatively with the fiscal and monetary authorities to support economic recovery.

Increasingly testing competitive landscape

- Heightened competitive pressures are being driven by evolution in societal behaviours, changing customer expectations, a rise in the number of industry participants, and the continuous enhancement of the value proposition. Non-banking players, including FinTechs, and digital-only and neo-banks, are disrupting traditional banking models and diversifying the breadth of their financial services (e.g. in the payments and small business segments) to meet customer needs.
- In this context, pricing and margin pressures remain prominent, with clients shopping around for more favourable deals. This requires increasing market vigilance from banks. They are required to deepen their customer engagement and create meaningful customer journeys, alongside investing in technology and innovation as well as generating strategic partnerships. They will benefit from an uncompromising focus on enriched and personalised services, with the forging of trusted customer relationships and sustained brand loyalty.

Rapid pace of technological advancement and digitalisation

- Technological progress is increasing the prominence and need for cutting-edge mobile apps, AI-powered customer service and data analytics. Generative artificial intelligence (GenAI) has the potential to revolutionise banking practices and unlock meaningful value, provided it is leveraged in a secure way. Customer expectations are being shaped by transformative technologies, with requirements for seamless, personalised and on-demand products and services. Competitive pressures are intensifying amidst the accelerated speed of service execution and swifter delivery to market enabled by digital platforms and innovative operating models.
- Financial operators are required to grow their businesses by modernising their infrastructures, boosting the adoption of AI and enhancing security against potential IT risks and the increasing sophistication of cyber threats, while protecting customer assets and data. Banks can benefit by creating technology ecosystems that can adapt to the evolving industry and financial landscape.

Commitment to sustainability

- Stakeholders (e.g. customers, investors and rating agencies) are laying increasing focus on the need for their financial partners to be guided by sustainability principles. The convergence of economic challenges, geopolitical tensions, social issues and climate concerns has led to a re-evaluation of the relevance of sustainability and ESG standards, as vectors for value creation and business growth, alongside meeting the principles of social inclusion and environmental protection in the country at large.
- In addition to deploying business growth initiatives, financial players are called upon to adopt responsible corporate behaviours and help in addressing socio-economic challenges. They need to integrate sustainability in their strategic decision-taking model, after ascertaining their likely dependencies and impacts and catering for evolving regulatory stipulations and guidelines. As a key focus area, organisations need to identify risks and opportunities associated with climate change, before embedding climate risk management in their business and governance models. They are called upon to support customers being involved in transition journeys and incurring climate-resilient investments.

Demanding regulatory landscape

- In the wake of the risks linked to the challenging economic and market environments, regulators are laying increased focus on the reach and demands of their regulatory rules and guidelines, while reinforcing their industry monitoring and oversight. An increasing range of guidelines and policies are being comprehensively covered, notably relating to digitalisation, ESG, climate change and sustainability, AML-CFT, cybersecurity, etc.
- Considering this conjuncture, financial institutions are required to stay ahead of emerging regulations and to strike a proper balance between meeting regulatory stipulations and driving business growth while staying competitive, underpinned by a reinforcement of their control, oversight and reporting capabilities. Financial institutions are expected to work cooperatively with the authorities. They need to ensure that they adopt the necessary business model, internal operations and value proposition that, at the same time, align with regulatory rules and support strategic and business development decisions.

Heightened global geopolitical risks

- Heightened trade wars, geopolitical tensions and regional conflicts are weighing on output creation, trade and investment markets.
- Such dynamics and the associated risks of deglobalisation are, in some ways, disrupting economic activities and supply chains, alongside reshaping capital flows.
- This situation calls upon banks to reinforce their risk controls, with robust stress testing and sound balance sheet management to shore up resilience against potential external shocks and support clients.

Stiff battles for specialised talents

- Banking sectors are facing high competition to attract and recruit talent, particularly in the technology and sustainability areas, given the attractive salary packages, working conditions and career paths being offered by operators in both the financial and non-financial sectors (domestically, regionally and internationally).
- Banks therefore need to act in a smart and fast way and to attract the right talent with appealing incentives, supported by capacity-building and upskilling programmes for both existing employees and expected new recruits.

Key strategic directions

Our strategic planning process

The SBM Group has a clearly articulated structure and a series of processes which underpin the formulation, execution and review of strategy, with the aim of navigating the operating landscape of the financial services industry and optimising financial performance, alongside also strengthening the Group's resilience against uncertainties. While the Board of SBM Holdings Ltd is the ultimate governing body, each operating entity crafts its own strategy for sustainable growth as per its own specificities and resource levels, in alignment with the directions set by the Group, but also, importantly, with industry best practices, local regulatory requirements and the expectations of a diverse range of stakeholders.

The strategic planning process is a year-round and multi-faceted journey which goes through various layers across the different entities of the Group, thus forming an integral part of its structure and decision-making. The Board sets the strategic direction for the Group and monitors progress towards broad-based strategy implementation via its sub-committees, i.e. Strategy Committee, Business Review Committee, Projects Assessment Committee, Risk Management Committee, Corporate Governance and Conduct Review Committee as well as Sustainability Committee. The approval of strategy by the Board is the culmination of a consultative process, which is enriched by insights from internal stakeholders and recommendations from the Strategy Committee. The latter engages in thorough discussions with the Management team, which conducts appropriate analyses and presents strategic options, thus ensuring that decisions are not only Board-approved, but are also grounded on analysis and strategic foresight.

The overall strategic planning process is summarised below:

1 Strategic analysis

Involves
- Comprehensive SWOT analysis
- Recent performance analysis
- Gap analysis
- Internal capabilities and resources
- Economic environment, market trends, competitor landscape and regulatory dynamics
- Key challenges, risks and opportunities

Concludes into
- Presentation by Management to the Strategy Committee

2 Strategy choice and formulation

Involves
- Strategic options based on strategic analysis exercise
- Strategic priorities aligned with organisational goals
- Breakdown of organisational plan into Business Unit plans

Concludes into
- Vision, risk appetite and strategic directions via facilitated workshops/retreats involving Management and the Board

3 Strategy validation

Involves
- Input from key stakeholders
- Elaboration of chosen strategies
- Alignment with long-term goals and risk tolerance

Concludes into
- Approval of Strategic Plan and Budget at different internal stakeholder levels, including CEO, Management Forum, Strategy Committee and Board

4 Strategy communication

Involves
- Narrative delivered to staff around common vision and objectives
- Cascading down of strategy, using the Balanced Scorecard methodology, from organisational to Business Unit to individual objectives

Concludes into
- Balanced Scorecards for employees

5 Strategy implementation

Involves
- Implementation plan with specific milestones and timelines
- Mobilisation and allocation of resources
- Progress monitoring and dealing with challenges

Concludes into
- Implementation of strategic initiatives, identification and resolution of risks and issues

6 Strategy evaluation and review

Involves
- KPIs to measure achievements
- Regular review of progress achieved
- Periodic assessments to ensure relevance

Concludes into
- Monthly reviews at Management level and quarterly reviews at Board/ Board Committee level

Our value creation model

Value drivers

We deploy our resources to create sustainable value. Our tangible and intangible assets are key to nurturing resilient and dependable foundations for healthy growth.

Financial capital

Our diversified and balanced portfolio – underpinned by a pragmatic risk appetite, reinforced capabilities and a focused resource allocation framework – provides us with the necessary resilience, impetus and malleability to manage change, tackle uncertainty and generate business growth.

Manufactured capital

Our wide-ranging branch network, diversified delivery channels, improving digital foundations and simplified systems architectures allow us to boost employee experiences, reinforce operational efficiency levels and enrich the quality of client experiences.

Intellectual capital

We leverage our strong credentials, impactful brand and dependable customer value propositions to deliver superior outcomes to our stakeholders, supported by our broad scale and geographic reach in Mauritius as well as our continuous growth endeavours in our foreign presence countries.

Human capital

Our skilled, engaged and client-centric employee base enables us to deliver on our strategic and business development objectives in a prompt and effective manner, while we continue to undertake training and incur investments to shape up the mindsets and capabilities of our people.

Social and relationship capital

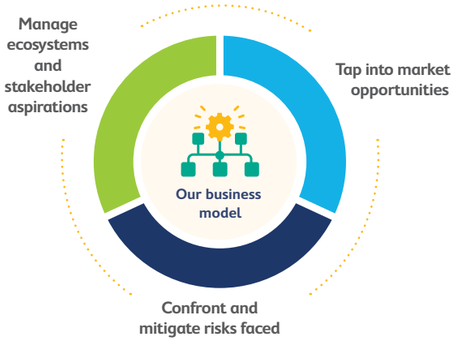
Our trustworthy stakeholder relationship model and strategic collaborations allow us to achieve our growth ambitions, while streamlining our decision-making process, optimising our costs and deepening our client engagements.

Natural capital

With the social, economic and environmental wellbeing of our presence countries in mind, we ensure that our business strategies and operational initiatives are aligned with our strategy to foster nationwide development goals

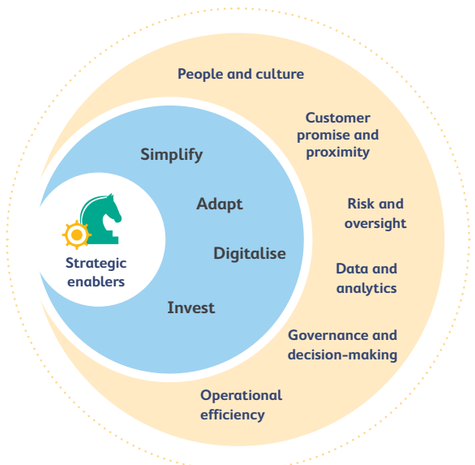
Value creating strategies

We leverage our business model to boost our market development endeavours, while managing risks faced and making efficient use of our resources and capabilities.



Managing the landscape

- Reputation and goodwill
- Market competitiveness
- Compliance rules and regulations
- Economic climate
- Industry imperatives



Value created

Our strong growth foundations and diversified income streams generate positive outcomes for our stakeholders, backed by the consistency required to deliver on our promises.

Shareholders, debt holders and the investor community

We aim to generate long-term shareholder value through business growth and financial returns

- Shareholders looking for sustainable returns
- Dividend paid to shareholders
- Sizeable market capitalisation

Employees

We leverage a competent, inclusive and engaged workforce

- Payment to employees in the form of salaries and benefits
- A diverse, inclusive and future-ready employee profile
- Career progression and skill development programmes

Governments and regulators

We strive to fulfill our responsibilities, while contributing to nationwide prosperity

- Strict adherence to regulatory requirements
- Solid risk management and control systems
- Support to national socio-economic progress

Customers

We seek to deliver convenient and innovative solutions, supported by enduring customer relationships

- Customers served through our innovative solutions, channels and digital capabilities
- Close and life-long relationship with clients
- Appealing brand value among banking peers

Societies and communities

We set out to support societal and environmental value creation through dedicated initiatives

- Social projects financed by the SBM Foundation
- Contribution to the UN Sustainable Development Goals
- Promotion of sustainable habits and initiatives by internal and external stakeholders

Suppliers and strategic partners

We partake in effective ecosystems and forge value-generating relationships

- Open, transparent and consistent tendering process
- Accurate and on-time payments
- Sustainable relationships

Our philosophy and strategic approach

Our foundations

Our strategy is crafted to deliver on our purpose, while being underpinned by our franchise and customer proximity. The SBM Group is committed to achieving sound and sustained growth in its business activities across jurisdictions.

As a key focus area, the Group's business model is anchored on leveraging the physical presence and market footprint of its subsidiaries across the geographies where it operates.

Our strategy is anchored on key pillars and enablers …

Purpose and culture
Our clearly spelt-out mission and vision allow us to realise our growth ambitions, with an agile and entrepreneurial culture that enables us to unlock our potential.

Governance
Our strong internal controls and oversight setup allow us to create positive outcomes for us and for our stakeholders in a structured and prudent way.

Brand recognition
Our brand equity instils trust. We are a leading banking and financial services player in Mauritius, while being amongst the highest capitalised listings on the local stock exchange.

Customer first
We constantly strive to create differentiating and seamless customer value propositions, with emphasis on strengthening the quality of our interactions.

International involvement
Our competitive advantage is supported by our overseas banking subsidiaries within the Asia-Africa corridor, while we are gradually boosting our cross-border business in Africa.

Technology
We are dedicated to capitalising on advanced technologies to underpin our operational efficiency and the quality of our customer experiences.

People
At the core of our operations, our employees live the SBM brand, while we continue to invest in their upskilling and capacity development.

Partnerships
Our business ambitions are anchored on our stakeholder engagements and strategic partnerships, which provide us with added strength to achieve our objectives.

Community
We are passionate about forging strong community relationships and supporting the vulnerable people of society.

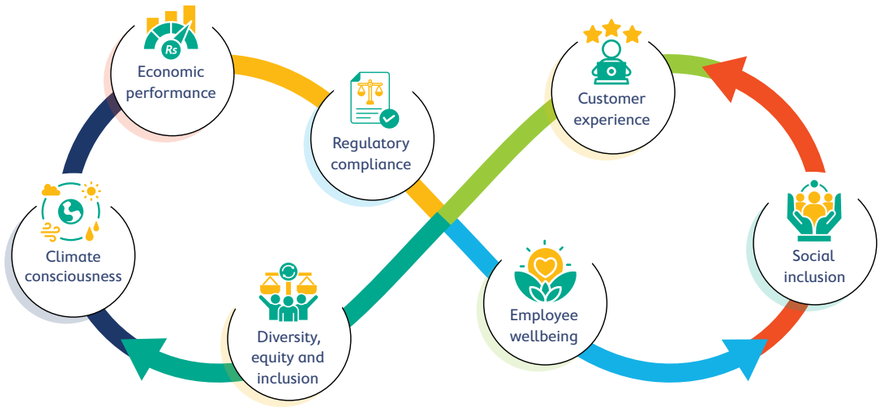
…. while leading to the development and formulation of our main focus areas

For the short and medium terms, a key priority of the SBM Group is to strengthen its resilience and position as a leading regional banking and financial services player, alongside supporting the nationwide socio-economic fabric of Mauritius and its IFC

- Continuously strengthen the financial soundness of the SBM Group, while gradually leading to enhanced shareholder value and improved dividend yield
- Address legacy, operational, legal and restructuring challenges faced by some entities, while putting them on sounder footings for growth
- Enhance customer proximity and engagement by delivering seamless banking experiences
- Embed sustainability as a game-changer with respect to the entities' strategic purpose, functioning and value proposition
- Achieve a leaner and digitally-enabled organisation, with strong focus on technologies
- Further enhance the strategic image, reputation and credentials of the SBM Group

Group strategic orientations

We seek to forge a resilient and value-creating organisation, while focusing on our material matters …



… which serve as a basis for the articulation of our core strategic orientations …

Financial resilience

- Strengthen Group profitability, with healthy financial ratios
- Reduce SBMH indebtedness to more sustainable levels
- Implement effective capital and asset-liability management
- Exit non-core assets to improve liquidity and redeploy in higher-earning assets

Tech-led growth model

- Digital transformation and technological innovation
- Improved customer experience and operational efficiency
- Leveraging data analytics and new technologies
- Upskilling and reskilling the Group's workforce

Strategic diversification

- Increase contribution of foreign entities to Group profit
- Diversify revenue streams by leveraging cross-border capabilities to support trade and investment flows across the Group's operating markets
- Tap into and scale complementary non-banking financial services
- Embed sustainable finance as a key business growth underpinning

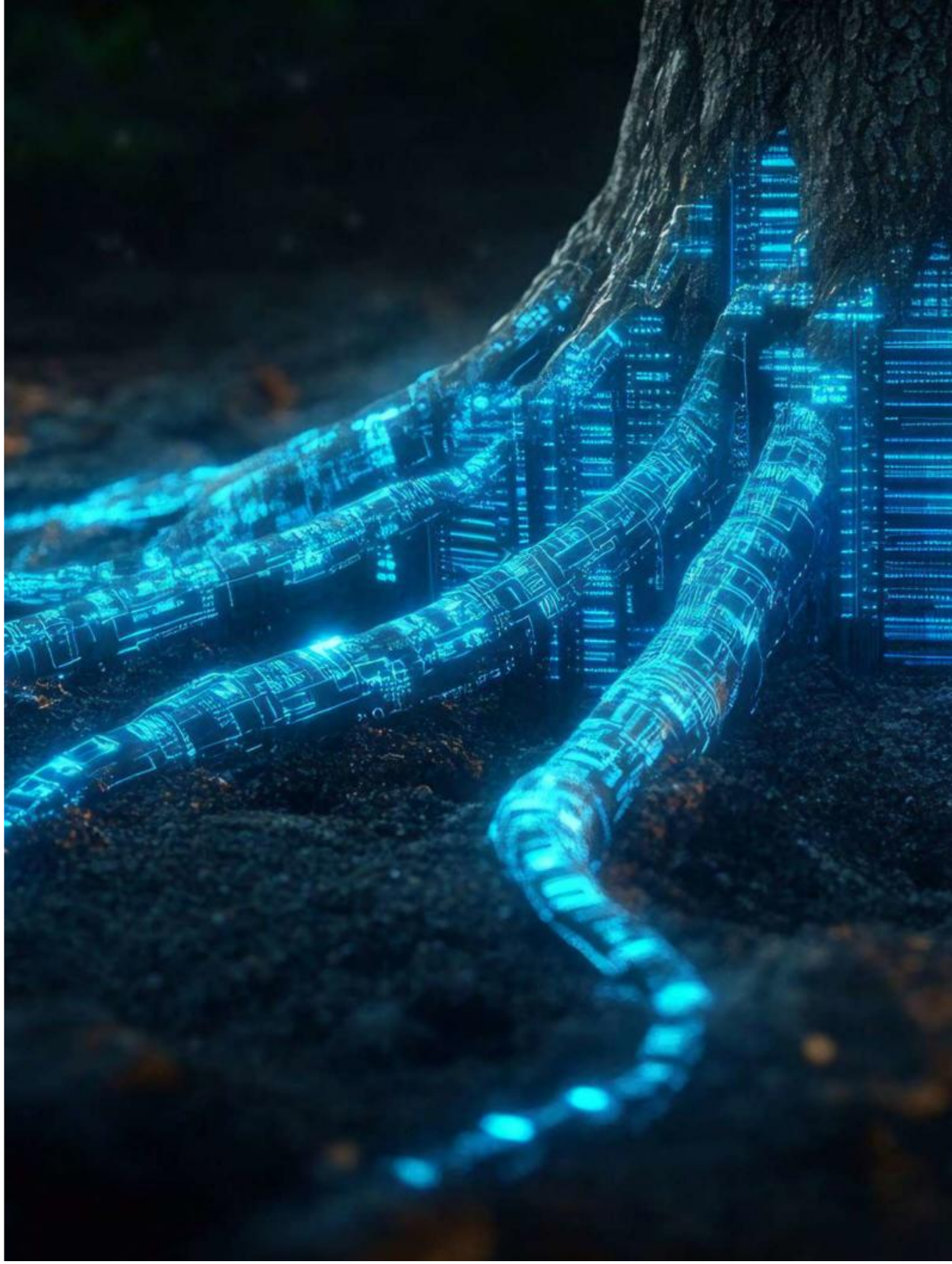
… underpinned by key enablers for sound and sustained growth

Group operating model and business synergies

Strategic human resource and talent management

Culture, identity and behaviours

Strategic communication and investor relations



Our strategy execution journey

Overall Group performance and positioning

Key achievements

While operating in demanding and, sometimes, complex economic, market and industry environments in the jurisdictions where it is present, the SBM Group has, during the period under review, made further progress against its strategic objectives and preserved its financial soundness. Towards this end, the Group has capitalised on its healthy business model and proactive approach to pursue its growth agenda. It enriched its value proposition and strengthened customer proximity, alongside improving its operational foundations and capabilities. At the same time, the Group further implemented its Sustainability Agenda to position itself as a purposeful and caring organisation.

To underpin the realisation of its strategic objectives, SBM Holdings Ltd established new Board sub-committees. Firstly, the Group Transformation and Technology Committee provides oversight and strategic direction over Group-wide transformation and technology initiatives that have a significant impact across SBM Group's operating entities. Secondly, the Sustainability Committee is mandated to oversee and guide the articulation and execution of the Group's Sustainability Agenda across entities. Furthermore, SBM Holdings Ltd appointed a Deputy Group Chief Executive Officer, who brings over twenty years of experience transforming financial institutions at the intersection of technology and operations. He comes with wide-ranging experience in the realm of digital transformation and forward-thinking leadership grounded in practical experience.

Moreover, the Group's focus has remained on providing better digital customer experiences, improving the efficiency of its operations, as well as making its technological infrastructure more resilient. Cybersecurity has remained high on the agenda against the backdrop of an increasingly complex and challenging cyber-threat environment. During the year under review, the Group's entities have continued their investments in the technology foundations, addressing legacy systems, launching new digital channels and new features as well as bringing improvements in operational efficiency. As we progress on our journey, there will be more synergies in our transformation efforts through the setup of a Group Transformation Office (GTO). The latter, which has been established at the SBM Holdings Ltd level, oversees design, governance, orchestration and ensures the execution of the Group's multi-year transformation agenda in a coordinated, disciplined and structured manner.

From a risk governance perspective, the Group navigated a demanding operating environment marked by persistent geopolitical and macroeconomic pressures, evolving regulatory and fiscal obligations, and heightened cyber and other emerging risks. During the year, sustained efforts were made to reinforce a consistent and robust risk culture across the organisation, supported by the rollout of several targeted initiatives. These included: (i) the enhancement of the Group Enterprise Risk Management Framework, with a strong emphasis on operationalising Group-wide risk oversight to ensure greater consistency in risk standards and practices across subsidiaries; (ii) the continued strengthening of the credit risk management framework through updates to key credit policies, refinements to delegated approval authorities, harmonisation of procedures, and closer alignment with the Group's risk appetite; (iii) further reinforcement of the Compliance framework, including the strengthening of AML-CFT processes; (iv) the enhancement of organisational capability through optimised team structures and more effective allocation of resources; (v) continued investments in information technology and cybersecurity systems to improve the Group's capacity to prevent, detect, respond to and recover from cyber threats; and (vi) the delivery of focused training initiatives aimed at strengthening employee capabilities and embedding a strong culture of risk awareness and compliance across the Group.

Capital management has remained a priority focus area of the Group, which continued to exercise close monitoring of its capital position, while ensuring that its operating entities have adequate resources to meet regulatory rules and support business growth. The Group held regular and constructive discussions with them in order to ensure that their strategic endeavours are well-calibrated to minimise risks and to support their business development thrusts. As an important endeavour, SBM Holdings Ltd successfully executed a MUR 5 billion Tier II subordinated bond issuance in 2025 to uphold a sound capital base.

Various initiatives were implemented to promote the organisation's brand image, market visibility and thought leadership endeavours. The Group disseminated 'SBM Insights', which is its flagship economic publication focusing on the Mauritian macroeconomic trends, prospects and imperatives.

Business initiatives and achievements across entities

SBM Bank (Mauritius) Ltd

Key highlights

- Upholding SBM's position as a leading player in the banking industry and Mauritius IFC
- Advancing initiatives aimed at promoting innovationand digital transformation endeavours
- Continued focus on maintaining high levels of customer service and proximity
- Diversification of revenue streams, while pursuing thoughtful business development
- Active contribution to the sustained socio-economic progress of Mauritius

Strategic initiatives and key enablers

While facing up to various challenges emanating from the economic and market environments, the bank has made further progress against its strategic objectives. It has executed its strategic initiatives on different fronts, with a focus on bolstering human capital, pursuing its digital transformation and gearing up its credentials in support of sound and sustained business growth. Initiatives put in place helped to enrich the value proposition and strengthen customer proximity.

Salient observations

With the steadfast commitment, hard work and collaborative spirit of its employees, the bank has upheld its core values and preserved its status as a prominent player in Mauritius, supported by its sustained growth momentum and business development initiatives across segments. It has pursued its strategic endeavours, grown its loan book and diversified its revenue streams while ensuring that its individual, corporate and institutional customers and partners enjoy a seamless experience, anywhere and anytime. Amongst key initiatives, the bank entered into an agreement with Agence Française de Développement (AFD) for a new green line of credit, amounting to EUR 45 million. This line of credit is designed to provide dedicated financing for projects aligned with sustainability and environmental objectives. It will support initiatives in areas such as renewable energy, energy efficiency, climate adaptation and eco-conscious infrastructure development. The new green line of credit enables the bank to extend financing facilities to its retail, SME and corporate clients for projects that align with green and sustainable objectives. In support of its business ambitions, the bank geared up its human, physical, risk management and technological capabilities and frameworks, alongside further streamlining policies and procedures as well as laying due emphasis on cost optimisation and rationalisation. Noticeably, various recruitments have been undertaken, with a key example being the appointment of an Officer-in-Charge of the bank on 1st March 2026, who comes forward as a highly accomplished financial services executive with extensive C-suite leadership experience across banking, wealth management, capital markets and regulated financial institutions. Moreover, the bank has further upgraded the reach and appeal of its wide-ranging channels and customer touchpoints. In another respect, several targeted marketing campaigns and networking events in favour of brand image promotion and product awareness have been unleashed, supported by increased presence and contents on social media platforms. In a nutshell, the afore-mentioned endeavours accompanied the bank in its quest to enhance market competitiveness and resilience.

In general, the bank's initiatives reflect its commitment to delivering services that not only meet but exceed customer expectations. Its achievements have been reflected through various awards and accolades received during the period under review. Notably, the bank has been recognised at the Euromoney Awards for Excellence 2025 where it won the coveted Mauritius' Best Bank for Customer Experience title. The bank won the 'Outstanding Use of Digital Channels for Improved CX – Mauritius' trophy at the Digital CX Awards 2025. This prestigious accolade highlights the bank's commitment to leveraging innovative digital channels to enhance customer experience. Also, the bank has been honoured with Citigroup's Straight-Through Processing (STP) Award, which tells volumes about the significant work carried out in the end-to-end transaction process. These distinctions highlight the bank's focus on innovation and service quality. In the same vein, the bank preserved its prominent domestic market shares, which stood at around 39% and 20% with regard to mortgage lending and corporate banking respectively as at December 2025. All along, it remained committed to accompanying customers facing financial challenges and to restructuring files where applicable, while being mindful of its bottom-line financial performance and shoring up NPL recovery efforts where necessary.

Growing and consolidating domestic business

The bank undertook the disciplined execution of its strategic intents, thus reinforcing and diversifying its involvement in the Mauritian socio-economic landscape in which it remains an influential player.

Individual customers

- In the retail segment, the bank strengthened its customer value proposition and remained attentive to the needs of its client base across the different segments served, while moving ahead with its marketing and client acquisition campaigns. In line with its modernisation strategy and while leveraging committed investments, the bank further uplifted its branch network. The bank's branch renovation programme features

amongst the initiatives that reflect its endeavour to continuously improve its touchpoints and customer walk-in experiences, with focus on an innovative approach. To accompany retail clients, the bank has continuously honed the attractiveness and suitability of its mortgage value proposition and further improved the competitiveness of its pricing, alongside delivering adapted products and services to households and individuals, including targeted solutions and financial assistance plans where required. The SBM Home Club card is the bank's brand-new card designed exclusively for its home loan customers, which gives them access to exclusive discounts on lifestyle favourites and home must-haves. Furthermore, the value proposition for retail customers across age and income groups has been enhanced in some cases. For instance, the bank has designed a comprehensive offer for young adults aged between 18 and 30, which brings together the best of everyday banking, smart savings, and lifestyle benefits that will allow customers to build their future with confidence. This offer reflects the bank's commitment to meeting the evolving needs of today's generation and empowering young customers through the right tools and guidance to make informed financial choices and achieve their ambitions. Besides, the account holders of SBM Amigos – a product designed to act as a finance management solution for children and teenagers – have access to the Angel Plan of the State Insurance Company of Mauritius Ltd, thus enabling parents to plan for their children's future cost of education via a savings plan that offers flexible investment options, personalised as per client needs and budget. On another note, successful deposit mobilisation campaigns have been carried out by the bank. In the same vein, the bank launched its Term Deposit e-Advice, which is a step forward in making its services more efficient, sustainable, hassle-free and customer-friendly. In addition, the bank has remained a prominent player in the Cards and Payments segment, with bolstered customer proximity, attractive products and the conduct of various marketing campaigns, which helped to sustain the rise in new cards issued and drive transactional volumes.

- The Private Banking and Wealth Management cluster has, during the year under review, pursued its growth strategy and boosted its market credentials, mindful of the demands of a challenging and competitive operating environment. It successfully launched several structured solutions, which are short-term and thematic solutions that are strategically positioned to meet market demand, while enhancing fee-based income and diversifying the revenue base. The segment strengthened its regional footprint by revitalising its Madagascar desk for better market prospection and conducting strategic market assessment missions in Kenya to evaluate HNW client potential and support the bank's broader cross-border expansion strategy. Furthermore, it expanded and strengthened tie-ups with local real estate promoters bordering the Private Banking partnership networks and enhancing access to curated property investment opportunities for HNW clients. The team also hosted numerous networking events to strengthen client relationship depth and retention. Some examples are wine tasting, golf tournaments and guest speakers' sessions featuring representatives from leading global institutions such as Goldman Sachs.

SME clients | Corporate and institutional customers and partners | Financial Markets

- With regard to SMEs, entrepreneurs and micro-enterprises, the bank has continued to play an active role in supporting their sustainable growth and responding to their evolving needs in a proactive manner, aligned with its ambitions to support the advancement of the local economy. It enhanced the range and quality of its products and services offering, alongside revisiting its operating paradigm, restructuring the teams and establishing dedicated sub-segments to service different client profiles. Of note, the commitment to boosting customer proximity has led the bank to widen its regional presence in earmarked branches with the posting of Relationship Officers. During the last financial year, the bank has undertaken several engagement tours around specific regions of the country to meet up with SMEs and interact with a wide spectrum of business owners, understand the requirements and everyday realities of entrepreneurs who drive economic life in different areas, listen to their challenges and offer its financial solutions while continuing to strengthen SBM's role as a strategic financial partner in their growth trajectory. This initiative is part of a broader mission to empower SMEs, build long-term partnerships and position SBM as a catalyst for growth in communities across the country. Also, the bank's SME and Microfinance teams participated at the Salon des PME 2025 held in October at Flacq. The event brought together entrepreneurs, start-ups and small business owners from across Mauritius, making it a key platform to showcase the bank's support for the local business ecosystem. Over the three days, the bank's teams actively engaged with business owners, provided tailored financial solutions, answered queries and offered guidance on how SBM can help them to grow, innovate and achieve their business ambitions. The bank participated in other networking events during the year with a view to further enhancing the visibility of the SME segment and promoting its value propositon, alongside sponsoring some key events. Furthermore, the bank further deployed its 'Bright-HER Future' campaign, which is designed to empower women entrepreneurs in Mauritius and Rodrigues by means of judicious financial solutions, preferential interest rates and charges and tailored advisory services. With regard to micro-enterprises, the bank has upheld its commitment to support their operations and maturity development by means of dedicated and everyday banking solutions. Market visibility was enhanced, thanks to word-of-mouth and brand trustworthiness, backed by a vast distribution network. The bank has, thus, continued to guide its customers, while ensuring that they understand the significance and implications of their debt commitments.

- The bank has made further headway in serving large corporates in Mauritius and has continued to support specific projects shaping up the country's economic landscape, backed by the operationalisation of a Deal Structuring Desk, improved operational efficiency, sustained customer proximity, increased market visibility, adapted solutions and capacity building, along with targeted training programmes. The bank remained active in accompanying corporates across wide-ranging economic sectors, in line with their growth prospects and the set risk appetite. It assisted clients with capital finance to fulfill their new projects and working capital facilities to manage their cashflow requirements all year round. As a key achievement, the bank financed a French green energy specialist to set up 60 MW of new clean energy on the grid of the Central Electricity Board, thus significantly increasing renewable energy capacity and ensuring stable power, thanks to their state-of-the-art storage systems and rapid-response capabilities. In general, the bank's Domestic Corporate segment has, during the year under review, remained close to its clients across various fields, as, for example, gauged by (i) the assistance provided to textile companies to help them navigate the uncertainties linked to the renewal of the African Growth and Opportunity Act, with modulated trade finance solutions; and (ii) solutions delivered to clients towards meeting their overseas payments requirements amidst a relatively challenging Forex environment. The bank also financed several major real estate projects which brought sizeable FDI to the country. To underpin its market development, the bank organised several events for the benefit of its clients, including customer cocktail events, high-profile Speaker events and Golf Competition.
- Regarding the Financial Markets segment, it has remained a key contributor to the bottom-line performance of the bank by means of its endeavours across three core activity areas, namely sales of financial instruments across asset classes (FX, rates and credit), structuring of financial solutions across assets, and trading of financial instruments. A client coverage desk has been set up with the aim to increase revenue, broaden the spectrum of products and financial solutions while growing market footprint.

Building and solidifying customer loyalty | Technological improvements

- The bank has set out to build trust through regular and transparent customer engagements, interactions and endeavours, based on the increasing sophistication of customer needs and preferences. Customer centricity being a core value, sets the standards by which the bank prioritises decisions about touchpoints, alongside improving the convenience of solutions offered and hearing the voice of its clients through regular surveys.

- As a major focus area that reflects its growth aspirations amidst an increasingly competitive market environment, the bank laid sustained emphasis on its gradual technological transformation, with operational efficiency improvements, reinforced business organisation and process engineering, enhanced customer value proposition and enriched channel management as core objectives. Focus has been laid on digital and IT transformation to pave the way for the appropriate organisational structures, processes, tools and channels that would allow the bank to strengthen its IT ecosystem and lay the foundations for its longer-term digital transformation journey.

Steady and prudent growth of international business

The bank pursued efforts to carefully, yet resolutely, expand its international business across segments, as a means to progressively bolster its resilience and diversify its revenue streams. By setting priorities and policies which are consistent with the bank's strategic directions as well as its values of prudence and customer centricity, the bank has – following a thorough review of the economic and market environments in the jurisdictions in which it is involved – remained guided by its risk appetite and country limits. Specifically, the bank further attended to the needs of Financial Institutions. In this context, the bank has (i) delivered steady growth in FI income, supported by increased volumes in cross-border FI & Sovereign lending, trade finance and treasury activities; (ii) expanded correspondent banking relationships and the FI client base, with a focus on sub-Saharan Africa and key global corridors; (iii) enhanced trade finance and risk participation capabilities, supporting clients' cross-border trade flows; (iv) maintained robust risk and compliance standards, while preserving strong correspondent banking partnerships; (v) reinforced SBM's position as a regional bank in the trade and syndication space by actively participating in syndicated facilities with reputed international banks; and (vi) increased visibility through attendance at conferences. As for Structured and Trade Finance, the bank actively pursued its growth endeavours across market segments, geographies and sectors, as gauged by the notable rise in its client base and its advances over the short- and longer-term horizons. Towards this end, the bank capitalised on its wide range of customer solutions and financing structures, alongside benefiting from its brand visibility and reinforced operational efficiency amidst an improvements in internal frameworks and processes. Regarding the Global Business unit, the bank further increased its FCY deposits base on the back of its business development initiatives and the reengineering of internal processes. It increased its visibility and engagement vis-à-vis Management Companies, with participation in industry events and hosting of client engagement series. Besides, business trips organised helped to reinforce client relationships in targeted markets.

Promoting sustainability

While ensuring alignment with the Group Sustainability Agenda, the bank has implemented various strategic and operational initiatives that reflect its corporate responsibility and ethics, societal engagement and stakeholder management approach. The bank has set forward to build the necessary expertise and capabilities to fulfill its roles and responsibilities as a caring organisation. In addition to initiatives aimed at achieving environmentally-friendly operations, the bank has supported its customers in their sustainable and renewable energy projects, alongside boosting business interactions with external stakeholders and institutions with a view to underpinning its growth endeavours and learning about best practices. The bank also takes pride in the positive impacts that it brings to the community through CSR programmes and events conducted during the year, with the valued support of NGOs.



Prize Giving Ceremony held in November 2025 for Visa Cards Campaigns F1



Black Friday Week organised by SBM Bank (Mauritius) Ltd accross branches

The bank's journey towards innovation and digital transformation

Advancing a scalable, secure and customer-centric bank, with focus on digitalisation

In 2025, the bank continued to execute its digital transformation agenda, building on foundational investments made in prior periods. The bank strengthened its competitive position through disciplined investment in customer experience, operational efficiency and technology governance, in line with its strategic priorities and robust risk management.

The bank continued to innovate and improve customer centricity. In March 2026, the bank brought in enhancements to elevate customer experience, modernise services and streamline operations across the ATM network. With the new Green PIN feature, customers can set their card PIN directly at any SBM ATM quickly, safely, and without the need for printed PIN mailers. The bank is also gearing up to deploy its new ATM User Interface across the network. Designed with a more ergonomic approach, the revamped interface will provide (i) a sleeker, more contemporary look and feel; (ii) simplified navigation for smoother transactions; and (iii) a more intuitive experience that allows customers to complete transactions more easily.

Transforming customer engagement through digital channels

Following its launch in December 2024, SBM TAG, the bank's next-generation mobile banking application, entered its first full year of operation in 2025 and delivered strong adoption and usage growth. By December 2025, active mobile banking users had increased by approximately 81%, driven by enhanced functionality, intuitive design and improved service reliability. Digital engagement deepened, with monthly transaction volumes increasing by 140%, supported by a 256% increase in transaction counts. Importantly, 44% of transactions were executed using newly introduced features, demonstrating a sustained shift towards digital-first customer interactions.

Customer feedback remained consistently positive, particularly in relation to ease of use and responsiveness, reinforcing the bank's strategic focus on delivering differentiated digital experiences.

Building a future-ready digital platform

Beyond near-term growth in digital activity, SBM TAG represents a foundational investment in the bank's long-term digital capability. The platform has been designed as a scalable and modular ecosystem that enables the bank to:

- Accelerate innovation through faster deployment of new features and solutions
- Improve market responsiveness, while significantly reducing time-to-market for customer-centric enhancements
- Support open banking and ecosystem partnerships, via a secure integration framework aligned with international industry standards

This digital platform strengthens the bank's ability to scale services efficiently while maintaining high standards of security, resilience and regulatory compliance.

Driving operational excellence through Intelligent Automation

In parallel with customer-facing initiatives, the bank continued to enhance operational efficiency through the targeted deployment of Robotic Process Automation (RPA) across selected high-volume and risk-sensitive processes. Automation reduced manual intervention, improved processing accuracy and shortened transaction turnaround times. Further optimisation of automated workflows enabled the successful implementation of live inward remittance processing, supporting daily end-to-end transaction processing, including automated fund sighting and due diligence communications. These enhancements reduced operational risk, strengthened compliance, improved scalability and released capacity for higher-value activities such as exception management and customer engagement. Collectively, these initiatives contributed to a more efficient, resilient and cost-effective operating model.

Strategic partnerships and transformation governance

To ensure ongoing alignment with global best practices, the bank strengthened its digital transformation governance during the year through strategic partnerships. These engagements provided independent assessments of the bank's digital and operational maturity and identified priority initiatives to modernise the technology stack, enhance efficiency and unlock new sources of value. The outcome is a clearly articulated multi-year digital transformation roadmap, underpinned by data-driven insights and aligned with the bank's long-term strategic objectives.

Modernising the digital workplace

The bank continued to modernise its internal operating environment through enterprise-wide adoption of the Microsoft productivity ecosystem, including Teams, SharePoint and OneDrive. This initiative enhanced collaboration, strengthened information governance and improved delivery timelines across the IT function. More broadly, it supported the transition towards a more agile and digitally-enabled organisational culture, providing a scalable model for adoption across the wider organisation.

Strengthening cyber resilience, data sovereignty and IT governance

In response to the increasing complexity of cyber and technology risks, the bank reinforced its focus on cyber resilience and data sovereignty, implementing enhanced controls to safeguard customer data. These measures support regulatory compliance and strengthen customer trust.

The bank further strengthened its IT governance, while embedding robust internal controls, ensuring regulatory compliance and catering for sustainability considerations across its technology estate. To further enhance alignment with regulatory expectations, the bank appointed a specialised consulting firm in 2025 to conduct a comprehensive review of its IT policies, standards and governance framework in line with the Bank of Mauritius Guideline on Cyber and Technology Risk Management.

The way forward

The bank's digital transformation programme extends beyond the current reporting period and is guided by a clearly defined multi-year roadmap. Key priorities for the next phase include the continued enhancement of SBM TAG, the expansion of digital functionality and the delivery of a seamless omnichannel customer experience while upholding regulatory compliance and fostering alignment with risk management policies.

Digital onboarding and online account opening will remain strategic priorities, aimed at reducing friction, improving accessibility and supporting customer acquisition. In parallel, continued investment in internal IT capabilities will enhance agility, resilience and technology autonomy, thus positioning the bank to sustain innovation and support long-term growth.

Looking ahead

Over the periods ahead, the bank aspires to pursue its growth agenda, diversify its revenue streams and strengthen its financial resilience. The bank is committed to further cementing its leading position in the Mauritian banking industry and IFC, backed by improved customer proximity and engagement. While analysing and adapting to the dynamic operating environment and financial landscape, the bank is dedicated to pursuing its business objectives across all segments in a thoughtful manner, along with further shoring up its inherent capabilities on the human resources front and cautiously managing operating costs. Emphasis will be laid on enhancing operational efficiency as well as customer experiences and value propositions through digitalisation and technological innovations.

This would allow the bank to achieve sustained profitability growth, enhance customer loyalty and satisfaction, drive greater efficiency and adaptability in the functioning model, and optimise resource allocation, while championing an agile operating paradigm and fostering a culture of continuous learning and innovation. Alongside adhering to its fundamental principles and capitalising on intra-Group synergies, the bank will seek to bolster its balance sheet, with an eye on leveraging opportunities in established and emerging markets offering appreciable growth opportunities. Besides consolidating and strengthening its foothold in the domestic markets, the bank is intent on further broadening its sources of revenue through its unique value propositions and enhanced suites of solutions. It will gradually and carefully execute its international banking strategies on the basis of a selective market development approach, backed by bolstered capabilities and a fitting risk appetite. In support of its endeavours, the bank will be guided by key enablers, including recruitments for key positions, stakeholder management, channel optimisation, training and capacity building, customer relationship management, marketing and communication, and automation and data analytics.

As a major growth catalyst, customer service and proximity will continue to be enhanced through additional branch renovations, innovations on the technological and digital fronts, process reengineering for optimal efficiency and continuous customer survey feedback. The bank will remain dedicated to pursuing its digital transformation programme and constantly sharpening its capabilities, to ultimately provide a simple and safe customer journey, driven by well-calibrated investments, data management as well as expert advice and guidance. Furthermore, the bank will keep on treating employee welfare and engagement as high priority, with various planned endeavours. The bank will move forward to fill in important Management positions, as it further bolsters its capabilities, alongside attracting, developing and retaining key talents across different areas and functions. The bank will also increasingly integrate key sustainability principles across its internal operations, decision-making processes, strategy management, governance model, business development initiatives as well as its risk management framework and practices, with emphasis on the adoption of ESG principles. In fine, the bank will strive to deliver sustained and meaningful value to the economy, the communities that it serves and its multiple stakeholders, while standing as a trusted financial partner.

SBM Bank (India) Limited

Key highlights

- Pursuing the underlying vision to become a trusted customer-centric bank by leveraging technology and providing efficient solutions leading to value creation for all stakeholders
- Executing the lending strategy, which is focused primarily on secured lending across both the Corporate and Retail books
- Development of a digital strategy cutting across core pillars, including customer service, automation at scale, strengthening of the technology and security architecture, data management, customer acquisition channels and launch of new products
- Undertaking cost rationalisation initiatives around technology, people and infrastructures

Strategic initiatives and key enablers

Driven by its strategic path and capabilities, the bank has continued to work diligently on articulating and executing its business development endeavours, while considering the various challenges and opportunities encountered along the way since its conversion as a full-fledged Indian commercial bank in 2018. During its seven-year journey, the bank made sustained progress and posted key achievements on several fronts, including: (i) an increase in the deposits base from INR 7 billion to INR 88 billion; (ii) the growth in gross advances from INR 8 billion to INR 60 billion; (iii) the extension of physical footprint to 22 branches; and (iv) an expansion in the customer base from around 3,000 to over 3 million.

During the year under review, the bank has made further headway in attending to the needs of its targeted customer segments through multiple products and services. They mainly pertain to Corporate Banking (e.g. mid-sized corporates, including exporters, importers, service providers, start-ups, FinTechs, PE and VC funds, NBFCs and MFIs, etc.) and Retail Banking (e.g. MSME entities, affluent and emerging affluent segments, ultra-High Net Worth Individuals, etc.). Along the way, the bank laid emphasis on working capital financing within both Corporate mid-market and MSME segment, thus contributing to a better management of credit risk. The bank has progressed in its endeavours to further tap into the MSME segment. A New MSME Head has been onboarded to focus on building an MSME portfolio with pan-Indian coverage. A team is gradually being put in place, focusing on regional presence as well as on a hub-and-spoke model to build in geographical diversification in the origination model. The bank is revamping its MSME offering, with a clearly defined Third-Party-Provider and deposits cross-sell strategy being embedded into the overarching MSME credit strategy. Of note, while being regulated by the Reserve Bank of India and holding a universal banking license, the bank is required to observe the mandatory Priority Sector Lending (PSL) thresholds as stipulated by the regulator. As per the same instruction, the bank is required to allocate 40% of the Adjusted Net Bank Credit as on the corresponding date of the preceding year to its PSL. The bank achieves its PSL targets primarily through lending to NBFCs (MFI and non-MFI). At another level, the bank has worked towards increasing its low-cost deposit base, with push on granularity and stickiness in the base.

As an important move, the bank has undertaken the continued rationalisation and paring down of its portfolio of Fintech partnerships, while focusing on profitability and on fairer responsibilities and revenue sharing models. Currently, the bank's suite of co-branded products and collaboration with Fintech entities focuses solely on secured credit card products, debit cards and SA and TD origination. The bank is in the process of building its own servicing capabilities and digital distribution modes (in addition to leveraging its partner universe's digital strategies and customer reach). This should enable the bank to move to a digitally driven distribution model, thus entailing efficiencies in terms of cost, process, time and scalability. Overall, the bank has formulated a holistic digital strategy cutting across 6 pillars of effective customer servicing, automation at scale, strengthening tech and security architecture, focus on being data-driven, enhancement of customer acquisition channels and introduction of new products. Initiatives across such pillars will usher in efficiencies in process, while ensuring good quality delivery of the bank's products and services.

Alongside relocating specific branches to more conspicuous locations to make them more easily accessible to customers, the bank opened two new branches in unbanked rural centres in 2025 given the market potential, which is being closely mined. To reinforce its capabilities in view of achieving set growth targets, the bank has undertaken recruitment of critical resources aimed at client acquisition and governance strengthening, including Chief Operations Officer, Chief Information Security Officer, Head of Retail Distribution, Head of MSME and Retail Assets, Head of Transaction Banking, Corporate Banking Regional Client Coverage Leads, and Corporate Finance Lead. The bank made significant efforts to upgrade and enhance its human resource process, supported by (i) the introduction of a Performance Management Council to ensure the proper calibration of performance ratings; (ii) the restructuring of the functional grade structures; and (iii) clear succession planning for critical positions. From a technological angle, the bank has further bolstered its capabilities and operational efficiency. It ensured that (i) all new card onboarding processes are being routed through the Smart Banking platform, thus enabling faster processing, improved compliance and a seamless digital experience for the customers; and (ii) initiated the implementation of the Oracle Revenue Management and Billing solution in three defined phases, of which Phase 1 was completed in 2025 itself, with the deployment of this charging engine system to create potential for incremental revenue through structured charges.

The bank executed several cost optimisation and rationalisation measures – notably in terms of headcount (in manpower-heavy functions), physical infrastructures, vendor management and customer relationship management – while maintaining emphasis on digital automation. The bank has streamlined operating processes through workflow automation and digitisation. Streamlining of policies and procedures is a key focus area of the bank. As part of its commitment to operational excellence, regulatory adherence and risk mitigation, a structured annual review mechanism was initiated to evaluate and update the bank's existing processes by product. In the same vein, the bank pursued its digital transformation journey with key initiatives that simplified processes, enhanced compliance and drove sustainability across operations. These initiatives include the following: (i) endorsing Digital Document Execution, that enables fully paperless execution of corporate loan documents, while reducing turnaround time, cutting paper waste, and ensuring secure and compliant workflows; (ii) implementation of a Centralised Reconciliation System, hence minimising human errors, accelerating processes and lowering resource usage; and (iii) adoption of an end-to-end Spend Management Tool, which is a centralised digital platform for managing all aspects of corporate spending, replacing physical invoices, enhancing visibility and control, improving efficiency and reducing costs.

During the year, the bank consistently strived to uphold sound operations and business growth on the back of strengthened risk management, internal control and compliance frameworks. It enhanced the monitoring of regulatory changes through improved tracking mechanisms, while ensuring more robust oversight. It implemented its new compliance monitoring system, named 'Compliance First' with the first module going live enabling staff to raise queries and seek clarifications from the Compliance department. In parallel, the bank strengthened its KYC and AML framework through the implementation of specific solutions, supported by ongoing quality assurance reviews of AML processes. The annual ML / TF risk assessment was also completed in accordance with regulatory guidelines, with no major gaps identified, thus reflecting the effectiveness of the bank's control environment.

Several initiatives were put in place to further promote the bank's brand image and visibility, supported by the effective use of social media platforms. The bank improved its brand presence through a sharp, targeted and cost-efficient marketing approach. It focused on engaging the right customer segments by creating content tailored to local market dynamics and audience expectations. Storytelling remained a central pillar of the brand strategy. Key storytelling initiatives during the year include 'MudraRap', which was an innovative campaign blending classical Indian mudras with rap music, 'Beyond Work', which was a series celebrating employees' passions beyond their professional roles, and '7 Years Forward', which was a campaign celebrating pride and brand spirit along with showcasing the journey and future aspiration of the bank. In support of its branding strategy and stakeholder relationship management, the bank revamped its website, with a refreshed design, rich content and enhanced layout structure in place for increased visibility and search engine optimisation.The new website caters for multiple accessibility upgrades, thus ensuring ease of use for users, including differently-abled individuals.

Looking ahead

The bank has set strong and clear strategic priorities for the years ahead. Key strategic priorities include the following (i) asset expansion with a balanced risk approach towards business growth; (ii) continued cost rationalisation; (iii) building efficiencies across operating processes through automation; and (iv) building granularity in the deposit base, alongside increasing the CASA component. The bank is dedicated to pursuing the road to profitable growth by expanding and diversifying revenue streams and optimising costs in order to build the financial resources to drive the growth ambitions, while ensuring, all along, that high standards of governance, risk management and compliance are set and adhered to. As a key focus area, the bank is intent on building a sustainable, granular and scalable deposit driven franchise along with advances, with a focus on secured lending in the mid-market and MSME lending segments to propel growth. Emphasis will be laid on the distribution of products through end-to-end digital journeys and a revamped Mobile Banking Application to expand distribution in a cost-optimised manner. The bank will leverage suitably calibrated digital strategies to build cost efficient and seamless end-to-end customer journeys. At the end of the day, the ambition is to diversify and increase the non-interest income component of the total revenue through a push on processing fees, forex income, treasury sales (including derivative products) and income linked to Third Party Providers. It will focus on cost optimisation via thoughtful investments and management of human and physical resources.



SBM Bank (India) Limited entered into a strategic Bancassurance alliance with ICICI Prudential Life Insurance

SBM Bank (Kenya) Limited

Key highlights

- Positioning of the entity in the middle market segment of the industry, while focusing on affluent, business banking and local corporates
- Serving customers via a large network of branches, complemented by several platforms, including ATMs, Mobile Banking, Cards, Agency Banking services, and call centre
- Operating as an Authorised Depository and Securities Dealer, licensed by the Capital Markets Authority of Kenya

Strategic initiatives and key enablers

During the last financial year, the bank achieved a meaningful turnaround in its financial performance. It pursued various initiatives with a view to fostering disciplined business growth, enhancing customer experience and improving operational efficiency levels. Emphasis was notably laid on sustained deposit growth, the rollout of Bancassurance, digital transformation initiatives, the remediation of the legacy NPL book, staff productivity and efficiency, etc. The bank strived to further boost transactional fees and commission income on the back of dedicated business development endeavours across segments. Specifically, the bank set out to enhance its digital value proposition, with (i) investment in the acquisition and upgrade of its IT Infrastructure to enhance the digital offering across channels; (ii) the upgrade of the mobile banking platform; and (iii) the rollout of digital lending. Also, the bank maintained its ongoing partnership with Africa Guarantee Fund to enhance financing to MSMEs and women-owned businesses. On the liability side, the bank enhanced its deposit-related products, alongside stepping up its deposit mobilisation campaigns.

To support its business endeavours, the bank further strengthened its operational capabilities and growth enablers. In terms of human resources, training was delivered to educate staff on various thematic areas such as AML/CFT, risk management and bank products. Initiatives aimed at attracting and retaining the best talents were pursued, including the alignment of staff benefits to industry (e.g. medical cover, pension, salary scale, bonus policy). Besides, to reinforce its functioning, the bank recruited the following: Director Debt Recovery Unit, Director IT and Head of Products. At another level, the bank continued to focus on cost optimisation initiatives, while further streamlining policies and procedures for improved productivity levels. As regard risk management, the bank consolidated its controls and mitigants to underpin sound business growth, backed by (i) the regular review of the set risk appetite statement to align with changes in the business environment; (ii) the conduct of audits to provide assurance on the adequacy of internal controls; and (iii) the undertaking of assessments to deliver assurance on compliance to bank policies and regulatory requirements. In support of its brand image and visibility, the bank conducted various marketing initiatives (e.g. cards campaigns were carried out to increase adoption and utilisation), participated in corporate events and undertook key sponsorships with respect to target markets. For example, the bank sponsored polo, golf and marathon tournaments in Nairobi. Also, the bank led brand campaigns, with print and digital advertisements on product offerings.

Looking ahead

Guided by its niche market development approach and the aim to progressively become a relatively more prominent player in the industry, the bank plans to accelerate its business growth in a cautious, yet determined, manner over the short and medium terms. The bank aims to achieve its objectives with focus, inter alia, on (i) attracting a growing volume of CASA and low-cost fixed deposits; (ii) spearheading innovation and automation; (iii) enhancing the digital channel offering; (iv) bolstering strategic partnerships; and (v) expanding trade finance business. Furthermore, the bank is intent on further improving its asset quality levels, with a gradual reduction in its NPL ratios. To support its business aspirations, the bank will shore up its internal capabilities, with emphasis to be notably laid on the following: (i) Business Process Reengineering to enhance operational efficiency; (ii) revamping of the IT infrastructure; (iii) enhancement of staff productivity; and (iv) further strengthening of the risk management framework.



Customer Service initiative held accross branches by SBM Bank (Kenya) Limited

Banque SBM Madagascar SA

Key highlights

- Focus laid on serving niche market segments – namely corporates, well-established SMEs and selected HNWIs – while actively supporting the Malagasy economy by reinforcing the bank's customer proximity, value proposition and capabilities
- Continued delivery of traditional banking products and services, such as financing, cash management, trade finance and deposit solutions, underpinned by a dedicated relationship banking approach as well as long-standing customer engagement and relationships

Strategic initiatives and key enablers

During the year under review, the bank pursued its business growth and supported the Malagasy economy on the back of reliable and consistent financial solutions, alongside laying emphasis on reviewing and strengthening its functioning. The bank continued to ensure that its market development momentum is anchored on solid foundations, alongside reorganising operations where need be. The bank has reinforced its relationships with its customer base, explored appealing business prospects and stayed committed to upholding the soundness of its growth agenda and financial metrics. In 2025, the bank pursued the execution of its strategic initiatives, with strong focus on client acquisition and relationship development, notably with recognised exporters in the agricultural sector as well as with established commercial groups. Comprehensive customer solutions delivered covered cash management, international operations and finance solutions. To underpin its business development and sales performance, the bank carried out the following: (i) restructuring of the sales department in terms of staffing and specialisation, while ensuring stronger alignment with client needs; (ii) improvements in operational efficiency, notably in terms of project management, performance tracking, sales monitoring, process standardisation as well as customer service quality and responsiveness; (iii) tracking of cost saving initiatives, with close oversight on overall cost management framework; (iv) recruitment of specialised staff for key positions, including Deputy Sales Director, Head of Projects, Head of Operations, Operations Manager and Recovery Manager; and (v) enhanced visibility and engagement initiatives on social media and via participation in high-profile events. On another note, a comprehensive and structured operational sales plan has been put in place, including clearly-defined action points and deliverables, with the objective to drive the sales performance and strengthen commercial execution across all key segments. Furthermore, risk management remained high on the bank's agenda, with committed initiatives in terms of credit risk management (notably with the review of credit policies and procedures), monitoring of impaired files, recovery of outstanding loans as well as regular risk and compliance review.

Looking ahead

An underlying objective of the bank is to establish the necessary operational foundations and capabilities which will enable it to steadily grow its business and improve its financial performance in a progressive, yet firm, manner, with focus on the right organisational structure, competent human resources as well as fitting governance and risk management frameworks, policies and processes. For the short and medium terms, the bank aspires to gradually, but cautiously, expand its footprint in the Malagasy banking industry and economic landscape, alongside contributing favourably to the profitability and credentials of the SBM Group. Towards those ends, the bank will be primarily focusing on large corporates, while well-structured SMEs and high net worth individuals will also be serviced to work towards forging and harnessing a diversified client portfolio. Specifically, key strategic orientations of the bank can be delineated as follows: (i) reinforcing adherence to good governance while establishing a proper organigram; (ii) strengthening the risk management framework and control environment along with establishing fitting mechanisms for sound operations; (iii) forging a strong and diversified balance sheet and diversifying the revenue streams by enriching customer service quality and experiences, delivering appropriate digital solutions, improving the bank's credit monitoring and impairment management, and setting up and managing KPIs and KRIs for improved performances and monitoring; and (iv) achieving improved profitability and financial ratios, helped by systemic performance monitoring and the setting up of a concise sales plan with specific targets and milestones. The bank is, over time, intent on reviewing its channel management and branch network, with a view to ensuring that its operations are strategically located to attract business and widen the client base. In terms of capabilities, the bank is also preparing to shore up its human resource policies, achieve targeted recruitments and attain higher operational efficiency levels.



Participation of Banque SBM Madagascar SA in the World Committee of Women Business Leaders

SBM Non Banking Financial Cluster

Key highlights

- Strengthening the positioning of SBM NBFC as a key player in the Mauritius IFC and the economy
- Supporting the evolving needs of individuals and businesses by offering innovative, well-structured and compliant end-to-end financial solutions through technology and personalised services that complement and add value to the services of other entities of the SBM Group
- Maintaining a strong focus on service excellence, digital enablement and innovation, while reinforcing SBM NBFC's commitment to reshaping the financial services landscape and creating sustainable value for its stakeholders

Strategic initiatives and key enablers

Salient features

During the year under review, SBM NBFC has continued to build on the strategic momentum achieved in the previous financial years by expanding its market presence and leveraging its range of diversified financial solutions to seize new opportunities for growth. The entity remains guided by its philosophy of fostering financial inclusion and empowerment, recognising that accessible and innovative financial solutions are pivotal for individual and economic progress. In this regard, SBM NBFC continues to contribute to the development of the dynamic financial ecosystem where clients are supported in realising their financial aspirations. Throughout the year, the Board and Management have remained committed to the principles of good governance, professionalism, prudence, accountability and transparency, ensuring that all operations of the entity are aligned with regulatory expectations and Group standards.

A key milestone during the period has been the continued expansion of SBM NBFC's market reach, further consolidating its position as a leading non-bank financial services provider in Mauritius. Through an agile and customer-focused approach, the entity has successfully delivered a comprehensive suite of financial solutions spanning asset management, stockbroking, insurance agency services, fund services and corporate finance. These efforts align with the Group's vision of fostering long-term value creation while enhancing operational efficiency and profitability.

The operating environment for specialised financial solutions offered by NBFCs remains increasingly competitive, driven mainly by customer preference for greater transparency in pricing, digital onboarding, faster approval processes, self-service options and real-time status updates, all amidst margin pressures as operating costs remain elevated across the sector. At the same time, as a non-bank services provider operating within a banking group ecosystem, SBM NBFC has strived to maintain a strong compliance stance that aligns with regulatory expectations and Group standards. FY 2025 has seen heightened regulatory attention globally and locally on technology-related governance, including the responsible use of advanced analytics and automation. The Financial Services Commission (FSC) has, during the year, issued guidance on the responsible use of AI in financial services, reinforcing the need for sound governance, risk controls and accountability when deploying such tools. While SBM NBFC adopts a practical and customer-oriented approach to technology, it recognises that stronger model governance, data controls and oversight are fundamental requirements.

In 2025, SBM Capital Markets Ltd has, for the third consecutive year, been awarded the prestigious trophy for 'Best Brokerage Services' at the Africa Global Funds Service Providers Awards, thus further strengthening its reputation as a leading brokerage platform in the region.

Business development and main achievements

Through its different business segments and entities, SBM NBFC continues to capitalise on its accumulated expertise and internal sales capabilities to map its client network and strengthen collaboration with the Group entities with a view to deepening market penetration and fostering business growth. The client base remains diversified and includes local and foreign corporates, institutional clients, management companies, external assets managers, retail customers and high net worth individuals.

SBM Capital Markets Ltd ('SCM'), licensed by the FSC to conduct Investment Banking activities, provides financial solutions in areas related to Corporate Finance Advisory, Capital Raising, Trading and Structuring, Investment Advice and Portfolio Management. The Trading arm maintains its position as a leading investment dealer in the region, offering clients a combined expertise in brokerage services and flexible alternatives to the traditional investment categories like product structuring through a dynamic and dedicated experienced team at very competitive rates. SCM has achieved a satisfactory financial performance, with traded value exceeding USD 8 billion and Asset under Custody of USD 338 million in 2025. Encouragingly, SCM is actively pursuing regional opportunities, particularly in Kenya, supported by strategic alliances that have been forged with SBM Bank (Kenya) Limited. This initiative aligns seamlessly with the Group's vision of delivering comprehensive financial solutions while fostering a robust and sustainable business model. In addition, SCM continues to pursue its strategy of revenue diversification, with reinforced capabilities, notably in terms of people and technology.

SBM Mauritius Asset Managers Ltd ('SBM MAM'), a wholly owned subsidiary of SCM, acts as a Collective Investment Scheme (CIS) Manager and provides a comprehensive range of investment solutions across multiple asset classes and targets different types of investors, offering a customised approach to meet client objectives. SBM MAM has achieved a year-on-year growth of 18% in Assets under Management, which reached MUR 23 billion in 2025, reflecting the trust that clients have on the entity's robust investment strategies. The company has also revamped its investment funds and increased flows into equity-linked funds. At the same time, it is further investing in technology platforms and stakeholder engagement initiatives to enhance service delivery and operational efficiency.

SBM Fund Services Ltd ('SFS') continues to play a key role in providing Fund Administration, Registry and Transfer Agent Services, as well as CIS Administrator Services. The Company is also authorised by the Ministry of Finance to act as Debenture Holder's Representative. The Company acts as Registry & Transfer Agent for SBM Holdings Ltd, supporting over 25,000 investors and processing over 30,000 dividend payments annually and provides registry services to the SBM Group for its USD and MUR bonds. It also provides registry services to some other local companies and acts as registrar for several local and foreign investment funds. During the year under review, SFS has (i) streamlined fund administration processes to reduce turnaround time and enhance accuracy; and (ii) improved efficiency with its Workflow Management Solution.

SBM Insurance Agency Ltd ('SIAL') continues to operate as an intermediary between partner insurance companies and the clients while providing peace of mind and financial protection in the face of uncertainties by delivering prompt and personalised service and assistance for their insurance needs. During the year, SIAL has expanded its product offering through participation in the distribution network for Mauritius and the region for OracleMed Health's international medical insurance cover. By collaborating with OracleMed Health and SICOM General Insurance Ltd, SIAL is further solidifying its position as a reliable and forward-thinking partner, capable of addressing the emerging challenges in the insurance sector. Furthermore, the SBM Travel Assistance, which was launched in collaboration with Mauritius Union Assurance, offers comprehensive, annual multi-trip and single-trip travel insurance for SBM Bank (Mauritius) Ltd's credit cardholders, covering medical emergencies, trip cancellations, lost luggage and personal liability. To support its growth endeavours, SIAL has pursued a series of marketing campaigns across regions.

The Corporate Finance team offers bespoke advisory services and financial planning for capital raising (Debt Capital Market and Equity Capital Market), mergers & acquisition and private equity to help businesses achieve their goals. During the period under review, the team, in collaboration with other internal stakeholders, led and/or closed specific capital raising transactions, while broadening the scope of advisory services delivered.

Enablers for growth and capacity building

Technological advancements implemented by SBM NBFC in FY 2025 comprise the following: (i) implementing Workflow Management Solution to improve task visibility; (ii) developing specialist system to optimise Insurance Agency business activities; and (iii) exploring blockchain technologies and upgrading IT systems within SBM Capital Markets to enhance operational capabilities. Risk management remains anchored on prudence and proactive intervention. Key actions for FY 2025 include the strengthening of early warning monitoring, reinforcement of repayment arrangements strategies, the maintenance of a strong compliance stance with respect to customer due diligence and transaction monitoring, consistent with Group standards and regulatory expectations. Service reliability is treated as a business priority, not a support function. Key initiatives include the streamlining of documentation checklists, reduction of approval cycle times, introduction of clearer customer communications on required documents, improvement of handovers between sales and operations to reduce delays and the enhancement of complaint handling discipline with corrective actions.

Looking ahead

SBM NBFC remains guided by the belief that financial empowerment plays a critical role in advancing both individual and societal development. Anchored on principles of good governance, accountability and transparency, SBM NBFC strives to set new benchmarks for excellence, while fostering a culture of innovation. While adapting to a demanding market environment, SBM NBFC will pursue its transformative journey with strategic priorities for 2026 as follows: (i) grow with quality – deepen the high-performing segments and strengthen relationship-based origination through service diversification; (ii) improve customer journey – faster approvals, clearer communication and fewer handoffs; (iii) strengthen monitoring – earlier intervention, better data and more consistent remediation; (iv) build capacity – continue practical trainings programmes; (v) leverage Group synergy – simpler cross-referrals, shared services and revenue sharing with Group entities; (vi) enhance technology governance – leverage data-driven technologies while ensuring strong oversight, controls and transparency; and (vii) sustainability – advance community initiatives, environmental stewardship and social responsibility.

The Management enters 2026 with a clear direction to remain close to customers, stay disciplined in risk and cost and keep improving service. In a small and open economy, resilience is built through many small decisions that are taken in a proper and consistent manner, and this is the approach that SBM NBFC will continue to adopt. As it forges ahead, SBM NBFC remains dedicated to shaping a sustainable and inclusive financial future for all its stakeholders. By fostering partnerships, it will continue to play a pivotal role as a responsible corporate citizen, driving positive societal impact.



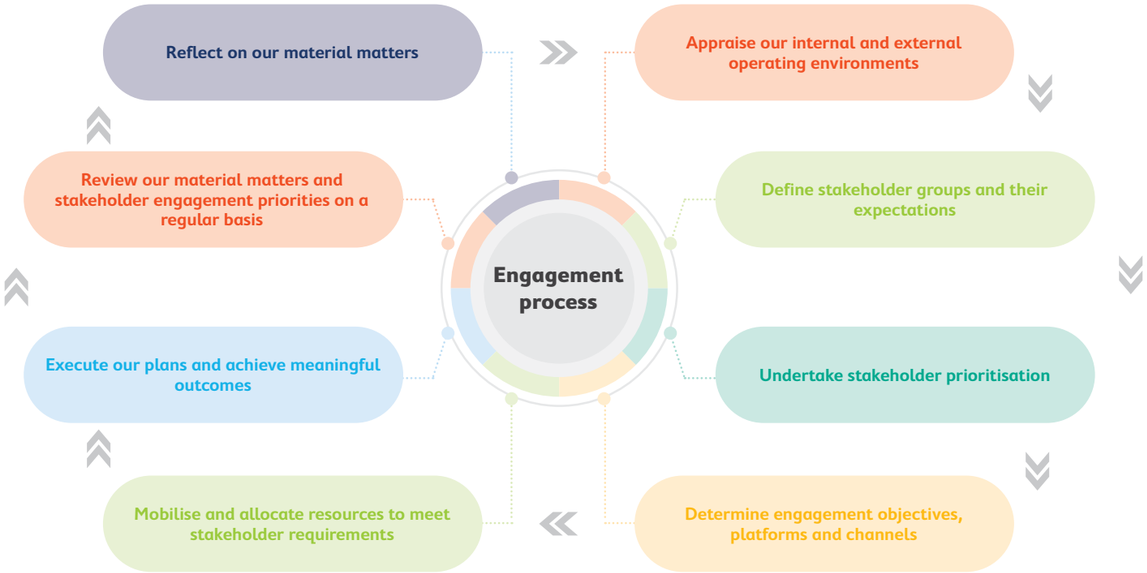
Launch of SBM Travel Assist by SBM Insurance Agency Ltd

Our stakeholder model and engagement

Our approach

Since financial institutions play a systematic role in the society, our stakeholders expect that these generate value, while supporting sustainable development and growth. Basically, the Group engages with its stakeholders to understand and respond to their expectations and concerns, thus garnering valuable insights to shape its priorities and strategies. We are continuously adapting to changing operating environments and delivering relevant solutions and tailored support to address the needs and requirements of our stakeholders. While boosting our financial numbers, we also seek to adopt behaviours and initiatives that are material for generating long-term and meaningful value.

Our engagement agenda

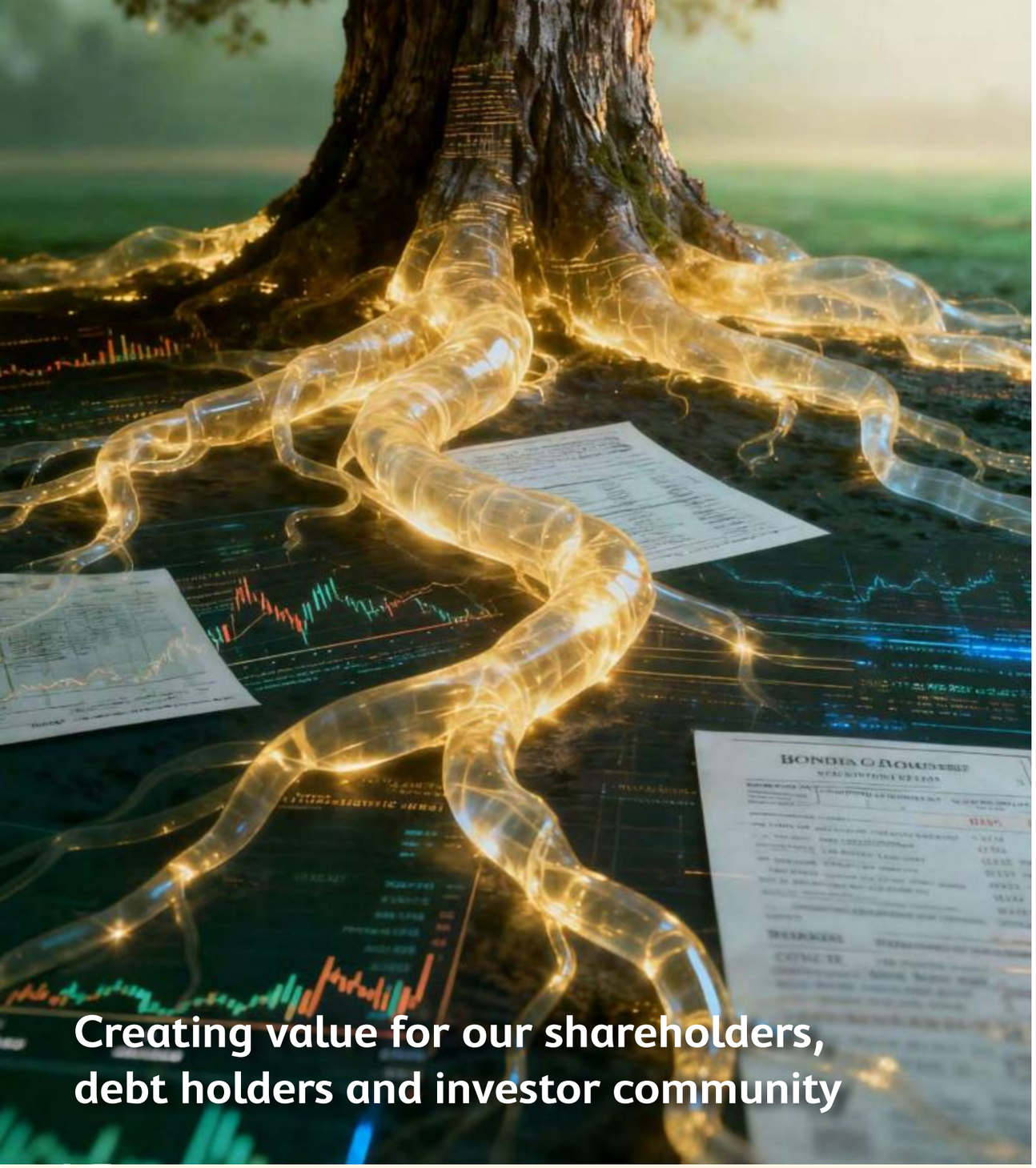


Our strategic value drivers

- Quality and adaptability of our stakeholder relationships
- Listening and responding to stakeholder feedback and queries
- Open and constructive dialogues with actual and potential stakeholders
- Informed and pragmatic stakeholder prioritisation and selection
- Leveraging effective communication channels and platforms
- Regular engagements, discussions and information sharing

Read more on our stakeholder engagement in the Sustainability Report on pages 113 to 139

Read more on how we manage our business operations in a sound way in the Corporate Governance Report and the Risk Management Report on pages 143 to 198 and 205 to 248, respectively



Creating value for our shareholders, debt holders and investor community

Our philosophy

- We seek to optimise our relationships with the investor community, including shareholders, debt holders and fund managers as well as credit rating agencies, while securing the necessary resources to underpin the Group's growth ambitions
- We aim to deliver long-term value for our shareholders by boosting our franchise and strengthening our revenue base, while upholding solid capitalisation metrics

Main capitals impacted

Main material matters impacted

Reference metrics

Stock position of SBM Holdings Ltd

17,721	3,037,402,230	50 cents	7.5%
Individual and institutional investors	Issued shares	Dividend per share	Dividend yield

Capital position – SBM Group

Total capital: MUR 47.5 billion

Rating profiles

SBM Bank (Mauritius) Ltd

Long term deposit rating	Ba1
Outlook	Stable

Rating agency: Moody's Investors Service

SBM Bank (India) Limited

Long term Basel III Tier II Bonds	A
Outlook	Negative

Rating agency: ICRA Limited

The context

Key trends

- A more knowledgeable and demanding investor community
- Investors focusing on judiciously diversifying their portfolios
- Strict evaluation criteria and processes used by rating agencies
- Heightened market competition faced when seeking external funding

Opportunities and challenges

- Communicating an increasingly compelling growth narrative to current/prospective investors
- Working towards securing an investment-grade credit rating for SBM Bank (Mauritius) Ltd, which should assist the bank in its international market diversification endeavours
- Sustaining our financial performance to propel our brand equity, while navigating a demanding investment environment and dealing with challenging economic conditions
- Expanding the range, diversity and jurisdictional nature of our shareholder base

Taking stock of stakeholder expectations

- Sound and sustained returns on investment
- Attractive dividend payments and favourable share price evolution
- Robust governance, risk management and compliance framewo rks
- Adoption of ethical and responsible behaviours and business conduct
- Endorsement of purposeful sustainability agenda and initiatives
- Reliable and prompt information on the Group's positioning and performance
- Transparent and regular stakeholder reporting and communication channels
- Access to key Group and entity representatives where appropriate

The Group's engagement

Frequency of dialogue and modes of engagement

- *Regular and well-timed interactions, as per stakeholder requirements*
- *Ad hoc discussions and engagements, depending on the context*

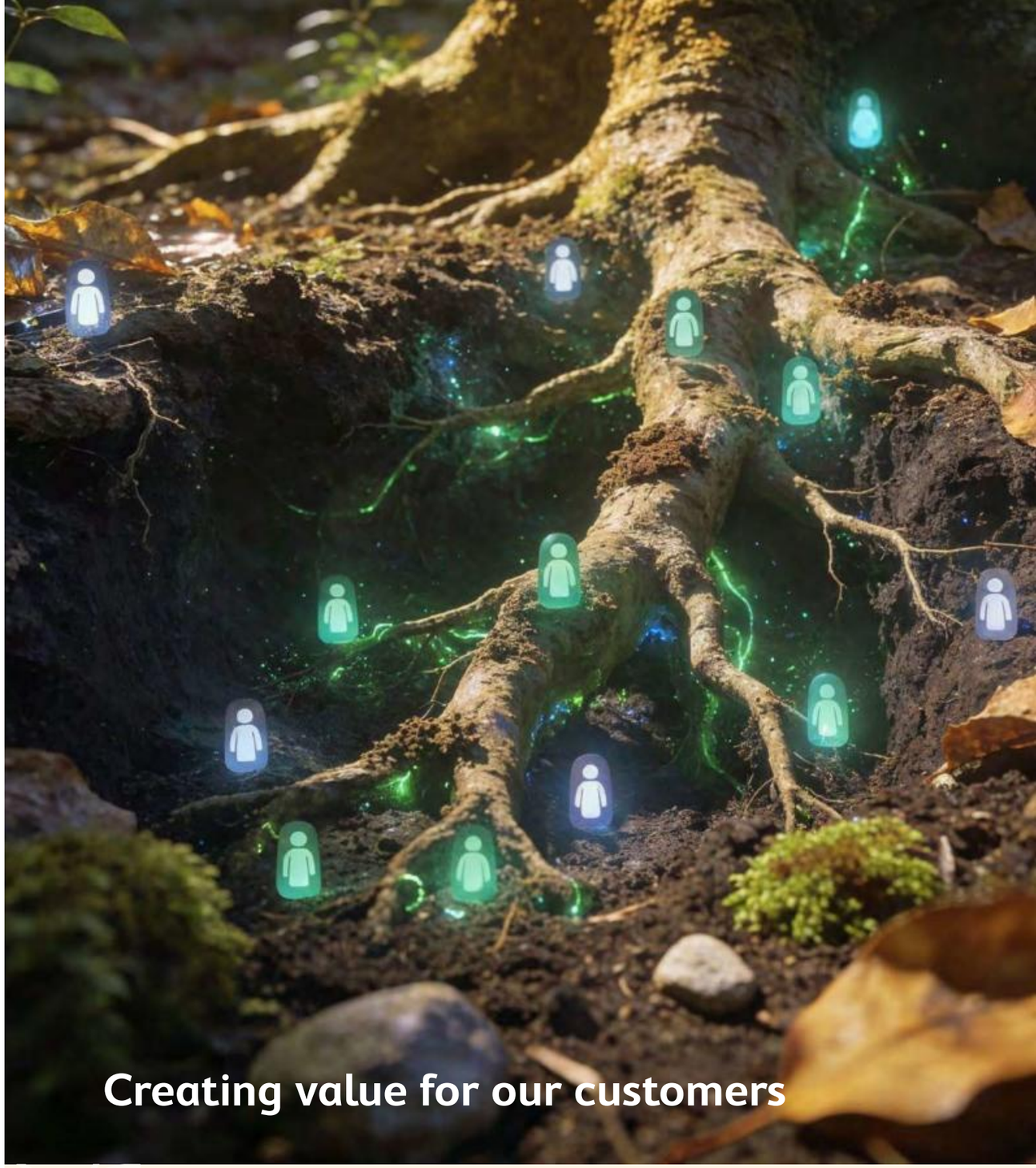
- Interim financial results on a quarterly basis
- Group Management Statement to shed light on our financial results
- Integrated Annual Report, that highlights our positioning and performance
- Annual Meeting with Shareholders
- Regular and close interactions with credit rating agencies
- Frequent discussions with correspondent banks and foreign investors
- Stock Exchange of Mauritius announcements
- Investor Relations information portal on website
- Press releases and corporate announcements
- Ad hoc meetings

Key endeavours during the period under review

- Group achieving improved core earnings on the back of sharpened competitive edge, market development headway and capacity building initiatives
- Dividend of 50 cents per share paid by SBM Holdings Ltd in June 2025, based on the Group's performance and capital position; balance between shareholder returns and retained earnings
- Close and regular interactions, discussions and information sharing with Moody's Investors Service to shed comprehensive light on the financial and strategic progress of SBM Bank (Mauritius) Ltd in our attempt to restore the bank's investment-grade credit rating status
- Initiatives to bolster the capital position and resources of SBM Holdings Ltd, alongside ensuring that the capital adequacy ratios of operating entities comply with set regulatory guidelines
- Pragmatic review of the Group's strategic intents, where need be, in order to cater for the evolving operating environment as well as the resource levels and risk appetite of entities
- Discussions with local and foreign investors to demonstrate the resilience and favourable prospects of the Group and its operating entities
- Participation of Senior Management in conferences and roadshows

Read more on our shareholder relations in the Corporate Governance Report on pages 194 to 198

Read more in the 'Investor Relations' section on our website



Creating value for our customers

Our philosophy

- We help our customers achieve their financial and personal goals, thus assisting them in improving their wellbeing and underpinning their growth ambitions over time
- We aim to create personalised, seamless and secure experiences for our customers, with focus on digitalisation, technology and reinforced capabilities

Main capitals impacted



Main material matters impacted



Reference metrics

Channels

106 Branches

169 ATMs

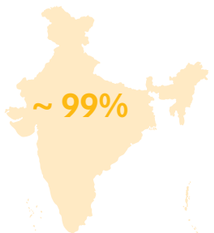
6,070 POS terminals

Customer complaints resolution

SBM Bank (Mauritius) Ltd



SBM Bank (India) Limited



Banque SBM Madagascar SA



SBM Bank (Mauritius) Ltd

Business involvement

Overall loan book
MUR 148 billion

Market share for credit to domestic economy in Mauritius
~ 25%

Customer service

Customer Satisfaction Index scores

Retail: **~ 81**
Private Banking and Wealth Management: **~ 84**
Corporate: **~ 78**
SME: **~ 82**

The context

Key trends

- Demand for credit being influenced by challenging and volatile market conditions
- Banking operators focused on upholding financial soundness, while expanding market shares
- Strong focus laid by financial players on sustainability, to position Mauritius as a sustainable finance hub, while promoting Environmental, Social and Governance (ESG) strategies
- Heightened competitive pressures from non-traditional and non-banking operators, thus highlighting, inter alia, the importance of digitalisation, innovation and business transformations

Opportunities and challenges

- Broadening range of individual, corporate and institutional customers to be served, in the wake of growing business/investment activities and the increasing sophistication of the economy
- Market and regional expansion: Mauritius' position as a regional financial hub in Africa is opening up opportunities for banks to tap into neighbouring markets
- Demand for increasingly personalised and accessible solutions by customers, thus unleashing avenues for banking operators to rethink and/or further deepen client relationships
- Ensuring robust security protocols and staying ahead of emerging cyber threats

Taking stock of stakeholder expectations

- Innovative and differentiated products and services
- Digitally-powered channels, platforms and services
- Prompt, seamless and convenient experiences
- Accessible and reliable touchpoints and channels
- Reduction in client waiting times
- Competitive and predictable pricing
- Protection from fraud and cyber-security risks
- Swift resolution of customer complaints

The Group's engagement

Frequency of dialogue and modes of engagement

- *Everyday interactions, as per stakeholder requirements*
- *Regular undertakings to boost customer relationship management*
- *Ad hoc discussions and engagements, depending on the context*

- Engaging with stakeholders as per their requirements
- Leveraging branches and digital channels
- Implementing initiatives to strengthen customer relationship management
- Maintaining proximity to clients through frequent visits by Relationship Managers
- Visibility through marketing campaigns, notably on social media platforms
- Adopting agile working practices and streamlined decision-making processes for efficiency
- Fostering dedicated customer care and complaints management

Key endeavours during the period under review

- Renewed commitment to further refine product offerings, value propositions and digital solutions as per client demands, alongside strengthening customer proximity and loyalty
- Helping households to prosper and businesses to establish their operations and expand by means of customised solutions and constant guidance, complemented by fair pricing
- Tailored assistance provided to individual and corporate clients facing hardships and challenges
- Enabling clients to protect and grow their wealth, while trading, investing and transacting
- Improving the financial literacy of our customers and the community through dedicated initiatives
- Renovation of branches and delivery channels, assisted by higher operational efficiency
- Continuous improvement of customer satisfaction levels, aided by improved quality of services, conduct of customer surveys and active internal discussions and synergies
- Connecting clients to national and international engines of growth, trade and innovation
- Achieving timely and effective customer complaints resolution across business segments
- Accompanying clients in their sustainability journeys, while encouraging the financing of environment-friendly projects and renewable energy undertakings, thus contributing to moves aimed at stimulating responsible business practices and activities at the national level
- Delivery of regular, detailed and transparent information on our solutions to customers by means of the press, social media as well as other reporting and communication channels

Read more on our customer excellence initiatives in the 'business initiatives and achievements across entities' section on pages 71 to 81

Read more on the wide range of banking and non-banking financial products and services offered by the different entities of the SBM Group on our websites

Customer experience as a key focus area of SBM Bank (Mauritius) Ltd

Strategic intents

The bank's strategy is anchored on reinforcing responsible banking and fair customer treatment, alongside embedding service excellence across customer journeys. The bank leverages structured quality assessments and feedback mechanisms to drive continuous improvement. It consistently strives to enhance digital experiences to reduce branch footfall and improve first-contact resolution.

Looking ahead, the bank will continue to expand customer feedback channels across digital platforms and strengthen complaint resolution processes through advanced analytics. As an important objective, the bank will deepen customer engagement by embedding insights into product and service design. It will drive continuous improvement through recurring quality assessments and staff training.

Functioning and operating model

At the bank, the Service Excellence Team comprises the First Impression Team – Customer Experience team, which is responsible for first-hand assistance to customers through phone, chats and emails and proactive monitoring of cards with a focus on fraud prevention. The quality assurance arm works towards assessing and evaluating customer satisfaction, thus ensuring that focus is laid on the continuous enhancement of the customer journey. The Complaints Cell manages complaints, with emphasis on root cause analysis and prompt remedial actions. In this overall endeavour, the Customer Experience Team remains the central point of contact, while ensuring timely assistance and effective complaint handling in line with regulatory and service quality standards. The Team's efforts have contributed to reducing branch footfall, resolving customer queries at first contact and mitigating card fraud risks through proactive card management. The Team coordinates with business units and the HR department to consistently embed service excellence across all touchpoints.

Service excellence initiatives are undertaken through structured quality assessments and customer feedback mechanisms across key customer journeys. In the retail segment, surveys have been undertaken for loan and card applications, in addition to account opening journeys, complemented by recurring in-branch assessments to drive continuous improvement. Feedback capabilities have been further enhanced with the launch of post-transaction POS Customer Satisfaction Index (CSI) surveys.

Key initiatives and achievements

In 2025, the bank registered the following:

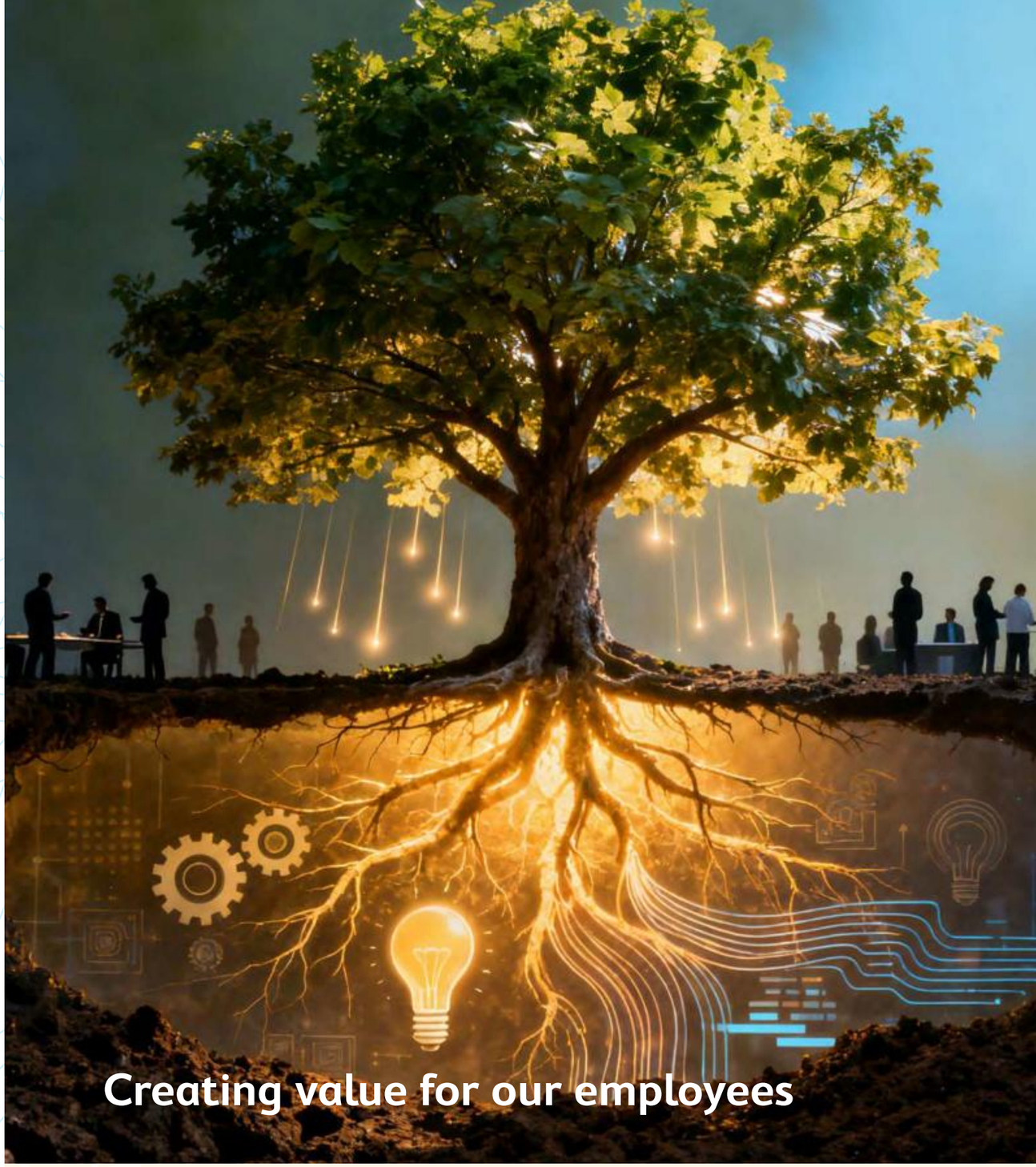
- Complaints handling: 98% of customer complaints resolved, depicting effective management
- Average resolution time: ~5 days, demonstrating efficiency in handling customer concerns
- Customer satisfaction: A net increase in the Index over time
- Fraud mitigation: Proactive card management contributing to reduced fraud risks
- Branch footfall: Reduction noted on the back of improved first-contact resolution and digital support
- Voice of the Customer: Collection of ~7,000 responses across multiple business lines, towards paving the way for customer-centric improvements

The bank's efforts to enhance customer experience through digital innovation and operational excellence were recognised externally during FY 2025. The bank was awarded the 'Outstanding Use of Digital Channels for Improved CX – Mauritius' at the Digital CX Awards 2025, organised by The Digital Banker magazine. This accolade highlights the bank's ability to leverage digital channels to deliver measurable improvements in customer engagement and service efficiency.

Further recognition was received at the Euromoney Awards for Excellence 2025, where the bank was named 'Mauritius' Best Bank for Customer Experience'.

Achievements posted by SBM Bank (India) Limited towards boosting customer service

To enhance the quality and convenience of customer service, the bank has implemented several initiatives aimed at delivering faster and more seamless experiences. Instant gratification processes have been introduced, enabling customers to perform critical actions such as account freeze and receiving account statements during the call. The Vostro process has been simplified to ensure quicker and more efficient handling of transactions. The implementation of Video Customer Identification Process (VCIP) through branches has made customer onboarding more secure and convenient. The deployment of an IVR system provides customers with easy self-service options, improving accessibility and reducing dependency on call centre agents. The annual Customer Satisfaction Survey (CSS) was conducted to understand customer needs and expectations, reinforcing the bank's commitment to listening, learning from and elevating customer experience.



Creating value for our employees

Our philosophy

- We offer a competitive employee value proposition, while supporting the Group's strategic objectives
- We are dedicated to investing in our people and creating a supportive workplace, where people feel valued and inspired

Main capitals impacted

Main material matters impacted

Reference metrics

3,312
Total employee count

~ 54%
Female employees

Employee retention rate %

SBM Bank (Mauritius) Ltd: **93**
SBM Bank (India) Limited: **59**
SBM Bank (Kenya) Limited: **81**
Banque SBM Madagascar SA: **77**
SBM NBFC: **90**

Employee turnover rate %

SBM Bank (Mauritius) Ltd: **7**
SBM Bank (India) Limited: **41**
SBM Bank (Kenya) Limited: **19**
Banque SBM Madagascar SA: **23**
SBM NBFC: **10**

Training profile

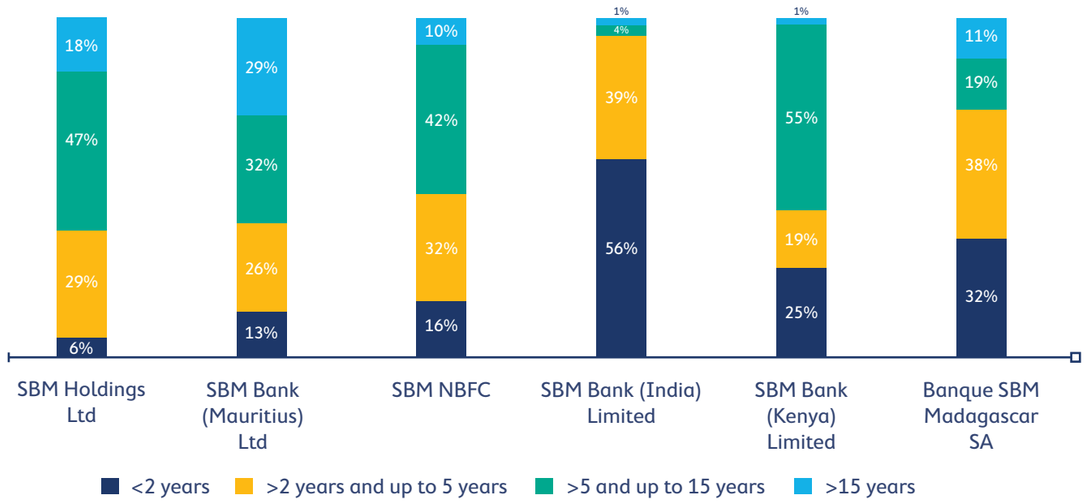
Training hours: ~ 70,537

SBM Bank (Mauritius) Ltd: **40,324**
SBM Bank (India) Limited: **14,015**
SBM Bank (Kenya) Limited: **14,400**
Banque SBM Madagascar SA: **280**
SBM NBFC: **1,076**

Training cost: ~ USD 610,685

SBM Bank (Mauritius) Ltd: **USD 490,173**
SBM Bank (India) Limited: **USD 30,700**
SBM Bank (Kenya) Limited: **USD 51,757**
Banque SBM Madagascar SA: **USD 3,500**
SBM NBFC: **USD 22,927**

Workforce distribution



The context

Key trends

- Employees looking for flexible, agile and gratifying working conditions and environments
- Employees increasingly looking for wellbeing programmes, including mental health support and flexible work arrangements for achieving appropriate work-life balance
- People valuing a culture of diversity, equity, meritocracy and inclusion, with employees expecting to perform in an organisation where they feel valued, empowered and fairly treated
- Talent development and career management being viewed as key to thrive in a fast-changing world, with employees looking for avenues to grow professionally and to develop new skills
- Heightened competition for recruitment of talents, with the rise of the offshore and Fintech sectors

Opportunities and challenges

- Systematically reviewing and aligning employee remuneration, bonuses, healthcare coverage and retirement plans with industry trends, market dynamics and business growth imperatives
- Keeping a vigilant eye on the competitive environment in order to retain and nurture talents
- Ensuring that employee skills and expertise are constantly re-assessed and upgraded in view of the changing demands of the financial services sector and to cater for efficiency purposes
- Increased focus on internal talent sourcing by promoting from within and offering upskilling and reskilling programmes so as to nurture and retain in-house talent
- Promoting inclusive leadership and collaborative environments, whereby leaders focus on supporting and empowering their teams as well as encouraging teamwork and collaboration
- Growing need for expertise in AML/CFT, conduct and compliance as well as cybersecurity, with regulatory expectations for the reinforcement of specialised training and certification
- Recognised need to strengthen leadership pipelines and succession planning at senior levels
- Strong emphasis on graduate programmes, internships and early career development to strengthen the talent pipeline

Taking stock of stakeholder expectations

- Career development and continuous learning opportunities
- Competitive and equitable remuneration and benefits
- Adherence to meritocracy, fairness and transparency
- A safe, healthy and stimulating work environment
- Regular recognition and constructive feedback
- Ethical leadership and strong commitment to Corporate Social Responsibility (CSR)

The Group's engagement

Frequency of dialogue and modes of engagement

- *Everyday exchanges and communications, as per needs and exigencies*

- Regular and ad hoc discussions and engagements, depending on the context
- Regular interactions with Management and HR Partners
- Training and development resources and facilities
- Gap analysis, employee development and succession planning
- Transparency and open communication
- Surveys and interactive workshops
- Performance-based reward
- Staff initiatives including wellness activities
- Cultural events

Key endeavours during the period under review

- Fostering a positive, productive and enabling work environment by equipping employees with the tools, systems and facilities required to achieve their objectives and continuously strengthen their capabilities – supported by well-defined HR policies and programmes aimed at attracting, developing and retaining top talent
- Strengthening talent management and capability building through the SBM Academy, delivering targeted training and development programmes aligned with key focus areas, including customer satisfaction, service excellence, team cohesion and self-leadership, strategy formulation and execution, compliance and risk mitigation, and sustainability
- Embedding a high-performance culture that aligns individual and team contributions with the set strategic objectives and growth ambitions
- Offering fair, competitive and market-aligned remuneration and benefits, consistent with industry standards and internal equity principles
- Implementing a robust and transparent performance management framework to underpin rewards, recognition and career progression
- Enhancing employee engagement and empowerment, while ensuring fair and equitable treatment, strong governance and protection of the organisation's interests
- Adopting flexible working arrangements where feasible, to support employee wellbeing, safety and work-life balance
- Promoting leadership development, self-development, change management and succession planning to ensure organisational continuity and future readiness
- Upholding employee wellbeing and satisfaction through structured and recurring wellness initiatives, including health screenings, sports and cultural activities and wellbeing programmes

SBM Bank (Mauritius) Ltd : Striving for employee engagement, welfare and upskilling

Background

The bank recognises that employee wellbeing, engagement and inclusion are fundamental to long-term organisational performance. In FY 2025, several initiatives were implemented to support physical health, mental wellbeing, team cohesion and a positive workplace culture.

Promoting employee health and wellbeing

Employee health and wellbeing remain a key priority for the bank, while recognising that a healthy and engaged workforce is essential to long-term organisational performance. Throughout the year, the bank delivered a structured programme of health and wellness initiatives to support both physical and mental wellbeing.

The bank promoted employee wellbeing through structured initiatives supporting physical and mental health. In addition, the bank fostered teamwork and engagement through participation in inter-bank, national and internal sporting events. These initiatives strengthened collaboration, resilience and team spirit across departments and age groups, delivered through a structured annual calendar of wellness and social activities.

Complementing these initiatives, the bank organised various social and recognition events aimed at reinforcing organisational culture and employee engagement. Staff and family-oriented activities, end-of-year celebrations and retiree recognition ceremonies provided meaningful opportunities to acknowledge contributions, celebrate milestones and strengthen a shared sense of belonging within the organisation.

Together, these initiatives reflect the bank's holistic approach to employee wellbeing, combining health, engagement and recognition to support a positive, inclusive and resilient workplace.

Talent management, diversity and retention

The Human Resources function continued to monitor and track key human capital performance indicators to support workforce stability and long-term capability building. In FY 2025, targeted engagement and retention initiatives contributed to a strong staff retention rate of 93%. The bank also maintained a strong focus on gender diversity and inclusion. Female employees represented approximately 65% of the total workforce, while women accounted for 34% of senior and middle management positions, underscoring their meaningful contribution to leadership, decision-making and operational performance across the organisation.

The bank recognises that continuous learning and skills development are critical to strengthening governance, operational resilience and long-term performance. Through the SBM Academy, the bank continued to invest in structured training programmes in 2025, thus supporting workforce development across technical, operational, leadership and sustainability-related competencies. A total of 40,324 training hours were delivered across the organisation, supported by an overall training investment of MUR 22.9 million. Training delivery was supported through a blended approach, combining internal expertise with specialised external programmes, while ensuring both scalability and access to targeted professional development.

The training portfolio covered a wide range of strategic themes aligned with evolving priorities, including ethical and compliant business practices, customer service excellence, operational efficiency, risk management and sustainability integration. Sustainability-related learning continued to gain traction through targeted sessions on climate change mitigation and adaptation as well as sustainable financing.

Looking ahead: The approach to boosting employee engagement and productivity

As the bank embarks on its 2026 – 2028 Strategic Plan, the role of the Human Resource Division is expected to, in a increasing manner, become a strategic enabler of sustainable growth, regulatory resilience and leadership continuity. The Mauritian banking environment is characterised by heightened regulatory expectations, increased competition for specialised talent, digital transformation pressures and growing governance scrutiny. In this context, the bank's people strategy is called upon to be forward-looking and aligned with the expectations of the Bank of Mauritius and set internal standards.

Strategic workforce planning and leadership continuity

Over the years ahead, HR will implement a structured workforce planning framework aligned with the bank's business growth priorities. Key initiatives will include (i) identification of critical and scarce roles; (ii) formalisation of succession planning for critical executive positions; and (iii) development of internal leadership pipelines in line with digitalisation initiatives and reduced reliance on external market profiles. The objective is to ensure leadership continuity and mitigate key-person risk, while building long-term capability.

Executive talent attraction and market competitiveness

Given the small and specialised nature of the Mauritian financial services talent pool, attracting high-calibre and rare profiles requires alignment with industry practices. The bank will ensure competitive and transparent reward structures, alongside strengthening employer positioning to attract transformation-driven executives. This approach aims to position the bank competitively within the domestic and regional banking markets.

Performance, accountability and culture

To support sustainable growth, the bank needs to further reinforce the performance and accountability culture. The aim is to balance performance ambition with prudent banking principles and governance expectations.

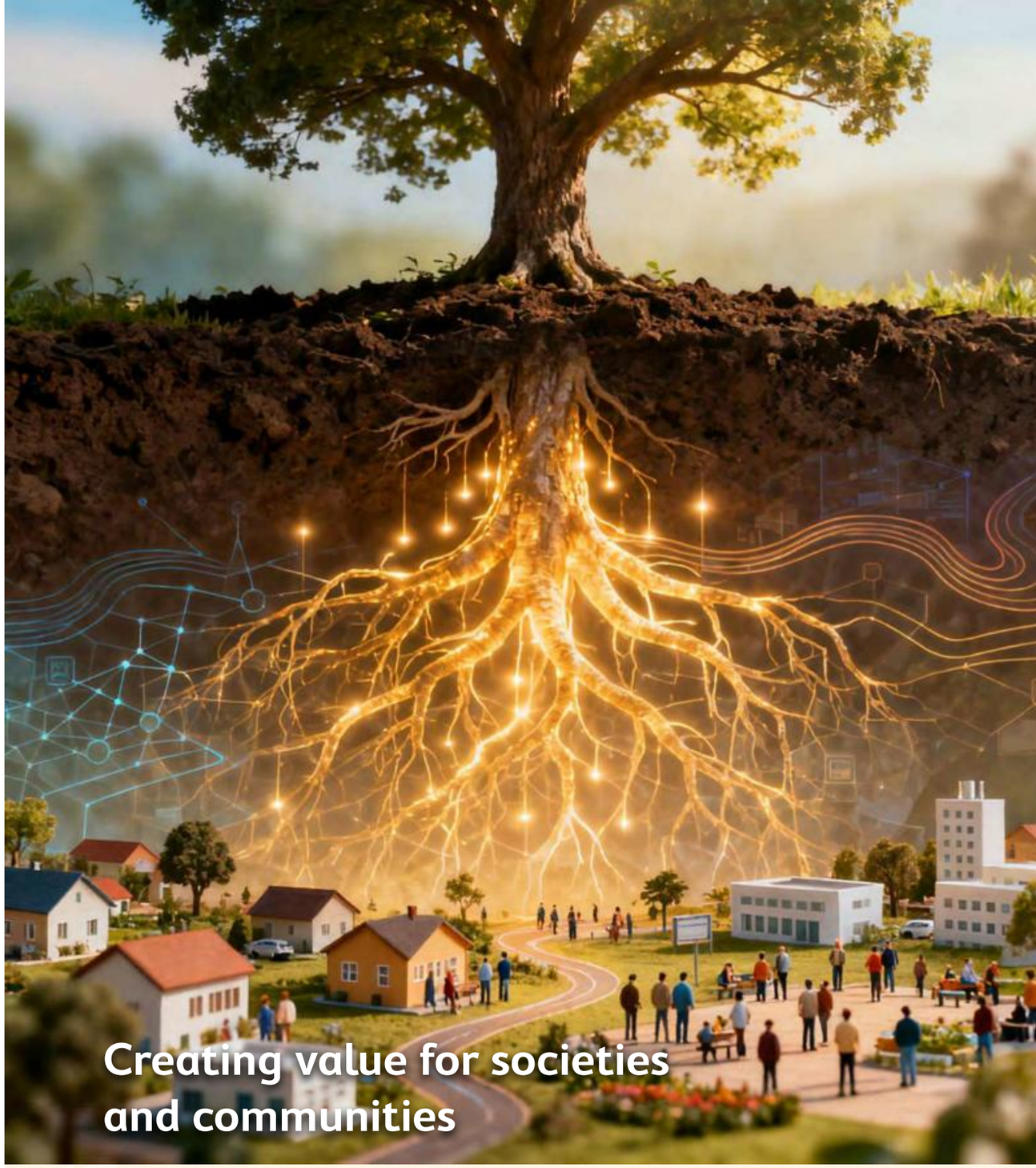
Governance and regulatory alignment

All people frameworks will remain fully aligned with the regulatory environment. This includes (i) transparent executive compensation structures; (ii) clear documentation and governance protocols for senior appointments; (iii) risk-aware employment contract frameworks; and (iv) robust compliance with statutory and regulatory obligations. The objective is to ensure that the bank's people practices withstand regulatory scrutiny while maintaining sufficient flexibility to compete effectively for talent.

Striving for employee engagement, welfare and upskilling: SBM Bank (India) Limited

In 2025, the bank undertook various initiatives in favour of employee wellbeing and engagement. Key initiatives included (i) SBM Shield – Self Defence and First Aid Training Workshop aimed towards promoting employee and women's safety; (ii) Candle making workshop to promote handmade products and reusability; (iii) support to community health and employee purposefulness through a blood donation drive with direct life-saving social impact; (iv) kitchen gardening workshop to encourage growing food locally and reduce carbon footprint; (v) Kombucha making workshop to encourage mindful consumption and gut health; (vi) Walkathon promoting sustainable mobility and health; and (vii) Diya decorating workshop to promote traditional and sustainable festive practices.

The bank strengthened talent management through the identification of successors for critical roles and by enrolling them in the Emerging Leader's Program, which included psychometric assessments, gap analysis, targeted workshops and coaching interventions. Training initiatives (notably on Data Analytics and AML/CFT) were customised to suit the requirements of the frontline salesforce and improve customer centricity, alongside aiming to boost the technical skills and know-how of employees across the bank. Leadership capability was enhanced through coaching programmes rolled out for CXOs and specialised learning such as the AML-CFT programme for Board members and Senior Management.



Creating value for societies and communities

Our philosophy

- We contribute to achieving increasingly healthy and inclusive societies and communities, while helping to safeguard the natural environment and promote sustainable behaviours
- We collaborate with social and public sector partners to support their efforts aimed at upholding a higher quality of life, anchored on equitable and fair opportunities to prosper

Main capitals impacted

Main material matters impacted

Reference metrics

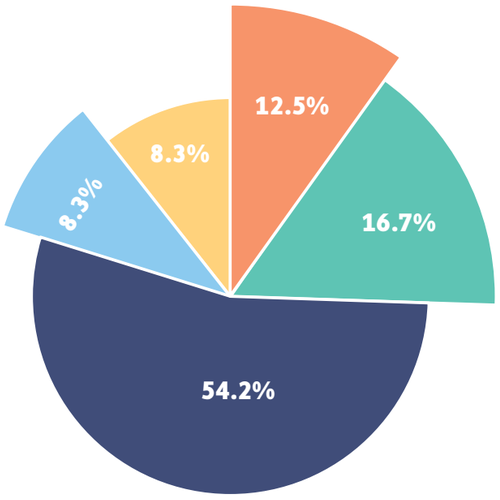
Spending by SBM Foundation on CSR projects

MUR 22.2 million

Total amount disbursed

24

NGOs funded for specific projects



Women Empowerment & Child Care

Provision of Educational Facilities to out-of-school youth

Provision of Educational facilities to children with special needs

Environment

Learning Through Play

The context

Key trends

- Social and environmental welfare and progress taking centre-stage in the strategic planning, policy making and decision-making stages, as both public and private stakeholders further emphasise the importance of achieving responsible, inclusive and environment-friendly economic growth
- As more regulations are implemented around sustainability, ethics and social responsibility, the focus remains on preparing for compliance with requirements that create value for society
- Stakeholders looking for customised and continuous Corporate Social Responsibility support, as well as the necessary flexibility to cater for their evolving needs and requirements

Opportunities and challenges

- Becoming an increasingly responsible, purposeful and sustainable organisation, with a more impactful role in propelling the socio-economic progress and success of Mauritius, alongside partaking in job creation, supporting economic pillars and helping local entrepreneurs
- Allocating ample resources to meet social and environmental needs
- Assessing and responding to mounting climate change risks
- Channelling efforts and energies on major topics of interest, including human rights, gender equity, biodiversity, poverty alleviation, education for empowerment and social mobility

Taking stock of stakeholder expectations

- Community development and social welfare objectives of the authorities
- Promotion of eco-friendly behaviours and environment sustainability
- Need for individuals and families to move up the social ladder
- Fostering cultural vibrancy, in support of more fulfilling living standards
- Empowerment of NGOs and social partners to help them fulfill their roles

The Group's engagement

Frequency of dialogue and modes of engagement

- *Systematic exchanges and connections, in line with needs conveyed*
- *Ongoing and ad hoc discussions and engagements*

- Well-defined CSR framework, policies and programmes
- Partnerships with NGOs, suppliers and public sector entities
- Staff support to the efficient conduct of CSR activities
- Sponsorships to promote noble causes
- Consultative workshops and awareness sessions
- Coverage in the press and social media
- Regular progress reviews and monitoring

Key endeavours during the year under review

- Executing the core pillars and the key commitments of the SBM Group Sustainability Agenda
- Supporting nationwide priorities in favour of sound and inclusive growth, by means of products and services, community service as well as our own resource and supply chain management
- Implementing high-impact CSR activities to support vulnerable groups and foster social progress, while focusing on women empowerment, educational achievements and poverty alleviation, under the aegis of the SBM Foundation and backed by staff volunteering activities
- Delivering financial products and services with meaningful social and environmental impacts
- Boosting financial literacy and inclusion vis-à-vis the low-income and vulnerable groups of society and delivering dedicated products and services to specific customer groups (e.g. entrepreneurs, self-employed, SMEs and the local industry) to help them achieve their ambitions
- Supporting nation-wide initiatives in favour of a low-carbon, resource-efficient and climate-compatible Mauritian economy, alongside supporting the unfolding of renewable energy projects
- Strengthening controls and policies to manage climate risks and support our customers
- Adherence to recognised standards to underpin responsible business conduct and sustainable development – SBM Bank (Mauritius) Ltd and SBM Bank (Kenya) Limited are signatories to the UN Global Compact; SBM Holdings Ltd adheres to the Diversity, Equity and Inclusion Charter, which reflects its commitment to the National Committee on Corporate Governance

Read more on our various sustainability initiatives in the Sustainability Report on pages 113 to 139



Creating value for Governments and regulators

Our philosophy

- We aim to maintain strong, regular and transparent dialogue and discussions with the authorities and regulatory bodies to support our business agenda and strive to uphold the trustworthy functioning and resilience of the banking and financial systems
- We, as far as possible, align our strategic intents with the national ambitions of our presence countries, to help underpin their sound and sustained socio-economic progress

Main capitals impacted

Main material matters impacted

Reference metrics

Nationwide contribution

SBM Bank (Mauritius) Ltd

~ 17%

Domestic loans as a share of GDP at market prices

SBM Bank (India) Limited

~ 40%

Priority Sector Lending as a percentage of adjusted net bank credit

SBM Bank (Kenya) Limited

~ 17%

Lending to Manufacturing sector (Government key focus area) as a share of total loan book

~ 19%

Lending to Trade as a share of total loan book

Regulatory reporting

Number of reports delivered to the banking regulator

SBM Bank (Mauritius) Ltd

~ 4,105

SBM Bank (India) Limited

~ 3,000

The context

Key trends

- Progressive economic recovery in our presence countries, amidst challenges
- Development of new sectors offering appealing avenues for business growth
- Increasingly demanding legal, regulatory and compliance landscapes

Opportunities and challenges

- Ongoing initiatives to spur national investment and sectorial growth
- Growth avenues linked to the development of the Mauritius IFC

Taking stock of stakeholder expectations

- Sound and sustained economic growth and prosperity
- Sustained dependability of the Mauritius IFC
- Compliance with national laws and regulatory stipulations
- Array of financial solutions to support local industries
- Healthy and competitive markets and industries
- Stable and resilient banking and financial systems
- Comfortable capital and liquidity positions
- Contribution to financial inclusion and literacy
- Participation in nationwide debates on financial sector development

The Group's engagement

Frequency of dialogue and modes of engagement

- *Frequent interactions, as per rules, stipulations and expectations*
- *Regular discussions, as per regulatory agenda*

- Filing of returns and reports with the regulators, in line with their demands
- Trilateral and Supervisory College meetings with the Bank of Mauritius
- Visits and inspections by regulatory authorities
- Regular and ad hoc discussions with the authorities and regulators
- Participation in the working committees set by the regulatory authorities
- Discussions as member of the Mauritius Bankers Association
- Attendance to conferences and workshops

Key endeavours during the period under review

- Partaking in nationwide initiatives aimed at strengthening the socio-economic advancement of Mauritius, with emphasis on (i) financing endeavours that play a key role in boosting the performances and maturity development of the country's primary, secondary and tertiary sectors; (ii) deploying CSR initiatives in favour of social progress and community empowerment
- Helping to promote the sustained credibility, image and competitiveness of the Mauritius International Financial Centre as a gateway for facilitating and enabling trade and investment into Africa, by delivering tailored solutions to key business players and investment operators
- Accompanying the business community and public sectors in their restructuring and growth-inducing initiatives as they seek to adjust to a volatile and demanding operating environment
- Underpinning the perennity, soundness and resilience of the Group's operations by ensuring that it is well-equipped to submit regulatory reports in a timely manner and effectively responds to regulatory rules and guidelines, while ensuring compliance with applicable norms and standards
- Establishment of operational and business-related policies and processes as well as governance and risk management frameworks, as advocated by the authorities and regulatory bodies
- Engaging in regular conversations with the authorities and regulators on a broad range of topics; discussing on policies and regulations that are likely to have non-negligible impacts on our functioning and operations, with a view, notably, to (i) understanding the implications thereof, alongside ensuring that the interests of our customers are safeguarded; and (ii) contributing to the reinforcement of the legal and regulatory landscapes in support of healthy financial sectors
- Propelling thought leadership, especially through interviews, social media posts and the Group's flagship publication, SBM Insights, which delves into economic analyses and outlooks

Read more on our controls and frameworks to abide by legal and regulatory stipulations in the Risk Management Report on pages 205 to 248

SBM Bank (Mauritius) Ltd: Complying with regulatory stipulations and advocated standards

Approach and objective

The bank is committed to conducting its operations with the highest level of integrity by complying to relevant laws and regulations, guidelines and contractual obligations. The bank adopts a robust risk mitigation and control strategy to safeguard its assets and reputation. It operates under the Three Lines of Defence Model:

- First Line of Defence – Lines of Business (LOBs), responsible for identifying and managing risks in their day-to-day operations
- Second Line of Defence – Compliance and Risk functions, responsible for oversight, guidance and monitoring
- Third Line of Defence – Internal Audit, providing independent assurance on the effectiveness of governance, risk management and controls

The Board of the Bank ensures that an appropriate control framework is in place to mitigate the inherent risks to which a systemic bank such as SBM is continuously exposed to. A sound governance structure has been established to ensure the effective functioning of the Three Lines of Defence model.

Governance

Strong governance remains at the core of SBM's control environment. Responsibilities are clearly assigned to various internal committees to ensure accountability and effective oversight. The bank promotes the avoidance of conflicts of interest, adoption of anti-bribery and anti-corruption practices, and independence of the second and third lines of defence. The bank adheres to regulatory requirements, including the Bank of Mauritius Guideline on Corporate Governance and the National Code of Corporate Governance. It has established clear reporting pathways to ensure proper governance, including timely disclosures under the Whistleblowing Policy and other reporting mechanisms. It also adopts key policies such as the Equal Opportunity Policy to reinforce ethical conduct and responsible business practices.

Compliance Function

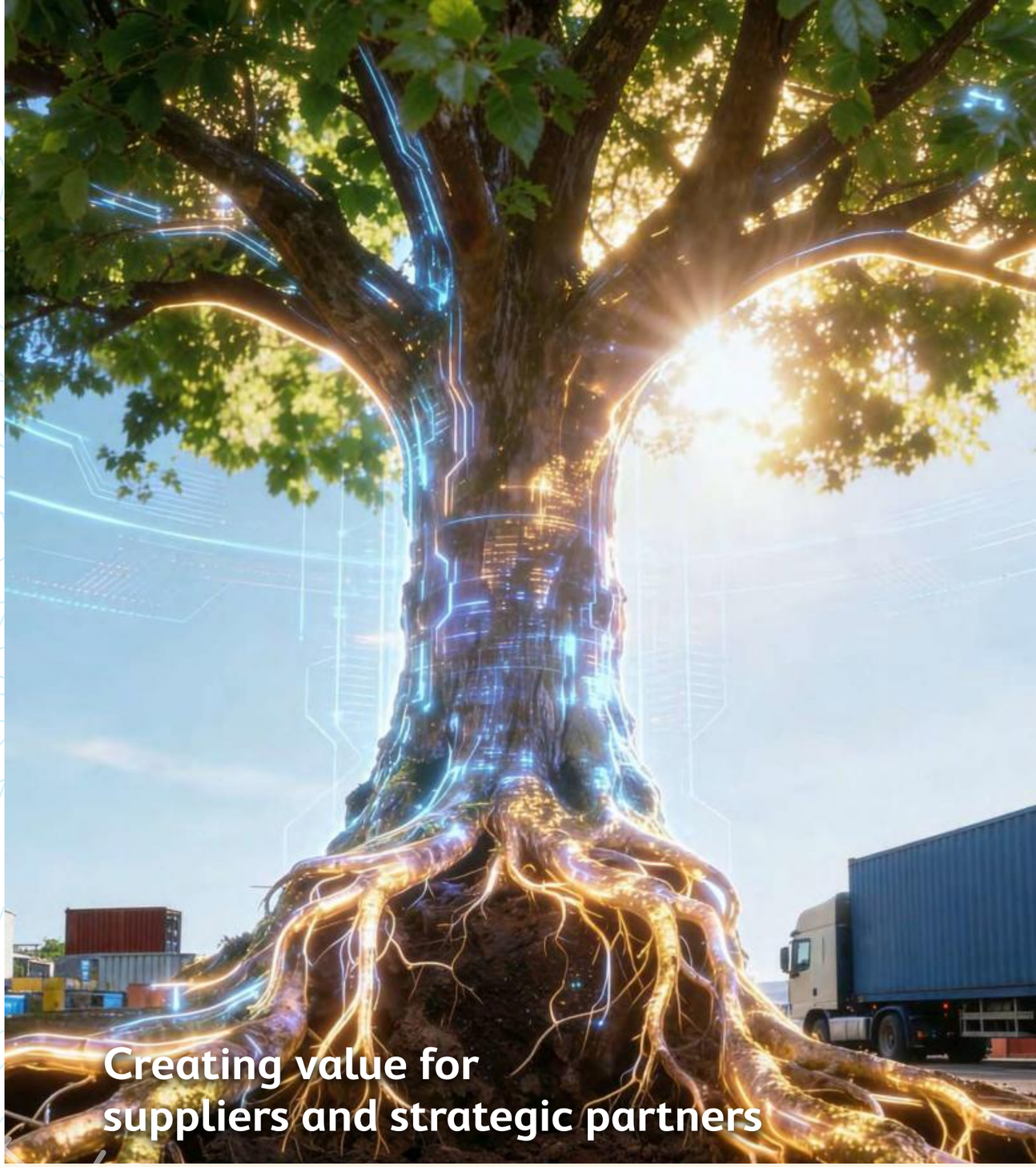
The Compliance Function of the bank serves as the Second Line of Defence and plays a pivotal role in ensuring SBM's sustainability and reputation. Its mandate is to manage compliance risk, defined as the risk of legal or regulatory sanctions, financial loss or reputational damage arising from failure to comply with applicable laws, regulations, codes of conduct and standards of good practice. The function provides for the following: (i) advisory support to internal stakeholders on compliance-related matters; (ii) monitoring and assessment of compliance risks; (iii) independent reviews (health checks) of the effectiveness of risk mitigation controls; (iv) ongoing tracking of regulatory and legal developments; and (v) timely dissemination of regulatory updates across the bank. The function continuously evolves to align with the bank's strategic objectives.

Capacity building, training and automation

Automation remains a strategic priority to enhance the ability to mitigate of compliance risks. Key risks, particularly Money Laundering, Terrorism Financing and Proliferation Financing (ML/TF/PF) and sanctions risks, are mitigated through the deployment of automated tools. The bank continues to explore additional automation opportunities to reduce operational and people-related risks in compliance processes. Given evolving market dynamics and increasingly sophisticated methods used by criminals to circumvent controls, continuous training is essential. The bank invests in regular training initiatives to strengthen employees' capabilities in identifying, assessing and managing emerging risks.

Engagement with regulators and the authorities

The bank maintains strong collaboration with regulators, enforcement agencies and statutory bodies. It actively supports both onsite and offsite supervisory engagements and ensures full compliance with regulatory expectations and statutory obligations.



Creating value for suppliers and strategic partners

Our philosophy

- We collaboratively engage with suppliers and partners when undertaking our business activities
- We ensure that constructive relationships are maintained with suppliers and partners, while providing fair and reasonable contract terms and adopting responsible procurement practices

Main capitals impacted

Main material matters impacted

The context

Taking stock of stakeholder expectations

- Fair, reasonable contract terms and ethical practices
- Timely payment and renewal of contract

The Group's engagement

Frequency of dialogue and modes of engagement

- *Frequency of interactions depending on projects and undertakings unfolding*
- *Ad hoc engagements, in line with strategic objectives and internal policies*

- Expression of interest
- Procurement process
- Contract management and renewal
- Meetings and working sessions
- Incident handling and escalation

Key endeavours during the period under review

- Maintaining fair and responsible procurement practices and aligning with best standards
- Monitoring approval limits with a view to exercising appropriate control and governance
- Maintaining debriefs with regard to tenders to align expectations and provide fair practices to all bid participants



DEEP ROOTS, STRONG FOUNDATIONS



Sustainability Report

This section sheds light on the articulation and execution of the Group Sustainability Agenda, with emphasis on governance and the operating model as well as key achievements.

Introduction

Our progress in 2025

During the period under review, the SBM Group made further headway in the articulation and execution of its sustainability agenda across jurisdictions. The Group continued to view sustainability as an important socio-economic value driver and revenue generating lever, after making allowance for and acclimatising to the challenges and opportunities being associated with the evolving market and economic environments, especially those that pertain to climate change, environmental protection, economic prosperity, social inclusion, ESG imperatives and the UN Sustainable Development Goals.

As it pursues its journey towards becoming a sustainable organisation which has an essential role in underpinning the holistic advancement of Mauritius, the Group unleashed further initiatives aimed at embedding sustainability in its operations, functioning and business development agenda, supported by the reinforcement of its capabilities. Across the jurisdictions where they are present, the entities of the Group have, to various extents and various ways, implemented their sustainability initiatives, while being guided by their strategic priorities, resource levels, financial positions and operational readiness.

About this Report

This Sustainability Report should be read in conjunction with the Strategy Report included in the Integrated Annual Report. In fact, while positioning itself as a sustainable and purposeful organisation, the SBM Group delivers consistent and meaningful value to its stakeholders, including its employees, customers and regulators. The specific initiatives undertaken to boost the wellbeing and meet the expectations of stakeholders are elicited in the 'Our stakeholder model and engagement' section of the Strategy Report, which also delves into the key frameworks and operational structures in place.

Our vision

Sustainability is an integral part of our broader strategy and is central to our long-term success. Sustainability shapes the way we operate and create stakeholder value. As a financial institution operating across diverse markets, we recognise the critical role we play in enabling economic resilience and addressing global challenges such as climate change, social inequality and biodiversity loss.

Our guiding principles

We recognise that our sound and sustained advancement is intrinsically linked to the economic, social, and environmental impact of our actions. As a responsible corporate citizen, we integrate sustainability into our business model, ensuring that financial performance is, in an optimal manner, aligned with stakeholder wellbeing and community progress. We advocate the responsible use of natural resources, thus integrating environmental considerations into our operations to reduce our ecological footprint. By fostering inclusive economic ecosystems, we empower businesses and individuals to thrive, thus reinforcing our role in shaping interconnected and resilient markets. We act in a trusted way through our governance and ethical standards to make a difference in the environment in which we operate.

Our specific commitments

Through our alignment with ESG principles and our prioritised UN Sustainable Development Goals (SDGs), we seek to accelerate our socio-economic impact, create long-term value and ensure that our operations foster an interconnected, inclusive and resilient future for everyone.

While this is a journey, we strive to embed sustainability in our decision-making structures, business agenda, strategic planning processes, risk management framework and operational paradigms. We thus seek to ensure that growth is responsible, ethical and aligned with the evolving needs of the communities we serve. Towards these ends, we work with industry players and strategic partners, as we aim to be part of the ecosystem that ensures that our actions have the positive impact that we look for. This implies an informed appraisal and management of sustainability risks and opportunities.

Along with being guided by economic priorities set by the authorities and business development ambitions of private sector operators, the SBM Group aims to contribute to the transition to a low-carbon economy, through its client engagements and financing products. As a systemically important organisation, we acknowledge the urgency of key national and socio-economic dynamics such as climate change. We remain committed to working with our stakeholders to supporting the energy transition, advancing solutions to climate challenges and helping to build a climate-resilient future for everyone. In the same vein, we embed the identification, assessment, monitoring, management and reporting of climate risks in our risk management frameworks and policies, to underpin a healthy growth path. While achieving our sustainability objectives, we are, at the same time, availing new business growth avenues, boosting our market credentials and generating a more resilient financial future.

Our governance framework and operating model

Group governance

Effective governance is central to embedding sustainability across the SBM Group. A structured oversight framework ensures that sustainability is integrated into decision-making, risk management and strategic execution across all operating entities of the Group. Governance responsibilities are structured at three key levels: Board oversight, executive leadership and operational implementation, therefore ensuring clear accountability and alignment with our long-term Sustainability Agenda.

Board

The Board at SBM Holdings Ltd is ultimately responsible for the oversight of sustainability management as well as Environmental, Social and Governance (ESG) matters, while overseeing progress made by the Group in those respects and ensuring that sustainability remains embedded in the Group's strategic orientations.

Board sub-committees

The Board is supported in its functioning by its sub-committees which assist in overseeing the Group's sustainability commitments, in line with their respective charters and responsibilities.

Sustainability Committee

The Committee is responsible for overseeing the Group's sustainability practices and strategy, alongside exercising a monitoring of the initiatives and projects undertaken. It is directly responsible for the governance of the Group's sustainability-related matters, including its environmental and social risk management and climate change management in an integrated manner. The Committee is responsible for ensuring the alignment of the Group sustainability agenda with the organisation's broad-based strategic objectives.

Risk Management Committee

The Risk Management Committee (RMC) ensures that sustainability risks, including climate-related and ESG risks, are integrated within the Group's Enterprise Risk Management (ERM) framework. Its key responsibilities include:

- Identifying, assessing and monitoring sustainability-related risks, such as climate risk, social impact risks and regulatory compliance risks
- Ensuring sustainability risk integration into credit risk assessments, operational risk frameworks and stress testing models.
- Overseeing the climate risk management strategy, reinforcing SBM Holdings Ltd's role in building financial resilience while contributing to sustainable markets
- Reviewing and endorsing risk mitigation strategies, including ESG risk controls, before escalating to the Board

Read more on our governance frameworks and practices in the Corporate Governance Report on pages 143 to 198

Entity-level governance

The above-mentioned Board-level governance structures are mirrored at the operating entity level, with each subsidiary putting in place and being guided by its own Board and Board sub-committees to oversee sustainability practices and policies in line with Group strategies, policies and standards.

Executive leadership and operational execution

Group Sustainability Office

Executive accountability and day-to-day management of sustainability-related matters is shouldered by the Group Sustainability Office, which sits at the level of SBM Holdings Ltd. The Office leads the development, coordination and management of sustainability strategies across the Group and its entities.

Reporting directly to the Group Chief Executive Officer and Deputy Group Chief Executive Officer, the Office ensures that sustainability is fully integrated into the broader corporate strategy.

The Office identifies and coordinates the Group's sustainability priorities, while ensuring effective collaboration and partnerships with external stakeholders. It ensures that the Group is aligned with endorsed sustainability standards and principles. It advises the Sustainability Committee on the sustainability principles and focus areas that are most relevant to the Group, while highlighting potential risks and opportunities linked to sustainability-related matters.

In the discharge of its duties, the Office provides direction and guidance to the operating entities of the Group for the formulation and implementation of their sustainability frameworks and strategies, in line with their respective level of resources, risk appetites and jurisdictional imperatives.

Underlying model

At the operational level, sustainability governance is embedded within the SBM Group's structure through a combination of centralised coordination and decentralised execution, ensuring local market responsiveness while maintaining Group-wide alignment.

Local and overseas working groups serve as cross-functional teams that support and drive sustainability initiatives. These project-based teams operate primarily at the foundation level of SBM Group's sustainability roadmap, ensuring that key stakeholders across the value chain are engaged in project execution.

Entity-level risk and governance committees work alongside sustainability leads to ensure effective risk identification, mitigation and compliance with sustainability governance structures across jurisdictions. Through this enhanced governance and risk oversight framework, the SBM Group ensures that sustainability is not only a strategic priority but also an integral part of its risk management framework, thus reinforcing its commitment to responsible business practices and regulatory alignment.

Group Sustainability Forum

The Group Sustainability Forum (GSF) acts as the primary platform for strategic direction and alignment on sustainability across entities. Through cross-market collaboration, the GSF ensures that sustainability efforts are well integrated and contribute to long-term resilience. Chaired by the Group Chief Strategy Officer (GCSO) and also in charge of Group sustainability management, the GSF brings together sustainability leaders from all SBM operating entities to ensure that sustainability efforts are coherent, well-integrated and impactful.

The GSF's core objectives include:

- Providing strategic direction and alignment – Ensuring a unified approach to SBM Group's Sustainability Agenda, setting priorities, facilitating knowledge-sharing and identifying synergies across all entities
- Enhancing risk oversight and compliance – Collaborating with the RMC to assess and mitigate ESG risks and ensure regulatory compliance
- Monitoring performance and escalating critical issues – Overseeing sustainability Key Performance Indicators (KPIs) across the Group, reinforcing accountability and escalating material or recurring concerns to the appropriate governance bodies

Our journey and progress

Our origins

The SBM Group, as it is known today, was built on a strong foundation of financial inclusion and community empowerment. Founded in Mauritius with a core social mission, it sought to provide equitable access to banking, transcending economic and cultural barriers, particularly for those in remote rural areas. This commitment laid the groundwork for our enduring role in connecting markets and empowering communities, driving our expansion into Kenya, India and Madagascar.

From the outset, we have actively pursued initiatives beyond banking, demonstrating a deep commitment to Corporate Social Responsibility (CSR) and sustainable economic development. By fostering interconnected and resilient economies, we have introduced innovative financial solutions that promote inclusion, empower communities and contribute to long-term prosperity. Through financial system integration and local market engagement, we ensure that all stakeholders can participate in and benefit from a more resilient and sustainable society.

Main milestones and achievements

In May 2023, SBM Group formally launched its Sustainability Agenda, establishing a clear direction for integrating sustainability across all aspects of our business. Since its launch, the Sustainability Agenda has been progressively refined to ensure continued alignment with global sustainability frameworks, evolving business objectives, and national development priorities across our jurisdictions. The Sustainability Agenda was further formalised into a comprehensive strategic framework and implementation roadmap. The Sustainability Strategic framework, which has been approved by the Boards of all SBM Group entities, establishes a common reference point for sustainability governance and execution across the Group, while allowing for contextual relevance at the country and entity level. It supports a coherent and coordinated approach to sustainability across Mauritius, Kenya, India and Madagascar and reinforces the Group's ambition to strengthen long-term resilience, deliver inclusive and measurable impact, and contribute to the sustainable development of presence countries.

As part of this evolution, we have:

- Reassessed our alignment with the SDGs, ensuring our contributions drive inclusive economic participation and enable communities to access shared prosperity
- Refined our three pillars of engagement to create more focused pathways for sustainable business growth, ethical governance and social inclusion
- Enhanced our materiality assessment, ensuring that our ESG priorities reflect the evolving needs of both financial ecosystems and local communities
- Developed a structured framework for sustainability integration, enhancing our ability to bridge financial markets with long-term impact-driven strategies

These refinements reinforce our commitment to sustainable development, ensuring that our strategy remains impact-driven, business-aligned and responsive to evolving sustainability priorities of markets served.

The strategic framework and roadmap reinforce our ambition to build resilience, create inclusive impact and contribute to the development of the economies in which we operate. In line with this ambition, we continued to refine our ESG integration efforts, while deepening our alignment with the UN Sustainable Development Goals (SDGs). By embedding sustainability into risk management, governance, stakeholder engagement and product innovation, we are not only mitigating risks but unlocking new avenues for sustainable finance and long-term impact.

Our actions are grounded in the realities and opportunities of each jurisdiction. In Mauritius, our efforts have promoted environmental consciousness, good health and wellbeing, and financial literacy. In India, we have continued to support education for empowerment, poverty alleviation, and environmental protection. In Kenya, our initiatives have focused on environmental stewardship, education, women empowerment, entrepreneurship and marine life conservation. Meanwhile, in Madagascar, we have prioritised access to education, economic inclusion and community resilience.

Furthermore, building on the material topics identified, we have enhanced our approach with a comprehensive materiality assessment that is strategically critical to our decision-making process. This enhanced assessment not only reaffirms our commitment to aligning sustainability priorities with our business strategy and stakeholder expectations but also drives long-term value creation by identifying emerging ESG risks and opportunities. By systematically evaluating and prioritising ESG factors, we continue to shape both the financial landscapes we operate in and the communities we empower.



Strategic focus areas

Anchored in our corporate strategy, our Sustainability Agenda is built around three strategic pillars: Sustainable Business, Responsible Organisation and Inclusive Communities. Together, these pillars guide how we create long-term value while responding to the expectations of our stakeholders and the markets in which we operate. Our sustainability strategy remains relevant and responsive in a rapidly changing world. We recognise that our long-term success is intrinsically linked to the economic, social and environmental impact of our actions. As a responsible corporate organisation, we integrate sustainability into our business model, ensuring that financial performance is aligned with stakeholder wellbeing and community progress. Through proactive sustainability initiatives, we strive to balance profitability with purpose, fostering resilience in both our business and the societies we serve.

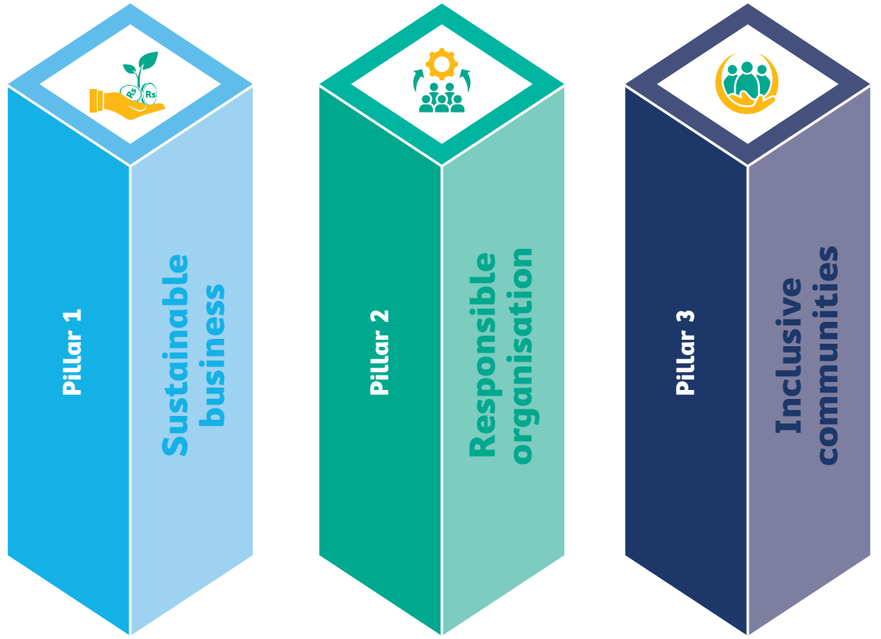
Pillars of engagement

As part of our strategic refinement, we have sharpened and focused the articulation of our three pillars of engagement to ensure greater clarity and alignment with business priorities and stakeholder expectations.

Our first pillar, Sustainable Business, aims at increasing the top line of SBM Group by implementing bold sustainability initiatives that contribute to financial market resilience and long-term economic empowerment. Beyond ensuring sustainable financial growth, we are equally committed to ethical governance and responsible corporate behaviour. Our second pillar, being a Responsible Organisation, entails aligning our entire business model, operations, governance and corporate culture to promote sustainability, financial ethics and social responsibility, ensuring that we remain a trusted and enabling force across markets. While responsible governance shapes out internal operations, we also prioritise fostering inclusive communities to ensure that financial and economic progress benefits all segments of society. Our third pillar, Inclusive Communities, reflects our commitment to creating such opportunities, ensuring that economic participation is equitable, and that financial growth translates into community empowerment.

This refined approach reinforces how sustainability is embedded into our business strategy, ensuring that each pillar drives measurable outcomes that contribute to both business growth and broader societal impact.

Our 3 core pillars of engagement



Aligning with SDGs

Our sustainability approach is closely aligned with the SDGs, ensuring that we play an active role in fostering resilient markets and inclusive economies. Recognising the diverse socio-economic and environmental challenges across our markets, we have applied a structured methodology to refine our focus on the SDGs most relevant to our operations and stakeholders. A structured review was conducted to ensure that our selected SDGs align with:

- Business Impact – Evaluating the relevance of each SDG to our financial and operational model and how it connects with broader market ecosystems
- Stakeholder Relevance – Assessing the materiality of SDG-related issues to customers, employees, regulators, and communities, ensuring inclusive progress
- Sustainability Pillars – Ensuring coherence with our three pillars of engagement, which collectively drive interconnected markets and community empowerment
- National Commitments – Supporting the sustainability objectives outlined in the Nationally Determined Contributions (NDCs) of our operating jurisdictions. While all 17 SDGs provide a valuable framework, we have identified six priority SDGs that align most closely with our business strategy, stakeholder needs and operational impact

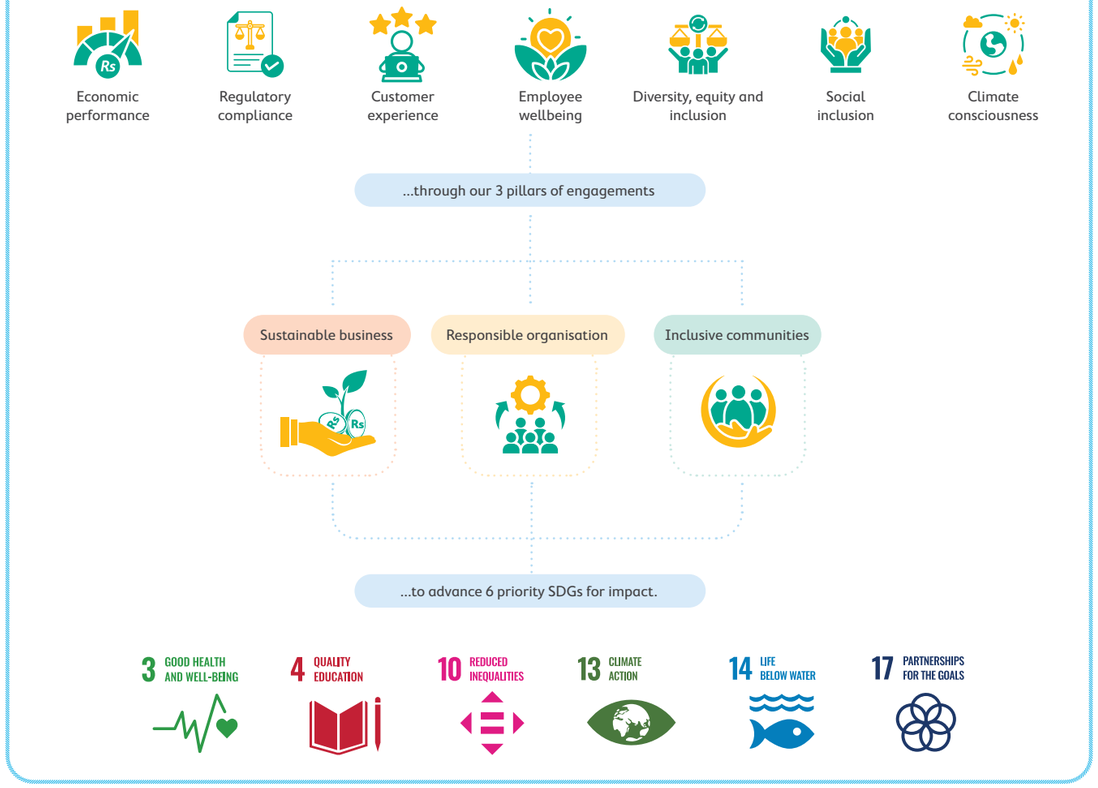
Our sustainability efforts are driven by our clearly defined purpose through which we aim to create shared value while ensuring minimal adverse impact on the environment. Our framework aligns with globally recognised sustainability standards, including the UN Sustainable Development Goals (SDGs).

SDGs impacted



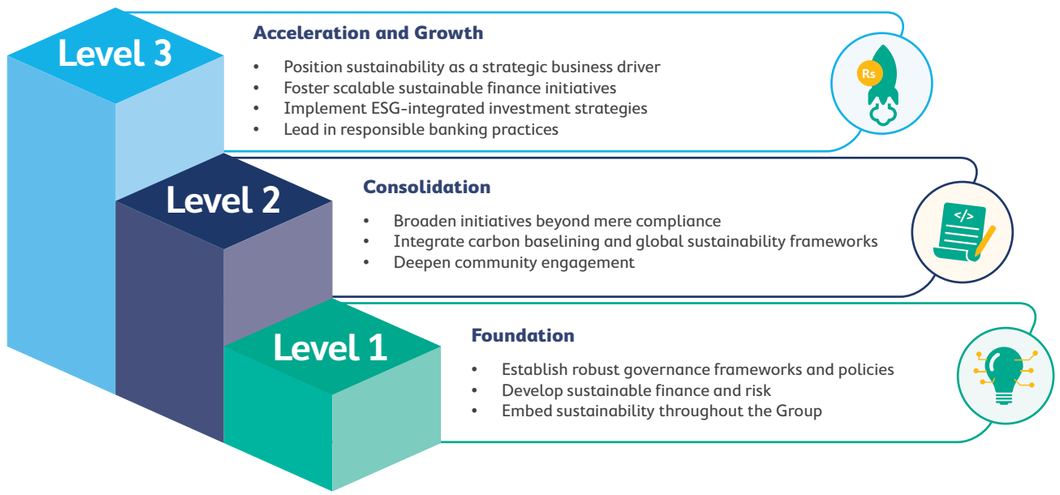
These SDGs serve as the foundation for our sustainability initiatives, providing a structured framework for action and impact measurement. By aligning our commitments with these global goals, we continue to reinforce our role as a bridge between economic growth and social development, thus ensuring that markets remain accessible, resilient and inclusive.

Integrating 7 financial and impact material topics



Our Three Level Strategic Roadmap

We have designed our Sustainability Strategy as a three-level roadmap, enabling a measured, progressive, and scalable integration across all SBM entities. The three levels - foundation, consolidation, and acceleration and growth - provide a structured pathway to embedding sustainability in a way that is both practical and scalable.



Integrating materiality into our sustainability strategy

Our value creation efforts are guided by the principle of materiality, through which we identify the issues that are important to our business and our stakeholders. This approach allows us to focus our efforts on areas where we can deliver the greatest impact over the short, medium and long terms. We performed our first materiality analysis in 2023. As we want to make sure that we are always in line with the needs of our stakeholders and to make sure that the identified material issues are still the most important, we perform regular update of our materiality analysis, with a well-designed assessment process.

Our assessment was conducted in alignment with established global standards and informed by insights from peer benchmarking, industry reports and relevant regulatory frameworks. A structured methodology was applied to identify and prioritise ESG factors, considering sector-specific challenges, historical stakeholder concerns and evolving regulatory requirements applicable to the financial services industry.

A stakeholder-driven approach was adopted, engaging key internal stakeholders across all SBM Group entities. The engagement process included:

- Workshops, focus groups and online surveys conducted across all geographies to ensure diverse representation of perspectives
- Engagement with senior executives, management teams and employees, ensuring that our sustainability approach aligns with both corporate strategy and market dynamics
- A combination of in-person and virtual discussions, allowing for broad participation and inclusion of different market realities

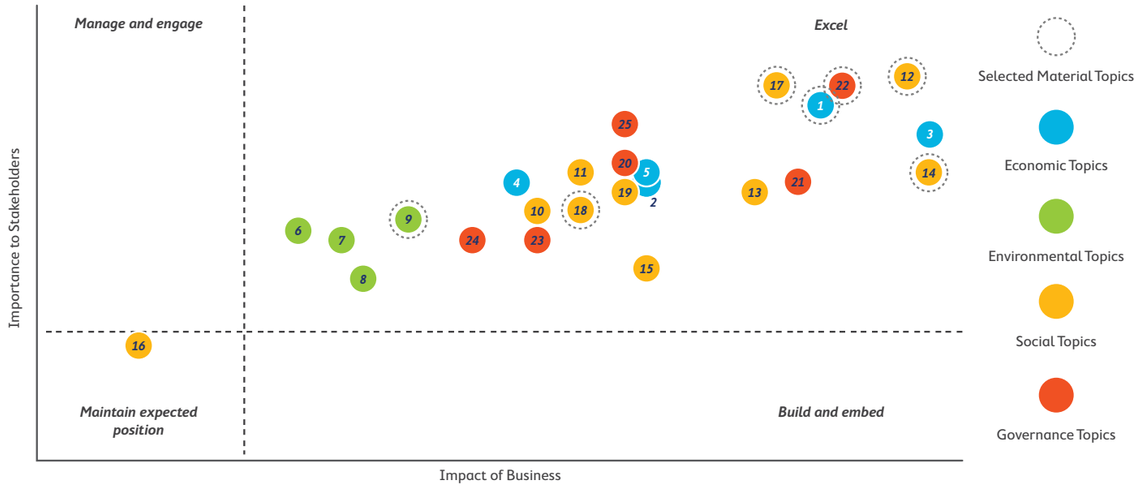
This bottom-up approach ensures that the sustainability agenda remains directly connected to the needs of both our markets and communities, reinforcing our role as a financial bridge between business and social progress.

The assessment applied the double materiality principle, which considers both Financial Materiality -how sustainability factors impact the business and Impact Materiality - how our operations affect society and the environment.

Given our presence in multiple jurisdictions, our assessment accounted for the distinct financial ecosystems we operate in, ensuring that sustainability priorities are tailored to the unique needs of each market while maintaining a shared vision for interconnected prosperity.

Following this structured evaluation, material matters were prioritised using a materiality matrix (illustrated on the next page), with key topics positioned in the top-right quadrant, reflecting both high stakeholder importance and strong business impact.

Materiality matrix for SBM Group



- 1 Economic Performance
- 2 Market Presence
- 3 Macroeconomic Risks
- 4 Sustainable Financing
- 5 Innovation
- 6 Biodiversity Conversation
- 7 Water And Waste Management
- 8 Supply Chain Resilience and Sustainable Sourcing
- 9 Climate Conciousness
- 10 Human Rights
- 11 Financial Access and Inclusion
- 12 Customer Experience
- 13 Health and Safety
- 14 Employee Wellbeing
- 15 Talent Management
- 16 Cultural Diversity and Vibrancy
- 17 Social Inclusion
- 18 DEI
- 19 Reward and Recognition
- 20 Cybersecurity
- 21 Ethics, Trust and Transparency
- 22 Regulatory Compliance
- 23 Legal Compliance
- 24 Corporate Governance
- 25 Data Protection

The Group has identified seven core material matters, each directly linked to its corporate strategy, risk framework and sustainability agenda:

1. Economic performance – Ensuring financial resilience through sustainable revenue generation, cost efficiency and operational stability

2. Regulatory compliance – Adhering to legal, cybersecurity and data protection frameworks, ensuring business continuity and risk mitigation

3. Customer experience – Enhancing service quality and financial inclusion through digital banking, product innovation and responsible customer engagement

4. Employee wellbeing – Creating a workplace environment that promotes physical, emotional and mental wellbeing through transparent communication and employee support programs

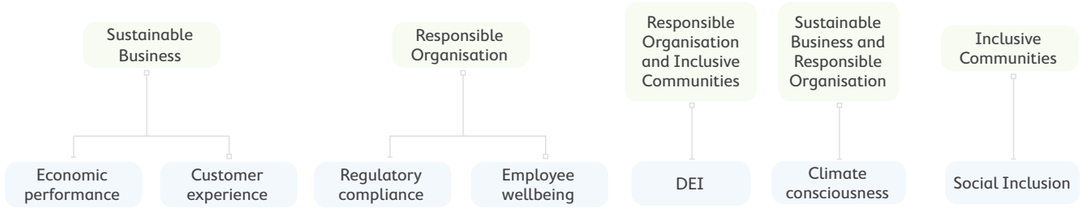
5. Diversity, Equity and Inclusion (DEI) – Encouraging representation and equal opportunities at all levels while contributing to social advancement through community initiatives

6. Climate consciousness – Measuring, managing and reducing our carbon footprint through responsible financing and environmental stewardship

7. Social inclusion – Enhancing economic participation and resource accessibility for underrepresented communities through targeted initiatives

These material topics form the foundation of our sustainability integration, ensuring that its strategic direction remains aligned with business priorities and stakeholder expectations. The findings from our materiality assessment are embedded into our sustainability roadmap, ensuring that our long-term strategic priorities, policy development and reporting framework remain aligned with both business imperatives and stakeholder expectations. These material topics serve as a guiding framework, shaping our sustainability commitments across our pillars of engagement

(Sustainable Business, Responsible Organisation and Inclusive Communities). To ensure strategic clarity, we aligned each material topic with our three pillars of engagement, as outlined below. By embedding these material topics into our sustainability pillars, we ensure a direct link between stakeholder priorities and strategic action, reinforcing our role as a financial enabler of inclusive, resilient and responsible markets.



During the period under review, the SBM Group has made headway in addressing its material matters, with dedicated initiatives across entities, as depicted throughout this Integrated Annual Report.

Material matter		Impact materiality	Our response
	Economic performance	The Group laid due emphasis on its financial performance, with strategic initiatives deployed to boost business growth and achieve improved operational efficiency levels.	See the Financial Review section on pages 253 to 264
	Regulatory compliance	The Group strived to comply with laws and regulatory stipulations while achieving sound business growth, backed by regular training and staff awareness programmes.	See the Risk Management Report on pages 205 to 248
	Customer experience	The Group continued to prioritise customer experience and proximity as a critical axis of its growth agenda, underpinned by reinforced capabilities at different levels.	See the Stakeholder Management section of the Strategy Report on pages 84 to 108
	Employee wellbeing	The welfare and engagement of employees remained on top of the Group's agenda, with staff being empowered to thrive.	See the Stakeholder Management section of the Strategy Report on pages 84 to 108
	DEI (Diversity, equity and inclusion)	The Group remained focused on adhering to the key principles and standards pertaining to diversity, equity and inclusion, in the context of its overall stakeholder engagement	See the Stakeholder Management section of the Strategy Report on pages 84 to 108
	Climate consciousness	Insofar as the physical and transition impacts of climate change affect its customers and operations, the Group upheld its scrutiny of this domain.	See the Risk Management Report and the Stakeholder Management section of the Strategy Report on pages 205 to 248 and 84 to 108 respectively
	Social inclusion	The Group worked towards supporting an inclusive and progressive society alongside helping the most vulnerable sections of society in their endeavours.	See the Stakeholder Management section of the Strategy Report on pages 84 to 108

Our ecosystem management

Adherence to international standards and principles

We are committed to aligning our sustainability governance framework with global best practices and internationally recognised principles. By upholding these standards, we strengthen our position as a trusted financial partner in the markets we serve, reinforcing both transparency and accountability.

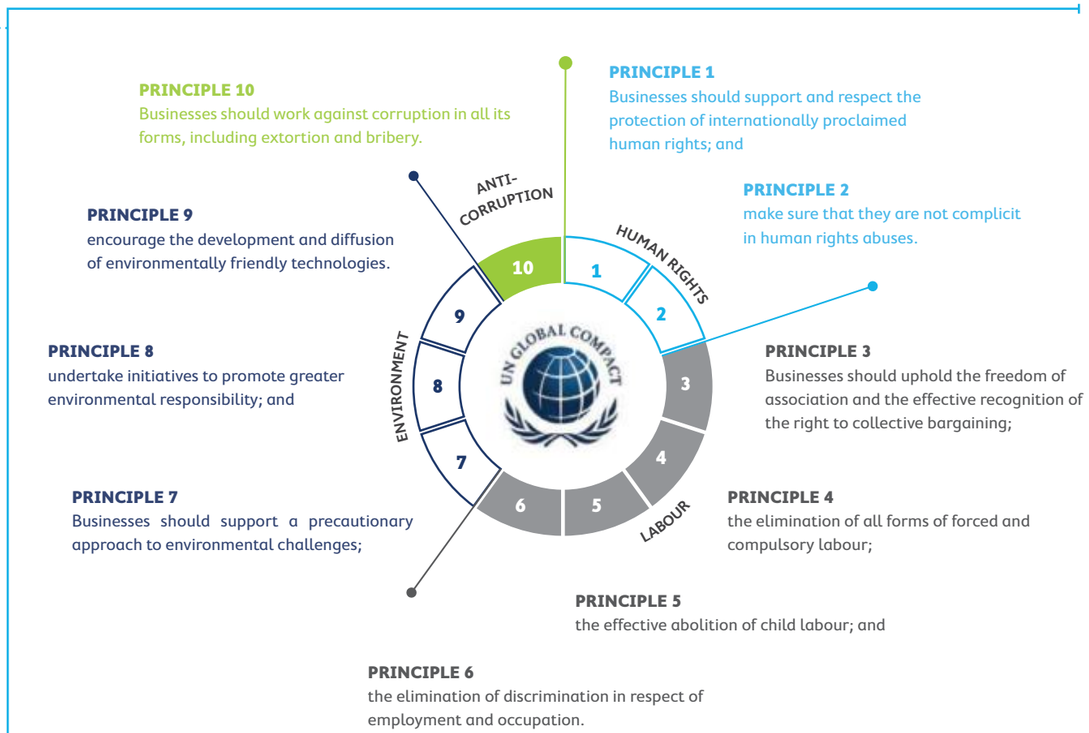
As part of this commitment, entities of the SBM Group have signed and publicly endorsed key international sustainability principles, further embedding its long-term vision into business operations. This participation enhances sustainability reporting, governance mechanisms and peer learning across the financial industry, ensuring that we remain at the forefront of responsible banking. In support of this commitment, we participate in national and global industry associations and voluntary initiatives to advance environmental, social and governance (ESG) best practices across our business activities.

Commitment to the DEI charter

In 2023, SBM Holdings Ltd endorsed the DEI Charter, championed by the National Committee on Corporate Governance (NCCG). This commitment underscores our ongoing efforts to assess and enhance diversity, equity and inclusion across all levels of the organisation. The accompanying commitments and reporting metrics primarily apply to SBM Group's Mauritian-based entities, reinforcing a structured approach to tracking progress. By implementing the DEI Charter, these entities not only align with evolving societal expectations but also strengthens their ability to serve a diverse customer base, foster innovation, attract top-tier talent and ensure regulatory compliance.

Participation in the United Nations Global Compact (UNGC) Network

SBM Bank (Mauritius) Ltd and SBM Bank (Kenya) Limited are official members of the UNGC, a global network of over 25,000 participants across 167 countries committed to advancing corporate sustainability. Through this participation, these SBM entities reinforce their commitment to responsible business practices, aligning their strategy and day-to-day operations with the UNGC's Ten Principles, which cover Human Rights, Labour, Environment and Anti-Corruption.



Stakeholder engagement

We believe that meaningful stakeholder engagement is fundamental to driving sustainable progress. By collaborating with partners who share our values and vision for a resilient future, we construct our ability to create lasting economic and social impact – connecting markets and empowering communities in tangible ways. To ensure our engagement efforts are impactful and aligned with our Sustainability Agenda, we have developed a structured approach that fosters long-term partnerships and drives meaningful progress. By leveraging cross-market collaboration and maintaining transparent dialogue, we build partnerships that bridge gaps in financial inclusion, enhance economic participation and spur innovation. These initiatives empower communities, drive shared success and contribute to positive environmental and social outcomes across our markets.

Managing sustainability risks

As we execute our sustainability strategy, we recognise that effective risk management is fundamental to ensuring resilience and long-term value creation across our jurisdictions. Sustainability-related risks, ranging from climate risk and environmental and social (E&S) risks to transition risks, have financial, operational and reputational implications for our business. Our approach to sustainability risk management is embedded within our broader enterprise risk management framework, ensuring that risks are identified, assessed and mitigated across all levels of the Group.

Across our markets, we continue to strengthen risk governance, policies and frameworks to integrate sustainability considerations into decision-making, credit risk assessment and regulatory compliance. While each operates within its own regulatory and business environment, our efforts are guided by common principles:

- Establishing robust policies and governance structures to oversee sustainability risks
- Enhancing data and analytics to improve risk identification and monitoring
- Embedding sustainability considerations into credit processes and risk appetite frameworks
- Developing capabilities and awareness across our teams to drive informed decision-making

Building a resilient risk framework

Across the SBM Group, we have strengthened our E&S policies, Climate Risk Appetite Frameworks, and exclusion list to ensure that sustainability risks are consistently assessed across our business.

- Within our presence in Mauritius, risk frameworks have been enhanced to align with regulatory guidelines, integrating climate risk into credit assessments, financed emissions tracking and sectoral risk evaluations.
- Across our operations in Kenya, sustainability risk assessment is embedded into lending decisions through structured governance frameworks and strengthened policies on climate risk.
- Through our banking footprint in India, sustainability considerations shape lending priorities, particularly in sectors such as renewable energy and agriculture, in alignment with national financial inclusion objectives.
- In Madagascar, our operations are building capacity for sustainability risk management, aligning with Group-wide sustainability principles while preparing for future regulatory developments.
- While each market is at a different stage of maturity, we continue to make progress in embedding sustainability risks into lending decisions, risk appetites and governance structures.

Integrating risk into lending

Ensuring that climate, environmental and social risks are systematically integrated into credit processes remains a priority. We have implemented sector risk guidelines, exclusion list and enhanced due diligence measures to strengthen responsible lending practices across its markets.

- In Mauritius, our banking operations have introduced a Climate Risk Heat Map, assessing sectoral exposure to transition and physical risks in high-impact industries such as energy, real estate and transport. Additionally, an Environmental and Social (E&S) risk checklist, aligned with international frameworks, is embedded in credit appraisals to ensure systematic risk evaluation.
- Across our presence in Kenya, Environmental and Social Due Diligence (ESDD) frameworks have been integrated into lending decisions, enabling client screening, risk categorisation and mitigation planning.
- Through our banking operations in India, sustainability-aligned lending portfolios prioritise key economic sectors, particularly clean energy and agriculture, in line with national financial inclusion objectives.
- In Madagascar, our financial operations are building capacity to integrate E&S screening mechanisms, aligning with Group-wide sustainability principles while preparing for evolving regulatory landscapes.

Additionally, we strengthened our exclusion list to prevent financing of activities that pose significant environmental or social harm. Across the Group, these lists align with international best practices such as the Equator Principles and International Financial Corporation (IFC) Performance Standards.

Tracking and monitoring risks

To strengthen climate risk management, we are working to improve risk monitoring, stress testing and financed emissions tracking across our jurisdictions.

- In Mauritius, our banking operations have conducted their financed emissions assessment, leveraging the Portfolio for Carbon Accounting Financials (PCAF) methodology, specifically covering our Segment A corporate portfolio.
- Across our presence in Kenya, efforts are underway to integrate financed emissions tracking into risk management frameworks, reinforcing sustainability commitments in lending operations.
- Through our banking operations in India, sustainability-aligned risk monitoring continues to evolve, ensuring robust due diligence for high-impact industries while complying with emerging regulatory expectations.
- In Madagascar, our financial operations are exploring sustainability risk metrics, anticipating future compliance requirements and strengthening risk assessment practices.

Future focus

As regulatory landscapes and market expectations evolve, we remain committed to continuously enhancing our sustainability risk management framework. While each market is at a different stage of maturity, we have made meaningful progress in embedding sustainability risks into lending decisions, risk appetites and governance structures.

Looking ahead, our risk management approach will continue to integrate sustainability deeper into financial decision-making, reinforcing our role as a key enabler of interconnected and responsible markets. By embedding sustainability risk management into our operations, we are not only strengthening our resilience but also positioning SBM Group as a leader in responsible finance across its key markets.

Read more in the Risk Management Report on pages 205 to 248

Our recent initiatives and undertakings

Group-wide sustainability management

In 2025, the Group has, with the support and guidance of its External Sustainability Partner, made further progress in formulating and implementing its sustainability agenda, while guiding entities with regard to their strategic intents and positioning. As a major step, SBM Holdings Ltd set up a standalone Sustainability Committee, primarily tasked with the responsibility of championing and supervising sustainable practices across the Group, alongside ensuring alignment with the Group's broader strategic objectives. Importantly, this Committee underscores the importance that the company gives to sustainability.

Furthermore, the Group has formulated its Sustainable Finance Framework, which is being cascaded down to its entities for application at their respective levels. The Framework includes a detailed Green Taxonomy, which is fit to all main international jurisdictions. While different Group entities will execute their sustainable finance endeavours to an extent and at a pace that will be dictated by their respective business development aspirations, risk appetites, resource levels and financial positions, the Sustainable Finance Framework provides a proper methodology and guidance for the classification and dissemination of sustainable finance products and instruments by these entities. This document intends to provide a common language to identify the extent to which an economic activity may be considered sustainable environmentally, socially and in terms of governance. It also provides a frame of reference for engaging with stakeholders as well as identifying sustainable finance opportunities on the market. The Framework will be reviewed periodically and revised to accommodate new qualifying activities, adjust eligibility criteria and stay aligned with evolving taxonomies and sustainability standards.

In addition to these milestones, the Group has pursued discussions with internal stakeholders and executed several initiatives to consistently bolster sustainability management, with headway made on various fronts, notably training and capacity building, governance, the operating model, strategic communication and stakeholder management. Concurrently, the Group is in the process of determining KPIs linked to its sustainability goals and targets, encompassed into a Sustainability Reporting Framework which should establish a robust framework and solid benchmarks that will contribute to track and externally communicate SBM Group's broad-based sustainability performance and compliance with relevant standards, while enhancing transparency and bolstering the confidence of stakeholders in the Group's reporting in the periods ahead. This reporting approach will be instrumental to convey the Group's commitment to transparent corporate reporting and impactful stakeholder engagement, thus boosting its credentials.

Entity-level achievements across sustainability pillars

In 2025, Group entities made further progress in their sustainability journeys, delivering impactful initiatives across Mauritius, India, Kenya and Madagascar. Guided by our three core pillars (i.e. Sustainable Business, Responsible Organisation and Inclusive Communities), we reaffirmed our commitment to building resilient markets and empowering communities through the creation of long-term social, economic and environmental value. As a financial institution that connects people, businesses and economies, we play a pivotal role in directing capital to where it can generate the greatest positive impact. Our sustainability initiatives are designed to enable business growth, support individuals in achieving financial security and strengthen the broader ecosystems in which we operate.

While we have prioritised six key SDGs as part of our strategic alignment, our initiatives throughout the year have contributed to a broader range of sustainability objectives. This reflects the continuity of our efforts, many of which were already underway prior to the formalisation of our refined SDG focus, and which continue to support climate resilience, financial inclusion and economic empowerment.

This section provides an overview of key initiatives implemented by entities under each pillar, illustrating how we actively foster strong and interconnected markets while enabling communities to thrive in an evolving global landscape. We highlight the SDGs most directly impacted by each thematic area, reinforcing our commitment to transparency and alignment with global sustainability standards.

Pillar 1: Sustainable business

3 GOOD HEALTH AND WELL-BEING · 17 PARTNERSHIPS FOR THE GOALS · 4 QUALITY EDUCATION · 10 REDUCED INEQUALITIES · 14 LIFE BELOW WATER

During the reporting period, the focus was on deepening and widening the implementation of the Sustainable Agenda and strengthening its integration within core business activities. This involved consolidating the Group's position in the sustainable finance market, the reinforcement of partnerships with Development Finance Institutions (DFIs) to support climate mitigation and adaptation projects, and the progressive integration of environmental and social considerations into credit assessment and investment decision-making processes. Basically, our approach to sustainable business is centred on developing and deploying financing solutions that promote economic inclusion, support climate adaptation and mitigation, and enable businesses and individuals to transition towards greener and more sustainable models.

SBM Bank (Mauritius) Ltd

- The bank continued to execute its sustainable finance endeavours in various fields, as it strives to contribute to responsible financing and to support the country and the business community in climate risk management. Along the way, the bank positioned itself to tap into market opportunities, in light notably of the increasing deployment of renewable energy projects on the national scale.
- The bank accompanied small, medium and large businesses across economic sectors in their sustainability and transformation journeys, while guiding them in the energy transition initiatives as well as in their efforts revamp their business models and operations for sounder functioning.

Sustainable finance at SBM Bank (Mauritius) Ltd

Introduction

While the bank seeks to position itself as a prominent player in the local green economy, it has, in recent periods, many gradual headway in delivering sustainable finance solutions to its customers, alongside mobilising resources and building capabilities to realise its strategic intents.

Strategy and approach

Sustainable finance is a core component of the bank's business strategy and reflects its commitment to supporting long-term economic development while generating positive environmental and social outcomes. Through its sustainable finance activities, the bank supports projects and initiatives that contribute to climate action, environmental protection, financial inclusion and inclusive economic growth.

In 2025, the bank's sustainable finance activities focused on two complementary dimensions: (i) inclusive and socially responsible financing, aimed at improving access to finance and supporting underserved segments of the economy; and (ii) climate and environmental financing, aimed at supporting the transition towards a low-carbon and climate-resilient economy. This balanced approach ensures that sustainability considerations are embedded across both the social impact objectives of the bank and in its climate and environmental priorities.

Inclusive and socially responsible financing

Building on the momentum generated by the implementation of the 'Bright-HER Future' campaign in 2024 (which is an initiative tailored for women entrepreneurs, while offering specialised loans and leasing options to support business growth and empower women-owned businesses), the bank further strengthened its support to women-led enterprises in 2025. It continued to play a key role in promoting financial inclusion by providing women entrepreneurs with access to tailored financing solutions across various economic sectors.

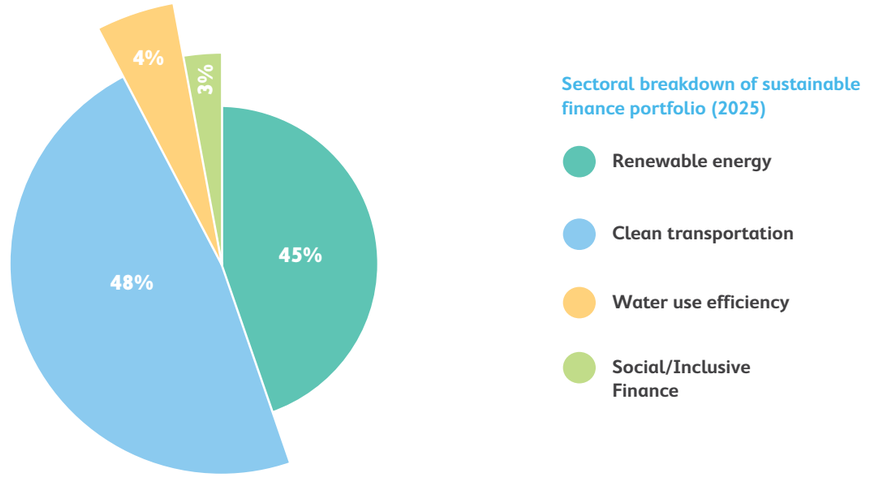
Climate and environmental financing

Climate mitigation financing refers to financial support provided to projects and initiatives that aim to reduce greenhouse gas emissions and accelerate the transition towards a low-carbon economy. Such activities notably pertain to renewable energy (solar photovoltaic installations and other renewable energy solutions supporting the decarbonisation of the energy mix) and clean transportation (financing and supporting the transition towards electric vehicles and low-emission transport solutions). Climate adaptation financing refers to financial support for projects designed to enhance resilience to the physical impacts of climate change. Such activities include flood and stormwater management infrastructure, resilient water and wastewater infrastructure and climate-resilient urban infrastructure. These investments contribute to mitigate the impacts of extreme weather events while strengthening the resilience and continuity of essential infrastructures.

Climate and environmental financing initiatives are delivered by the bank through projects in key economic sectors that contribute to environmental stewardship, resource efficiency and social resilience, in line with national development priorities. For example, the bank supports agricultural and agri-business activities that promote productivity, resilience and responsible land and resource use. This includes financing that contributes to improved water management, climate-resilient farming practices and enhanced food security, thus supporting the long-term sustainability of the agricultural sector. Financing activities support infrastructure improvements that contribute to environmental protection, public health and efficient use of natural resources.

Profile and distribution of sustainable finance projects

In 2025, the bank supported a diverse portfolio of sustainable finance projects contributing to reduction of greenhouse gas emissions, enhanced climate resilience and improved environmental performance, in line with Mauritius' sustainable development objectives. Within this portfolio, retail sustainable finance activity was driven primarily by climate mitigation solutions offered through the bank's Eco loan and Eco Auto Lease products. SBM Eco loan offers a series of financing solutions enabling individuals, SMEs and corporates to invest in eco-friendly equipment and technology to support their commitment to sustainability. SBM Eco Auto Lease offers to finance the acquisition of electric and hybrid vehicles, reflecting sustained customer demand for low-emission mobility solutions and the bank's continued role in advancing greener consumer financing.



Continuous and long-standing commitment to sustainable finance

In the corporate field, the bank maintained its long standing commitment to green financing. It was the first Mauritian bank to enter an agreement with Agence Française de Développement (AFD) back in October 2009 when it signed up for the SUNREF (Sustainable Use of Natural Resources and Energy Finance) scheme. This milestone marked the beginning of a long standing and productive partnership – one that has delivered impactful and widely recognised results over the years. The bank has since proudly participated in every edition of the AFD line of credit facility and consequently financed several projects under this partnership.

Building on this legacy, the bank further strengthened its sustainable finance offering with the signature of a EUR 45 million Green Line of Credit with the AFD on 25 April 2025, which is dedicated to financing climate mitigation and adaptation projects. The first drawdown of EUR 15 million was successfully completed in November 2025, marking an important milestone in the operationalisation of the facility. This new Green Line of Credit is designed to provide dedicated financing for projects aligned with sustainability and environmental objectives. It will support initiatives in areas such as renewable energy, energy efficiency, climate adaptation and eco-conscious infrastructure development. This renewed collaboration is a natural extension of our commitment to sustainability, while placing environmental responsibility at the core of our financial offerings.

Furthermore, the bank is serving as the financial partner for an independent European renewable energy company, which develops, finances, builds and operates projects in green hydrogen, marine renewables, onshore renewables and energy management. Comprising cutting-edge hybrid solar generation and battery storage, the projects will deliver 60 MWac of solar power and 256 MWh of storage, thus supplying around 8% of Mauritius' electricity consumption while enhancing grid stability and reducing reliance on fossil fuels. These projects represent meaningful steps toward a smarter, cleaner and more resilient energy future for Mauritius. This partnership strengthens our enduring relationship with this company, which began in 2017 with the financing of the Helios Beauchamp solar plant. Today, the bank reaffirms its position as a trusted partner in delivering complex and future-focused energy infrastructure via bespoke financial solutions.

SBM Bank (India) Limited

- The bank achieves its objectives around financial and social inclusion through its Priority Sector Lending (PSL), as mandated by the Reserve Bank of India (RBI) for ensuring the allocation of bank lending to specific sectors in the economy which are critical for inclusive economic growth, but which also often lack access to adequate credit. PSL, therefore, ensures that vulnerable and underserved sections of society can access credit at lower rates than offered in the informal lending sector. The RBI identifies such priority sectors to bridge the inequality gap and promote the development of essential industries, thus achieving balanced economic growth. In 2025, the bank disbursed around INR 89.8 billion towards PSL. These disbursements encompassed a wide range of entities including NBFCs and MFIs as well as entities operating in the healthcare and renewable energy sectors. Disbursements were also directed towards agriculture-related entities covering a wide range of allied activities including animal husbandry, dairying, fisheries and related sectors. Funds were, in addition, disbursed for projects aimed at reducing socio-economic disparities and creating equitable opportunities for marginalised groups.

SBM Bank (Kenya) Limited

- The bank continued to finance green projects and renewable energy initiatives, thus supporting key businesses in the country.
- To assist SMEs in their growth and transformation journeys, the bank has set up 3 SME Hubs across branches, which provide the platform for meeting and advisory services. The bank launched Smart Biz Lab, which is a training and coaching programme aimed at empowering 500 women entrepreneurs to scale their businesses.
- The bank and the Integrated Payment Services Limited (IPSL) have signed a partnership that aims to offer the lowest transfer fees for bulk money transfer services. Through the partnership, customers using IPSL's Pesalink money transfer on SBM Mfukoni app and online banking will be able to send between KES 1 and KES 1,000 for free and between KES 1,001 and KES 999,999 for a flat rate of KES 20.

SBM NBFC

- The entity continued to accompany clients in their growth and transformation endeavours, with flexible and innovative solutions.

Pillar 2: Responsible organisation



Responsible business goes beyond compliance. It is about embedding sustainability into our governance structures, decision-making processes and day-to-day operations. Our approach to responsible business is unified yet adapted to local contexts. In Mauritius and India notably, we have placed a strong emphasis on compliance training, sustainability governance and risk management, thus ensuring that our leadership and employees are well equipped to drive ethical decision-making.

SBM Bank (Mauritius) Ltd

- The bank has remained committed to upholding strong governance, ethical business practices and environmental responsibility, while fostering a diverse, healthy and inclusive work environment. By integrating sustainability considerations into decision-making and risk management, the bank ensures that it operates in a financially sound and socially responsible way. It ensures accountability across all levels while maintaining the trust of regulators, customers and other stakeholders.
- The Compliance and Risk Management functions of the bank have, during the year under review, remained closely aligned with developments observed in the financial services landscape, including the emergence of new legal and regulatory obligations at both local and cross-border levels. Compliance and risk management activities operate under well-established frameworks that enable the identification, tracking and implementation of regulatory and counterparty requirements. These frameworks are supported by the continuous enhancement of internal policies and processes, supported by training programmes and regular engagement sessions across the bank.
- The bank recognises that employee wellbeing and engagement are fundamental to long-term organisational performance. During the year, a range of initiatives were implemented to support physical health, mental wellbeing, team cohesion and a positive workplace culture. Regular wellness activities, including Zumba, Tai Chi and Yoga, were carried out to encourage active lifestyles and stress management. These were complemented by access to on-site medical and psychological support services. Preventive healthcare measures were further reinforced through seasonal flu vaccination campaigns and targeted health awareness initiatives such as Pink October alongside promoting early detection and informed health choices among employees. Beyond individual wellbeing, the bank continued to foster a strong sense of connection and teamwork across the organisation. Participation in a broad range of inter-bank, national and internal sporting events provided opportunities for employees to engage beyond their day-to-day roles, strengthening collaboration, resilience and team spirit across departments and age groups.
- The bank maintained a strong focus on gender diversity and inclusion. For example, it can be noted that female employees represent approximately 65% of the total workforce of the bank, while women account for 34% of senior and middle management positions, underscoring their meaningful contribution to leadership, decision-making and operational performance across the organisation.
- The bank continued to strengthen internal sustainability governance and capacity across its operations. Sustainability and sustainable finance training programmes were delivered across branches and lines of business. These programmes focused on building awareness and practical understanding of climate-related risks, sustainable lending principles and ESG considerations. Front-office and lines of business staff were trained on sustainability and sustainable finance topics during the year, therefore supporting more informed decision-making and consistent application of sustainability principles across business activities. Moreover, the bank participated in several sustainability-focused external conferences and capacity-building programmes, including AFD-led conferences. These engagements enhanced internal expertise and facilitated knowledge-sharing on international best practices in sustainable finance and climate risk management. These efforts were supported by continued investments in learning and development, which are aimed at strengthening technical, leadership and sustainability-related capabilities across the organisation. It can also be highlighted that the bank delivered internal sustainability awareness initiatives throughout the year, including communications aligned with World Earth Day and World Environment Day, aimed at promoting environmental consciousness and responsible behaviour.
- As part of its efforts to strengthen its position as a responsible institution advocating sustainable practices, the bank initiated the structured measurement of its operational environmental footprint. FY 2025 therefore represents the first full reporting period during which environmental performance indicators were systematically consolidated and monitored. The establishment of baseline data for electricity and water consumption marks an important step in strengthening internal environmental accountability. These measurements provide the foundation for improved oversight of resource use and will support the identification of efficiency opportunities and future reduction initiatives over time. In this spirit, the bank is reviewing and enhancing its internal processes, systems and governance arrangements for environmental data management. This approach reflects the bank's commitment to integrating environmental considerations into its day-to-day operations.
- As part of its commitment to responsible business practices, the bank launched the 'One Account, One Tree' initiative, which is linked to Amigos account openings for newborns. Through collaboration with the Forestry Service, the initiative aims to plant 2,500 trees over two years at the Beemanique Remembrance Forest, integrating environmental responsibility into everyday banking activities. This initiative reflects the bank's approach to embedding sustainability into its operations and customer engagement, while contributing to biodiversity conservation and climate consciousness.

SBM Bank (India) Limited

- The bank is continuously strengthening its risk and governance functions through key process automation and hiring, while promoting sound and responsible business practices.
- The bank organised various initiatives focusing on employee wellbeing and engagement.
- The bank strengthened customer due diligence by enhancing existing parameters and introducing focused reports for post facto monitoring, improving data quality and early risk detection.

SBM Bank (Kenya) Limited

- The bank continued to prioritise employee wellbeing alongside deploying targeted awareness initiatives focusing on diversity, equity and inclusion. It hosted a staff webinar on oral health, which was attended by over 300 employees. The session provided practical guidance on maintaining good oral hygiene and reinforced the bank's commitment to holistic employee health and wellness. The bank actively engaged staff and customers during its Customer Service Week. All 33 branches participated in customer appreciation activities, during which customers received branded gifts in recognition of their continued patronage. To reinforce a culture of customer centricity, the Director of Consumer Banking and the Head of Customer Experience shared video messages emphasising the importance of delivering exceptional service across all customer touchpoints.
- The bank marked International Men's Day through a digital awareness campaign aimed at promoting inclusivity and employee engagement. This included an internal email communication to staff and the publication of awareness posters across SBM's social media platforms.
- In partnership with the Kenya Bankers Association (KBA), the bank participated in annual card and online safety awareness campaign dubbed 'Kaa Chonjo'. The initiative aims to empower consumers of financial services with information on secure use of online, mobile and card transactions, besides contributing towards alleviating fraud in the financial services sector and tackling security risks. The campaign was executed by the bank across its digital platforms, with over 15 educational posts published, thus reinforcing the bank's commitment to responsible banking and consumer protection.
- As part of its environmental sustainability efforts, the bank supported tree planting initiatives, which resulted in the planting of a total of 1,550 trees. This included 1,000 mangrove trees planted in Diani and 550 indigenous trees planted at the Ngong Forest Sanctuary Block in November 2025.

SBM NBFC

- The entity continued to promote responsible waste management practices across its operations through the recycling of office-generated waste. The entity recycled approximately 2 kg of AA and AAA batteries, 1 lb of plastic waste, 3 kg of cartons and 25 kg of electronic waste, primarily toner cartridges. These initiatives support the entity's efforts to reduce its environmental footprint and encourage sustainable consumption within the workplace.
- In commemoration of the World Environment Day, the entity has – together with the SBM Academy and SBM Bank (Mauritius) Ltd as well as in partnership with La Fresque – hosted an interactive live session for staff focused on environmental sustainability. Approximately 30 employees participated in the session, which featured a 45-minute presentation on the causes and impacts of climate change. The engagement enhanced staff awareness of climate-related risks and reinforced the entity's commitment to building internal capacity on environmental stewardship.
- The entity ensured the regular maintenance of a green office space, while incurring investments in energy-efficiency measures to reduce the company's carbon footprint. The entity strengthened its procurement policy with a clause requiring the consideration of ESG-compliant suppliers. Moreover, the entity has offered training to its employees on sustainability-related topics.
- To enhance public understanding of risk management and financial protection, the entity published short educational videos on social media, such as highlighting the importance of insurance products. In addition, an article on Habitation Assurance was featured in Business Magazine, while further insurance-related content was published in the press, thus reaching diverse audience segments.

Pillar 3: Inclusive communities



Fostering inclusive communities is more than a commitment, it is an ongoing effort to ensure that every individual, regardless of background, has access to education, healthcare, financial opportunities and community support. Our initiatives during the year have been tailored to local realities while advancing our broader vision for inclusion. Across our markets, we continue to drive meaningful impact through targeted programmes that address specific social needs. In Mauritius, while the SBM Foundation serves as the primary vehicle for structured CSR initiatives – focusing on social inclusion, disability support and education – our entities also lead impact-driven projects beyond the Foundation's scope. In India, a dedicated CSR Committee guides initiatives that prioritise rural financial inclusion, healthcare and skill development. In Kenya, we are empowering communities through entrepreneurship programmes, financial literacy initiatives and gender-inclusive financial services. In Madagascar, our focus remains on supporting the community. More details on the SBM Foundation are found at the end of this section.

SBM Bank (Mauritius) Ltd

- The bank further contributed to forging inclusive and sustainable societies through initiatives that promote community wellbeing, environmental stewardship and biodiversity conservation. These actions complement the bank's broader sustainability agenda and support engagement with employees, communities and public sector partners. Fundamentally, the bank actively engages in community-driven initiatives through structured programmes led by the SBM Foundation and direct sponsorships. These efforts are anchored in strong employee engagement and cross-functional collaboration, alongside ensuring that community impact remains aligned with SDG priorities.
- As a key player in the Mauritian financial sector, the bank recognises its responsibility in driving financial inclusion and supporting underprivileged communities. It continues to develop tailored financial literacy programmes, enhance access to banking for SMEs and provide targeted financial solutions that empower individuals and businesses. The bank's CSR initiatives support education, entrepreneurship and social development, while contributing to national economic growth.

Stakeholder management, sponsorship and awareness initiatives undertaken by the bank

As part of its ongoing commitment to sustainability, health and sports, the bank actively supports initiatives that contribute to social development, wellbeing and financial inclusion. The bank's sponsorships reflect its dedication to fostering inclusive growth, reinforcing its role as a key partner in national progress.

Biodiversity and community-oriented initiatives



The bank implemented the Mini Endemic Gardens Programme across selected SBM premises with a view to promoting biodiversity, climate consciousness, environmental awareness as well as employee and community wellbeing. As part of this initiative, four mini endemic gardens were launched at the SBM Park and at the branches located at St Pierre, Rose Belle and Montagne Longue. These initiatives were undertaken in collaboration with the SBM Academy and the Government's Forestry Services.

Supporting SME development and financial inclusion at community level



The bank intensified its direct engagement with entrepreneurs through a nationwide series of SME and Microfinance business engagement tours. Led by the SME/Microfinance teams and supported by colleagues from other departments, these outreach initiatives aimed to bring financial solutions to the doorstep of business owners alongside better understanding the realities faced by SMEs across regions.



The bank participated in the Salon des PME 2025, a key national platform and exhibition bringing together local entrepreneurs, start-ups and small business owners. Over the three-day event, the bank showcased its offerings and provided guidance on financing options to support business growth and innovation.

Together, these initiatives contributed to strengthening financial inclusion, reducing access barriers for SMEs and reinforcing long-term partnerships with local entrepreneurs.

Community health, solidarity and social resilience



Health and social solidarity remained central to the bank's community engagement efforts in 2025. In collaboration with the National Blood Transfusion Service of the Ministry of Health and Quality of Life, the bank organised a series of blood drives across multiple regions, including Flacq, Vacoas, Triolet and Rose Belle.



Thanks to strong employee participation and volunteer support, approximately 410 pints of blood were collected during the year. These initiatives directly contributed to national healthcare needs while fostering a strong culture of compassion, civic responsibility and collective action among staff members.

Beyond blood donation initiatives, the bank supported community wellbeing through partnerships with NGOs and social organisations, with dedicated support provided by the SBM Foundation to vulnerable communities.

Education, youth empowerment and social awareness



The bank supported initiatives giving a voice to young people and promoting positive social values. It sponsored the 'Slam Against Bullying' contest organised by the Rotary Club of Bagatelle, which provides a creative platform to tackle school bullying and foster a safer environment for students. Through this sponsorship, the bank encouraged youth expression, confidence-building and advocacy for kindness and empathy. Account opening vouchers were offered to winners, reinforcing early financial inclusion.



In parallel, education outreach initiatives, including engagements hosted through the SBM Academy, provided students with exposure to the Mauritian financial sector and sustainable finance practices.

The bank sponsored the Awards Ceremony of the 2025 JCI Mauritius Creative Young Entrepreneur (CYE) Program, which encourages, honours and celebrates exceptional young people aged between 18 and 40. The bank was honoured to support this initiative and to stand alongside young entrepreneurs who are shaping the future with their creativity, energy and vision. By supporting initiatives such as the above, the bank reaffirmed its commitment to empowering entrepreneurs and building a brighter and more sustainable future together.

Partnerships and collective impact

17 PARTNERSHIPS FOR THE GOALS

Across all community initiatives undertaken in 2025, collaboration has remained a defining feature. The bank worked closely with public institutions, NGOs, educational bodies and civil society organisations to maximise impact and ensure that initiatives are responsive to real community needs.

By leveraging partnerships and engaging employees as active contributors, the bank continued to strengthen its role as a catalyst for inclusive growth, social resilience and sustainable development across Mauritius.

SBM Bank (India) Limited

- The bank upgraded its website to improve accessibility for visually impaired users, including features like adjustable text size, customizable colour schemes and contrast settings. The bank launched 'MudraRap', which is an innovative video blending Indian classical dance mudras with rap to raise cyber fraud awareness among tech-savvy audiences. The bank developed and deployed various educational content to enhance financial literacy and awareness of customers. This was shared on an ongoing basis to customers through email, website, social media and SMS alert.

Progress made by the bank towards the SBM Group's prioritised SDGs

3 GOOD HEALTH AND WELL-BEING

The bank promoted health and safety initiatives such as the SBM Shield self-defence and first-aid workshop, the blood donation drive, the kombucha making workshop encouraging gut health and walkathon promoting physical fitness. CSR support to the Dignity Foundation further strengthened SDG 3, as the organisation runs senior citizen day care centres and dementia care centres providing health, dementia care as well as emotional wellbeing support to the elderly.

4 QUALITY EDUCATION

CSR support to the Global Vikas Trust (GVT) contributed strongly to SDG 4, as GVT provides farmer training equipping rural communities with modern and sustainable agricultural knowledge and techniques.

10 REDUCED INEQUALITIES

CSR support to the Dignity Foundation, which provides day care services and dementia care services to elderly people at a subsidised cost, helped reduce social and economic inequalities among the elderly.

GVT also contributed to SDG 10 by uplifting small and marginal farmers and enabling higher and more equitable incomes.

17 PARTNERSHIPS FOR THE GOALS

Strengthened SDG 17 was achieved through impactful partnerships with credible CSR Partners like GVT and Dignity foundation to work towards tackling social issues and achieving societal improvement.

SBM Bank (Kenya) Limited

- The bank marked International Women's Day through a customer luncheon attended by 100 participants and a staff webinar themed 'Everyday Actions, Lasting Impact: How We Can All Drive Gender Equity at Work and Beyond'. The webinar attracted over 100 staff members and focused on practical actions to advance gender equity within and beyond the workplace. The bank partnered with NGOs to reach out to women in marginalised communities by means of dedicated banking solutions that contribute to elevate their living standards.
- The bank's executives continued to drive financial inclusion through consumer education and industry thought leadership. The Director of Consumer Banking participated as panelist at the Annual Summit of the Kenya Revenue Authority, addressing the role of banks in supporting tax compliance and financial management. The session was attended by over 100 delegates from various sectors. The Chief Operating Officer and Head of Customer Experience served as panelists at the 20th Connected Banking Summit. Their presentations focused on bank-Fintech collaborations in advancing financial inclusion and the role of women in driving innovation.
- In support of diversity and inclusion, the bank marked the Staff Diversity Day. The initiative was designed to enhance staff engagement during the launch of the bank's Mastercard product and to celebrate cultural diversity across the organisation. Employees across all branches participated by dressing in cultural attire representing the eight country currencies supported by the SBM Multicurrency Card, alongside fostering inclusion, team spirit and employee morale.
- The bank partnered with June Gachui Intellectual property (JGIP) to host a musical show for the bank's customers at the Nairobi Museum. This initiative recognised and supported local musical talent and empowerment of youth.

SBM NBFC

- The entity channeled its CSR activities through the SBM Foundation. Furthermore, it remained actively engaged in financial literacy initiatives which aim to strengthen public awareness and community engagement through targeted educational and outreach initiatives. It participated in the Education, Jobs and Career Symposium held at the Caudan Arts Centre, supporting students planning to pursue studies abroad by providing guidance on financial planning and related services.

Banque SBM Madagascar SA

- The bank sponsored the 'Groupement des Femmes Entrepreneurs de Madagascar (GFEM)' event. As a sponsor of the event, this partnership reflects the bank's commitment to stand alongside women entrepreneurs who are building the future with ambition and dedication.

Mauritius





Launch of the SBM Endemic Garden by the SBM Foundation, in partnership with the Forestry Services of Mauritius





Full day activity at NGO RCI la Marguerite by SBM Bank (Mauritius) Ltd





CSR Activities organised by Pope Hennessy Branch at BPS Residential Care Home





Blood Donation activities organised in different branches across the island



One Account, One Tree: SBM Bank (Mauritius) Ltd signs MoU with Forestry Service in September 2025



Workshop ' La Fresque Quiz' organised to mark the Environment Day by SBM Academy

Kenya



Handover of Sports hamper at Thika Prison by SBM Bank (Kenya) Limited

Madagascar



Annual Reforestation activities organised by Banque SBM Madagascar SA

About the SBM Foundation

Introduction

The SBM Foundation, which was set up in 2016, drives the Corporate Social Responsibility (CSR) agenda within the SBM Group. The strategy revolves around supporting high impact sustainable projects, which are targeted at needy and vulnerable groups, with a focus on education and empowerment, alongside providing tools, promoting employability and combating social ills with a view to alleviating poverty.

The purpose of the SBM Foundation revolves mainly around the following objectives:

(a) Alleviation of poverty
(b) Advancement of education of vulnerable groups
(c) Provision of scholarships to bright and needy students
(d) Support to school drop-outs and/or low achievers
(e) Protection of the environment

As a general rule, NGO partners should have a legal status and operating on a non-profit making basis along with a proven track record of activities with sound financial management and good governance. The SBM Group complies with an exclusion policy, which includes political parties or bodies, religious organisations, sponsorship to individuals, medical research and medical charities, academic research, overseas travel and student exchange programmes and Charity dinners amongst others. The Foundation operates in a transparent and independent manner in the pursuit of its set objectives.

Focus on key initiatives and their impact in 2025

Category	Description of activities	No. of initiatives / engagements
Elderly care and social support	Community outreach activities at residential care, including provision of food, gifts and social interaction led by SBM staff and the SBM Foundation	2
Child welfare and youth support	Engagements focused on children from vulnerable backgrounds, while catering for recreational activities, meals and gift distribution	1
Environmental awareness and biodiversity conservation	Implementation of endemic planting and mini green space initiatives across SBM premises, in collaboration with the Forestry Department of the Government	4
Employee engagement and volunteering	Staff-led CSR initiatives involving cross-functional teams contributing time and resources to community and environmental activities	7

The SBM Foundation is convinced that education is a very important means of empowerment for our citizens to become active participants in the transformation of the society, and that education is also an essential path to get out of poverty. In this context, it has been focusing on the unique SBM Scholarship Scheme for bright and needy students, in addition to funding of projects from social partners.

SBM's CSR initiatives are spread into 3 main categories, namely:

I. SBM Scholarship Scheme for bright and needy students
II. Funding projects from NGO partners (in the field of education and empowerment)
III. SBM Staff involvement initiatives

I. The SBM Scholarship Scheme for bright and needy students

The SBM Scholarship Scheme for bright and needy students was set up in 2010 with the aim to provide bright students from low-income households with the opportunity to pursue further studies and to thus be in a position to aspire for a brighter future.

The SBM Scholarship Scheme is the flagship CSR initiative of the Group. We are the largest single provider of Scholarships in the Republic of Mauritius. To date, we have allocated more than 2,600 scholarships (including some 60 students from Rodrigues Island). The scholarships cover full-time undergraduate courses in Higher Education Commission (HEC) recognised institutions in Mauritius and vocational courses run at any of the Mauritius Institute of Training and Development (MITD) Centres.

II. Funding of projects from NGO partners (in the field of education and empowerment)

The SBM Foundation also recognises the importance of NGOs and, as such, the SBM Foundation has provided funding and assistance to various social partners/ NGOs projects across the following themes:

A. Learning through Play: Making use of Sports, Music and Culture as a learning tool for getting out of poverty
B. Women Empowerment and Child Care
C. Provision of Educational facilities to Disabled children
D. Provision of Educational facilities to out-of-school Youth
E. Environment

A. Learning through Play: Making use of Sports, Music and Culture as a learning tool for getting out of poverty

Projects under this category make use of an area of interest to the child (e.g. sports or music) as a pedagogical tool to impart knowledge. The concept is based on 'learning through play'. In addition, an educational support system is added to this concept to ensure follow-up of academic results at school as well as to provide a social support system to the family members. The SBM Foundation supports several projects for nearly 700 children.

B. Women Empowerment and Child Care

Under this category, the SBM Foundation supports some 200 children aged from 3 months to 3 years through kindergarten projects from different NGOs towards providing childcare services to infants and toddlers while promoting the employability of mothers.
Young mothers, especially those with low skills from low-income families, are unable to undertake paid employment as the cost of a nursery is not proportionate to their expected income. With a view to breaking the vicious cycle of poverty, qualified nursery facilities are being provided free of charge, thus enabling the mothers to undertake paid employment and support their family financially.

As widely acknowledged by professionals, providing quality care at a younger age has a positive incidence on the educational possibilities of the child. Besides, working with parents since an early age enables the building of trust, which helps to solve social issues and undertake educational follow-up in the long-term.

C. Provision of Educational facilities to Disabled children

The provision of education to disabled children has its own specificities. Our support catered mainly for the provision of professional services like Occupational Therapists, Physiotherapists and/or Psychologists given that there is presently a gap in the disability sector regarding the services of professionals. We presently support more than 1,200 children through 10 NGOs.

D. Provision of Educational facilities to out-of-school Youth

The youth represent the future of the country and there is a need to support the out-of-school children in addition to the scholarships provided to the vocational sector through the MITD. Therefore, the SBM Group has moved one step further to support associations feeding students to these centres.

We support 7 different NGOs (including a network of 17 such schools), all working towards providing education to nearly 1,000 out-of-school youth. We adopt a consistent approach in the pedagogy process. In one of the projects, attendance rose from below 35% to over 85%. At the end of the educational cycle, these students have the opportunity to pursue further studies through the scholarship scheme.

E. Environment

In line with the Group Sustainability Agenda, the SBM Foundation pays due attention to environmental protection. Through one of our NGO partners, we are providing training in bio farming to help women to get out of poverty. This NGO is running backyard and kitchen gardening programmes for women from underprivileged regions in the vicinity. This project adopts a holistic approach and goes beyond the environmental aspect and, while addressing partly the food security issue, also cuts across our other pillars with respect to the empowerment of women from vulnerable backgrounds. The SBM Foundation has also engaged with one NGO to transform 5 acres of bare (grass) land into a regenerative forest. This project is in line with the SBM Group Sustainability Agenda, as it promotes adaptation to climate change and contributes directly to carbon sequestration by reforestation actions.

III. SBM staff involvement initiatives

As part of its strategy, the SBM Group encourages its employees to share their time and skills with the local communities through a matching scheme and time-off opportunities. 7 such activities were organised by SBM staff members in 2025, that not only provided resources and opportunities but also created memories and happiness.

RESILIENCE THAT RUNS DEEP



Corporate Governance Report

This section describes our corporate governance approach and framework, notably in accordance with the requirements of the National Code of Corporate Governance for Mauritius (2016).

Progressing with our governance initiatives in 2025

Dear Shareholder,

On behalf of the Board of Directors (the Board) of SBM Holdings Ltd (SBMH, the Group or the Company), we are pleased to present our Corporate Governance Report (the Report) for the year ended 31 December 2025. This Report outlines the governance framework, policies and oversight mechanisms underpinning the Group's commitment to accountability, effective risk management, ethical conduct and the long-term interests of all stakeholders — the fundamental pillars upon which robust corporate governance across the SBM Group is built.

The Board was reconstituted in April 2025. Subsequently, several Directors departed and new ones were appointed. By the close of financial year (FY) 2025, the Board had achieved a sound degree of operational stability and stronger strategic alignment. Board meetings protocols were revised and rationalised yielding greater efficiency and more focused, outcome-oriented deliberations. Decisions were guided by careful consideration of the interests of all stakeholders, reinforcing the Board's enduring commitment to accountability, transparency and ethical conduct, all in the service of responsible and sustainable value creation across the Group.

Leveraging the Directors' broad experience, diverse skill sets, specialised expertise and complementary perspectives and insights, the Board delivered effective oversight, made well-informed strategic decisions and offered valuable guidance to the Management Team to steer the Group through a demanding operating environment towards sustaining operational and financial resilience.

A central priority for the Board is the deliberate phased transition away from a fragmented, siloed management of its subsidiaries towards a cohesive Group strategy designed to unlock synergies and accelerate new cross-border business opportunities. Reflecting this intent, the composition of subsidiary boards now includes a fair representation of Group Executives and Non-Executive Directors to foster greater strategic alignment and shared a sense of purpose across the Group.

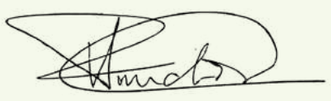
The Board remains deeply committed to setting the right tone at the top, recognising that a robust ethical culture is fundamental to rebuilding trust, protecting the Group's reputation and underpinning its long-term success. Prioritising probity and integrity across all its entities, the Board is committed to cultivating a corporate culture that authentically embodies the core values of the Group.

The Board reaffirms its commitment to meeting the expectations of its diverse stakeholders. Through continuous engagement with shareholders, proactive dialogue with employees, rigorous risk management, compliance with evolving regulatory requirements and the embedding of sustainable business practices, the Board strives to give balanced and informed consideration to the interests of all stakeholders into its decision-making processes. Looking ahead, the Board will continue to place transparency, accountability and ethical conduct at the heart of the Group's pursuit of sustainable growth in keeping with the principles of responsible governance.

In closing, the Board wishes to express its sincere appreciation to all the Directors who served the Group during their respective tenures in FY 2025, for their commitment, valuable contributions and dedication. The SBMH Board also wishes to thank the Senior Management Team and all employees of the Group for their hard work, diligence and unwavering support throughout the year.

Last but not least, the Board further acknowledges the continued confidence of our shareholders, whose loyal engagement remains a cornerstone of the Group's stability and purpose. We look forward to welcoming shareholders at the 2026 Annual Meeting.

Signed on behalf of the Board of Directors by

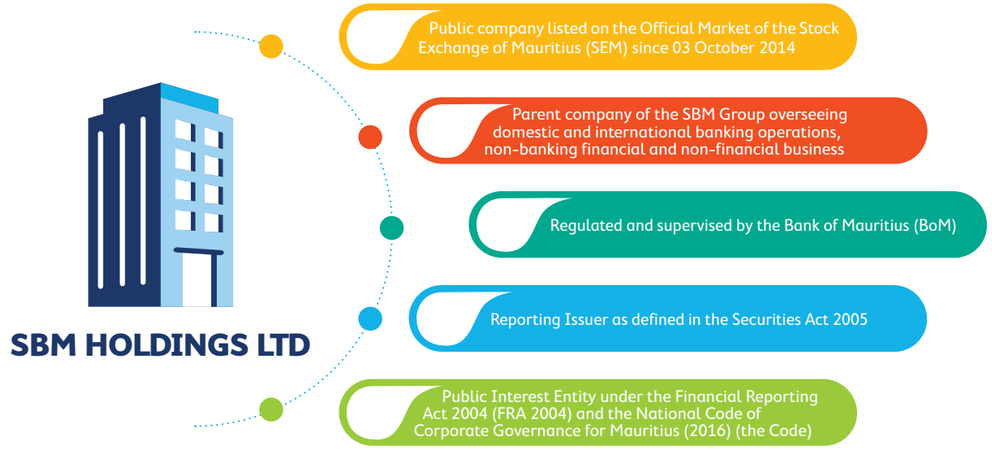


Mr Mahendra Vikramdass Punchoo
Chairman



Mr Pramod Kumar Bissessur
Chairman - Corporate Governance and Conduct Review Committee

Introduction



Corporate Governance Compliance: The National Code of Corporate Governance for Mauritius (2016) and Mauritius Companies Act 2001

The Board remains committed to upholding the highest standards of corporate governance in line with the Code.

For FY 2025, the Board considers that the Company has consistently adhered to, insofar as practical, with the principles outlined in the Code and, where appropriate, has implemented the recommended best practices as specified in the Code. The Board also acknowledges a deviation in relation to gender representation in its composition as defined in the Mauritius Companies Act 2001 (the Act). As of 31 December 2025, the Board comprised nine directors, of whom two were women. The Board is in the process of actively looking for a third female candidate to reflect its commitment to fully adhere, at the earliest, to the Act. Advancing the diversity gender balance agenda in its future appointments remains a priority.

Governance Philosophy and Practices

At SBMH, the Board has consistently prioritised the adoption of sound governance practices, ensuring that the decision-making processes remain transparent, accountable, fair and aligned with the long-term interests of all stakeholders. By embedding these principles across the Group's operations, the Board seeks to foster sustainable growth, strengthen stakeholder confidence, reinforce the Company's core values and culture and safeguard the enduring success of the Group.

By aligning its processes with the various principles of the Code, the Board ensures that governance is not merely a compliance exercise, but a strategic driver of long-term value creation, resilience and sustainable growth.

To ensure that the governance framework is firmly anchored in the Company, the Board regularly reviews policies, procedures and internal controls, while promoting awareness and adherence throughout the Group. The Board remains committed to advancing the Group's vision and mission, ensuring that its governance philosophy is constantly upheld across the Group.

Corporate Governance Scorecard for Mauritius

To align with the global movement towards enhanced transparency, accountability and sound governance, SBMH participated in the first and second Corporate Governance Scorecard Assessment (the Scorecard) organised by the National Committee on Corporate Governance (NCCG) in 2021 and 2023 respectively. These assessments evaluated SBMH's corporate governance practices across three key areas: (i) Board Effectiveness; (ii) Audit Oversight & Effectiveness; and (iii) Relations with Stakeholders, Shareholders, Sustainability & Inclusiveness. During the FY 2024, SBMH agreed to participate in the third assessment exercise and is currently awaiting further communication from the NCCG in this regard.

Diversity, Equity and Inclusion Charter

SBMH remains a signatory of the NCCG's Diversity, Equity and Inclusion (DEI) Charter, reflecting our continued dedication to fostering a diverse, equitable and inclusive environment. During the year under review, we have further aligned our actions with the SBM Group's Sustainability Agenda Pillars and prioritised Sustainable Development Goals (SDGs), thereby reinforcing our aspiration to promote meaningful social impact. We have maintained engagement with the Mauritius-based entities of the SBM Group, aiming to create a workplace where every stakeholder feels valued, respected and empowered. The DEI Charter encourages representation from people of different backgrounds, experiences and perspectives, including at Board level. SBMH remains transparent and accountable for its DEI journey by committing to report on its annual progress to the NCCG. Looking ahead, we will continue to monitor and await further communication from the NCCG to guide the next steps.

Our key focus areas for the Financial Year 2025

The following indicators are used throughout the Report to identify our impacted Stakeholders, Capitals and Material matters.



The following table illustrates the Board's key focus areas and their alignment with the Group's stakeholders, capitals and material matters, in line with the principles of Integrated Reporting.

	Uphold robust and effective governance across the Group, ensuring sufficient oversight and control over its subsidiaries	Drive the Group's vision, mission and strategic objectives to ensure sustained shareholder value over the long-term
Stakeholders		
Capitals		
Material matters		

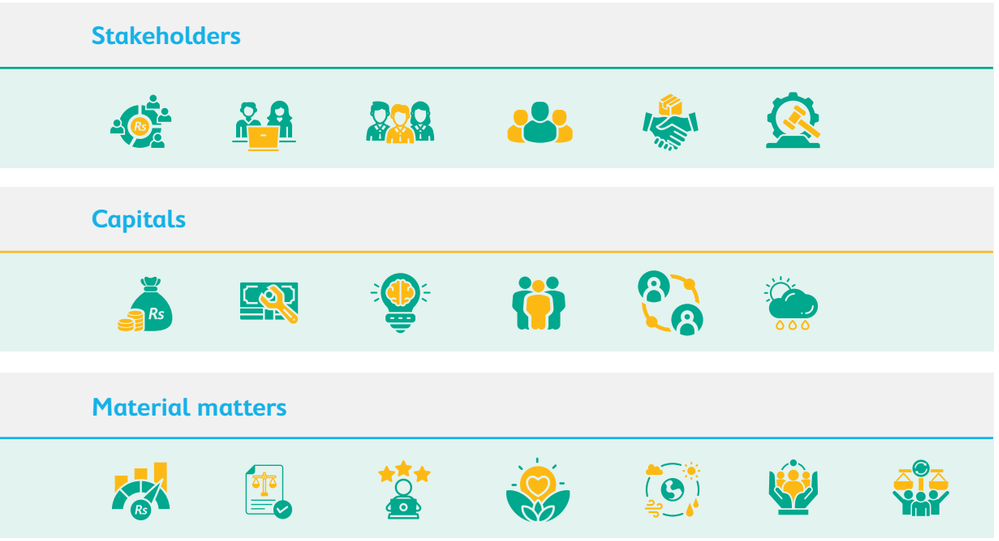
	Foster effective stakeholder engagement	Maintain robust internal controls, risk management and compliance with in-country laws and regulations
Stakeholders		
Capitals		
Material matters		

	Enhance the Group's financial performance, optimise capital efficiency and implement effective cost management	Encourage diversity, equity and inclusion across the Group
Stakeholders		
Capitals		
Material matters		

	Promote sustainability initiatives across the Group	Enhance policies and ensure strict compliance with governance standards
Stakeholders		
Capitals		
Material matters		

	Promote talent management and succession planning	Ensure a safe working environment in view of climate change
Stakeholders		
Capitals		
Material matters		

Principle 1: Governance Structure



Accountability Statement

SBMH operates under the leadership of a committed and competent Board which holds the ultimate responsibility for setting the strategic direction, ensuring effective governance and promoting sustainable performance across the Group. The Board oversees SBMH's business performance & affairs and is entrusted with the responsibility to lead, control and provide guidance to the Management Team to uphold long-term sustainable success, maintain high standards of governance and protect the Group's reputation.

With the support of proficient Board Committees and an experienced Management Team, the Board ensures that the Group operates within a robust governance framework, underpinned by clear delegation of authority, explicit responsibilities and rigorous control & oversight over the operations and performance of its subsidiaries.

The Board diligently ensures that the Group conducts its operations in strict compliance with all the applicable laws & regulations and fully adheres to the guidelines and requirements set forth by the relevant regulatory authorities in each jurisdiction where it operates.

Our Corporate Governance Structure

Effective leadership combined with sound corporate governance cultivates an environment of integrity, promotes sustainable performance, establishes transparent rules and controls, encourages strong leadership and secures enduring value for all stakeholders. The Board remains committed to maintaining high standards of corporate governance across the Group. Its primary objective is to consistently promote fairness, openness, trust and transparency in its engagement with stakeholders, while striving for long-term sustainable success, despite operating in an evolving and challenging business environment. Guided by a strong sense of values and commitments, the Board firmly believes that adherence to robust corporate governance principles will position the Group as an industry leader.

The main governance practices at SBMH are depicted as follows:



Group Structure

The Group Structure can be viewed on page 32.

SBMH Governance Structure and Leadership

SHAREHOLDERS

Shareholders exercise their rights through votings at the Annual Meetings and influence major decisions that impact SBMH's directions, thereby ensuring that SBMH operates in their best interests.

CHAIRMAN

As the highest-ranking official on the Board, the Chairman is responsible for leading the Board and focusing on strategic matters, overseeing the Group's business and setting high governance standards.

BOARD OF DIRECTORS

The Group is led by an effective and committed Board, which is responsible for its long-term success. The Board is committed to entrenching the highest standard of governance across the Group and provides unbiased insight, objective perspectives and maintains a democratic approach while executing the Company's strategy to ascertain that the interests of all its stakeholders are safeguarded.

BOARD COMMITTEES

The Board is supported by the activities of its Committees, which ensure that specific matters receive the right level of attention and consideration. The Terms of Reference of each Committee which are documented and agreed by the Board, are available on the SBM Group's website.

Strategy Committee

Reviews and recommends to the Board the Group Strategic plan and monitors the implementation of strategic initiatives at Group and entity levels.

Risk Management Committee

Assists the Board in risk oversight, evaluates and mitigates strategic, financial and non-financial risks, reviews risk appetite and establishes sound risk management framework.

Audit Committee

Assists the Board in overseeing SBMH's financial reporting and audit functions, including the audit reviews performed by internal and external auditors.

Corporate Governance and Conduct Review Committee

Assists the Board in discharging its duties relating to governance matters.

Nomination and Remuneration Committee

Assists the Board in overseeing the establishment of appropriate human resource strategies and formulates qualification criteria for the Directors of SBMH.

Business Review Committee

Oversees and monitors the overall performance of the Group and its Subsidiaries from a financial, risk and strategy perspective.

Group Transformation and Technology Committee

Previously known as the Projects Assessment Committee, the Group Transformation and Technology Committee oversees the implementation of Group related projects and ensures that goals and objectives of those projects are achieved within the prescribed time frame and budget.

Sustainability Committee

Established since 01 December 2025, the Committee is mandated to develop and articulate a robust sustainability strategy, overseeing the implementation of initiatives across countries, establishing appropriate organisational structures and resources, and managing sustainability-related risks and opportunities, particularly those related to climate change and the green economy.

Group AML/CFT Committee

The Group AML/CFT Committee has been newly established, effective since 01 December 2025. In line with governance requirements, formal Terms of Reference are under development to support the effective establishment of the Committee and to define its mandate and authority.

GROUP CHIEF EXECUTIVE OFFICER/ DEPUTY GROUP CHIEF EXECUTIVE OFFICER

As the highest executive positions within the Group, the Group Chief Executive Officer (Group CEO) and the Deputy Group Chief Executive Officer (Deputy Group CEO) are jointly responsible for day-to-day running of the Group's operations in line with approved business plans/budget and oversees the operations of its subsidiaries.

EXECUTIVE AND MANAGEMENT OFFICE

- Internal Audit
- Risk Management & Compliance
- Business Development
- Sustainability
- Strategy Management
- Communications
- Human Resources
- Finance & Capital Management
- Transformations & Operations

Effective 01 April 2026, the Strategy Committee and Business Review Committee have been merged into a unified committee entitled "Strategy and Business Review Committee" in order to strengthen governance effectiveness, align oversight of strategic direction with execution monitoring, promote coherence in decision making, reduce redundant discussions, streamline reporting lines and improve efficiency in board deliberations. The unified committee will provide a holistic platform for reviewing strategic initiatives, business performance and future priorities.

Similarly, the Group AML/CFT Committee has been reformed as a "Task force" to provide greater flexibility and enable focused engagement during periods of heightened regulatory change, remediation programmes or supervisory findings. The Task force can be activated as required, reporting directly to the SBMH Board or the Risk Management Committee (RMC).

The Management Team of SBMH is organised into the Executive Office and the Management Office, with detailed profiles outlined in the *Group Governance and Leadership* section of this report.

Our corporate governance framework establishes distinct roles and responsibilities across the Company, facilitating robust oversight of our subsidiaries and reflecting the nature, scale and complexity of the various risks faced by the SBM Group. As such, each subsidiary is governed by its own Board and Board Committees (as applicable), structured in accordance with local laws and recognised governance standards. The Chief Executive Officers (CEOs) of the banking subsidiaries and non-banking subsidiary, namely SBM (NBFC) Holdings Ltd (SBM NBFC), report directly to their respective Board/Board Committees, while maintaining a dotted line reporting relationship with the Group CEO of SBMH for all operational matters to ensure alignment with the overall Group strategy.

Board Charter

The Board has adopted a Board Charter (the Charter) which articulates the distinct roles, responsibilities and authorities of individual Directors and the Board as a whole, in ensuring effective strategic leadership, management oversight and governance of the Company. The Charter needs to be read in conjunction with the Company's Constitution.

In FY 2025, the Board undertook a review of the Charter to reflect updates in regulatory frameworks and the proposed amendments were considered and approved by the Board through the Corporate Governance, Conduct Review & Sustainability Committee (renamed as "Corporate Governance and Conduct Review Committee" (CGCR), effective December 2025).

The Charter can be viewed on the SBM Group's website

Code of Ethics and Business Conduct

The Board has established a Code of Ethics and Business Conduct (the Ethics Code) to promote ethical conduct, integrity and sustainable long-term value creation. The Ethics Code delineates fundamental responsibilities to guide professional conduct, ensuring integrity, fairness, accountability and the expected standards of behaviour from all personnel across the Group.

The Ethics Code is applicable to all employees, both temporary and permanent, as well as to the Group's strategic partners, including contractors, consultants and other collaborators. Our subsidiaries are also encouraged to adopt and maintain ethical standards consistent with the Ethics Code. In cases where a subsidiary operates under alternative regulatory framework, it is recommended that the entity adheres to the prevailing best practices in corporate governance relevant to their respective jurisdiction.

The Board is fully committed to upholding the provision of the Ethics Code and regularly monitors and assesses compliance. The Ethics Code is reviewed periodically to ensure continued alignment with evolving governance standards, regulatory obligations, societal standards and the Group's strategic objectives and values.

In addition, the SBM Group adheres to an Equal Opportunity Policy (EOP), in line with the Equal Opportunities Act 2008, aiming to advance fair employment practices, prevent discrimination and ensure recruitment, training, selection and employment decisions are based on merit and capability.

The Ethics Code and EOP are available on the SBM Group's website

The Role and Responsibilities of the Board of Directors

The Board provides strategic leadership and exercises ultimate authority over the Company's operations, whose Members are elected by the Shareholders at the Annual Meeting of the Company.

Collectively, the Board is responsible for determining the Group's strategic directions, fostering its long-term sustainable success and creating and preserving value for the benefit of all stakeholders. This involves balancing the interests of shareholders, employees, customers and the wider community, while making a positive contribution to the society within which it operates. The Board performs its duties in strict accordance with the Company's Constitution and Charter, alongside all relevant in-country laws and regulations applicable across the jurisdictions in which the Group operates.

In fulfilling its mandate, the Board actively engages with the Management Team to ensure that the Group achieves its strategic, operational and financial objectives. It continuously monitors and evaluates the Company's financial and non-financial performance, risk management and overall governance framework to ensure alignment with the Code and other pertinent regulatory requirements.

The key roles and responsibilities of the Board are depicted as follows:

1. Establishes the Group's strategic direction in alignment with long-term goals and shareholder value creation
2. Oversees risk management, internal controls and compliance frameworks
3. Provides leadership, oversight and control of the Company
4. Reviews and supervises succession planning for Directors and Management Team as per established policy
5. Offers strategic guidance and ensures effective monitoring of the Management Team
6. Monitors financial performance and enforces fiscal accountability
7. Strengthens governance frameworks
8. Exercises oversight over the operations of its subsidiaries to ensure alignment with the Group's strategic goals
9. Ensures adherence to legal and regulatory requirements

Key governance positions

The Chairman, the Group CEO and the Deputy Group CEO collectively lead the Group, by supporting its organisational vision and upholding the highest standards of integrity, ethical conduct and accountability. They foster a collaborative culture where the Board and the Management Team work together for the long-term benefit of the Company and its stakeholders. In accordance with good governance practices, the roles of the Chairman, Group CEO and Deputy Group CEO are clearly defined and segregated with distinct responsibilities and accountabilities assigned by the Board. This structure ensures a balanced distribution of authority, mitigates against excessive concentration of power and supports robust oversight, effective strategy implementation and ongoing operational stability across the Group.

- ***Chairman of the Board of SBMH***

Mr Mahendra Vikramdass Punchoo (Mr Mahendra V. Punchoo) was appointed as Chairman of the Board of SBMH on 15 September 2025. In this capacity, he holds overarching responsibility for the leadership of the Board, ensuring it fulfils its principal duties/responsibilities, including: (a) setting and executing the Company's strategic direction; (b) overseeing the Group's business activities; (c) promoting robust standards of corporate governance; and (d) assuring the efficient functioning of the Board Committees. Additionally, the Chairman ensures continuity at the Board level through sound decision-making and facilitates effective communication among Directors.

In line with Section 21 of the Constitution of SBMH, which requires that the Chairman be an independent director and pursuant to the Charter, Mr Punchoo qualifies as an Independent Director. He has no relationship with the Company or its subsidiaries that could compromise his independence.

- ***Group Chief Executive Officer***

Mr Raoul Gufflet serves as the Group CEO of SBMH since 28 November 2022 and according to Section 14.1 of the Constitution of SBMH, he is an *ex-officio* member of the Board.

In his capacity as the Group CEO, Mr Gufflet is entrusted with the responsibility of overseeing the day-to-day management of the Company as well as formulating, implementing and overseeing the Group's strategic objectives, to ensure operational efforts are effectively aligned with its overarching goals.

- ***Deputy Group Chief Executive Officer***

With an objective of creating an integrated, efficient and customer-centric business model for the SBM Group, the Board acknowledged that technology architecture had to evolve way beyond its traditional back-office function to take centre stage. To achieve this, the SBMH Board recreated the position of a Deputy Group CEO, having banking and technological experiences and to provide support to the Group CEO.

Further to the approval received from the SBMH Board, Mr Mooneesing J. Naikeny joined SBMH as the Deputy Group CEO on 03 November 2025. In this capacity, he works closely with the Group CEO and the Management Team to strengthen the Group's operations, enhances service delivery and upholds the Company's commitment to high standards of governance, integrity and performance. Mr J. Naikeny also serves as an Executive Director on the SBMH Board since 11 November 2025.

Both the Group CEO and the Deputy Group CEO serve as Non-Executive Directors on the Boards of various subsidiaries of the SBM Group and are supported by the broader Management Team of SBMH to ensure effective operational execution and the achievement of strategic priorities.

The key governance positions identified and approved by the Board of SBMH through its CGCR Committee are depicted as follows:

Chairman	
Provides leadership and governance oversight	Guides the Board to ensure its effectiveness in strategy planning, management supervision, performance monitoring and compliance with the Company's Constitution, Charter, the principles of the Code and the laws & regulations as applicable to the Company
Presides over Board and Shareholder meetings	Chairs all Board and Annual Meetings of the Shareholders, facilitating efficient proceedings, prompt decision-making and reflecting consensus reached in the best interests of the Group
Manages Board agendas and meetings	Determines the schedules and agenda of Board Meetings in consultation with the Company Secretary and the Group CEO & the Deputy Group CEO (referred to as the Executive Directors), with prime focus on key strategic, operational, financial, governance and accountability related matters. Also, holds meetings with the Non-Executive Directors in the absence of executives on a regular basis
Ensures Directors are well-informed and empowered	Delivers accurate, timely and clear information to promote a culture of openness to support effective decision-making, constructive debate and robust challenge
Oversees Board composition, succession and diversity	Ensures that the Board and its Committees comprise the right balance of skills, attributes, diversity and experience appropriate to the Company's existing and planned business operations as well as per the regulatory requirements
Leads Director induction, training and development	In liaison with the Company Secretary, the Executive Directors and the relevant Board Committees, ensures new Directors are comprehensively inducted and that ongoing development needs of Directors are met
Monitors performance of the Board and Committees	Ensures regular evaluation of the Board, its Committees and individual Directors and acts on the results to improve effectiveness
Promotes effectiveness engagement with stakeholders	Ensures transparent and constructive communication between the Board, shareholders and other key stakeholders
Collaborates with Management	Establishes a close relationship of trust with the Executive Directors, providing support and advice, while respecting executive responsibilities, as conferred by the Board

Directors	
Strategic oversight	Determine the Group's strategic objectives and policies, oversee its execution and provide constructive guidance and critical evaluation to support the Management Team in both the formulation and implementation of initiatives
Advance success and drive value creation	Collaborate to ensure the Group's long-term prosperity by making decisions that serve the best interests of the Company and its stakeholders, with a consistent focus on fostering sustainable value creation
Active participation and independent judgement	Attend all Board and Board Committees meetings, proactively engage in decision-making and contribute their independent judgement, expertise and experience to strengthen the effectiveness of governance
Performance and risk oversight	Monitor the performance of the Management Team in meeting the established objectives, ensure effective internal controls are in place and uphold a comprehensive risk management and compliance framework
Governance and fiduciary duties	Exercise reasonable care, skills and diligence in fulfilling their fiduciary duties and act within the powers granted by the Constitution/Charter of the Company and applicable laws
Decision making and conflict management	Ensure all decisions are made judiciously, avoiding any situation of conflicts and consistently prioritising the organisation's interest over personal or professional advantage
Ethics, accountability and compliance	Promote high ethical standards and a culture of integrity, maintain confidentiality and ensure compliance for timely disclosure to stakeholders
Stakeholder engagement	Uphold transparent and open communication with stakeholders, including shareholders, regulators and employees, ensuring their legitimate interests are considered
Succession and leadership development	Oversee succession planning for key executive roles and support leadership development across the Group to ensure continuity and organisational resilience
Culture and ESG oversight	Overseeing organisational culture, environmental practices and social responsibility

Group Chief Executive Officer	
Executive leadership and operational oversight	Provides day-to-day leadership and management of the Group in accordance with Board approved strategy, business plans, budget and long-term objectives overseeing subsidiaries operations
Execution of Board decisions and policies	Ensures the affairs of the Group align with Board practices and procedures, ensuring their effective and timely implementation to maintain the company's legal and business ethics
Strategy execution and performance management	Develops and implements the Group's long-term strategy and oversees the ongoing financial and non-financial performance of the Group
Board reporting and information flow	Ensures the Board and its Committees receive accurate, timely and clear information on the Group's performance, key business matters and any forthcoming, complex or sensitive issues, enabling them to discharge their fiduciaries duties effectively
Management leadership and organisational culture	Responsible for recruiting, leading and developing the Group's Management Team and subsidiary CEOs, setting the appropriate tone at the top and fostering a positive, ethical and high-performance working environment
Compliance, integrity and corporate governance	Ensures compliance across the Group with all applicable regulatory frameworks and promotes the highest standards of corporate governance, integrity and probity and promote a positive, constructive and ethical work climate
Risk management and internal control frameworks	Establishes and maintains, in consultation with the Group Chief Risk & Compliance Officer (Group CRCO), a sound and effective internal control, risk management and compliance framework across the Group

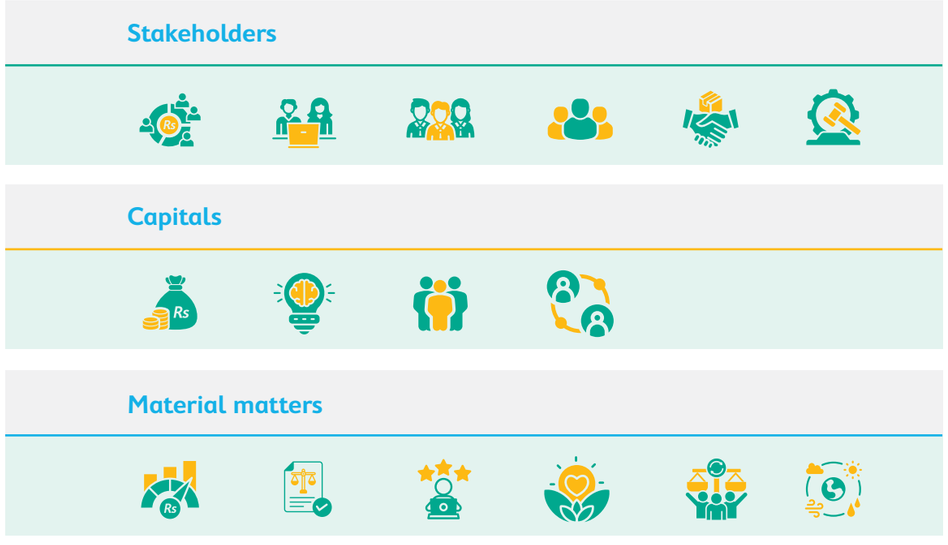
Deputy Group Chief Executive Officer	
Strategy co-ownership and execution leadership	Co-develops the Group's strategic agenda alongside the Group CEO, ensuring alignment and synergy across subsidiaries and jurisdictions. Drives disciplined execution of strategic initiatives across business, operations and technology, translating strategic priorities into tangible outcomes by reinforcing execution rigour across the Group
Technology, innovation and digital transformation leadership	Plays a key role in shaping and advancing the Group's technology and digital agenda, positioning technology as a core enabler of business growth, operational efficiency and broader transformation. Oversees platform modernisation, data architecture, cybersecurity and the adoption of emerging technologies to strengthen operational resilience and enhance customer experience
Risk, compliance and operational resilience	Works closely with the Group CEO and the Group CRCO to support proactive and robust risk management and compliance frameworks across the Group, including strengthened oversight of technology risk, cyber risk and operational resilience, reinforcing risk discipline across subsidiaries
Governance, performance and information integrity	Supports strong governance practices by ensuring transparent and timely reporting to the Board and its Committees. Promotes performance management frameworks aligned with Group strategic priorities and standards, strengthening integrity
Operational coordination and execution across the Group	Provides enhanced oversight of critical Group-wide programmes and supports subsidiaries in delivering strategic priorities. Strengthens coordination and synergy across entities, reinforcing the Group's operating model
People, culture and transformation leadership	Supports the development of a high-performance, agile and accountable culture across the Group while strengthening leadership capability and organisational readiness
Strategic stakeholder engagement	Represents the Group, alongside the Group CEO where necessary, in engagements with regulators, strategic partners and key stakeholders, supporting strategic initiatives and the Group's positioning as a progressive financial institution

**More information on the above key governance roles is available in the Charter on the SBM website.*

Executive Leadership

The SBM Group's Management Team, comprises representatives of the Executive and Management Office of SBMH and the CEO of each operating entity, who effectively collaborate to achieve the strategy and objectives that contribute to the overall success of the Group. The profiles of the Management Team of the SBM Group are found under the *Group Governance and Leadership* section.

Principle 2: The Structure of the Board and its Committees



The Board, appointed by the shareholders, delivers strategic leadership and guidance to foster the Group's long-term sustainable growth, while maintaining careful consideration to the interests of its stakeholders. The Directors participate actively in collective decision-making and assume their fiduciary responsibilities in accordance with the Company's Constitution, Charter, relevant legal and regulatory requirements.

Board Structure, Composition and Size

SBMH acknowledges the critical role that board diversity plays in achieving organisational success. A genuinely diverse Board draws upon a wide range of perspectives, professional backgrounds, industry expertise, genders, knowledge bases, and skills—including financial acumen, diversity awareness, leadership capabilities, information technology proficiency, board service experience, governance and risk management. This breadth of attributes ensures that SBMH maintains its competitive edge.

Section 14.1 of the SBMH Constitution	Section 2.2 of the Charter
"The number of Directors shall not be less than Seven (7) nor more than Eleven (11). Moreover, the Chief Executive of the Company shall be an ex officio member of the Board"	*"The Board should be of a unitary structure and shall comprise of a mix of independent (at least 40%), non-executive and executive Directors"*

The SBMH Board is currently headed by a unitary board structure and comprises nine (9) Directors, split as per below table:

Independent Director | Executive Director

No	SBMH Board of Directors	Category	
1	Mr Mahendra V. Punchoo (Chairman)		
2	Mr Mohamed Javed Aboobakar (Mr M. Javed Aboobakar)		
3	Mr Pramod Kumar Bissessur (Mr Pramod K. Bissessur)		
4	Mr Raoul Gufflet		
5	Mr Mooneesing J. Naikeny		
6	Mr Deobruthsingh Jaypaul		
7	Mr Aakash Krishan Kalachand (Mr Aakash K. Kalachand)		
8	Mrs Danisha Sornum		
9	Mrs Belinda Vacher		
	Total	22%	78%

During FY 2025, the representation of executive members was enhanced through the appointment of the Deputy Group CEO as the second Executive Director, ensuring SBMH's full compliance with the Code. In consultation with the CGCR Committee, the Board is confident that it possesses the right balance of Executive Directors and Independent Directors, each of considerable calibre and drawn from a wide array of industry and professional backgrounds. Their diverse experience and expertise collectively provide valuable perspectives to advance stakeholders' interests. The Board's balanced composition is determined with the criteria prescribed in the Code, and commensurate with the sophistication, requirements and scale of the Company.

Maintaining an optimal proportion of Independent Directors on the Board ensures impartiality and constructive involvement in the decision-making process. The Board ensures that the assessment of a Director's independence is conducted, in accordance with the applicable laws, legislations and local best practices. This process relies on the definition of an independent director, as outlined in the Charter, which the Board reviews and approves on a regular basis to reflect the evolving laws/best practices. The Charter prescribes as further *"A Director is deemed to be independent where in general, he/she holds no relationship with the Company or any other subsidiaries such that his /her independence could be questioned"*.

The Board affirms that it presently comprises a sufficient number of Directors who are independent from the Company and the majority shareholders. More so, all Directors were resident in Mauritius during the year under review and hold Mauritian nationality. The Board remains committed to maintaining a balanced composition that fosters openness, transparency and fairness. This balance strengthens the Board's ability to draw on diverse perspectives, encourage meaningful participation, minimise the risk of groupthink and accordingly enables the Board and its Committees to take well informed, independent and forward looking decisions. The Board further reiterates its responsibility for leading and managing the Company, in line with its fiduciary duties, and ensuring full compliance with all applicable laws, regulations, and statutory requirements in every jurisdiction in which the Group operates.

The *Group Governance and Leadership* section provides thorough details on the Directors' skills, expertise and qualifications.

Board diversity

Recognising the growing significance of board diversity in the governance and compliance field, the Board, through its Nomination and Remuneration Committee (REMCO) and CGCR Committee, ensures that appointments at all levels, including the Board and Board Committees, are based on merit, prioritising essential skills, knowledge, competence and experience. The comprehensive nomination and appointment process for the Board and Board Committees is reported under Principle 3 of the Report, which is designed to ensure appropriate and effective membership for optimal operations.

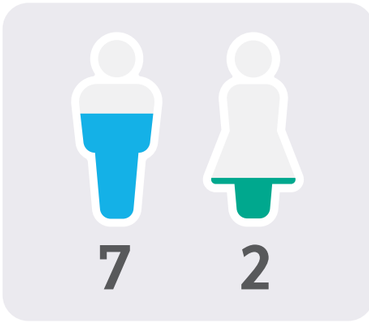
In fulfilling its purpose of embedding strong corporate governance practices, the Board remains guided by the 'Group Board Rotation Policy', which facilitates the introduction of new talents, diverse experiences and skills. Female representation on the Board currently stands at 22%. Addressing this gender gap, remains a key priority for the Board of SBMH and the Board reaffirms its commitment to build an inclusive culture within the Group.

Board at a Glance

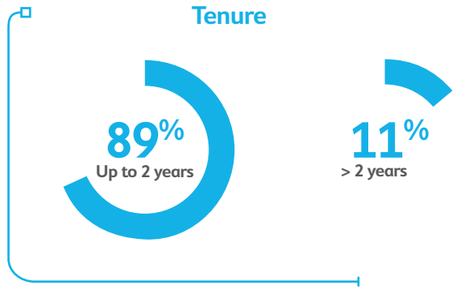
Area of expertise



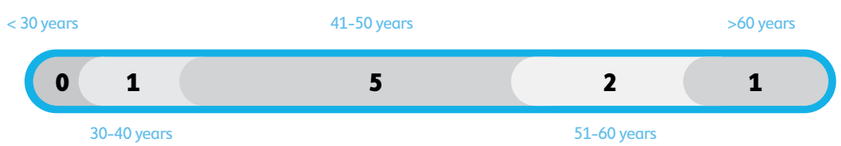
Gender



Tenure



Age group



The Company Secretary

Within the intricate framework of corporate governance, the Company Secretary assumes a comprehensive role that encompasses legal compliance, governance protocols, record management and operational effectiveness. By meticulously performing these duties, the Company Secretary safeguards transparency, integrity, and adherence to statutory requirements, thereby serving as an essential figure in effective corporate governance.

At SBMH, the Company Secretary ensures that the Company is managed ethically and adheres to the highest standards of corporate governance, professionalism and integrity. Serving as an essential communication conduit between the Board and the Management Team, the Company Secretary keeps stakeholders fully informed and engaged through transparent communication with the Board, shareholders and regulators, ensuring stakeholder interests are consistently protected.

The appointment or removal of the Company Secretary is determined collectively by the Board, with continued accountability to the Board, through the Chairman. The responsibilities of the Company Secretary vary depending on the type, scale and complexity of the Company, but the common responsibilities are as hereunder:

Key roles and responsibilities of the Company Secretary	
Corporate Governance	Contributes significantly to strengthening and maintaining robust and consistent governance standards at both the Board level and across the Company
Compliance	Responsible for the effective administration of the Company, with emphasis on adherence to internal policies, procedures, statutory obligations and regulatory requirements
Board Support	Assists the Chairman, the Executive Directors and the Chairpersons of the Board Committees in (a) ensuring effective functioning of the Board and the Board Committees, (b) setting the agendas for meetings of the Board and the Board Committees and (c) ensuring transparent engagement between Senior Management Team and Non-Executive Directors
Guidance	Informs the Directors of their fiduciary duties, responsibilities, and powers in line with the Constitution, Charter and all applicable laws and regulations
Meetings	Arranges meetings of shareholders & Directors and ensures that minutes of proceedings of all these meetings are properly recorded in accordance with paragraph 8 of the Fifth Schedule and paragraph 6 of the Eighth Schedule of the Act respectively
Communication	Facilitates precise, prompt, and transparent information exchange between the Board, its Committees, the Management Team, and Non-Executive Directors, thereby ensuring that the Board and its Committees possess the necessary resources and data to operate efficiently
Induction/Professional development	Provides support to the Chairman and Executives in coordinating induction and professional development programs for Non-Executive Directors as necessary
Performance evaluation	Assists the Chairman with the design and implementation of performance evaluations for the Board, Board Committees and individual Directors
Record-Keeping	Ensures that all statutory registers are properly maintained and certifies in the Annual Financial Statements of the Company that all returns, as required under the Act, have been filed with the Registrar of Companies (ROC)
Shareholders' communication	Acts as the primary channel of communication between the SBMH and its shareholders as well as the regulatory bodies

** More information on the above key roles of the Company Secretary is available in the Charter, as uploaded on the SBM Group's website.*

Mrs Dayawantee (Poonam) Ramjug-Chumun possesses extensive expertise in the field of company secretariat, corporate governance, compliance, regulatory affairs and stakeholder management. Since March 2015, she has served as the Company Secretary for the SBMH Board and has acted as an adviser on governance matters to the Board and Board Committees. A Fellow of the Chartered Governance Institute (UK) and an ACCA Affiliate, Mrs Ramjug-Chumun joined SBM Corporate Affairs in 2007 and previously held the position of Company Secretary for the SBM Non-Banking cluster and SBM Bank (Mauritius) Ltd (SBMBM). She has played a pivotal role in implementing numerous Group-wide corporate governance initiatives and in developing policies that adhere to best practice standards. Mrs Ramjug-Chumun attends all Board, Board Committee Meetings and Annual Meetings of SBMH and manages the Secretarial function for several SBM Group subsidiaries. As a governance professional, she provides valuable guidance to the SBMH Board regarding their statutory duties and responsibilities.

Board meetings

The Board recognises that conducting effective board meetings is fundamental to achieving operational efficiency and fostering a cohesive, high performing team. Accordingly, during the year under review, the Board adopted the Meeting Governance and Conduct Policy (the MGC policy) that defines the procedures and expected standards of conduct throughout the meeting lifecycle to promote transparency, efficiency and accountability. A summary of the key provisions is set out below:

Board meeting process

Pre-Meeting Procedures

Corporate meeting calendar

In consultation with the Chairman and the Executives, the Company Secretary, establishes, at the commencement of each financial year, the calendar for the Board and Board Committees' meetings. The calendar, upon finalisation, is then shared with the Directors and Management Team to facilitate timely preparation and submission of meeting papers.

Setting of Agenda

The process of drafting the agenda is led by the Chairman, in consultation with the Executive Directors and the Company Secretary and taking into account the challenges and concerns faced by the Group. The agenda is designed to demarcate routine items – for noting purposes, and items which require appropriate discussions and specific approval by the Directors which is accordingly timed. The agenda is then circulated to the Directors via a secured software.

Circulation of Board Papers

The Board papers, having been drafted as per the requirements of the MGC policy, are collated and are aimed to be distributed to the Board one (1) week prior to the meeting, as far as possible.

The Directors are expected to rigorously prepare for, attend and participate actively in the Board and Board Committees meetings.

During the Meeting

Meeting Attendance

The Board meetings are attended by the Board Members, however, for matters requiring specific input from other parties, the Management/Officers of the Group, advisors and subject matter experts are invited to attend the meeting or part thereof, as deemed appropriate by the Chairman. The attendance of a Director is noted by the Company Secretary throughout the meeting, by virtue of an Attendance Register.

Meeting Conduct

Board meetings are held physically, however where physical attendance is not possible, hybrid meetings are conducted, by means of audio and/or video conferences in accordance with the Constitution of the Company. Besides, the proceedings of the Board meetings are audio-recorded in the entirety, for the purpose of minutes-taking, accountability and reference. During the year under review, Board meetings were conducted both physically and virtually without audio-recording. Board meetings shall be subject to audio-recordings as from FY 2026.

Directors, at all times, maintain a professional and respectful behaviour during the meeting and all proceedings are conducted with impartiality and fairness. In line with the Banking Act 2004, meeting proceedings are kept strictly confidential and cannot be disclosed outside the boardroom.

Post Meeting

The Minutes of proceedings are drafted by the Company Secretary as per the Company's usual style and format and are sent for review to the Chairman, the Directors including the Executive Directors, and the attendees wherever relevant, within fifteen (15) days from the date of the Meeting, in so far as practicable, prior to execution. Meanwhile, a summary of decision is drafted by the Company Secretary and shared with the Management/Directors on the next business day. In addition to the Attendance Register, the Company safeguards the signed Minutes of proceedings at the registered office address of the Company, in line with the provisions of the Act.

The necessary record-keeping and regulatory filings are also adhered to and relevant follow-ups on matters arising from previous meetings are done to ensure timely execution and provision of timely updates to the Board.

Meeting Frequency

In the ordinary course of business, Board meetings were conducted on a quarterly basis during FY 2025, however, ad hoc meetings were also convened at shorter notice, where required. As from January 2026, Board meetings are being held on a monthly basis.

Ad hoc Meeting called at shorter notice

Where an ad hoc or special Meeting is convened at shorter notice for the purpose of considering an urgent matter, the agenda, in so far as applicable, is limited to a single item of business being the matter of urgency in order to afford reasonable time to the Board or Members of the Board Committee to review the Meeting materials and dedicate their attention thereto.

Board Attendance

During FY 2025, the Board was reconstituted on several occasions, as a result of which, the attendance at Board meetings varied among Directors, with each Director eligible to attend meetings held only during their respective terms of office.

The following table sets out the attendance record of all Directors, including those who are no longer serving, together with their respective eligibility to attend the meeting. For the purpose of this section, eligibility has been determined by each Director's tenure at the time of the relevant meeting.

The Board met on 37 occasions during FY 2025.

Independent Director | Non-Independent Director | Executive Director

Total Number of Board Meetings = 37				
Members	**Independence**	**Board Member (since/until)**	**Eligible to Attend**	**Total Meetings Attended**
Current Board Members				
Mr Mahendra V. Punchoo *(Chairman as from 15 Sept 2025)*		Sept 2025	13 / 37	13 / 13
Mr M. Javed Aboobakar		Oct 2025	8 / 37	7 / 8
Mr Pramod K. Bissessur		Apr 2025	32 / 37	29 / 32
Mr Raoul Gufflet *(Group CEO)*		Nov 2022	37 / 37	35 / 37
Mr Mooneesing J. Naikeny *(Deputy Group CEO)*		Nov 2025	7 / 37	7 / 7
Mr Deobruthsingh Jaypaul		Apr 2025	32 / 37	28 / 32
Mr Aakash K. Kalachand		Apr 2025	32 / 37	28 / 32
Mrs Danisha Sornum		Apr 2025	32 / 37	31 / 32
Mrs Belinda Vacher		Oct 2025	8 / 37	8 / 8
Former Board Members				
Mr Abdul Sattar Adam Ali Mamode Hajee Abdoula (Sattar Hajee Aboula) *(Chairman as from 11 Mar 2020 till 11 Apr 2025)*		Apr 2025	5 / 37	5 / 5
Mr Jean Paul E. Arouff		Apr 2025	5 / 37	5 / 5
Ms Feriel J. Aumeerally		Sep 2025	17 / 37	14 / 17
Ms Shakilla B. Jhungeer		Apr 2025	5 / 37	5 / 5
Mrs Mathilde S. L. Lagesse		Sep 2025	18 / 37	15 / 18
Ms Sharon Ramdenee		Jun 2025	15 / 37	5 / 15
Mr Rohit Ramnawaz *(Chairman as from 14 Apr 2025 to 16 Jul 2025)*		Jul 2025	12 / 37	12 / 12
Mr Visvanaden Soondram		Apr 2025	5 / 37	5 / 5
Dr Subhas Thecka		Apr 2025	5 / 37	5 / 5
Mr Anil K. Ujoodha		Nov 2025	20 / 37	11 / 20

In line with good governance practices, the meeting of the Independent Directors without the Executive Directors were conducted in closed session by the relevant Chairmen on a quarterly basis.

These sessions serve to exercise objective oversight, to exchange views, to seek clarifications on complex matters and align on key issues thereby ensuring that the subsequent Board and Board Committee proceedings remain focused, structured and conducive to informed decision-making.

On some occasions, the Directors approved/considered important matters/urgent proposals by way of written resolutions circulated to them alongside supporting documentation in line with the provisions of the Act.

Board activities and principal decisions

The key topics discussed at the Board level for the year ended 31 December 2025 were as follows:

Strategy

- Reviewed and monitored developments in the economic environment and operating context
- Deliberated updates on Group Strategy Management and the way forward including the key initiatives for strategy formulation and execution, at both Group and entity levels
- Deliberated on the potential need to revive Group Investor Relations and considered the underpinnings and focus areas thereof
- Monitored the evolution of SBMH share price
- Monitored the articulation and execution of the Group Sustainability Agenda

Financial matters

- Considered the Group CEO's report on the performance of the Group over the past four years
- Reviewed and approved the Group's financial statements on a quarterly basis
- Assessed and monitored the Group's financial performance and its main businesses
- Discussed and approved payment of dividend to the shareholders
- Reviewed the reports from the Audit Committee
- Reviewed the capital requirements of the Company and approved capital raising initiatives
- Reviewed the capital requirements of the subsidiaries and approved capital infusion in the subsidiaries where required
- Took note of the financial statements of the operating entities of the Group
- Reviewed and recommended the appointment of PricewaterhouseCoopers (PwC) as the Statutory Auditors for the Company for FY 2025, to hold office until the Annual Meeting scheduled in June 2026 to its shareholders for approval
- Approved the Financial Review Section for inclusion in the Integrated Annual Report 2024

Governance, legal and risk

- Reviewed and approved the Directors' training needs for FY 2025
- Deliberated on the review of the Constitution of SBM Holdings Ltd and its subsidiaries
- Reviewed and approved the Group Succession Planning policy, the MGC policy and amendments proposed to existing policies including the Group Whistleblowing Policy, and Group Insider & Share Dealing policy
- Approved the Corporate Governance Report FY 2024 for inclusion in the Integrated Annual Report 2024
- Approved appointments to the Board, the Board Committees and subsidiaries of the Group
- Ensured that the Group has a solid risk management system in place in terms of people, systems, policies, controls and reporting
- Monitored the implementation of the Group Enterprise Risk Management Framework (ERMF)
- Monitored the updates on governance review/updates on remedial actions
- Monitored the share dealings by Directors, Senior Management Team, applicable employees and their associates as defined by the Group Insider & Share Dealing policy
- Reviewed and approved proposed amendments to the Charter and Governance Page (on website) of SBMH
- Reviewed and approved the amendments proposed to the Terms of References (TORs) of the Board Committees during the reporting period
- Approved to carry out an internally facilitated Board Evaluation exercise for FY 2025
- Recommended to the shareholders the nomination of Directors and the appointment of the Chairman
- Deliberated on the induction programme for new Directors
- Monitored material litigation cases at subsidiary level
- Reviewed and approved the legal panel
- Deliberated on the review of internal controls

Others

- Approved/took note of the written resolutions and minutes of proceedings of Board/Board Committees of SBMH and shareholder resolutions
- Reviewed reports from Chairpersons of Board Committees of SBMH
- Approved the remuneration/productivity bonus for employees of SBMH
- Reviewed and approved the SBM Group Integrated Annual Report 2024
- Approved the recruitment/novation of staff to SBMH and deliberated on other pressing Human Resource matters
- Approved the Notice of Meeting to shareholders and other arrangements pertaining to the Annual Meeting of the shareholders
- Reviewed and approved the list of authorised signatories
- Took note of the reports from the External Auditors, the Internal Auditor and IT Auditor on a quarterly basis and reports from the Investigation Team
- Apprised the new Directors on the Group Structure/Activities and issues/challenges through the induction program
- Deliberated on the possibility of cross-deals and intra-synergy collaboration amongst subsidiaries
- Other pressing issues as and when arise

Access to information and independent professional advice

In line with the Charter, Directors seeking information about the Company and its subsidiaries are granted unrestricted access to pertinent officers and employees. This facilitates their ability to discharge their fiduciary duties effectively. Appropriate diligence is exercised to ensure that the Directors abstain from interfering in the daily operations of the Company or from issuing directives to any employees of the Company. Furthermore, Directors, either individually or collectively, have the right to seek independent professional advice at the expense of the Company relating to the Company's business, subject to the approval of the Board or if it relates to the affairs or business of a Committee, with the consent of the Chairperson of that Committee.

Board governance structure

The Board is responsible for promoting the Group's long-term sustainable success while giving due consideration to the interests of its stakeholders.

In accordance with the applicable laws and regulations, the Board has established several Board Committees, to assist the Board in discharging its fiduciary duties. The Board Committees, chaired by experienced Chairpersons, undertake thorough evaluations of designated matters and present informed recommendations to the Board. Nonetheless, such delegation does not absolve the Board of its duties and responsibilities.

The Board Committees operate within their line of authority as delegated by the Board and as accordingly documented in their respective TORs. These TORs are subject to a yearly review, during the course of which, the membership, roles and responsibilities of the Board Committees are evaluated and approved by the Board.

For FY 2025, the TORs were reviewed and approved in March 2025. Due to several changes in the Board composition during the year, the membership of the Board Committees was periodically re-assessed and updated, with the most recent revision occurring in March 2026, to be effective as from April 2026. The table below reports the membership changes within the Board Committees.

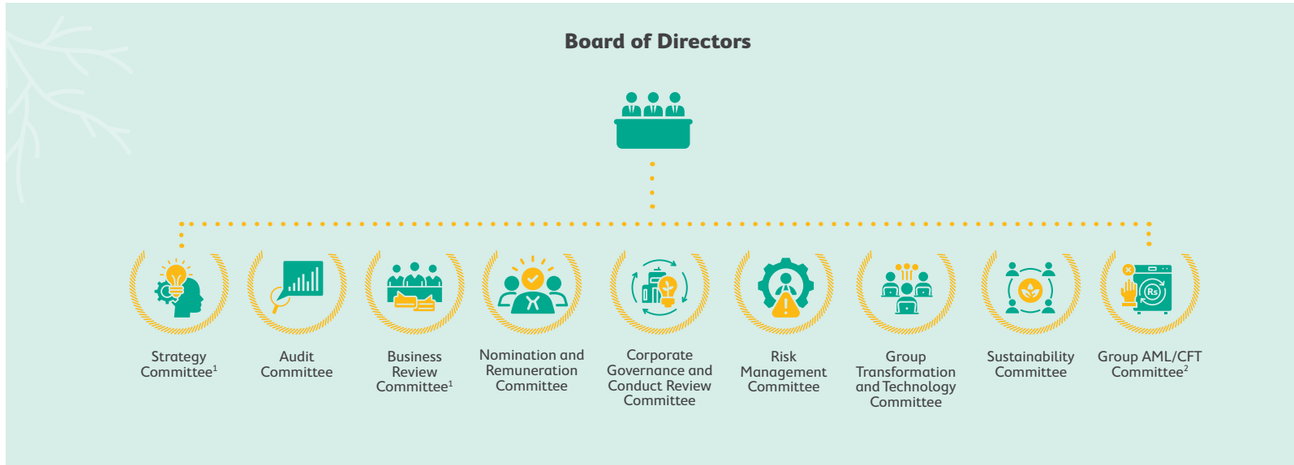
Some Board Committees comprise a greater number of Members, to ensure that each Committee is equipped with the requisite skills, independence, balance and diversity necessary to remain effective, compliant and aligned with the evolving needs of the Company. The Group CEO was in attendance at those Committee meetings where he is not a full-time member. Similarly, the Deputy Group CEO was in attendance at the relevant Board Committees, following his appointment.

The profiles of the Directors provide thorough insights on their background, qualification and experience and other list of directorships, based on which they are nominated on the respective Board Committees.

The governance framework is illustrated under Principle 1.

The TORs of the Board Committees are available on the SBM Group's website.

Board Committees



[1] *Strategy Committee and Business Review Committee have been consolidated in a single Committee named "Strategy & Business Review Committee" effective 01 April 2026*

[2] *Group AML/CFT Committee is a "Task Force" effective 01 April 2026*

Board Committee Composition Changes FY 2025

Appointed as Chairperson | Appointed as Member | Resigned/Removed as Chairperson | Resigned/Removed as Member

Board Committees										
Name of Directors	Audit Committee	Board Legal Committee* *(dismantled on 29.07.2025)*	Business Review Committee	Corporate Governance and Conduct Review Committee	Nomination and Remuneration Committee	Risk Management Committee	Group Transformation and Technology Committee	Strategy Committee	Sustainability Committee	Group AML/ CFT Committee
Current Board Members										
Mr Mahendra V. Punchoo						24.09.2025	01.12.2025	24.09.2025		
Mr M. Javed Aboobakar	01.12.2025		01.12.2025		01.12.2025	01.12.2025		01.12.2025	01.12.2025	
Mr Pramod K. Bissessur	14.04.2025 01.12.2025		08.09.2025	14.04.2025	14.04.2025 01.12.2025		14.04.2025 01.12.2025	02.12.2025	01.12.2025	01.12.2025
Mr Raoul Gufflet *(Group CEO)*							01.12.2025	01.12.2025		01.12.2025
Mr Deobruthsingh Jaypaul		20.05.2025	14.04.2025 01.12.2025	24.09.2025	14.04.2025	08.09.2025 01.12.2025	01.12.2025	24.09.2025 01.12.2025	01.12.2025	01.12.2025
Mr Aakash K. Kalachand	14.04.2025		01.12.2025		14.04.2025	14.04.2025		14.04.2025		
Mr Mooneesing J. Naikeny *(Deputy Group CEO)*							01.12.2025	01.12.2025		
Mrs Danisha Sornum	08.09.2025 01.12.2025	20.05.2025	14.04.2025 01.12.2025	14.04.2025	01.12.2025		14.04.2025 01.12.2025		01.12.2025	01.12.2025
Mrs Belinda Vacher	01.12.2025			01.12.2025		01.12.2025	01.12.2025		01.12.2025	
Total Number of Members as at 31 Dec 2025	**3**	*	**4**	**4**	**4**	**5**	**5**	**6**	**5**	**4**

Former Board Members										
Mr Sattar Hajee Abdoula								11.04.2025		
Mr Jean Paul E. Arouff			11.04.2025	11.04.2025	11.04.2025		11.04.2025			
Ms Feriel J. Aumeerally	14.04.2025 03.09.2025		14.04.2025 03.09.2025			14.04.2025 03.09.2025				
Ms Shakilla B. Jhungeer	11.04.2025		11.04.2025	11.04.2025	11.04.2025		11.04.2025			
Mrs Mathilde S.L Lagesse		20.05.2025		14.04.2025 16.09.2025			14.04.2025 16.09.2025	14.04.2025 16.09.2025		
Ms Sharon Ramdenee	14.04.2025					14.04.2025	14.04.2025	14.04.2025		
Mr Rohit Ramnawaz	-					14.04.2025 16.07.2025		14.04.2025 16.07.2025		
Mr Visvanaden Soondram					11.04.2025	11.04.2025				
Dr Subhas Thecka	11.04.2025		11.04.2025	11.04.2025		11.04.2025				
Mr Anil K. Ujoodha	-					29.07.2025 14.11.2025		29.07.2025 24.09.2025		

As disclosed earlier, the composition of the Board underwent several changes during FY 2025, as a result of multiple appointments and resignations, which, in turn, impacted the membership of the Board Committees. Consequently, attendance at the Board Committee varied for each Member, depending on his/her eligibility to attend the Board Committee meeting. Eligibility, as defined under the Board Attendance section, has been determined by the period during which the Member held office/or ceased to serve the Board Committee, as obliged by the Board.

Accordingly, the Attendance Table for each Board Committee reflects: (i) each Member's eligibility to attend the Board Committee meetings and (ii) the number of meetings attended by each Member in total.

STRATEGY COMMITTEE

The Strategy Committee is responsible to (i) review, validate and recommend the Group strategic plan to the Board; (ii) monitor the implementation of the selected strategic initiatives at Group and entity levels; (iii) discuss and recommend strategic endeavours that are likely to have a meaningful impact on the Group's positioning and performance; (iv) assess the operating environment in which the Group is operating; and (v) monitor the evolution of the share price of the Company.

Total Number of Meetings FY 2025 = 4				
Members	Independence	Committee Member since	Eligible to Attend as Member	Meetings Attended (total)
Current Members				
Mr Mahendra V. Punchoo *(Chairman as from 24 Sept 2025)*		Sept 2025	1 / 4	1 / 1
Mr M. Javed Aboobakar		Dec 2025	0 / 4	0 / 0
Mr Pramod K. Bissessur		Dec 2025	0 / 4	0 / 0
Mr Raoul Gufflet* *(Group CEO)*		Refer to Note 1	1 / 4	1 / 1
Mr Mooneesing J. Naikeny *(Deputy Group CEO)*		Dec 2025	0 / 4	0 / 0
Mr Aakash K. Kalachand		Apr 2025	3 / 4	3 / 3
Former Members		Committee Member until		
Mr Sattar Hajee Abdoula *(Appointed as from Mar 2020 and Chairman until 11 Apr 2025)*		Apr 2025	1 / 4	1 / 1
Mr Jaypaul Deobruthsingh *(Appointed as from Sept 2025)*		Dec 2025	1 / 4	1 / 1
Mrs Mathilde S.L. Lagesse *(Appointed as from Apr 2025)*		Sep 2025	2 / 4	2 / 2
Ms Sharon Ramdenee *(Appointed as from Aug 2020)*		Apr 2025	1 / 4	1 / 1
Mr Rohit Ramnawaz *(Appointed as Chairman as from Apr 2025)*		Jul 2025	1 / 4	1 / 1
Mr Anil K. Ujoodha *(Appointed as Chairman as from Jul 2025)*		Sep 2025	1 / 4	1 / 1

*Note 1: *Mr Raoul Gufflet ceased to be a Member of the Strategy Committee in April 2025. In his capacity as the Group CEO, he was in attendance at the remaining three meetings of the Strategy Committee held for period April to November 2025. He was re-appointed as Member of this Committee on 01 December 2025.*

2025 Priorities and Areas of Progress
Reviewed the key trends, challenges and outlook for the Group's operating environment across its presence countries and undertook peer analysis, to assess the potential implications for the Group
Reviewed and validated the Group and subsidiary's strategic plans for 2025-2027
Monitored the evolution of the SBMH share price and stock profile in a steady and coherent way
Evaluated the Group Strategy Management including the current and proposed strategic imperatives and considered the updates related thereto
Considered reviving Group Investor Relations and assessed preliminary insights underpinning the Group Medium Term Strategic Directions and Priorities

Looking Ahead

- Monitor the evolution of the operating environment prevailing in presence countries
- Monitor the implementation of the strategic initiatives at Group and entity levels
- Monitor the Group Strategy Management and track the progress on the execution of the Group's strategy and make any necessary recommendations to tackle underperforming areas
- Pursue discussions on the possible need to revive Group Investor Relations
- Monitor the evolution of the SBMH share price and take appropriate actions based on feed-back/ comments from investors

RISK MANAGEMENT COMMITTEE

The RMC assists the Board in fulfilling its oversight responsibilities with regards to the identification, evaluation and mitigation of financial and non-financial risks including strategic risks facing the Group and alert the Board of any areas of concern. It further reviews and recommends to the Board the Group's overall risk appetite, in parallel to assisting the Board in establishing a sound risk management framework, including policies, processes and practices geared towards managing the risks faced by the Group.

Total Number of Meetings FY 2025 = 4				
Members	Independence	Committee Member since	Eligible to Attend as Member	Meetings Attended (total)
Current Members				
Mrs Belinda Vacher *(Chairperson as from 1 Dec 2025)*		Dec 2025	0 / 4	0 / 0
Mr M. Javed Aboobakar		Dec 2025	0 / 4	0 / 0
Mr Deobruthsingh Jaypaul *(Chairman till 1 Dec 2025)*		Sep 2025	1 / 4	1 / 1
Mr Aakash K. Kalachand		Apr 2025	3 / 4	3 / 3
Mr Mahendra V. Punchoo		Sep 2025	1 / 4	1 / 1
Former Members		Committee Member until		
Ms Feriel J. Aumeerally *(Chairperson as from 14 Apr 2025 till 3 Sep 2025)*		Sep 2025	2 / 4	2 / 2
Ms Sharon Ramdenee *(Appointed as from July 2019)*		Apr 2025	1 / 4	1 / 1
Mr Rohit Ramnawaz *(Appointed as from Apr 2025)*		Jul 2025	1 / 4	1 / 1
Mr Visvanaden Soondram *(Appointed as from Oct 2024)*		Apr 2025	1 / 4	1 / 1
Dr Subhas Thecka *(Appointed as from Aug 2017)*		Apr 2025	1 / 4	1 / 1
Mr Anil K. Ujoodha *(Appointed as from July 2025)*		Nov 2025	1 / 4	0 / 1

Note: In his capacity as the Group CEO, Mr Raoul Gufflet was in attendance at three out of four RMC meetings held during FY 2025.

The Group CRCO attended all the RMC meetings.

2025 Priorities and Areas of Progress
Reviewed the Group's financial, operational, compliance and legal risk profiles on a quarterly basis
Reviewed material legal cases against the Company and its subsidiaries
Ensured that the Group including its entities has a robust risk management system in terms of people, process, system, frameworks, controls and reporting
Considered and advised the Board on risk management activities including the identification and mitigation of principal and emerging risks and the risk appetite statements
Monitored the impaired advances of the banking subsidiaries on a quarterly basis
Monitored progress of the various Group Risk projects
Monitored the development and implementation of the Group ERMF
Reviewed the Group's policies for managing risks, particularly in the areas of credit, market, interest rate, liquidity, operational and technological risks and made recommendations thereon to the Board for approval
Reviewed the write up of the Risk Management Report to be included in the Integrated Annual Report 2024
Considered the Report from the Chairperson of the Group Risk Management Forum and Group Compliance Forum
Deliberated on the risk appetite and monitored key trends and concentrations
Considered risk management matters raised by the regulators and monitored the actions being taken by Management to respond
Reviewed and assessed the robustness of the Company's internal control including internal financial control and business risk management
Reviewed its mandate to ensure compliance with statutory laws and obligations
Evaluated the stress testing scenarios

Looking Ahead

- Oversee risk transformation initiatives aimed at strengthening the Group's risk management capabilities, including the ongoing refinement of the risk appetite framework, risk management framework and internal control systems, particularly in response to evolving geopolitical and macroeconomic challenges
- Monitor the progress of the implementation of the ERMF, revamping of principal risk policies and Group Risk Projects
- Facilitate risk assessments to the extent possible and reporting, communicating and dissemination of critical risk management information
- Maintain focus on several key topics including cybersecurity risk, climate change and Environment, Social and Governance related risks and emerging risks and ensure appropriate procedures are in place to mitigate risks in a timely manner
- Ensures the Group's whistleblowing arrangements continue to satisfy the regulatory obligations

AUDIT COMMITTEE

The Audit Committee assists the Board to (a) oversee the Company's financial reporting process to ensure accuracy and transparency of the financial statements, (b) review and monitor the adequacy and robustness of the Company's system of internal controls (including the controls for complying with applicable laws and regulations and risk management for the identification and prevention of fraud, (c) create an environment that accommodates an open discussion in a culture of integrity, respect and transparency between Management and the External Auditors, (d) monitor, on behalf of the Board, the effectiveness and objectivity of the Internal and External Auditors, (e) oversee the audit reviews performed by both Auditors and (f) approve proposal for Non-Audit services to be provided by the Group External Auditors upon confirmation from the latter that their independence is not impaired.

The Profile section provide the financial literacy and expertise of the Members of the Audit Committee. In addition, selected members of the Management Team, with technical knowledge in the field are invited to the Audit Committee as and when required.

The Committee met in private and also separately with the Head of Internal Audit Department, and the External Auditors respectively, without the presence of the Management Team, once quarterly.

Total Number of Meetings FY 2025 = 6				
Members	Independence	Committee Member since	Eligible to Attend as Member	Meetings Attended (total)
Current Members				
Mr Aakash K. Kalachand *(Chairman as from 14 Apr 2025)*		Apr 2025	4 / 6	4 / 4
Mr M. Javed Aboobakar		Dec 2025	0 / 6	0 / 0
Mrs Belinda Vacher		Dec 2025	0 / 6	0 / 0
Former Members		Committee Member until		
Ms Feriel J. Aumeerally *(Appointed in Apr 2025)*		Sep 2025	2 / 6	1 / 2
Mr Pramod K. Bissessur *(Appointed in Apr 2025)*		Dec 2025	4 / 6	4 / 4
Ms Shakilla B. Jhungeer *(Appointed in Jul 2021)*		Apr 2025	2 / 6	2 / 2
Ms Sharon Ramdenee *(Appointed in Apr 2019)*		Apr 2025	2 / 6	1 / 2
Mrs Danisha Sornum *(Appointed in Sept 2025)*		Dec 2025	2 / 6	2 / 2
Dr Subhas Thecka *(Appointed in Aug 2017 and Chairman until 11 Apr 2025)*		Apr 2025	2 / 6	2 / 2

Note: In his capacity as the Group CEO, Mr Raoul Gufflet was in attendance at the Audit Committee meetings held during FY 2025.

2025 Priorities and Areas of Progress	
Financial Reporting	Considered, analysed, reviewed and debated on information, key judgements and significant matters raised by the Management Team, the Internal Auditors and the External Auditors, to ensure that the financial results provide a true and fair representation of the performance of the Group
	Reviewed and challenged the Management Team's judgements in relation to credit impairments and the underlying assumptions, methodologies and models applied and further considered the impact of macro-economic risks on the credit environment
	Monitored and assessed the integrity of the annual and interim financial statements during the year, with focus on key accounting policies, financial reporting issues, assumptions and judgements used by Management, together with the findings set out in the reports from the External Auditors
	Monitored any formal announcements relating to the Group's financial performance
	Considered the clarity and completeness of the disclosures within the financial reports
External Audit	Reviewed and recommended the appointment of PwC as the Statutory Auditors of the Company for FY 2025, to hold office until the next Annual Meeting, to the Board for consideration and onward recommendation to the shareholders for approval
	Discussed critical policies, judgements and estimates used by the External Auditors as part of the review of the annual and interim financial statements of the Group
	Maintained the integrity of the relationship with the External Auditors
	Reviewed and monitored the relationship with the External Auditors, including their appointment, independence, objectivity, effectiveness, terms of engagement and level of fees
	Considered significant audit matters regarding the audit opinion
	Spearheaded the process for approving/ratifying all non-audit services provided by the Group External Auditors in order to safeguard the objectivity and independence of the auditor and comply with the regulatory and ethical guidance

2025 Priorities and Areas of Progress (Continued)	
Internal Audit	Monitored and reviewed the effectiveness of the internal audit functions in terms of its scope, execution of its plan, coverage, independence, skills, staffing, overall performance and position within the organization
	Considered quarterly reports prepared by the Internal Audit Team on the overall effectiveness of the governance, risk management and internal control framework, current issues and adequacy of remediation activity
	Ensured that the work completed by the Internal Audit Team during the year was directed towards key areas including information and data security and cross-business risks mitigation such as management of third parties
	Ensured that timely actions were taken by the Management Team to address the adverse findings, if any, from the Internal Audit Team
	Where appropriate, the Management Team was invited to attend meetings to present an update on the status of measures implemented to address audit findings and recommendations
	Ensured that there was effective communication between the External Auditors and the Internal Audit Team
Internal Control Systems	Reviewed the effectiveness of the Group's internal controls and processes on a quarterly basis and monitored the Internal Control Framework which allowed for the identification of issues and formal tracking of remediation plans
	Ensured that controls are in place with regards to cyber security
	Ensured integrity and accountability from everyone working for the Group
Others	Considered other finance matters including the Report from the Chairperson of the Group Finance Forum on a quarterly basis

Looking Ahead

- Further strengthen the relationship with the Audit Committees of all operating entities to ensure that the Group operates effectively and in a streamlined manner
- Work together with the Statutory Auditors and the Management to ensure that the Group continues to provide accurate, true, fair and timely financial results and implements accounting standards and judgement effectively
- Review policies and procedures to adapt to the rapidly changing and challenging environment
- Strengthen oversight of unresolved issues highlighted by the Internal Audit Team with a view to ensuring prompt resolution and effective follow up

CORPORATE GOVERNANCE AND CONDUCT REVIEW COMMITTEE

Operating under the name of Corporate Governance, Conduct Review and Sustainability Committee (CGCRS) until 01 December 2025, the CGCRS Committee was mandated to oversee governance, conduct review and sustainability related-matters. The CGCRS Committee kept abreast with the current environmental, social and governance trends to ensure that the Group developed and maintained a healthy and effective corporate governance framework, culture and stayed compliant with the applicable legislations and best practices. The CGCRS Committee also ensured that the Directors, Management and employees act in an ethical and responsible manner. It had the responsibility of handling any governance related breaches or issues as reported or highlighted during the year. Additionally, it had overseen and monitored the progress of the implementation of the Group Sustainability Agenda, which has now been delegated to the newly established - Sustainability Committee.

Therefrom, as approved by the Board on the same date, i.e, 01 December 2025, the CGCRS Committee was renamed and restructured as CCGR Committee, whose authority was restricted solely to governance and conduct-review related matters, whilst the sustainability matters had been conferred to the newly established Sustainability Committee.

Total Number of Meetings FY 2025 = 11

Members	Independence	Committee Member since	Eligible to Attend as Member	Meetings Attended (total)
Current Members				
Mr Pramod K. Bissessur *(Chairman as from 14 Apr 2025)*		Apr 2025	9 / 11	9 / 9
Mr Deobruthsingh Jaypaul		Sep 2025	4 / 11	3 / 4
Mrs Danisha Sornum		Apr 2025	9 / 11	9 / 9
Mrs Belinda Vacher		Dec 2025	0 / 11	0 / 0
Former Members		Committee Member until		
Mr Jean Paul E. Arouff *(Appointed as from Mar 2020)*		Apr 2025	2 / 11	2 / 2
Ms Shakilla B. Jhungeer *(Appointed as from Mar 2020 and Chairperson till 11 Apr 2025)*		Apr 2025	2 / 11	2 / 2
Mrs Mathilde S. L. Lagesse *(Appointed as from Apr 2025)*		Sep 2025	5 / 11	4 / 5
Dr Subhas Thecka *(Appointed as from Aug 2024)*		Apr 2025	2 / 11	2 / 2

Note: In his capacity as the Group CEO, Mr Raoul Gufflet was in attendance at the CGCR Committee meetings held during FY 2025.

The Group CRCO attended the meetings by invitation as and when required.

2025 Priorities and Areas of Progress
Reviewed the composition of the Board and the profiles of the prospective Directors in collaboration with the REMCO
Reviewed and made recommendations to the Board for approval of the (i) concept of the Integrated Annual Report for SBMH, (ii) the proposed Material Matters for the Group and (iii) the Corporate Governance Report for FY 2024
Reviewed the Governance Review Report on a quarterly basis and monitored progress relating to actions initiated
Reviewed the related party transactions reports on a quarterly basis
Reviewed the amendments proposed to the Charter and TORs of the Board Committees and made recommendation to the Board
Monitored the dealings in SBMH shares by Restricted persons as defined by the applicable guidelines and internal policies
Reviewed and made recommendations to the Board regarding (a) the proposed amendments to the existing Policies under its mandate and (b) new policies including the Group Succession Planning Policy and Meeting Governance and Conduct Policy and thereof, monitored their adoption by the subsidiaries
Monitored progress in the execution of the Group Sustainability Agenda/ Strategy and monitored their endorsement by the subsidiaries
Assessed the Directors' professional development needs for FY 2025 and made appropriate recommendations to the Board
Considered other governance matters including the Report from the Chairperson of the Group Governance Forum on a quarterly basis
Discussed and made recommendation to the Board for an internal Board Evaluation exercise for FY 2025

Looking Ahead

- Ensure the Company continues to comply with all applicable laws & legislations as well as ensure sound governance principles prevail across the Group
- Monitor the Company's governance framework, including the assessment of the effectiveness of governance policies and practices at regular intervals
- Ensure that specialised training sessions are regularly provided to Directors to enable them to deliver their fiduciary duties vis-à-vis the Company effectively
- Ensure that the recommendations of the Board Evaluation Report 2025 are duly implemented

NOMINATION AND REMUNERATION COMMITTEE

The REMCO having regard to applicable legislation and sound corporate governance practices, provides guidance and support to the Board in fulfilling its responsibilities vis-a-vis its shareholders, employees and other stakeholders by ensuring that: (a) suitable candidates are onboarded through a formal and transparent process, (b) the employees of the Company are appropriately and equitably remunerated for their professionalism and services rendered to the Company, (c) the employees are motivated to shoulder responsibilities and perform to the best of their ability in the interests of the Company and all its stakeholders, (d) adequate plans are in place for orderly succession to the Board/Board Committees and (e) the development of a diverse pipeline for succession to senior management roles is in place.

The REMCO also assists the Board in overseeing the establishment of appropriate human resource strategies and policies of SBMH. In concert with the CGCR Committee, it also formulates criteria to determine the expertise, qualifications and independence of Directors so that the composition of the SBMH Board and its Committees have the appropriate balance, diversity of experience and skills to operate in the best interests of the shareholders and more so, are adequately remunerated.

Total Number of Meetings FY 2025 = 21

Members	Independence	Committee Member since	Eligible to Attend as Member	Meetings Attended (total)
Current Members				
Mr Deobruthsingh Jaypaul *(Chairman as from 14 Apr 2025)*		Apr 2025	19 / 21	19 / 19
Mr M. Javed Aboobakar		Dec 2025	0 / 21	0 / 0
Mr Aakash K. Kalachand		Apr 2025	19 / 21	17 / 19
Mrs Danisha Sornum		Dec 2025	0 / 21	0 / 0
Former Members		Committee Member until		
Mr Jean Paul E. Arouff *(Appointed as from Aug 2020 and Chairman until 11 Apr 2025)*		Apr 2025	2 / 21	2 / 2
Mr Pramod K. Bissessur *(Appointed as from April 2025)*		Dec 2025	19 / 21	19 / 19
Ms Shakilla B. Jhungeer *(Appointed as from Aug 2020)*		Apr 2025	2 / 21	2 / 2
Mr Visvanaden Soondram *(Appointed as from Jan 2023)*		Apr 2025	2 / 21	2 / 2

Note: In his capacity as the Group CEO, Mr Raoul Gufflet was in attendance at most of the REMCO meetings held during FY 2025 and Mr Mooneesing J. Naikeny attended one meeting since his appointment.

The Officer-in-Charge/Representatives of the Human Resource Department of SBMBM were invited to the meetings held during the year, as and when required.

2025 Priorities and Areas of Progress
Considered matters relating to Board succession planning, including the recruitment and promotions of key executives' positions at SBMH level
Monitored the recruitment, movement and departure of staff including senior personnel across all subsidiaries
Reviewed the Board composition of the Company in collaboration with REMCO and making the relevant nominations to the Board thereof
Considered the transformation of the Human Resources Team
Deliberated on job evaluation and grading exercise
Deliberation on Human Resources Initiatives for FY 2025
Took note of the Report from the Chairman of the Group Human Resources Forum

Looking Ahead

- Review the composition of the Board in consultation with the CGCR Committee and make the appropriate recommendation for the nomination of additional (preferably independent) Directors onto the Board
- Review talent pipeline and ensure that any gaps are plugged in a timely, fair and transparent manner
- Continued focus on succession plans for the Board, Executive Committees and Senior Management to ensure the Group has the right skills and experience to deliver its strategy
- Continue to update the training needs of the Directors, in conjunction with the CGCR Committee after taking the changing operating and regulatory environment into account
- Ensure that employees are remunerated fairly and based on merit

BUSINESS REVIEW COMMITTEE

The BRC shall assist the Board in fulfilling its responsibility with respect to overseeing, reviewing and monitoring the overall performance of the SBM Group, i.e. SBMH and its subsidiary operating entities from a financial, risk and strategy perspective.

Total Number of Meetings FY 2025 = 3				
Members	Independence	Committee Member since	Eligible to Attend as Member	Meetings Attended (total)
Current Members				
Mr M. Javed Aboobakar *(Chairman as from 1 Dec 2025)*		Dec 2025	1 / 3	1 / 1
Mr Pramod K. Bissessur		Sep 2025	1 / 3	1 / 1
Mr Aakash K. Kalachand		Dec 2025	1 / 3	1 / 1
Mrs Danisha Sornum *(Chairperson as from 14 Apr 2025 till 1 Dec 2025)*		Apr 2025	3 / 3	3 / 3
Former Members		Committee Member until		
Mr Jean Paul E. Arouff *(Appointed in Apr 2023 and Chairman till 11 Apr 2025)*		Apr 2025	0 / 3	0 / 0
Ms Feriel J. Aumeerally *(Appointed in Apr 2025)*		Sep 2025	2 / 3	1 / 2
Ms Shakilla B. Jhungeer *(Appointed in Apr 2023)*		Apr 2025	0 / 3	0 / 0
Mr Deobruthsingh Jaypaul *(Appointed in Apr 2025)*		Dec 2025	2 / 3	1 / 2
Dr Subhas Thecka *(Appointed in Aug 2024)*		Apr 2025	0 / 3	0 / 0

Note: In his capacity as the Group CEO, Mr Raoul Gufflet was in attendance at two out of the three BRC meetings held during FY 2025 and Mr Mooneesing J. Naikeny attended one meeting since his appointment.

Selected Management staff and the CEOs of the subsidiaries were invited to attend the meeting. Prior to the Committee meeting, the Management Team of SBMH conducted a one-to-one review session with the CEO of each operating entity.

2025 Priorities and Areas of Progress
Reviewed the performance of each banking subsidiary entity, SBM NBFC and SBMH (consolidated) on a quarterly basis
Considered the business review pack for each entity and reviewed key financial highlights and statistics, summary of risk and compliance related issues, update on initiatives undertaken during the reporting period and any other critical items which required the attention of the Committee
Deliberated on the inclusion of oversight in the business review of the subsidiaries

Looking Ahead

- Continue to ensure a fair review of the performance of SBMH and its subsidiaries in view of fostering improved results
- Continue to monitor performance through effective discussion between SBMH and the CEO of each subsidiary to ensure that critical matters affecting the performance of the entities receive adequate attention of the Committee
- Strengthen the oversight aspect over the subsidiaries while acknowledging that each subsidiary is a separate legal entity governed by their respective Boards
- Consider inter-synergy and collaboration amongst the subsidiaries

GROUP TRANSFORMATION AND TECHNOLOGY COMMITTEE

The Group Transformation and Technology Committee (GTTC) (formerly Projects Assessment Committee (PAC) and renamed in December 2025) oversees the strategic projects having an impact across the SBM Group's operating entities, in addition to overseeing the implementation of Group related projects to ensure that goals and objectives of those projects are achieved within the prescribed time frame, budget and scope of work. Effective 01 December 2025, the composition of the GTTC Committee was reviewed, as depicted below.

Total Number of Meetings FY 2025 = 3				
Members	Independence	Committee Member since	Eligible to Attend as Member	Meetings Attended (total)
Current Members				
Mr Mahendra V. Punchoo *(Chairman as from 1 Dec 2025)*		Dec 2025	0 / 3	0 / 0
Mr Raoul Gufflet[1] *(Group CEO)*		Dec 2025	0 / 3	0 / 0
Mr Mooneesing J. Naikeny *(Deputy Group CEO)*		Dec 2025	0 / 3	0 / 0
Mr Deobruthsingh Jaypaul		Dec 2025	0 / 3	0 / 0
Mrs Belinda Vacher		Dec 2025	0 / 3	0 / 0
Former Members		Committee Member until		
Mr Jean Paul E. Arouff *(Appointed as from Apr 2023)*		Apr 2025	1 / 3	1 / 1
Mr Pramod K. Bissessur *(Appointed as from Apr 2025)*		Dec 2025	2 / 3	2 / 2
Ms Shakilla B. Jhungeer *(Appointed as from Apr 2023 and Chairperson until 11 Apr 2025)*		Apr 2025	1 / 3	1 / 1
Mrs Mathilde S. L. Lagesse[2] *(Chairperson as from 14 Apr 2025 till 16 Sep 2025)*		Sep 2025	2 / 2	2 / 2
Ms Sharon Ramdenee *(Appointed as from Aug 2024)*		Apr 2025	1 / 3	1 / 1
Mrs Danisha Sornum *(Appointed as from April 2025)*		Dec 2025	2 / 3	2 / 2

[1] Mr Gufflet was a member of the GTTC from its inception on 23 February 2023 until 12 August 2024, when he was replaced by Ms Ramdenee. Following this, Mr Gufflet continued to be in attendance at all GTTC meetings held from 12 August 2024 in his capacity as Group CEO. On 01 December 2025, Mr Gufflet was re-appointed as a Member of the GTTC.

[2] Subsequent to the departure of Mrs Lagesse on 16 September 2025, the Committee did not convene any further meetings, the last meeting having been held in August 2025. Nevertheless, the SBMH Board remained duly apprised of strategic initiatives affecting the SBM Group's operating entities through other established reporting mechanisms.

The Group Chief Operations and Transformation Officer was in attendance at all PAC meetings.

2025 Priorities and Areas of Progress
Provided strategic oversight over Group related projects
Monitored the progress of the Group related projects
Assessed potential risks associated with specific projects

Looking Ahead

- Monitor the progress of the Group IT transformation projects

BOARD LEGAL COMMITTEE

The Board Legal Committee had been established by the Board with the intent to allow proper oversight from the Directors of SBMH on the legal affairs across the SBM Group's operating entities in foreign jurisdictions.

Total Number of Meetings FY 2025 = 6			
Members	Independence	Committee Member until	Meetings Attended (total)
Mr Deobruthsingh Jaypaul *(Chairman from 20 May 2025 till 29 July 2025)*		July 2025	6
Mrs Mathilde S. L. Lagesse *(Appointed as from May 2025)*		July 2025	6
Mrs Danisha Sornum *(Appointed as from May 2025)*		July 2025	6

2025 Focus Areas
Deliberated on investigation reports initiated by the Board and the way forward.
Closely monitored the evolution of the legal cases against SBMH and its Subsidiaries.
Considered pertinent Human Resources matters.

The Board Legal Committee was ultimately dismantled by the Board on 29 July 2025, whilst ensuring that the oversight aspect on the legal affairs across the SBM Group's operating entities in foreign jurisdictions is maintained by the Board.

SUSTAINABILITY COMMITTEE

The Board has established a Sustainability Committee to review and assure that the SBM Group has appropriate and effective strategies and policies to function and conduct business in a responsible and sustainable manner, while exercising continuous and informed oversight over the articulation and implementation of the SBM Group Sustainability Agenda.

Members	Independence	Committee Member since
Mrs Danisha Sornum *(Chairperson as from 1 Dec 2025)*		Dec 2025
Mr M. Javed Aboobakar		Dec 2025
Mr Pramod K. Bissessur		Dec 2025
Mr Deobruthsingh Jaypaul		Dec 2025
Mrs Belinda Vacher		Dec 2025

The Sustainability Committee, established on 01 December 2025, has convened its first meeting in Q1 2026, to act within its mandate, as approved by the Board.

Looking Ahead

- Review and ensure alignment of the SBM Group Sustainability Agenda with the SBM Group's broad-based strategic objectives, while ensuring that sustainability is appropriately integrated in the growth agenda and objectives of the organisation
- Oversee the implementation of the SBM Group's sustainability initiatives across presence countries, while ensuring that they align with earmarked strategic objectives, targets and KPIs along with promoting sustainable practices across the organisation
- Ensure that the SBM Group promptly addresses any sustainability issues arising from internal audits and concerns highlighted by regulators and other relevant stakeholders

MANAGEMENT COMMITTEES

The Board has delegated responsibility for overseeing the Group's daily operations, including the formulation, implementation, and supervision of its strategic objectives, to the Executive Directors.

With the support of the SBMH Management Team (Executive and Management Offices), the Executive Directors are entrusted with several key responsibilities, including but not limited to: (a) formulating the Group's budget and long-term plan for Board review; (b) facilitating the achievement of the Group's strategic objectives and priorities as sanctioned by the Board and aligned with the Company's mission, vision, and values; (c) overseeing the Group's people agenda, encompassing culture, succession planning, talent management, and diversity, equity, and inclusion initiatives; and (d) ensuring the Board remains informed regarding the status of the Company's operations, among other duties.

The governance structure of SBMH, as outlined under Principle 1, delineates the allocation of delegated authorities and powers within the organisation

- ### Management Committee

Correspondingly, the Management Committee (MANCO) has substituted the Group Executive Committee and meets on a weekly basis, under the leadership of the Group CEO and comprising the following Members of the Management Team: Deputy Group CEO, Group Chief Business Development Officer (currently suspended), Group Chief Operations and Transformation Officer, Group CRCO, Group Chief Strategy Officer and Group Chief Financial Officer. The Company Secretary is in attendance at the MANCO. At each meeting, the Management Team and Company Secretary provide a progress update of the various tasks and assignments across the Group, under their purview, with advice and guidance being provided to facilitate the swift resolution of any potential issues.

- ### Group Functional Forums

At the executive management level of SBMH, Group Functional Forums have been established, to continuously ensure adequate oversight, effective control and improve synergy across all entities of the Group. These Group Functional Forums operate within their respective TOR, which are reviewed on a regular basis and approved by the Group CEO, in his capacity as Chairman of the MANCO (former Group ExCo), and ultimately by the Board.

- ### MANCO

Group Communications Forum	Group Compliance Forum	Group Finance Forum	Group Governance Forum	Group Human Resources Forum	Group Internal Audit Forum
Group IT Audit Forum	Group Risk Management Forum	Group Strategy and Business Development Forum	Group Sustainability Forum	Group Technology and Operations Forum	

Except for the (a) Group Internal Audit Forum, (b) Group IT Audit Forum and (c) Group Human Resources Forum which are each chaired by representatives of SBMBM, the remaining Group Functional Forums are each chaired by a Member of the MANCO. The frequency of the Group Functional Forums is defined in the respective TORs and each Chairperson has the obligation to highlight any matter of significant concerns to the attention of the SBMH Board/Board Committees through the Executive Directors. Any governance related issues are escalated to the CGCR Committee.

Principle 3: Director Appointment Procedures

Stakeholders | **Capitals** | **Material matters**

Appointment of Directors

The appointment of Directors is a pivotal process that shapes the governance and direction of an organisation. A robust and transparent nomination & appointment process is crucial for ensuring effective leadership by identifying individuals with the appropriate expertise, integrity and diversity, thereby fostering shareholder confidence and mitigating potential risks.

According to the Constitution of SBMH, the following specific criteria must be followed regarding the appointment and re-appointment of the Directors:

Section 14.1		*"The number of Directors shall not be less than Seven (7) nor more than Eleven (11). The Chief Executive of the Company shall be an ex officio member of the Board"*
Section 14.2	*14.2.1*	*No person shall however be qualified for appointment/election as a Director (or alternate Director) unless he holds a degree or an equivalent qualification from a recognised University or Institution.*
	14.2.2	*No person shall if he does not qualify to be a fit and proper person as per the criteria laid down in the relevant BoM guideline and/or has ever been convicted of an offence relating to financial crime or other criminal acts shall be eligible for election or appointment as a director on the Board of Directors of the Company".*
Section 14.3		*"Each Non-Executive Director shall be elected by a separate resolution at the Annual Meeting of Shareholders and shall hold office until the next Annual Meeting and subject to any BoM restrictions, shall be eligible for re-election"*
Section 14.6		*"Notwithstanding Articles 14.1 and 14.2, the Board may at any time appoint any person as Director provided the total number of Directors does not at any time exceed eleven. Any Director so appointed shall hold office only until the next Annual Meeting and shall be eligible for re-election."*

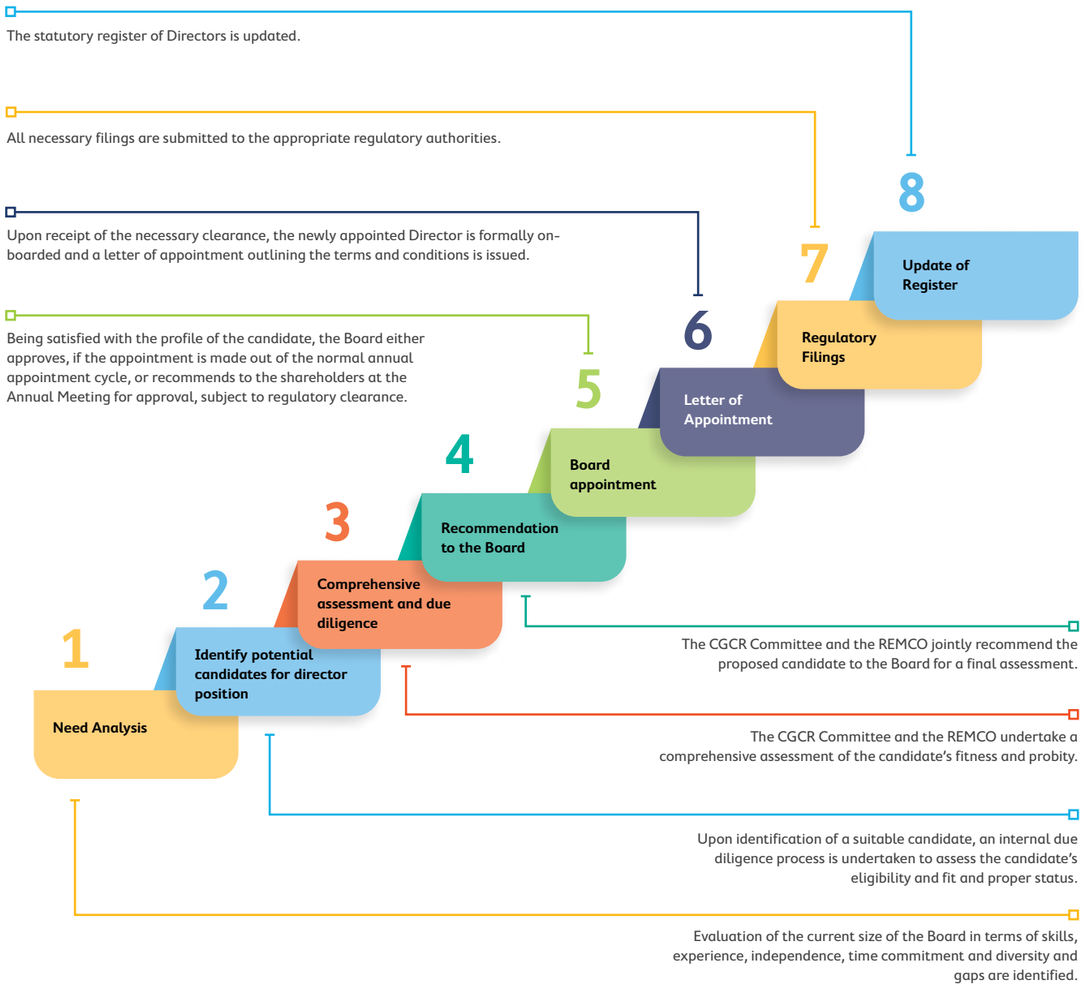
The nomination and appointment of Directors at SBMH is governed by a structured, formal, transparent and rigorous process currently in place. All appointments are made on a merit basis and evaluated against objective standards to ensure the Board possesses the appropriate competencies, skills and experience necessary for effective governance and guard against 'groupthink'. The process has been devised to support the development of a robust and diverse Board with relevant expertise to meet the goals and values of the SBM Group.

The Board, with the support of the CGCR Committee and the REMCO, conducts regular reviews of its composition as well as that of its Board Committees. It identifies, evaluates and recommends suitable candidates to the Board for consideration. The ultimate responsibility for the appointment of Directors rests with the Board, which ensures strict compliance with the criteria set forth in the SBMH Constitution, the Group Fit & Proper Person Policy, the BoM Guidelines on Fit and Proper Person, the Code and other relevant legislations and guidelines, to maintain appropriate Board balance. The appointment process also takes into consideration the Company's vision, strategic direction, ethical framework and several components such as previous experiences, diverse skills, expertise, independence, conflicts of interest, amongst others, to ascertain that the Board is adequately balanced.

In line with the SBMH Constitution, all Directors are elected/re-elected on the Board by way of separate resolutions by the shareholders at the Annual Meeting and hold office until the next Annual Meeting.

Selection and appointment of new Directors

The process of appointing Directors involves several key steps to ensure that the most suitable candidates are selected to guide the Company's strategy, ensuring compliance with legal requirements and safeguarding shareholders' interests.



Biographical details of each Director are located in the *Group Governance and Leadership* section.

Board induction

A well-structured Board Director induction program serves as a strategic investment rather than merely a procedural requirement. By ensuring a thorough orientation, new Directors are equipped to acclimate efficiently and make meaningful contributions from the outset.

At SBMH, the Chairman, with the support of the Board, the Executive Directors and the Company Secretary, through the CGCR Committee, is responsible for overseeing the induction and orientation of new Directors. This process ensures that new Directors gain a comprehensive understanding of the organisation's vision, purpose, strategic objectives, financial landscape, governance frameworks, culture, values and risk appetite. An effective induction additionally strengthens the Directors' awareness of the expected standards of conduct and behaviour while serving on the Board and equip them with the essential information to enable well-informed decision-making.

Upon appointment, new Directors partake in a comprehensive, tailor-made induction programme so as to familiarise themselves with SBMH's strategy and operations. A full-fledge induction pack is made available to new Directors, through the Company Secretary's office, which contains essential information, including, but not limited to:

- Brief profiles of the Group's activities
- Recent developments, challenges and opportunities
- Strategy and progress against key objectives
- Operational and financial performance updates
- Risk management and internal control
- Fiduciary duties and responsibilities of the Directors, including the process for dealing with conflicts
- Rules & regulations, good governance practices and key policies applicable to the Group
- Board Committees' composition and TORs
- Calendar of meetings/important events, amongst others

The induction programme constantly evolves, changing as appropriate to reflect the business priorities, the experience & expertise of the inductee, the role the latter will perform and to further keep pace with the dynamic business environment. As such, the induction pack is updated frequently and upon joining, it is uploaded on the iPad of the Director together with all the supporting documents.

During FY 2025, the composition of the Board changed on several occasions and the new Directors received a full day induction whereby detailed presentation was made by the Group CEO, the Management Team and the Company Secretary covering various aspects such as governance, rules and regulations, management profile, overview of the subsidiaries, key group issues and challenges, amongst others.

Continuous development programme

In today's dynamic business environment, Directors are instrumental in guiding organisations toward achieving their objectives and sustained success. Board members are facing growing expectations to manage complex issues amid a rapidly evolving geopolitical, regulatory and economic environment.

The SBM Group places significant emphasis on training and development. While the Board of Directors holds the highest authority within the Company, it acknowledges that ongoing training is crucial for Directors to: (a) strengthen their leadership capabilities, (b) support more informed and strategic decision-making, (c) remain apprised of emerging trends, regulations and best practices and (d) continually update the skills and knowledge required for effective fulfillment of their responsibilities.

In collaboration with the CGCR Committee, the Executive Directors, the Company Secretary and the SBM Academy, the Board jointly develops a formal, tailored training plan for Directors and the Executive Management Team each year. This initiative is designed to address their specific needs and ensure they possess the requisite knowledge and expertise to effectively navigate the challenges and complexities of the business environment in which the SBM Group operates. Directors are consistently encouraged to participate in courses, workshops, seminars and other knowledge-sharing sessions. Additionally, the SBM Academy maintains an individual training log for each Director documenting all in-house training activities.

The 2025 Director Development Programme focused mainly on AML/CFT, while governance and risk management topics were extensively addressed during the full-day Directors' induction and made accessible via their Board iPads. The training programmes were delivered by both internal and external subject matter experts.

The CGCR Committee maintains a rigorous oversight of training courses and continuous development initiatives undertaken by the Directors.

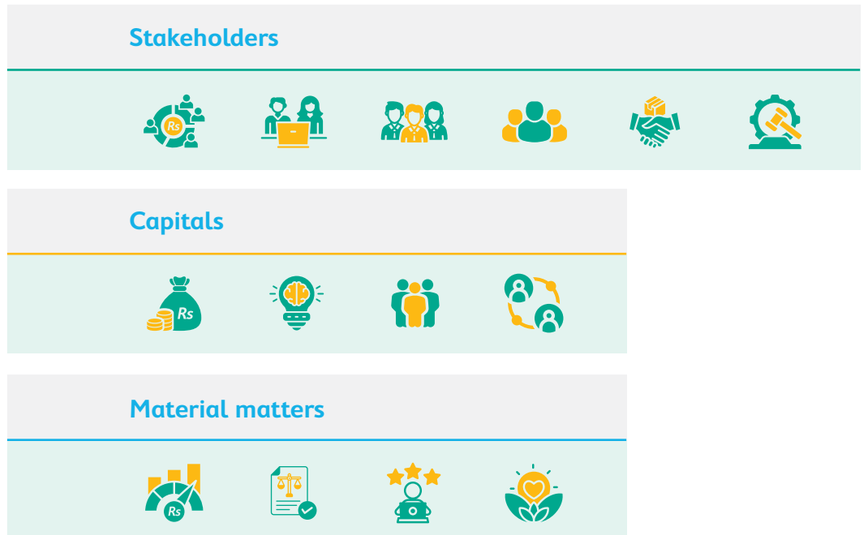
Succession planning

Succession planning is essential for ensuring long-term business stability, continuity and growth of the business, as well as upholding corporate governance, maintaining leadership consistency and aligning the Board's expertise with long-term strategic objectives.

The Board recognises that an effective transition of its Directors and Management Team members plays a crucial role in (a) sustaining strategic oversight and alignment, (b) nurturing a robust talent pipeline to ensure a pool of qualified individuals capable of contributing innovative perspectives to the Company's ongoing success, (c) fostering diversity within the boardroom by including individuals with diverse skill sets, backgrounds and perspectives, leading to more robust discussions, innovative solutions, and better decision-making and (d) strengthening stakeholder's trust and confidence by demonstrating a clear commitment to enduring stability and strategic leadership.

During the first quarter of FY 2025, the Board adopted a Group Succession Planning policy. The Board is confident that appropriate measures are established to facilitate the orderly succession of appointments to both the Board and to senior management positions. These arrangements help to maintain a balanced mix of knowledge, skills and experience within the organisation, while also promoting the progressive renewal of the Board.

Principle 4: Directors' Duties, Remuneration and Performance



Legal duties

At SBMH, the Directors recognised their legal obligations as outlined in the Act, the SBMH Constitution, the Charter and all applicable laws and regulations. Throughout FY 2025, they have consistently observed and fostered exemplary ethical standards and cultivated a robust ethical culture within the organisation.

As part of their induction, some governance documents were provided to the newly appointed Directors on their iPad. These materials are intended to Directors in gaining a comprehensive understanding of the Company and the governance framework within the SBM Group, thereby facilitating the effective fulfilment of their statutory duties and responsibilities.

Performance evaluation

The primary aim of the Board Evaluation is to cultivate a high-performing Board, capable of anticipating, addressing and surpassing future challenges while maintaining alignment with SBMH's long-term strategic objectives. Each year, the Board sets clearly identified objectives and specific goals consistent with the Group strategy and systematically monitors its performance through annual assessment to ensure optimal effectiveness.

The review exercise evaluates the performance of the Board, Board Committees, individual Directors and the Chairman of the Board, in line with the provisions of the Code.

Board evaluation is an essential governance tool that moves beyond regulatory compliance to foster continuous improvement, accountability and strategic alignment at the SBM Group. This process effectively determines the strengths, weaknesses and skill gaps of the Board as a whole, its Committees and individual Directors and facilitates improved decision-making and enhance board-management dynamics.

Given the significant changes in the Board composition of the Company throughout the FY 2025, the Board resolved to initiate an internal evaluation of the Board, Board Committees, individual Directors and the Chairman of the Board. This exercise was facilitated by the Chairman with the support of the Company Secretary.

The process established for the internal evaluation is outlined below:

Preparation
- Questionnaires for the Board, Board Committees, individual Directors and the Chairman of the Board were developed by the Company Secretary, which covered the following thematic areas: (a) Board composition, skills and diversity, (b) Board effectiveness, (c) Strategic oversight, (d) Individual performance, (e) Committees' strengths and weaknesses, (f) Relationship between the Board and Management, (g) Risk management and internal controls, (h) Training & development, amongst others.

Completion of online questionnaire
- Distribution of questionnaires to individual Directors for completion by a preset timeline.

Collation of responses
- Individual responses to the questionnaires were collated by the Company Secretary and anonymised summaries were prepared.

Board discussion
- Findings of the performance review and proposed actions were discussed at the March 2026 Board meeting.
- The feedback on the Chairman was discussed by the remaining Directors in the absence of the Chairman.

Way forward
- Track the progress achieved on past performance evaluation exercise.
- Develop a concrete, actionable plan based on the recommendations to improve governance.

The results of the internal performance review were presented to the Board on 27 March 2026, which concluded that the Board & Board Committees were operating effectively and that all Directors continue to fulfil their roles as required by the in-country laws & regulations and to the satisfaction of the Board. Many areas were rated above the average with a few focus areas identified for the forthcoming year as follows:

- Enhancing the brand image of SBMH and fostering greater accountability on part of executives
- Prioritise Systems, Processes, Technology and People with a view to fostering greater synergy as well as to ensure that the Group's standards are effectively implemented across all subsidiaries
- Optimise debt recovery procedures
- Improve meeting frequency by reducing the number and duration of meetings, to ensure that Directors are well-prepared and succinct in their contributions
- Uphold integrity principles throughout all subsidiaries
- Ensure SBMH subsidiaries adhere to SBMH directives regarding strategy, operations and governance
- Refocus the Board attention on strategic priorities rather than day-to-day operational matters
- Consolidate the risk appetite framework, emphasise on digital innovation, regulatory readiness, AML-CFT effectiveness, cybersecurity, capital planning and concentrate on effective resource planning/succession planning of senior management
- Specific issues pertinent to SBMH subsidiaries

A comprehensive action plan will be developed and reviewed regularly to monitor progress throughout the FY 2026 with regards to the above areas.

As regards the evaluation of the Chairman of the Board, the Directors concluded that the latter remained an effective leader, who had executed his fiduciary duties to the satisfaction of the Board and the Management Team.

Related party transactions and conflicts of interests

The Group Related Party Transactions and Conflict of Interest Policy (the RPT Policy) underwent a review during FY 2024 and is presently under review to ensure adherence to the BoM Guidelines and all relevant laws and regulations applicable to the Company. The RPT Policy outlines a structured approval process, disclosure obligations and reporting protocols for related party transactions, ensuring that all such dealings/activities are conducted in alignment with the best interests of the Group and its stakeholders.

The RPT Policy is available on the SBM Group's website.

The Board makes sure that all conflicts of interest and related party transactions are disclosed and managed in accordance with the RPT Policy and applicable laws & legislations.

The Directors and the Management Team are entrusted with a fiduciary obligation to avoid circumstances that may result in an actual or potential conflict of interest with the Company. It is essential that any such conflicts are fully and promptly disclosed to the Board or Company Secretary, with sufficient detail to clarify how the personal financial interest pertains to a board decision. This information will be then recorded in the Interests Register, which the Company Secretary maintains and updates as necessary to promote transparency, fairness and accountability. The RPT Policy offers guidance on managing situations where conflicts of interest may arise.

As part of the onboarding procedure, newly appointed Directors and Members of the Management Team are required to complete a Related Party Declaration Form. In accordance with the RPT Policy, the completed forms must thereafter be submitted quarterly to the Company Secretary. While related party transactions may occur, it is essential that such transactions are executed on market terms and at arm's length. To uphold sound governance, at the beginning of each Board and Board Committee meeting or prior to discussing specific proposals, Directors and Members of the Management Team, have ongoing obligations to disclose any actual or anticipated situation of conflicts. Should such a conflict arise, the Directors and the Management Team involved must recuse themselves from the relevant deliberations.

Interests register

Pursuant to the requirements of the Act and the Company's Charter, the Company Secretary is responsible for maintaining an Interests Register that documents any actual conflicts of interest encountered by Directors in the course of fulfilling their responsibilities. Shareholders may access the Interests Register by submitting a written request to the Company Secretary.

The purpose of the interest register is to help ensuring transparency, accountability and the effective management of conflict of interest.

The SBM Group acknowledges that the Non-Executive Directors may hold business interests and directorships outside the Group. All the existing directorships are detailed within the Directors' profiles under the *Group Governance and Leadership* section.

Directors' interests and dealings in SBMH shares

Compliance with the SEM Listing Rules

The Directors of SBMH affirm that they have abided to the absolute prohibition principles and notification requirements of the Model Code for Securities Transactions by Directors as set out in Appendix 6 of the SEM Listing Rules.

Compliance with the Group Insider and Share Dealing Policy

The Board has adopted a Group Insider and Share Dealing (GISD) Policy which is applicable to Directors, Management Team and applicable employees of the SBM Group, providing a clear guidance on the best practices and procedures to be followed when dealing in shares/securities of SBMH. The GISD Policy has been designed to prevent the misuse of price-sensitive information as well as setting minimum standards of observance. The GISD Policy was reviewed during the FY 2025 to ensure compliance with the applicable laws and regulations. In line with good governance and best practices, the Company Secretary maintains a register detailing the dealing in shares/securities of SBMH by the following persons:

- Directors, Senior Management and any of their Associates of the following entities: (a) SBMH, (b) SBM (Bank) Holdings Ltd (SBMBH), (c) SBM NBFC, (d) SBM NFC and (e) the banking entities of the Group.
- Applicable employees of selected departments, who regularly possess inside information, as approved by the Board and their Associates.

The register is updated regularly and a report is provided to the CGCR Committee/Board of SBMH quarterly, highlighting the dealings and breaches noted for the period under review.

The table below outlines the interests of the SBMH Directors in the Company as at 31 December 2025:

	Direct Shareholdings		Indirect Shareholdings	
Directors	Number of Shares	% Shareholdings	Number of Shares	% Shareholdings
Mr M. Javed Aboobakar	-	-	194,300	-
Mr Pramod K. Bissessur	6,000	-	-	-
Mr Raoul Gufflet	-	-	75,000	-

No other Director of SBMH had an equity stake in SBMH or its subsidiaries (which are in turn /ultimately wholly owned by SBMH) either directly or indirectly as at 31 December 2025.

Remuneration

Board of Directors

The Non-Executive Directors are compensated based on market standards, competencies, responsibilities, efforts and time commitment to the Company. In line with the provisions of SBMH Constitution, the remuneration paid to the Non-Executive Directors was revised during FY 2023.

The below table depicts the remuneration earned by the Directors in accordance with the market rates for their participation and involvement in Board and Committee Meetings of SBMH and its subsidiaries in FY2025/2024:

Name of Directors	SBMH	Subsidiaries	SBMH	Subsidiaries
	FY 2025 (MUR' 000)		FY 2024 (MUR' 000)	
Independent Directors				
Mr Mahendra V. Punchoo (Chairman)	1,104	393	-	-
Mr M. Javed Aboobakar	188	-	-	-
Mr Pramod K. Bissessur	1,031	323	-	-
Mr Deobruthsingh Jaypaul	1,043	448	-	-
Mr Aakash K. Kalachand	990	1,193	-	-
Mrs Danisha Sornum	1,014	357	-	-
Mrs Belinda Vacher	173	-	-	-
Ms Feriel J. Aumeerally[1]	465	88	-	
Mr Sattar Hajee Abdoula[2]	892	1,503	4,710	4,741
Mrs Mathilde S. L. Lagesse[3]	604	-	-	-
Ms Shakilla B. Jhungeer[2]	500	1,444	1,800	2,059
Ms Sharon Ramdenee[4]	428	487	1,350	1,580
Mr Rohit Ramnawaz[5]	867	411	-	-
Mr Anil K. Ujoodha[6]	258	-	-	-
Dr Subhas Thecka[2]	375	-	1,129	-
Non-Executive Directors				
Mr Jean Paul E. Arouff[2]	450	1,290	1,620	2,672
Mr Visvanaden Soondram[2]	200	130	695	1,492
Executive Director				
Mr Raoul Gufflet (Group CEO)	40,779	-	40,949	-
Mr Mooneesing J. Naikeny (Deputy Group CEO)	4,481	-	-	-

Notes:

- *[1]Ms Feriel Jabeen Aumeerally resigned as Director effective 03 September 2025*
- *[2]Mr Sattar Hajee Abdoula, Ms Shakilla Bibi Jhungeer, Dr Subhas Thecka, Mr Jean Paul Emmanuel Arouff and Mr Visvanaden Soondram resigned as Directors effective 11 April 2025*
- *[3]Mrs Mathilde Sophie Laurence Lagesse resigned as Director effective 16 September 2025*
- *[4]Ms Sharon Ramdenee ceased to be a Director of SBMH effective 30 June 2025*
- *[5]Mr Rohit Ramnawaz resigned as Director effective 16 July 2025*
- *[6]Mr Anil Kumar Ujoodha resigned as Director effective 14 November 2025*

The Board confirms that no Non-Executive Directors received any variable remuneration, including share options nor performance-related pay during the FY under review. Their compensation consisted solely of the fixed fees outlined in the table above.

Regarding the Executive Directors, the amount stated in the Report represents the total remuneration paid to them during FY 2025. This amount includes variable components such as bonuses tied to personal Key Performance Indicators (KPI) and the overall performance of the SBM Group, in accordance with the terms of the employment contract. Consistent with the internal practices, the Executive Directors do not derive any Director fees from SBMH and its Subsidiaries during the period under review.

In compliance with Section 221 of the Act, the total remuneration and benefits received or due and receivable by the Executive Director and Non-Executive Director from the Company and its subsidiaries for the year under review are detailed under the Additional Information section.

Executive Management

SBMH is committed to attracting, retaining and motivating individuals who can effectively deliver the Group's purpose and strategy, while providing clear leadership, regardless of gender, ethnicity and age. SBMH ensures that the Management Team is rewarded in alignment with the overall business performance. The Executive Management shares responsibility for implementing strategies and policies with the goal of enhancing key stakeholders' experiences.

The remuneration packages of the Management Team are approved by the Board through the REMCO. A range of criteria are evaluated before determining the remuneration of the Management Team, including but not limited to their qualification, skills, experience and achievement of KPIs, amongst others.

Information, Information Technology and Information Security Governance

SBM Group has an established robust governance framework to ensure that Group-wide and entity-specific policies are aligned with the Company's strategic vision. This framework is reinforced by industry best practices and supported by well-defined procedures. Policies undergo periodic reviews at specified intervals to reflect regulatory developments and emerging trends while considering the local specificities of the Group's operating jurisdictions. The IT Teams within each entity are responsible for implementing these policies, standards and procedures, ensuring compliance at all required levels, including Board level approvals where deviations occur.

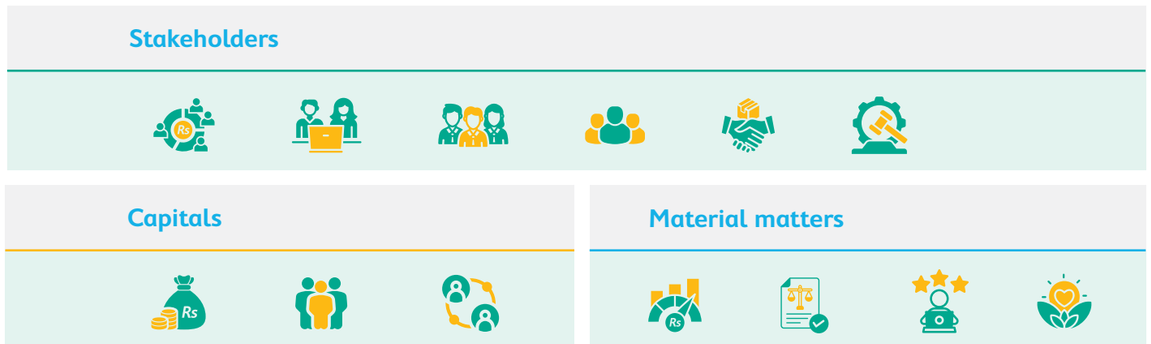
Across its operating entities, the Group has implemented multiple security policies and deployed both technological and logical controls to enforce appropriate restrictions and safeguard data, whether housed on-premises or in cloud environments. In parallel, ongoing awareness initiatives are conducted to emphasise confidentiality, integrity, availability and protection of information, as well as on Cyber and Technology risks topics. The Board is regularly updated on all pertinent security initiatives to ensure appropriate oversight.

To further strengthen governance over technology, the Group has established the Group Technology and Operations Forum at SBMH level. This Group Functional Forum comprises the Chief Operating Officers and Chief Information Officers of all Group entities and serves as a structured platform for sharing insights on key IT initiatives, lessons learned and best practices. To enhance synergies across the Group's transformation agenda, a Group Transformation Office is being set up, which will ensure effective oversight of all technology-related initiatives at the Group level. Cybersecurity risk management is embedded within the Group's broader risk governance framework and is overseen through the Group Risk Management Forum which comprises the Chief Risk Officers of the various entities of the Group. The Group Risk Management Forum *inter-alia* ensures identification, assessment and monitoring of cybersecurity threats, vulnerabilities and control effectiveness across the Group.

Key risk exposures and mitigation actions are regularly escalated to the Board, ensuring that the Board maintains appropriate oversight of technology and cyber risks in line with its governance responsibilities.

The GTTC established at the SBMH Board level, provides strategic direction and enhances the oversight of Transformation initiatives. The GTTC also evaluates key technological initiatives that are expected to drive customer satisfaction, cost efficiencies, operational excellence and agility across the Group's subsidiaries.

Principle 5: Risk Governance and Internal Control



The Board recognises risk management as a cornerstone of resilience and a critical enabler of sustainable value creation in an increasingly complex and dynamic operating environment. As the Group's ultimate governing authority, the Board bears overall responsibility for the stewardship, oversight and ongoing effectiveness of the risk management and internal control framework across the Group.

In discharging this responsibility, the Board determines and periodically reviews the nature, extent and types of principal risks that the entity (on a stand-alone basis) and the Group (on a consolidated basis) are willing to assume in pursuit of their strategic objectives, while ensuring that such risks remain aligned with the Group's long-term sustainability, capital strength and regulatory obligation.

To strengthen risk oversight and governance, the Board has adopted the Three Lines of Defence (3LOD) model, which clearly delineates roles and accountabilities for the identification, assessment, management and monitoring of both financial and non-financial risks. This model enhances transparency, accountability and independent challenge across the organisation.

To support the effective execution of its risk governance mandate, the Board is assisted by two principal committees being the RMC and the Audit Committee. Together, these Committees provide focused oversight of the integrity, robustness and effectiveness of the Group's risk management and internal control environment.

The Board, with the support of the RMC, upholds the independence, authority and effectiveness of the risk management function. The RMC's primary role is to advise the Board on the Group's overall risk appetite, while providing oversight of risk strategy, emerging risks and material risk exposures.

This oversight is exercised through the approval and monitoring of comprehensive risk frameworks, policies, limits and key control requirements that govern first-line activities across the Group. These mechanisms ensure that risk-taking remains disciplined, transparent and fully aligned with the Board-approved risk appetite of the Group's entities.

The internal control framework enables the timely identification, assessment and mitigation of risks that could adversely impact strategic, operational, financial or compliance objectives, thereby providing reasonable assurance against material misstatement, loss or reputational harm.

The Audit Committee supports the Board in fulfilling its responsibilities relating to financial reporting integrity, internal control, regulatory compliance and the safeguarding of the Group's assets and reputation.

It conducts regular reviews of the effectiveness of internal control systems, encompassing both financial controls and broader risk management controls at Group level. This oversight is informed by the work of both the Internal Audit function and the External Auditors, whose independent assessments and quarterly reports provide objective assurance to the Committee and the Board.

Any identified control weaknesses, policy deviations or instances of non-performance are promptly reported, reviewed and monitored through to satisfactory resolution at Management and Audit Committee levels. In addition, the Audit Committee maintains regular and independent engagement with the External Auditors, independent of Management, to ensure that no material issues of concern remain unresolved.

Based on the assurance received from Management Team, Internal Audit Team and External Auditors, the Board is satisfied that the Group maintains a sound and effective system of internal control, operates in compliance with applicable laws, regulations and governance standards and that no material control breaches or significant governance issues have been identified during the reporting period.

Whistleblowing policy

The Group Whistleblowing (GW) Policy provides a confidential and secure mechanism for employees to report, in good faith and where preferred anonymously, any unlawful acts, misconduct or behaviour inconsistent with the Group's values, without fear of retaliation, discrimination or victimisation.

The GW Policy is adopted across all entities within the Group, with local adaptations where required to meet jurisdictional and regulatory obligations, while maintaining consistency with Group governance standards.

The Group is committed to fostering a culture of openness, integrity and accountability, recognising the importance of timely escalation in preventing and addressing wrongdoing. Concerns may be raised through independent and secure channels, including toll-free numbers, hotlines, dedicated email addresses or written correspondence as prescribed in the Policy and outlined below.

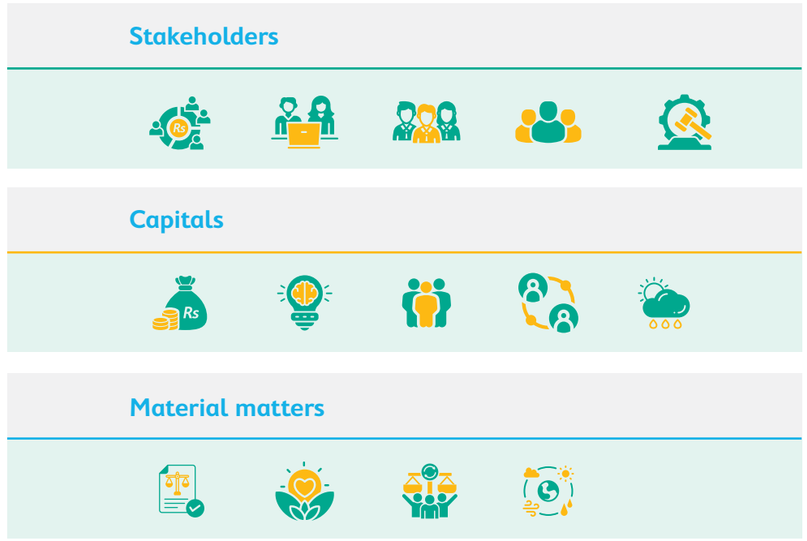
All reported matters are subject to initial assessment followed where appropriate by a full and independent investigation. Investigations are conducted diligently and concluded within a reasonable timeframe having regard to the nature and complexity of each matter. Investigation outcomes are reported to the Audit Committee.

The GW Policy is available on the SBM Group's website.

The following channels are available for whistleblowers:

Levels	Whistle-blow against	To be channeled to	Email addresses	Address	Hotline
Level 1	Staff of SBMH (excluding Group CEO)	(i) Officer in charge HR	chandurdeo.luchmun@sbmgroup.mu	P.O. Box 11, Caudan, Port-Louis, Mauritius	8002111 (Toll-free)
		(ii) The Group CEO	Raoul.Gufflet@sbmgroup.mu (For SBM Group only)		
Level 2	Group CEO	The Group Chairman	sbmhwhistleblowing@sbmgroup.mu (For SBM Group only)		

Principle 6: Reporting with Integrity



As a public listed holding entity with subsidiaries operating in banking, non-banking financial clusters and international market, SBMH ensures consistency of disclosures across all entities within the Group. This Integrated Annual Report (IAR) has been prepared in accordance with the guidelines set out by the International Integrated Reporting Council and provides fair, balanced and understandable information, enabling stakeholders to make an informed assessment about the Group's governance practices, financial strengths, sustainability performance and long-term value creation.

Our IAR is published on the SBM Group's website.

In line with a Practice Direction issued by the Registrar of Companies on 21 December 2022 under Section 12(8) of the Act regarding "Sending of Annual Report and Financial Statements", ***companies may now send the Report in an electronic version and by any electronic means. Nevertheless, a shareholder retains his right to receive a copy of the report or the financial statements at any time, upon request within three working days, as outlined in the Practice Direction.***

As in prior years, the Board continues to uphold this approach, reinforcing its commitment to ethical business conducts and strengthening our environmental, social and governance practices. The adoption of electronic communication reduces paper consumption and further supports environmental preservation, while also reinforcing our commitment to sustainability, accountability and responsible corporate stewardship by fostering transparent and continuous stakeholder engagement.

Directors' responsibilities

The Board remains responsible for ensuring that the Group's financial statements are prepared accurately and fairly, in accordance with the IFRS Accounting Standards and in compliance with the requirements of the Act and the FRA 2004. The Board continues to implement and maintain internal controls deemed necessary and appropriate to ensure that the financial statements are free from material misstatements, whether due to fraud or error.

Any significant departure from the above requirements, if identified, shall be highlighted in the Independent Auditor's Report accompanying the financial statements. For FY 2025, the Board confirms that appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgements and estimates in the preparation of the Group Financial Statements.

The Audited Financial Statements of the Group for the FY 2025 were approved by the SBMH Board on 30 March 2026 and a "*Statement of Directors' responsibilities*" jointly signed off by the Chairperson of the Board and Chairperson of the Audit Committee is included in this Report.

The Board places significant focus on a broad spectrum of key matters, including strategy, risk management, IT security, corporate social responsibility, sustainability and governance. The Strategy Report provides an in-depth analysis of strategic direction and sustainability, with these themes explored further in other sections of the Report.

Human resources

Employees' engagement and wellbeing

At SBM Group, our people remain central to our success. Over the past year, the human capital agenda has continued to support the Group's strategic priorities through targeted initiatives in talent acquisition, employee development, wellbeing and the promotion of an inclusive and innovative culture. As the organisation navigates an increasingly dynamic environment, HR continues to play a key driver in shaping a resilient workforce capable of driving sustainable growth.

Employee wellbeing remains a core priority. During FY 2025, the Human Resource Division (HRD) strengthened its efforts to foster a supportive workplace that promotes physical, mental and emotional wellbeing. Wellness initiatives were further enhanced through mental health resources and ongoing on-site activities such as Yoga, Zumba and Tai Chi sessions. To further support this, HRD has maintained the services of an on-site psychologist, offering confidential support for personal and work-related matters, including stress, anxiety and any other counselling needs. Employees have also participated actively in corporate sports activities, achieving notable success and demonstrating strong team spirit.

Additionally, in FY 2025, milestones and achievements were celebrated, both formally and informally, helping to reinforce employee engagement and a culture of excellence.

SBM Group continues to offer competitive compensation and benefits aligned with market standards to attract and retain top talent. In addition to base remuneration, employees benefit from performance-based bonus, health benefits and retirement savings plans. During the year under review, the Group has maintained a sound and collaborative approach with the SBM Staff Union in Mauritius in line with our employee relations strategy to foster conducive employee relations with our partners.

The Group remains committed to maintaining high standards of workplace health and safety in compliance with the Occupational Safety and Health Act 2005. Risk management practices focus on hazard identification and the implementation of appropriate control measures. Employees are trained as first aiders and fire wardens and regular fire drills are conducted to ensure preparedness in the event of emergencies.

Employees also actively contribute to Corporate Social Responsibility (CSR) initiatives, including visits to charitable institutions and the participation in blood donation drives. These initiatives reflect the Group's broader commitment to making a positive contribution to the communities we operate in.

Innovation continues to shape the Group's future. Ongoing investments in digital transformation and emerging technologies aim to enhance customer experience, streamline operations and strengthen decision-making. These initiatives are driven by the expertise and creativity of our workforce, enabling the Group to respond effectively to the evolving needs of its clients.

The continued success of the SBM Group reflects the dedication, commitment and collaboration of our employees. Together, we have transformed challenges into opportunities and contributed to the Group's sustained progress.

Shaping the organisation

SBM Group recognises that organisational success depends on its ability to adapt, innovate and evolve in response to changing workforce expectations, market dynamics and global economic developments. Our commitment to building a resilient workforce and a forward-looking organisation remains central to our people strategy, enabling the Group to deliver sustainable growth while upholding our core values of trust, integrity and customer centricity.

During the year, the Group continued to its human capital capabilities and organisational agility to better respond to the challenges and opportunities of the evolving financial services landscape.

a. Ethics across the Mauritius-based entities

Ethics-related matters across the Mauritius-based entities are overseen by the dedicated HR Business Partners of SBMBM, who also support the broader HR function of the Group.

b. Ethics across the Overseas-based entities

SBM Bank (India) Limited

During FY 2025, SBM Bank (India) Limited (SBMBI) executed a robust portfolio of ethics driven initiatives aimed at building strong organisational culture, reinforcing compliance and strengthening employee capabilities across all levels.

These initiatives include New Employee Orientation program, training on Customer Experience & Sales Capability Enhancement, Cybersecurity & Digital Fraud Prevention Training, Ethical Conduct & Regulatory Compliance Training Awareness, Sexual Harassment at Workplace and Leadership Coaching for Senior Delegates. Additionally, SBMBI has also conducted programs on Anti-Money Laundering (AML), Know Your Customer (KYC) and Trade-Based Money Laundering.

SBMBI also celebrates how work is done, not only what is achieved, by recognising employees who consistently embody SBMBI's Core Values in their actions and behaviours. This is done by introducing Value Based Awards in the Annual Reward & Recognition programme of the bank.

The above initiatives are aligned with the SBMBI's strategic priorities and were instrumental in positioning SBMBI as a values driven organisation.

SBM Bank (Kenya) Limited

As regard SBM Bank (Kenya) Limited (SBMBK), it adopts the relevant changes that take place within the Group as well as, aligns with the Group policies including the Ethics Code to ensure any areas of ethics are addressed, while ensuring compliance with the in-country laws & regulations including the employment laws and subject to approval of the relevant bodies. SBMBK also ensures timely communication to its staff on such matters.

During the year under review, SBMBK implemented a comprehensive set of initiatives to strengthen ethical culture among employees and customers. Key actions included:

- Training sessions aimed at reinforcing responsible and ethical behaviour.
- Training on Risk, Compliance & Ethics designed to deepen appreciation of ethical norms and responsible decision-making.
- Cybersecurity Awareness: Tailored IT & Cybersecurity awareness training was rolled out across all branches. These sessions helped staff understand the importance of cybersecurity, identify potential threats such as phishing and password attacks, and respond appropriately to mitigate risks.
- Specialised Programs: Training covered Anti-Money Laundering, Anti-Bribery & Anti-Corruption, Whistleblowing, Financial Crime Compliance, and Combating the Financing of Terrorism.
    - AML/CFT/CPF training was conducted, complemented by an awareness quiz administered to all employees.
    - Focus areas included politically exposed persons, high-risk customer typologies, proliferation financing, offences under POCAMLA (Proceeds of Crime and Anti-Money Laundering Act, Kenya), the Money Laundering National Risk Assessment Guidance 2025, KYC components, and identification of ultimate beneficial owners.

SBMBK continued to align its practices with Group-wide policies and frameworks, particularly the Ethics Code. Its approach emphasised:

- Policy Alignment: Adoption of relevant Group-wide changes to ensure ethical standards are consistently upheld.
- HR Policy Review: Ensuring human resource policies remain aligned with country-specific regulatory and legal guidelines.
- Regulatory Compliance: Strict adherence to in-country laws and regulations, including employment laws, subject to Board approval.
- Staff Communication: Timely and transparent communication to employees on ethics-related matters.

Banque SBM Madagascar SA

For Banque SBM Madagascar SA (BSBMM), it adopts the Group's ethical framework as much as possible, while ensuring compliance with local regulations and central bank guidelines. Over the past year, BSBMM has raised awareness among its employees and trained them in adhering to best practices and following procedures in line with the established strategy. With the creation of the project department, a general review of procedures was initiated. Training on money laundering remains mandatory for all employees and a rigorous follow-up by the risk department on matters related to ethics, whistleblowing and good governance has been implemented.

Looking Ahead

Looking ahead, the Human Resources function will continue to focus on building a workforce that is innovative, resilient and equipped to support the Group's future ambitions. Key priorities will include further investment in digital capabilities, strengthening diversity and inclusion and ensuring employees are well prepared to thrive in an evolving environment.

SBM Group remains committed to fostering a workplace where employees can grow, contribute meaningfully and realise their full potential. Through these efforts, the Group will continue to strengthen its people foundation and support long-term success.

Environment

The Group is committed to the responsible utilisation of essential natural resources in its operations and prioritises environmental protection by implementing sustainable practices designed to prevent or minimise negative environmental impacts.

Corporate Social Responsibility

Through the SBM Foundation, the Group continues to uphold its commitment to community development by adhering to its Corporate Social Responsibility (CSR) obligations and actively supporting a wide range of social initiatives. To date, the Foundation has facilitated the SBM Scholarship Scheme for over 2,600 beneficiaries from low-income families, while also partnering with various social organisations and NGOs to deliver initiatives that generate meaningful and long term societal impact. In alignment with the SBM Group's Sustainability Agenda, the Foundation has strengthened its focus on environmental protection as a key priority pillar. In addition, SBM employees remain highly engaged and consistently contribute to numerous social and community-driven activities.

Donations

During the year under review, no political donations were made by SBMH and its subsidiaries (2024: Nil). The below table shows the donations, other than political, made by our subsidiaries and the Group.

	Donations by category (MUR' 000)					
	SBMH		**Subsidiaries**		**Group**	
Donations	2025	2024	2025	2024	2025	2024
Political	-	-	-	-	-	-
Others	-	-	648	6,414	648	6,414
Total	-	-	**648**	**6,414**	**648**	**6,414**

Principle 7: Audit

Stakeholders

Capitals

Material matters

External audit

Appointment of External Auditors for FY 2025

Following the completion of an external auditor selection process in Q1 2025, the SBMH Board reviewed the recommendation put forth by its Selection (ad hoc, board-mandated committee) and Audit Committees. The Board subsequently recommended "the appointment of PwC as the Statutory Auditors of SBMH for FY 2025 to hold office until the next Annual Meeting", to the shareholders at its Annual Meeting held in June 2025, following the conclusion of Deloitte's term of office in June 2025.

At the Annual Meeting held on 30 June 2025, the shareholders unanimously approved the appointment of PwC as Statutory Auditors of the Company to hold office until the next Annual Meeting.

Appointment of External Auditors for FY 2026

During Q1 2026, the SBMH Board reviewed the recommendation of the Audit Committee and will propose "the appointment of PwC as the Statutory Auditors of SBMH for FY 2026 to hold office until the next Annual Meeting", to the shareholders for consideration at the upcoming Annual Meeting of the Company scheduled in June 2026, subject to regulatory approval. Additional details will be included in the Notice of Meeting for the Annual Meeting scheduled in June 2026.

Meeting with the Audit Committee

The Audit Committee plays a vital role in ensuring the Group's External Auditors deliver a high-quality audit. According to its TOR, the Committee is fundamentally responsible for overseeing the Group's relationship with the external auditors to maintain their objectivity and independence, as well as the integrity of the external audit process. The Committee also strives to facilitate constructive challenge when appropriate, thereby safeguarding and enhancing the quality of the audit.

The Audit Committee considers report from the External Auditors on a quarterly basis and meet them, in the absence of the Management Team, enabling open discussions on significant matters, the adequacy of management challenge and any potential threats to auditor's independence. The Audit Committee also ensures that the External Auditors' independence is preserved by safeguarding the audit process from undue management influence and by granting the External Auditors full/unrestricted access to the Committee and all relevant Group information.

Discussions on the financial performance of SBMH and its subsidiaries, the accounting principles applied and any audit-related matters take place in the presence of the Management Team.

Evaluation of the External Auditors

The Audit Committee maintains oversight of the effectiveness and quality of the audit process through continuous involvement with the Audit Engagement Partner and senior members of the External Auditor's Team. This responsibility includes regular review meetings with Management as well as private sessions of the Committee.

In carrying out this oversight responsibilities, the Audit Committee assesses, among other matters, PwC's independence & objectivity, professional judgement & scepticism, the robustness of audit methodologies & processes, compliance with regulatory requirements and the control and monitoring of non-audit services.

The Audit Committee is of the view that the independence and objectivity of PwC as well as the quality and effectiveness of the audit reviews remained sound throughout the period under review.

Audit fees and fees for other services

The fees paid to the External Auditors for audit and other services for the FY 2025/2024 were tabulated as hereunder:

	FY 2025 (MUR' 000)		**FY 2024 (MUR' 000)**	
SBM Holdings Ltd	**PwC**	**Others**	**Deloitte**	**Others**
Statutory audit and quarterly reviews	1,502	-	1,202	-
Other services	43	-	30	-
Subsidiaries	**PwC**	**Others**	**Deloitte**	**Others**
Statutory audit and quarterly reviews	44,351	3,175	30,339	2,182
Other services	7,525	1,699	5,687	1,538

Details of the fees paid to the External Auditors entity-wise are found in the "Additional Information" Section.

Provision of non-audit services

The Group has established a comprehensive policy relating to 'Provision of Non-Audit Services Policy' (the NAS Policy), in March 2024, which governs the circumstances under which the non-audit services may be rendered by the External Auditors and their affiliates. The NAS Policy is currently under review and serves as a key safeguard to ensure that the independence of the external auditors is not compromised in the execution of non-audit assignments. The NAS Policy has been formally cascaded to all subsidiaries for adoption and application at entity level.

The NAS Policy is founded on the underlying principle that the External Auditors – whether incumbent or incoming – shall not provide any non-audit service that may have a material effect on, or relevance to, the production of the Group's Financial Statements, nor any service that entails making decisions or exercising significant subjective judgement that rightly falls within the remit of the Group's Management Team.

To further reinforce these safeguards, the Audit Committee retains oversight of the approval process for all non-audit assignments undertaken by the External Auditors and their affiliates. The Audit Committee is mandated to evaluate each request with regard to applicable legal and regulatory requirements, professional ethical standards and the potential impact on auditor's independence.

In accordance with the NAS Policy and established operational procedures, any non-audit work is performed by a dedicated team within the audit firm that is wholly independent of the Audit Review Team responsible for the statutory audit.

For the year ended 31 December 2025, Deloitte (during their tenure period) and PwC provided certain non-audit services to the Group, which did not, in any way, compromise their objectivity or independence, as they were carried out by separate teams operating under the supervision of different partners and managers.

For the year under review, the external auditors performed the following non-audit services, in line with the requirements of the Group's NAS Policy:

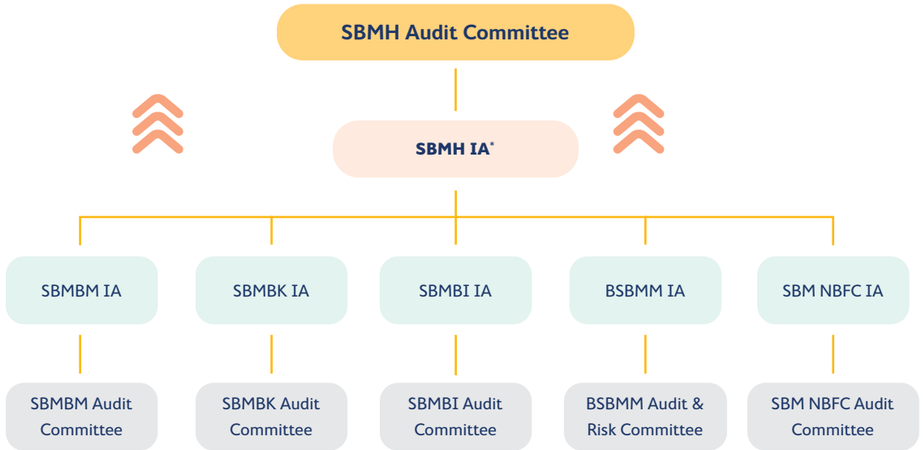


Internal audit

Purpose and structure

The Internal Audit (IA) Function provides independent, objective assurance and consulting activity designed to add value and improve the Group's operations. It helps the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve effectiveness of risk management, control and governance processes.

The IA structure of the Group is as follows:



The IA structure of the Group can also be viewed on our Group Governance page on the SBM Group's website.

*The Group's IA function is currently being handled by the SBMBM IA Team, currently headed by Mrs Chayah Harah, SBMBM Audit Lead. She has a direct reporting line to the SBMH Audit Committee and also reports administratively to the Group CEO. The profile of Mrs Harah is found under the *Group Governance and Leadership* section of this report.

The IA of the Group is governed by an IA Charter approved by the Audit Committee of SBMH annually. The same principle is adopted by the IA functions of the banking subsidiaries and SBM NBFC.

The SBMH Audit Committee has broad oversight into the local audit plans to ensure coverage of key risk areas and alignment to the audit methodology across the Group.

Meetings with stakeholders

During the year under review, the Head of IA held regular meetings with the SBMH Audit Committee, in the absence of Management representatives, thereby further establishing IA's independence. In order to maintain its objectivity, the IA Team is not involved in or responsible for any area of operations within the Group and also has unrestricted access to all books & records of the organisation as well as its subsidiaries, to perform its duties diligently. This is also defined in the Group Internal Audit Policy.

Meetings are held with the Head of IA of each entity regularly, with the objective of being closer to audit work being carried out. Once quarterly, each entity submits its findings to the Group IA Team for reporting to the SBMH Audit Committee.

Responsibilities of the SBMH Audit Committee

The following tasks are currently undertaken by the SBMH Audit Committee to assess the quality and performance of the IA Team:

1. Ensures that the Head of IA has direct reporting line to the Audit Committee
2. Ensures that the IA Team is appropriately resourced and has sufficient authority and standing to carry out its tasks effectively
3. Reviews the annual audit plan of the Group and recommend same to the SBMH Board for approval
4. Receives periodic reports on the results of the IA work
5. Reviews and monitor closure of audit items
6. Meets the Head of IA periodically without the presence of SBMH Management Team
7. Receives adequate information to understand the internal audit services provided including tools, techniques and methodologies used

The same principle is being followed by the Audit Committees at the level of the subsidiaries.

Corporate Governance Report (cont'd)

Day to day operations

The IA functions across the Group operate as per their strategic plan, usually a 3-year IA strategic plan approved by the respective entity's Audit Committee. The 3-year audit plan, which is embedded in the 3-year strategic plan, is aligned with the objectives of each entity within the Group and expectations of key stakeholders. The strategic plan is flexible and is updated at least annually to take into account the changes in the operating environment.

Audits are conducted using a risk-based approach and in conformity with the International Professional Practices Framework of the Institute of Internal Auditors. Other relevant frameworks are also used such as the COSO Internal Control Framework, COBIT and NIST frameworks particularly for IT related audits. In addition, data analytics tools such as Audit Command Language are used to support the internal audit work.

All auditable areas in the audit universe are risk scored, using well defined parameters. The basic principle is that high risk areas are audited on a more frequent basis compared to low-risk areas. Certain key activities, due to their criticality and risk ratings, are audited every year.

With the objective of aligning the audit methodology across the Group and leveraging on audit resources, the intention is to carry out audit of key risk areas such as credit risk, AML/CFT and SWIFT simultaneously by the IA functions.

Open Items/Follow-ups

Audit findings are raised with Business Units and management actions are agreed for prompt rectification. These audit findings are reported to the Audit Committee of each entity on a quarterly basis and to the appropriate Management Forum. Follow-ups are also carried out periodically.

As far as the external audit findings are concerned, the Management Letter and Internal Control Review report, where applicable, are submitted to the Audit Committee. Open items from external audits across all entities of the Group are also tracked for timely closure.

Qualifications of the IA Team

The IA and IT Auditors of the Group hold relevant academic and professional qualifications along with certifications from recognised institutions. Most of the team members have substantial auditing and banking experience.

The qualifications of the IA Team can be viewed under the Corporate Governance page, found on the SBM Group's website.

Scope of work of IA Team across the Group

The scope of work which was covered by the IA Team during FY 2025 is as follows:

SBM Holdings Ltd

The audit plan for FY 2025 was completed and the reports were submitted to the Audit Committee of SBMH. Open items were closely monitored to ensure prompt closure.

SBM Bank (Mauritius) Ltd

The overall audit plan was mostly achieved. Several ad hoc board assignments were also carried out simultaneously.

In 2026, over and above execution of the audit plan, the IA Team intends to achieve the objectives set as per the 3-year Strategic plan, increase capacity with onboarding of additional resources within the team, whilst adopting a risk-based approach aligned with the SBMBM's strategic initiatives.

SBM (NBFC) Holdings Ltd

The IA Function covers the following subsidiaries/functions:

- SBM Capital Markets Ltd
- SBM Factors Ltd
- SBM Insurance Agency Ltd
- SBM Fund Services Ltd
- SBM Mauritius Assets Managers Ltd
- SBM eBusiness Ltd
- SBM NBFC – Finance and Procurement, Compliance and Risk Management
- SBM NBFC (Oracle GL for Finance, Quickbooks)

The audit plan for FY 2025 was largely achieved. High-risk open items for the current year as well as prior years were prioritised and close follow-ups were made for closure.

SBM Bank (India) Limited

The IA plan of SBMBI transitioned from a calendar year to a financial year audit plan for FY 2026, covering the period from January 2025 to March 2026, following the approval of the Audit Committee of the Board. As at 31 December 2025, audit completion stands at 60%. Open issues arising from audit reports are actively monitored and subject to regular follow up to ensure timely remediation. The Audit Committee is periodically updated on key audit observations and the status of outstanding issues. IA leverages the LASER Audit Management Tool to automate and enhance key audit activities, including issue tracking, follow up actions and audit rating process, thereby strengthening efficiency and oversight.

SBM Bank (Kenya) Limited

The 2025 approved audit plan was achieved to a large extent and reported to the SBMBK Audit Committee in accordance with the IIA Standards.

The audit observations and corrective recommendations were communicated to the Management of SBMBK and appropriate actions undertaken to address the findings.

In 2026, the IA Team will continue with a risk-based approach, with particular emphasis on key risk areas.

Banque SBM Madagascar SA

The audit plan for 2025 was mostly achieved, with particular emphasis placed on areas assessed as high risk during the year. Audit observations were addressed to a large extent by Management, and the necessary corrective actions were implemented to close the identified items. Close follow-up is performed to ensure the timely closure of any remaining open items.

For FY 2026, the IA functions across the Group will continue with a risk-based approach, with focus on high-risk areas as per the respective audit plan.

Principle 8 – Relations with Shareholders and Other Key Stakeholders

Capitals



Material matters



As part of its commitment to transparency and accountability, the SBMH Board acknowledges the importance of maintaining positive relationships and strong engagement with all its stakeholders.

In support to the Company's defined mission, in particular to ensuring that the relevant needs of its stakeholders are met, a communication strategy, built on the foundation of trust and set to promote open and transparent communication with stakeholders, has been established to understand and respond to the diverse needs and expectations of the stakeholders, in a reliable, effective and timely manner. Accordingly, taking into cognizance each stakeholder's crucial role in shaping the sustainable trajectory of the SBM Group, several stakeholder groups have been identified, a summary of which, accompanied by further details on the mode of engagement and the matters that they are informed, is as per hereunder:

Shareholders	Why it matters	How we communicate	Matters they are communicated on
Employees	Our employees are recognised as integral to the effective implementation of our strategy. SBMH is dedicated to fostering an inclusive culture/environment where everyone can thrive and feel a true sense of belonging.	- Regular internal communication through the Intranet - Employee Surveys - Corporate events	• Organisational standing, performance and outlook • Reward and benefits • Professional development and training opportunities • Operational concerns encompassing governance and regulatory compliance
Societies and Communities	We believe that the sustained prosperity of our business is intrinsically linked to the advancement and well-being of the communities in which we operate.	- Official website - Social media channels - Press releases and Communiques - Sponsorship initiatives - Responses to direct request - In-Person engagements	• Organisational standing, performance and outlook • Community Development initiatives/ activities • Feedback and complaints mechanisms
Customers	One of our key values is customer centricity. Building customer loyalty and comprehending their needs are critical for achieving sustainable long-term value creation.	- Official website - Social media channels - Email Communications - In-Person engagements	• Organisational standing, performance and outlook • Products and services • Service availability and fee modifications • Feedback and complaints mechanisms
Governments and Regulators	We maintain constructive relationships with governmental bodies and regulatory authorities and remain dedicated to working collaboratively on policies impacting our industry and customers. Our objective is to foster mutual understanding regarding the beneficial impact we create within the environment and the communities where we conduct business.	- Statutory Filings	• Financial and operational reporting • Governance and compliance reporting • Relevant approvals
Suppliers and Strategic Partners	Our suppliers and strategic partners play a crucial role in supporting our business by helping us implement our strategy and deliver products and services that effectively meet our customers' needs.	- Meetings - Official website - Roadshows - Conferences	• Organisational standing, performance and outlook • Service standards/expectations • Legal and contractual obligations • Health & safety protocols • Collaboration and strategic planning
Shareholders, debt holders and investor community	Shareholders, debt holders and investors play a vital role in the success and growth of the Group. As such, maintaining a clear understanding of their perspectives remains a key priority. We actively consider shareholder views on the Company's operational and financial performance, as well as its strategic direction. This ongoing dialogue supports our commitment to delivering long-term, sustainable shareholder value.	- Official website - Annual Reports/ Integrated Annual Reports - Annual Meeting - Social media channels - Press releases and Communique	• Organisational standing, performance and outlook • Governance matters • Shareholder rights • Shareholding information

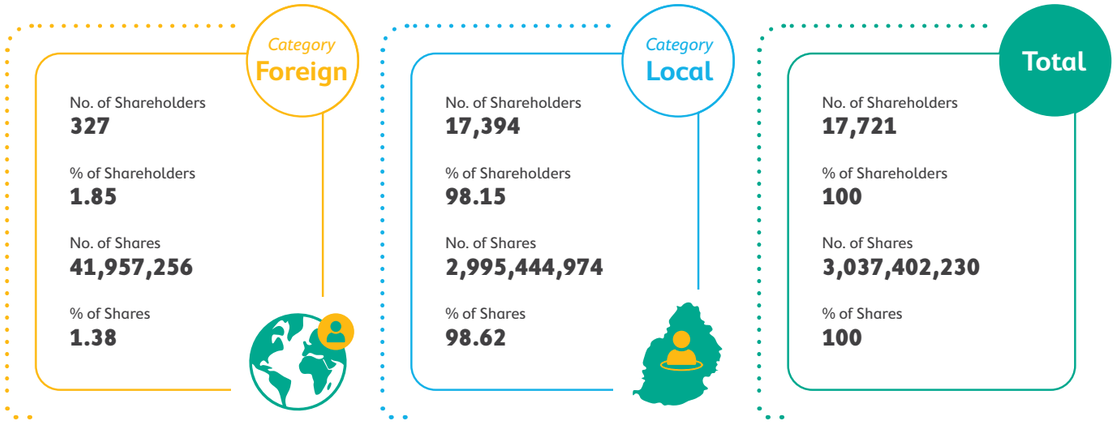
The present dynamic market landscape heightens the need for effective stakeholder management and complaints handling. Accordingly, to gain valuable insights, we encourage our stakeholders to direct any complaints or queries to the Company Secretary on: company.secretary@sbmgroup.mu.

Shareholding profile

- *Classification of Shareholders*

As of 31 December 2025, SBMH had a total shareholder base of 17,721 split between Foreign and Local shareholders as per table below:

Local and Foreign Shareholders



Corporate Governance Report (cont'd)

- ***List of 10 major shareholders***

The substantial shareholders, excluding SBMH Treasury Shares, as of 31 December 2025, are as follows:

S/N	Shareholders	No. of shares	% Shareholdings	Voting rights
1	National Pensions Fund	582,202,897	19.17	22.55
2	State Insurance Company of Mauritius Ltd (Pension Fund)	320,281,684	10.54	12.41
3	Government of Mauritius	149,526,150	4.92	5.79
4	National Savings Fund	80,396,721	2.65	3.11
5	State Insurance Company of Mauritius Ltd (Private Pension Fund)	67,717,721	2.23	2.62
6	Development Bank of Mauritius Ltd	57,795,000	1.90	2.24
7	The State Investment Corporation Ltd	40,364,380	1.33	1.56
8	The Mauritius Commercial Bank Ltd Superannuation Fund	36,062,229	1.19	1.40
9	MUA Life Ltd	33,371,916	1.10	1.29
10	National Insurance Co Ltd	29,242,520	0.96	1.13
	TOTAL	**1,396,961,218**	**45.99**	**54.10**

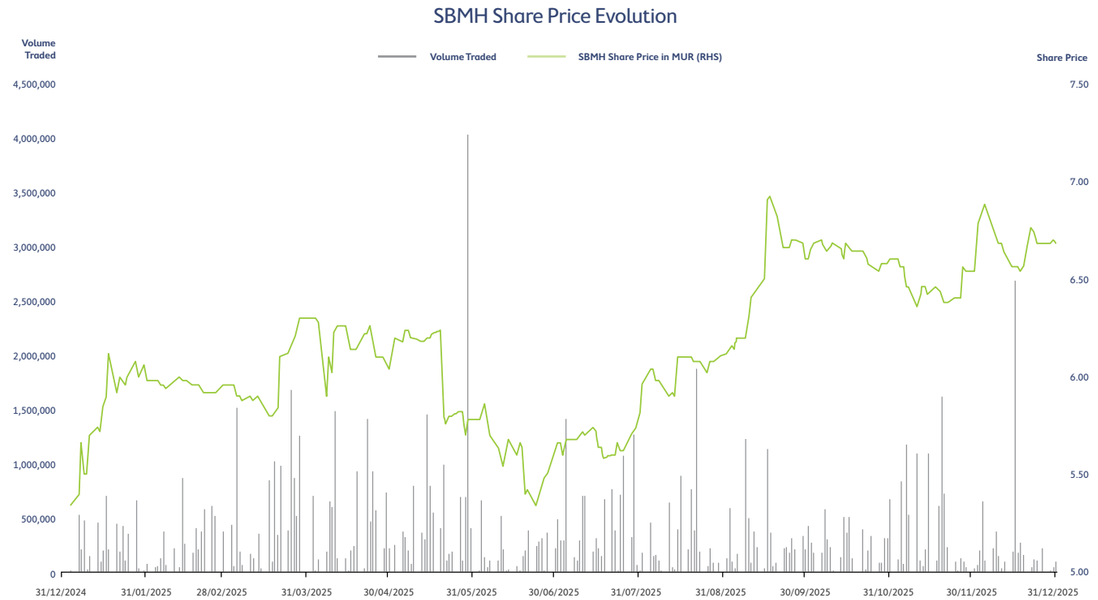
- ***Shareholders analysis***

The distribution of ownership, as of 31 December 2025, stands as follows:

Shareholders' Spread				
Number of shares	**Number of shareholders**	**% of shareholders**	**Number of shares**	**% of shares**
1-50,000	15,743	88.84	144,411,161	4.75
50,001-100,000	764	4.31	56,573,530	1.86
100,001-500,000	868	4.90	188,555,543	6.21
500,001-1,000,000	165	0.93	118,607,059	3.90
1,000,001-5,000,000	130	0.73	259,977,561	8.56
5,000,001-10,000,000	22	0.12	146,028,615	4.81
10,000,001-25,000,000	17	0.10	242,572,438	7.99
25,000,001-50,000,000	5	0.03	167,145,820	5.50
50,000,001-100,000,000	3	0.02	205,909,442	6.78
>100,000,000	4	0.02	1,507,621,061	49.64
Total	**17,721**	**100**	**3,037,402,230**	**100**

- ***Share price evolution***

The price movement of the Company's ordinary shares, which are listed on the SEM since 03 October 2014, for the financial year ended 31 December 2025, is graphically represented as follows:



Share capital structure

SBMH's stated share capital is MUR 32,500,203,861 with 3,037,402,230 fully paid ordinary shares of no par value, including 455,610,330 treasury shares as of 31 December 2025.

Dividend

Establishing and maintaining shareholders' trust and confidence remains fundamental to the Group's continued success. SBMH remains dedicated to providing consistent and predictable returns to its shareholders, while upholding a strong capital base to support the growth and stability of its operating entities. The Board confirms that the Group Dividend Policy, established in prior years, remains in place at 30% of the Group's Profit after Tax, subject to compliance with regulatory requirements and approvals, as well as prevailing macroeconomic conditions across the jurisdictions in which the Group operates.

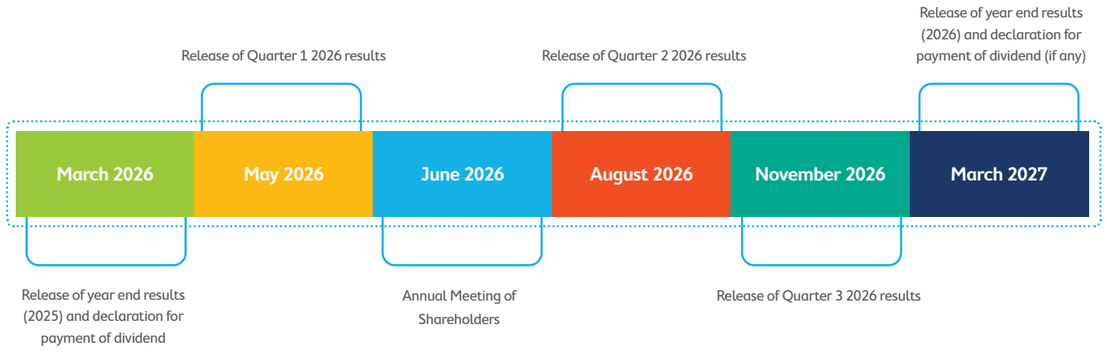
During FY 2025, the Board declared a dividend of 50 cents per share, which was paid in June 2025.

Shareholders information

All shareholders have the same voting rights.

Shareholders' diary

- ***Financial years 2025 and 2026***



Corporate Governance Report (cont'd)

Annual Meeting of Shareholders 2026

The Board is pleased to invite the shareholders to the next Annual Meeting of the Company.

The Board consistently ensures that the Notice of the Annual Meeting of the Company (the Notice) and the proxy form are issued to the shareholders at least 21 days prior to the Annual Meeting, in accordance with the Act. The Notice clearly outlines the ordinary and special business (if any) to be considered at the Annual Meeting, the proxy, the voting procedures, in addition to specifying the deadline for submission to the Company, through the office of the Company Secretary.

Taking into consideration the shareholder base of SBMH, options like corporate resolutions are not favoured.

A copy of the Notice will also be available on the SBM Group's website.

The Annual Meeting, deemed as an important platform by the Board for promoting transparency and accountability, enables both the Board and the shareholders to listen and exchange views. The importance of fulfilling the obligation to attend the Annual Meeting by both parties is therefore paramount.

The Annual Meeting is conducted in a structured manner, allowing the shareholders to be apprised on the Group's strategy, financial and non-financial performance, prior to engaging constructively with the Board and the Management Team through a formal dedicated Question & Answers Session or informally at the conclusion of the meeting.

The proceedings of the Annual Meeting including all the queries raised by shareholders and the responses provided thereto by the Board or the Management Team are captured by way of minutes by the Company Secretary and in line with the provisions of the Act, these minutes of proceedings are available to the shareholders, free of charge, upon request made to the Company Secretary.

As per the guidelines outlined in the Code, the Board ensures that the presentation delivered at the Annual Meeting and votes received for each resolution, are published on the SBM Group's website.

Other statutory disclosures

- ***Significant contracts***

With an objective to safeguard the interests of the Company, the SBM Group and the shareholders of SBMH, SBMH has established shareholders' agreements with some of its subsidiaries.

- ***Directors' Service Contract with the SBM Group***

Mr Raoul Gufflet, an Executive Director of SBMH by virtue of the Constitution of the Company, has a service contract of five years with SBMH ending in November 2027 and thereafter renewable if agreed by both parties. The notice period for termination of his contract is three months.

Mr Mooneesing J.Naikeny, an Executive Director of SBMH has a service contract of five years with SBMH ending in November 2030 and thereafter renewable if agreed by both parties. The notice period for termination of his contract is three months.

- ***Directors and officers liability insurance***

The Group has subscribed to a Directors and Officers Liability Insurance Policy (the D&O Policy) protecting both the individuals and the insured entities, in respect of legal action or liability that can arise against its Directors and Officers. The D&O Policy does not cover the deliberate gaining by any insured of profit or advantage to which such insured was not legally entitled, or the committing of any deliberately dishonest or deliberately fraudulent act by any insured.

Approved by the Board of Directors on 30 March 2026 and signed on its behalf by

Mr Mahendra Vikramdass Punchoo
Chairman

Mr Pramod Kumar Bissessur
Chairperson - Corporate Governance and Conduct Review Committee

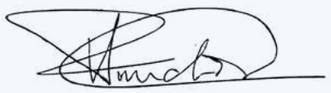


Statement of Compliance

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

Name of Public Interest Entity: SBM Holdings Ltd
Reporting period: 31 December 2025

We, the Directors of SBM Holdings Ltd, confirm to the best of our knowledge that SBM Holdings Ltd has complied with all of its obligations and requirements under the National Code of Corporate Governance for Mauritius (2016) in all material aspects.



Mr Mahendra Vikramdass Punchoo
Chairman

Date: 30 March 2026



Mr Pramod Kumar Bissessur
Chairman - Corporate Governance and Conduct Review Committee

Company Secretary's Certificate

(Section 166(d) of the Companies Act 2001)

For the financial year ended 31 December 2025

I 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.



Mrs D Ramjug-Chumun
Company Secretary

Date: 30 March 2026

ROOTED, READY, RISING



Risk Management Report

This section outlines how we identify, monitor, mitigate and manage the risks that impact our operations and business, in aligment with our set risk appetite.

Overview

Our approach to risk management underpins the delivery of our strategy, enabling us to meet evolving client needs while maintaining integrity, sound governance and disciplined capital and operational resilience. We embrace an enterprise-wide perspective encompassing both financial and non-financial risks, anchored by our Enterprise Risk Management Framework (ERMF), which provides the structure and clarity needed to navigate this increasingly complex risk environment in which we operate.

In 2025, the Group demonstrated its resilience amid shifting economic conditions and heightened regulatory scrutiny, moving decisively from planning to execution across several key areas of our ERMF. Across our operations, we strengthened credit governance through a more structured and stringent approach to credit assessment, portfolio monitoring and remediation. Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) controls and compliance monitoring were reinforced in response to evolving global regulatory expectations, while cyber and technology risk received dedicated Board-level attention through the establishment of specialised oversight committees. We also calibrated our responses to local market challenges, navigating shifts in macroeconomic conditions, market dynamics, and regulatory landscapes across our jurisdictions. Concurrently, emerging risk themes, such as geopolitical developments and climate-related considerations, were further integrated into our risk management approach. By maintaining strict risk discipline throughout, the Group remained stable and well-positioned across our regional footprint.

A key development during the past year was the appointment of our new Board of Directors, bringing renewed strategic direction to our governance structure. This transition provided the opportunity to revisit and strengthen our committee charters, sharpening the clarity of accountability and the effectiveness of oversight across the organisation, ensuring that risks are not merely identified, but escalated and resolved with due priority and within appropriate timeframes.

Risk management is a shared responsibility, anchored by a governance structure that operates at both Group and entity levels. By embedding a culture of vigilance, accountability and proactive management, we safeguard operational continuity, enhance stakeholder confidence, and create sustainable long-term value across all markets in which we operate, positioning the Group as a trusted and resilient financial institution.

Year under review

2025 presented a demanding operating environment, marked by the global economy growing more fragmented, shaped by geopolitical tensions, protectionist trade policies and diverging capital flows. Sovereign credit profiles came under pressure, interest rates remained elevated in several markets, and foreign exchange volatility persisted. Regulatory requirements and supervisory expectations intensified, particularly around credit risk governance, stress testing, cyber resilience and financial crime.

Against this backdrop, the Group maintained a disciplined approach of strengthening governance, refining risk frameworks and building oversight capacity across all principal risk areas.

Key initiatives and developments during the year included:

- Strengthened credit risk governance and assessment capabilities through the deployment of specialised credit rating scorecards, enhancing the precision of credit decisions. Expanded independent reviews of large exposures, tightened monitoring of cross-border portfolios and reinforced the Credit Risk Framework, collectively contributing to an overall improvement in loan book quality
- Navigated divergent monetary policy cycles spanning measured easing in some markets and sustained rate pressures in others. Strengthened monitoring of yield curve movements and reinvestment risks to protect net interest margin (NIM). The consolidated market risk profile remained within approved appetite across all jurisdictions
- Maintained strong regulatory standing across all markets through constructive supervisory engagement. Completed all scheduled reviews with no material adverse findings
- Enhanced the compliance framework with an enhanced focus on AML/CFT, conduct risk and proactive engagement with regulatory requirements
- Strengthened monitoring, testing and control assurance across first- and second-line functions, supported by targeted training programmes
- Reinforced stress testing and sensitivity analysis frameworks in line with evolving regulatory standards, improving the depth and reliability of forward-looking risk assessments
- Maintained sound liquidity and funding positions throughout the year, with all regulatory metrics and internal liquidity ratios remaining above Board-approved and regulatory minimums
- Elevated cyber and technology risk oversight through the establishment of dedicated Cyber Risk & Technology Committees at Board level across operating subsidiaries. Revamped the Cyber and Technology Risk Management Framework to align cybersecurity, technology risk and operational resilience under a cohesive governance structure. Cyber awareness training, phishing simulations and incident response capabilities were enhanced across the entities of the Group
- Advanced operational risk management through targeted awareness sessions, ongoing internal communications to reinforce risk culture and upgrades to tools and systems. Outsourced processes and controls were reviewed and strengthened and early warning signals developed and implemented to support the timely identification of emerging risks
- Implemented an enterprise-wide fraud surveillance framework. Reinforced governance and improved early detection, investigation capabilities and due diligence controls across the client lifecycle
- Refreshed governance structures following the appointment of a new Board of Directors. Updated Board sub-committee charters to strengthen oversight, accountability and collaboration at all levels

Key risk areas

Trend

Increasing risk

Stable risk

Decreasing risk

Risk types	Considerations	Key mitigating actions
Credit risk		
Risk of financial loss resulting from a counterparty failing to fulfil its financial or contractual obligations or from a decrease in counterparty credit quality. It includes obligor risk, concentration risk, settlement risk and country risk Trend	Economic uncertainty, persistent inflation, geopolitical tensions and exchange-rate weaknesses have raised borrowing costs, increasing credit stress and provisioning pressures, particularly in markets with elevated interest rates **Material matters impacted** **Capitals impacted**	• Regular review and enhancement of credit risk policies, frameworks, systems and delegated authorities, ensuring alignment with Board-approved credit risk appetite and evolving regulatory expectations • Ongoing assessment of operating environment developments, with particular focus on foreign exchange constraints in selected jurisdictions and their implications on borrowers' cash flows and debt-servicing capacity • Active portfolio monitoring to balance growth and asset quality, ensuring a well-diversified and performing credit portfolio in line with Group strategy and risk appetite, with heightened oversight of non-performing exposures and associated provisioning • Proactive management of concentration risks, through close monitoring of regulatory and prudential limits, emerging sectoral and single-name risks, and timely mitigation actions • Strengthening controls over credit structuring and borrower assessment, including enhanced governance over credit approval processes and robust application of IFRS 9 impairment methodologies • Continuous refinement of credit risk and pricing models, to better capture risk-return trade-offs and support informed decision-making • Regular calibration and validation of underwriting models, ensuring model output remains relevant, forward-looking and aligned with observed portfolio performance • Ongoing monitoring of country and sovereign exposures, including periodic country risk assessments and review of related risk appetite limits • Continuous surveillance of global macroeconomic, geopolitical and regulatory developments, enabling early identification of emerging risks and timely risk mitigation • Regular stress testing of credit portfolios, assessing resilience under severe but plausible scenarios to identify vulnerabilities and strengthen preparedness • Heightened focus on cross-border and transfer risks, including foreign exchange convertibility, repatriation constraints and sovereign-bank nexus risks in regional markets • Integration of climate-related and Environmental, Social and Governance (ESG) credit risk considerations, particularly for long-dated, project-finance and sector-concentrated exposures, in line with emerging supervisory expectations • Data quality, model governance and validation oversight, ensuring reliability of credit risk models, assumptions and management overlays
Market Risk		
Risk of loss arising from adverse changes in market variables such as interest rates, foreign exchange rates, equity prices, commodity prices, credit spreads or changes in the volatility of these risk factors. Trend	Divergent interest rate environment where subdued volatility in primary hubs contrasted with aggressive monetary easing and structural policy transitions across regional corridors. These cycles, accompanied by elevated FX volatility, required heightened monitoring of yield curve shifts and reinvestment risks to protect NIM against abrupt market repricing. Given persistent geopolitical tensions, we remain vigilant toward sustained tail risks. **Material matters impacted** **Capitals impacted**	• Clearly defined risk appetite and Board-approved limits, supported by regular review and timely escalation of limit breaches or near-breaches • Daily independent monitoring of market risk exposures, with enhanced focus on sensitivities and stress scenarios during periods of heightened volatility • Stress testing and scenario analysis to assess the impact of extreme but plausible market movements and inform management actions • Strong governance framework, including regular oversight by Asset & Liability Committee (ALCO) and senior management • Independent validation and periodic review of market risk methodologies, assumptions and key models • Ongoing engagement with business units to ensure risks are understood, appropriately priced and aligned with approved risk appetite
Liquidity & Funding Risk		
Risk that the Group is unable to meet its payment obligations as they fall due or lacks the appropriate amount, tenor and composition of funding and liquidity to support its assets under both normal and stressed conditions. Trend	Market uncertainty and heightened interest rate volatility continue to drive fluctuations in funding costs and deposit behaviour, creating a more dynamic and sometimes unpredictable liquidity environment. Rapid changes in market conditions, including shifts in investor sentiment and funding availability, require constant monitoring and proactive management. Regulatory expectations continue to intensify around liquidity risk governance, stress testing severity and intraday liquidity management. **Material matters impacted** **Capitals impacted**	• Clearly articulated liquidity risk appetite, supported by Board-approved limits and early warning indicators • Regular monitoring of liquidity positions, funding concentrations and key behavioural assumptions • Robust liquidity stress-testing framework covering institution-specific, market-wide and combined stress scenarios • Well-defined contingency funding plan, including identified management actions, governance and communication protocols • Sustainable maintenance of a high-quality liquid asset (HQLA) buffer appropriate to the Group's risk profile and stress outcomes • Strong governance and oversight through ALCO and senior management, with periodic review of liquidity risk methodologies and assumptions

Risk types	Considerations	Key mitigating actions
Capital Risk		
Risk arising from insufficient capital, in both quantity and quality, to support normal business operations and meet regulatory requirements under both standard and stressed conditions Trend	Several factors influence our capital position, including tightening regulatory requirements, sovereign rating downgrades, earnings volatility, a challenging macroeconomic environment, and adverse foreign exchange movement **Material matters impacted** **Capitals impacted**	• Maintained capital levels above minimum regulatory requirements, supported by improved retained earnings and optimisation of risk-weighted assets (RWAs) • Regularly conducted stress testing to ensure sufficient capital buffers to absorb potential losses from significant exposures and withstand adverse scenarios • Assessed capital adequacy against the Group's risk profile and appetite, ensuring alignment under both normal and stressed conditions • Continuously tracked capital forecasts and potential headwinds to support timely and informed decision-making • Closely monitored exposures to countries with non-investment grade ratings alongside evolving economic outlooks
Strategic & Business Risk		
Risks arising from inappropriate strategic choices, ineffective business strategy execution, insufficient consideration of sustainability factors, or delayed response to changes in the regulatory, macroeconomic or competitive environment. Trend	Delays or shortcomings in executing the Bank's strategic initiatives or achieving anticipated business and financial performance arising from unexpected changes in the intensity or nature of competition, adverse changes in stakeholders' sentiment or unexpected changes in laws and regulations **Material matters impacted** **Capitals impacted**	• Proactively assess the impact of changes in the operating environment on our strategic ambitions • Ensure the focused execution of key priorities through established governance and execution platforms • Strengthen our internal capabilities such as investment in new technologies and talent, improving customer experience • Maintain active engagement with regulators, rating agencies and other key stakeholders to stay ahead of compliance requirements and industry best practices • Diversify earnings and business mix, strengthening resilience to market, sectoral and geographic shocks • Assess and prepare for adverse strategic scenarios, including rating actions and macroeconomic shocks, with defined mitigation and contingency actions

Risk types	Considerations	Key mitigating actions
Operational Risk		
Risk of inadequate or failed processes, people and systems as a result of changes in internal or external factors. Trend	Operational risk is inherent in all products, activities, processes and systems across the Group. These risks are complex, difficult to anticipate and quantify, and evolve rapidly with significant overlap with other risk types. Heightened regulatory emphasis on data quality and completeness increases operational demands. Customers remain vulnerable to scams, exacerbated by limited digital literacy in some segments. **Material matters impacted** **Capitals impacted**	• Proactive identification and assessment of risks and controls through Risk Control Self-Assessments (RCSAs) and Key Risk Indicators (KRIs) to determine the design strength and reliability of processes • Management of operational risks within risk appetite thresholds to protect against material loss or damage to the Group • Maintenance of robust systems, adequate processes and recovery capabilities to contain operational disruptions arising from technology infrastructure failures, third-party service unavailability, cyber-security attacks and data protection incidents • Embedding a strong risk culture through targeted risk awareness and training sessions, internal communications and clear accountability for risk management across all business and support functions • Strong due diligence processes maintained at various stages of the client lifecycle • Well-embedded complaint management process with effective root cause analysis and prompt resolution
Cybersecurity & Information Risk		
Risk to the Group's assets, operations and personnel arising from potential unauthorised access, use, disclosure, disruption, modification or destruction of information assets and systems. Trend	The cyber threat landscape continues to evolve rapidly, with increased sophistication in ransomware, phishing and targeted attacks. The emergence of AI-driven exploitation techniques and zero-day vulnerabilities heightens the risk of successful breaches. Increased dependency on external providers introduces systemic risks that extend beyond the Group's direct control. Regulatory expectations have intensified around safeguarding personal and sensitive data, mandatory risk assessments, enterprise governance, cyber-resilience capabilities and third-party risk controls. **Material matters impacted** **Capitals impacted**	• Establishment of a Cyber Risk & Technology Committee at Boards level to provide dedicated oversight of cyber and technology risk management strategies • Development and implementation of a revised Cyber Technology Risk Management (CTRM) Framework aligning cybersecurity, technology risk and operational resilience • Continue strengthening resilience across critical processes and third-party risk management • Investment in innovative tools and solutions to enhance cyber response capabilities and operational effectiveness • More frequent vulnerability scans, faster remediation efforts and risk-based prioritisation of security weaknesses • Ongoing cyber awareness training, phishing simulations and communications to strengthen the human element of cyber defence • Formalised risk acceptance processes with clear accountability and regular reviews • Strengthened governance through strict maker-checker separation of responsibilities for critical systems and changes

Risk types	Considerations	Key mitigating actions
Model Risk		
Potential loss arising from decisions based on model outputs, due to errors in the development, implementation or use of models, or from misestimation of risk parameters. Trend	Model risk remains inherent in key business processes e.g. credit risk assessment and financial risk measurement. The deployment of additional specialised credit rating scorecards during the year expanded the model inventory and reinforced the need for robust model governance. Complexities in the operating environment, including macroeconomic volatility and data limitations, continue to challenge model performance and may lead to inaccurate outputs if not properly managed. Model risk could result in financial losses, erroneous reporting, suboptimal business decisions or reputational damage. **Material matters impacted** **Capitals impacted**	• Initiative to strengthen model risk management practices, guided by regulatory expectations and industry best practices, with a focus on clear ownership, accountability, and oversight • Independent model validation processes to assess model conceptual soundness, performance and appropriate use, with findings escalated to senior management and relevant committees • Ongoing model monitoring, backtesting and periodic review to identify performance deterioration and trigger timely remediation or recalibration • Application of management overlays where models may not fully capture current conditions or emerging risks, subject to appropriate approval and documentation • Regular assessment of data quality, completeness and consistency to ensure model inputs remain fit for purpose

Risk types	Considerations	Key mitigating actions
Compliance Risk		
Risk of legal or regulatory sanctions, financial loss, damage to reputation or impairment of integrity arising from non-compliance with legal, regulatory and other compliance obligations in jurisdictions where the Group operates. Comprises financial crime risk, regulatory engagement risk and conduct risk. Trend	The pace and complexity of regulatory requirements continue to evolve across the Group's markets, impacting business operations and compliance frameworks. Regulatory scrutiny remains heightened, particularly in relation to AML/CFT data protection, conflicts of interest and conduct standards. Enhanced supervisory expectations require robust monitoring, testing and control assurance across both first-line and second-line defence functions. **Material matters impacted** **Capitals impacted**	• Review and enhancement of the AML/CFT framework and processes, including regular health checks, transaction monitoring, alerts management and remediation of identified gaps • Robust and effective internal control environment and adequate infrastructure ensuring the Group operates in full compliance with applicable laws, regulations and supervisory expectations across all jurisdictions • Enterprise-wide and thematic compliance risk assessments to identify new and emerging risks across all business activities and jurisdictions • Ongoing compliance monitoring and testing programmes designed to assess the adequacy and effectiveness of controls across the first line of defence • Regular engagement with regulators and supervisory bodies, with prompt escalation of regulatory feedback, inspection outcomes and significant incidents to senior management and Board-level committees • Strengthening of culture through targeted training and awareness campaigns to embed compliance requirements and promote ethical conduct across the organisation • Initiate the implementation of technological solutions to enhance operational efficiencies and streamline processes (e.g. transaction monitoring, alerts management, automation of reports) • Independent Compliance function operating a second line of defence control, providing expert advice, risk assessment, monitoring and reporting with clear accountability to the Board • Management of conflicts of interest through disclosures, registers, incident assessments and appropriate mitigation measures

Risk types	Considerations	Key mitigating actions
Reputational Risk		
Risk of potential or actual damage to the Group's standing arising from any event, behaviour, action or inaction that may adversely impact stakeholder confidence, profitability or sustainability. Trend	Arises from failure to meet stakeholder expectations and can result from operational failures, compliance breaches, governance issues or perceived misconduct. The year was marked by heightened stakeholder and regulatory scrutiny, reinforcing the importance of transparency, effective governance and timely communication. Social media amplifies reputational events, increasing the speed and scale at which negative sentiment can spread and impact customer confidence, investor perceptions and regulatory relationships. Reputational damage can lead to client attrition, revenue loss, regulatory action, erosion of market confidence and difficulties in accessing capital or recruiting talent. **Material matters impacted** **Capitals impacted**	• Proactive monitoring of media coverage across all channels (local, regional, international and social media) supported by structured escalation processes to address potential reputational risks promptly • Strong governance oversight ensuring business activities are appropriately assessed, managed and subject to robust Board and management oversight • Proactive engagement with regulatory authorities, industry bodies and key stakeholders to maintain credibility, transparency and open communication • Well-embedded complaint management process with effective root cause analysis, prompt resolution and escalation to senior management where appropriate • Sound due diligence processes maintained at various stages of the client lifecycle to mitigate association with inappropriate or high-risk counterparties • Clear communication protocols to ensure consistent, accurate and timely messaging during periods of heightened stakeholder attention • Regular assessment of reputational risk exposures through governance forums, with escalation of material risks to the Risk Management Committee and Board
Climate Risk		
Potential for financial loss and non-financial detriments arising from climate change and society's response to it, encompassing both physical risks (extreme weather events, chronic environmental shifts) and transition risks (policy changes, technological disruption, market sentiment shifts). Trend	Climate risk remains a priority focus for the banking industry, driven by regulatory expectations, stakeholder demands and the increasing materiality of climate-related impacts on credit, operational and strategic risks. Data availability and methodological challenges persist, particularly in assessing long-term climate scenarios and quantifying financial impacts. Supervisory attention on climate-related and environmental risk considerations within credit risk assessment and portfolio management continues to intensify. **Material matters impacted** **Capitals impacted**	• Continued development and refinement of methodologies to identify, measure, monitor and manage physical and transition risks across operations, suppliers, clients and markets, in line with evolving regulatory guidance and industry best practice • Integration of climate risk considerations into strategy, risk management processes and risk appetite frameworks • Incorporation of climate risk scenarios into Internal Capital Adequacy Assessment Process (ICAAP) stress testing to monitor potential impacts on capital adequacy under adverse climate conditions • Conduct of materiality assessments and development of climate risk heatmaps to capture sectoral and geographical exposure • Enhanced transaction screening and due diligence processes to ensure climate-related risks are considered in lending and investment decisions • Training and awareness sessions delivered as part of the wider sustainability agenda to build understanding of climate risks across the organisation

Managing our risks

The ERMF provides a consistent methodology for identifying, assessing and managing the risks most critical to the Group's ability to operate and grow. It defines principles, ownership and key responsibilities across all Group entities, with appropriate tailoring to local regulatory requirements.

The ERMF is supported by a suite of frameworks, policies, and standards aligned to the Group's principal risk types. It is embedded across all entities, with appropriate adaptations to reflect local regulatory requirements where applicable.

- Identifies the principal financial and non-financial risks faced by the Group
- Establishes clear requirements for ownership, transparency, accountability and independence in risk management
- Defines the risk management process, outlining the activities, tools, techniques and operating model necessary for the effective management of material risks
- Implements a clear Three Lines of Defence model ensuring appropriate segregation of duties and robust risk oversight

The framework is structured around the following core pillars:



1. **Risk Identification & Appetite**
   Identifying and assessing risks in alignment with the Group's strategic objectives and operational activities, while defining the acceptable level and nature of risk exposure in line with strategic goals. Risk appetite reflects our ability to absorb potential losses while continuing to meet obligations under both normal and stressed conditions.

2. **Governance & Policy Framework**
   Establishing robust governance structures and policies to oversee risk-taking and management. Clear allocation of responsibilities across the Group ensures decisions are made at appropriate levels, aligned with stakeholder mandates and strategic objectives.

3. **Risk Measurement & Reporting**
   Implementing clear methodologies to assess, report and communicate risks effectively, supported by accurate risk information and robust data infrastructure to enable informed decision-making and ongoing monitoring.

4. **Risk Mitigation & Controls**
   Deploying risk controls and mitigation strategies to enhance resilience, developing proactive measures to anticipate and manage risk, minimise residual exposures and turn potential challenges into strategic advantages.

5. **Stress Testing & Scenario Analysis**
   A forward-looking risk management process designed to assess the potential impact of changes in financial and non-financial performance under both normal and stressed conditions.

The ERMF is continuously reassessed and refined to ensure its effectiveness in addressing the challenges of our dynamic operating environment, while maintaining alignment with evolving regulatory requirements and industry best practices.

Risk universe

Our risk universe encompasses the core risks inherent to our business. These pertinent risks are categorised as financial and non-financial risks, with ongoing identification of top and emerging risks that require heightened management attention due to their potential material impact on our strategic objectives.

To ensure continued relevance, we proactively monitor and assess the external environment for evolving risk dynamics. The risk universe is managed through a comprehensive risk lifecycle, spanning identification, assessment, mitigation and reporting. Our approach includes robust risk quantification under both normal and stressed conditions, extending to recovery and resolution planning to safeguard the Group's resilience and sustainability.

Financial Risks

- Credit Risk
- Market Risk
- Liquidity and Funding Risk
- Capital Risk

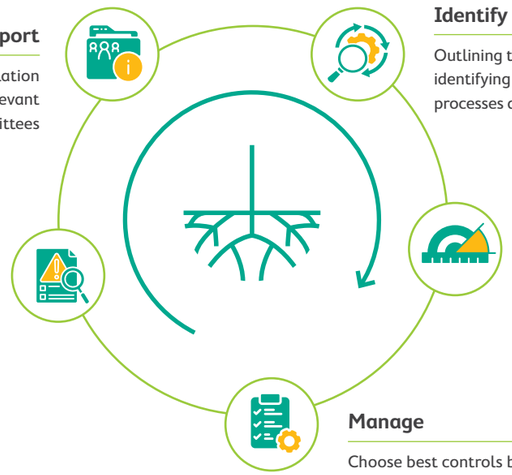
Non-Financial Risks *

** Not exhaustive*

- Operational Risk
- Fraud Risk
- Business Continuity Management
- Model Risk
- Cyber & IT Risk
- Third Party Risk
- Environmental, Social & Governance Risk
- Compliance Risk
- Reputational Risk
- Legal Risk

Risk lifecycle

Risks are managed through a continuous five-step process. Each step feeds into the next and into governance and decision-making at all levels.



Identify

Outlining the methodology and tools for identifying material products, activities, processes and systems

Assess

Applying qualitative and quantitative measures to define probability and exposure to risk

Manage

Choose best controls based on analysis and formulate plans to either avoid, transfer, mitigate or accept the risk

Monitor

Periodically review risk mitigation plans to ensure effectiveness and monitor trends

Report

Provide relevant information/ escalation to Executive Management/ relevant Committees

Risk appetite

Risk exposures are actively managed through a range of strategic techniques and continuously monitored against a defined risk appetite aligned with our business objectives. The risk appetite framework provides a structured guide for determining the acceptable risk profile of the Group across all key operating jurisdictions and legal entities, while supporting the efficient allocation of capital to drive sustainable growth and maximise shareholders' value while maintaining full compliance with regulatory capital requirements.

Our long-term sustainable growth and profitability are underpinned by a strong alignment between our risk appetite and strategic objectives, ensuring an optimal balance between risk and return. Risk appetite reflects the Group's capacity to absorb potential losses while continuing to meet its financial and regulatory obligations in a dynamic economic and regulatory environment.

Risk appetite defines the level and nature of risk the Group is willing to assume in pursuing its strategic and financial goals. It is expressed through both qualitative principles — describing the risks we actively pursue, accept or avoid and quantitative limits, targets and triggers across all key risk categories.

Our risk appetite framework operates across the following dimensions:



The Board reviews and approves the Group's risk appetite annually, or more frequently when the risk environment changes materially. Limits and triggers are monitored continuously and escalated when breached.

Stress testing

Stress testing is a core forward-looking tool that goes beyond day-to-day monitoring. It assesses how the Group's capital, liquidity and earnings would perform under adverse but plausible scenarios from macroeconomic shocks and market disruptions to credit deterioration and operational events.

Results feed directly into strategic and financial planning, capital and liquidity optimisation, and the IFRS 9 impairment process. Key findings are reported regularly to the Board and governance committees. In 2025, the framework was strengthened to improve the depth and reliability of forward-looking risk assessments.

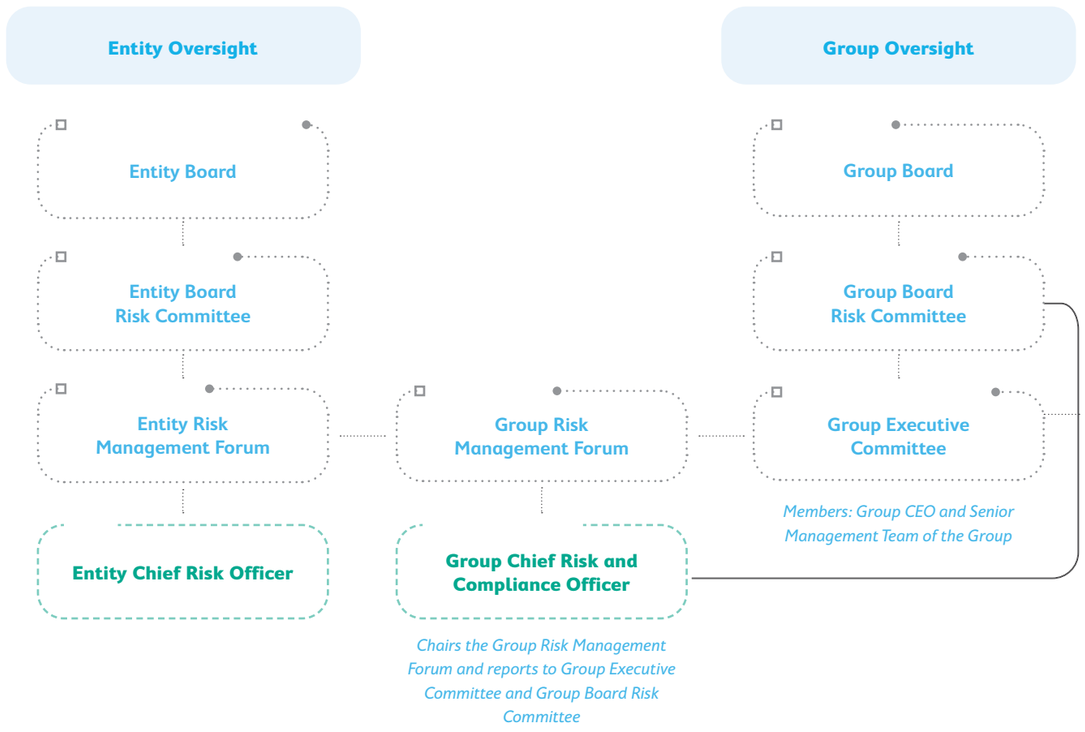
Risk governance

Our risk management system is overseen by governance committees operating under clearly defined mandates at both Board and management levels. Committee mandates and delegated authorities are subject to regular review to ensure continued relevance and effectiveness.

To ensure effective identification, measurement and monitoring of key risks, the Group has established a robust governance framework supported by clearly defined responsibilities, reporting structures and oversight mechanisms. The ERMF provides strategic guidance, ensuring a consistent and integrated approach to risk management.

The Group maintains ownership of the risks inherent to its operations, managing its risk and compliance functions within its governance framework.

The risk management governance structure is illustrated below:



The Board, at both Group and entity levels, retains ultimate responsibility for risk management, acting as the highest decision-making authority on matters of strategic, financial, regulatory, and reputational significance. Dedicated sub-Board committees oversee specific risk areas, operating under clearly defined terms of reference. Each entity's Board is accountable for ensuring that risks within its scope are effectively identified, assessed, and mitigated, with material issues escalated to the Group Board as appropriate.

Across the Group, each entity maintains an independent risk management function led by a Chief Risk Officer (CRO) or, in the case of the non-banking cluster, a designated Head of Risk. The CROs are responsible for implementing a comprehensive risk management framework encompassing the identification, measurement, monitoring, mitigation and reporting of both financial and non-financial risks for the respective entity. Additionally, they are tasked with fostering a strong risk culture where responsibilities and accountabilities are clearly defined and embedded across all levels of the organisation.

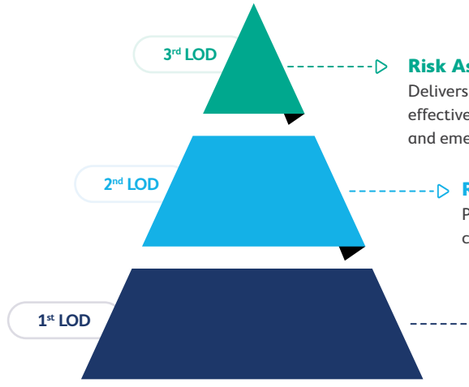
The CROs provide independent monthly reports to Management Forums and to the Risk Management Committee on a quarterly basis, delivering actionable insights, highlighting emerging risks and proposing practical measures to support informed decision-making and effective oversight of the Group's risk profile.

At the Group level, the Group Risk Management Forum operates as a key functional body with periodic meetings chaired by the Group Chief Risk and Compliance Officer (GCRCO). This forum facilitates regular discussions and updates from entity- level CROs, ensuring a cohesive approach to risk management. Matters of critical importance are escalated by the GCRCO to the Group Executive Committee for further deliberation and where warranted, to the Group Board Risk Management Committee. The GCRCO plays a central role in implementing the Group's risk and compliance strategy, promoting a strong risk culture, and ensuring oversight across all risk domains. The GCRCO also provides independent quarterly reports to the Group Board Risk Management Committee, delivering key insights, challenges and recommendations to enhance the effectiveness of the Group's risk governance framework.

Three lines of defence

The Three Lines of Defence (3LoD) model is a foundational component of the Group's Enterprise Risk Management Framework, supporting a robust and resilient risk management lifecycle. It delineates clear roles and responsibilities across the organisation to ensure effective risk ownership, oversight, and assurance. Together, these lines form an integrated structure that promotes accountability, transparency and continuous improvement across the risk lifecycle.

All staff across the Group entities are responsible for understanding and managing risks within the scope of their respective roles and responsibilities.



Risk Assurance
Delivers independent assurance to the Board and Executive Committee on the effectiveness of governance, risk management and controls in addressing current, systemic and emerging risks

Risk Overnight
Provides oversight of the first line by establishing limits, guidelines and operational constraints aligned with the Group's defined risk appetite

Risk Ownership
Consists of revenue-generating and client-facing functions, along with their supporting operations. Responsible for identifying risks, implementing controls and escalating risk events to the second line of defence

Risk culture

The Group leverages the Three Lines of Defence model to reinforce a strong risk culture, strengthening risk awareness and promoting business practices grounded in integrity and accountability.

Our risk culture reflects the collective mindset, behaviours and attitudes towards risk management across the Group, ensuring that risks are proactively identified, transparently escalated and effectively managed in alignment with our strategic objectives and defined risk appetite.

Anchored on clear guiding principles, our approach promotes open communication, continuous learning and accountability at all levels of the organisation. Employees are empowered to understand the risks arising from their activities, adopt a holistic perspective when making decisions and manage exposures responsibly. As the risk landscape evolves, we remain focused on strengthening our practices to navigate emerging challenges, respond swiftly to adverse outcomes and embed a proactive, integrated and forward-looking risk management environment.

This culture is reinforced through mandatory training programmes, targeted risk awareness initiatives and strong behavioural expectations applicable across all entities of the Group. We encourage responsible and conscious risk-taking that supports sustainable growth and innovation, while ensuring that behaviours inconsistent with our values are monitored and addressed in line with our conduct risk management standards.

Credit risk

Credit risk represents the potential for financial loss when a counterparty fails to fulfil its financial or contractual obligations in accordance with agreed terms, or when the creditworthiness of a counterparty deteriorates, resulting in a loss. This risk includes obligor risk, concentration risk and country risk, and constitutes the Group's largest source of risk exposure.

Our credit risk arises principally from its lending activities, contingent liabilities, commitments, debt securities and derivative contracts with retail and corporate customers, financial institutions and sovereign entities.

Managing credit risk effectively requires a structured approach embedded within Board-approved risk appetite limits and governance arrangements. The Group's Credit Risk Management Policy sets out the foundational principles governing how credit risk is managed and establishes clear accountabilities for oversight and control across the organisation.

The credit risk framework incorporates the following core elements:

Counterparty and transaction assessments	Credit limits	Credit monitoring, impairments and provisions	Risk mitigation
Application of internal credit rating methodologies, incorporating assessment of Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) across counterparties and facilities	Setting credit exposure limits covering notional amounts, potential future exposure and stressed scenarios, authorised through defined delegated authority structures to control exposures and prevent excessive risk concentrations	Continuous monitoring and active management of credit portfolios to enable early detection of credit quality deterioration and inform provisioning decisions	Active use of credit risk mitigation instruments and techniques, including loan participations, collateral arrangements, third-party guarantees, insurance products and hedging strategies

Operating as the Second Line of Defence, the Credit Risk Management function provides independent challenge and oversight of credit decisions taken by business units engaged in lending and client-facing activities. The function ensures credit risks are managed consistently with established policies, frameworks and Board-approved risk appetite parameters.

An overview of the key parameters that govern the management of credit risk across the Group is provided below:



Credit underwriting and assessment

Assessing the credit quality of borrowers and counterparties is fundamental to sound credit risk management. The Group's underwriting process, through its subsidiaries, involves detailed evaluation of each counterparty's credit profile, encompassing their willingness to repay, financial capacity to service debt and overall creditworthiness. When assessing corporate and institutional borrowers, the analysis focuses primarily on cash flow generation and debt servicing capacity. For retail borrowers, assessment centers on income stability and overall financial position.

Specialist external credit rating tools are used to support the development of internal credit ratings, enabling the estimation of probability of default across defined borrower segments.

Credit ratings for Corporate and SME borrowers integrate quantitative financial analysis with qualitative assessments covering factors such as management capability, the country risk environment in which the borrower operates, sector-specific risks and the extent of any governmental support.

Given the importance of robust credit assessment to informed decision-making, the Group invests in regular validation and refinement of its rating methodologies to ensure they remain accurate and fit for purpose.

Across the Group, clearly defined and segregated credit assessment and measurement processes are implemented to safeguard independence and integrity in credit decision-making. This structure mitigates undue influence and reinforces objective evaluation.

A robust and tiered credit approval framework operates across each entity, introducing additional layers of oversight and control, thereby strengthening checks and balances, transparency, and accountability within the Group's credit management practices.

Independence in credit assessment is maintained through clear separation between origination, credit evaluation and approval functions. Decision-making authority is structured through multiple tiers of credit approval limits, creating effective checks and balances that reinforce transparency and accountability across the credit approval process.

Credit risk mitigation

Reducing credit risk exposure through effective mitigation techniques is integral to portfolio management. The Group deploys various risk mitigation approaches to minimise both expected losses and actual loss outcomes, addressing concentration risks at individual borrower, group and portfolio levels.

At the Group-entity level, the credit policy establishes the principles governing credit origination, assessment, documentation and ongoing monitoring. Clear standards define what constitutes acceptable credit risk mitigation, ensuring enforceability and effectiveness. The application of risk mitigation varies by product type, customer segment and business strategy.

Key mitigation approaches include:

Credit risk limits

Exposure limits are calibrated to balance risk-return trade-offs and minimise unexpected loss potential. Limit frameworks align with the Group's overarching strategy and risk appetite, establishing clear parameters within which business activities operate.

Sustainable cash flow

Primary emphasis is placed on the borrower's ability to generate cash flows sufficient to service debt obligations, minimising the likelihood of payment delays or defaults. Assessment of creditworthiness focuses on financial sustainability and debt servicing capacity rather than reliance on collateral liquidation.

Collateral

Where collateral is taken, it serves to mitigate potential loss severity in the event of borrower default. The Group entities maintain defined lists of eligible collateral types with appropriate valuation haircuts applied to ensure conservative loss estimates.

Risk transfer

In selected cases, the Group entities obtain guarantees, standby letters of credit or other credit support instruments from creditworthy third parties, enabling recovery from alternative sources should the primary obligor default.

Operating environment and portfolio strategy

In 2025, the operating environment for the Group and its subsidiaries was shaped by ongoing efforts to balance growth with macro-financial stability across key markets. In Mauritius, economic activity remained supported by sustained performance in tourism, financial services and construction, while inflationary pressures moderated monetary policy responses. In India and Kenya, continued recovery in domestic demand and infrastructure investment underpinned credit growth, although persistent cost pressures and exchange rate volatility required vigilant liquidity and interest rate risk management. Madagascar's economic landscape, while more constrained, showed signs of gradual stabilisation, with renewed focus on agricultural output and remittance flows. Across all jurisdictions, prudent fiscal and monetary calibrations influenced banking sector dynamics, with emphasis on credit quality, capital preservation and market confidence.

Against this backdrop, the Group maintained a cautious yet strategic approach to risk and growth. Cross-border lending was re-aligned to evolving macroeconomic risks, and risk frameworks were refined to ensure resilience in credit portfolios, proactive provisioning, and strong capital buffers. Operational priorities included enhancing digital service delivery, strengthening compliance and governance standards, and supporting client segments central to economic recovery, thereby positioning the Group to navigate uncertainties while contributing to sustained financial intermediation and economic development across its core markets.

The Bank's credit risk management approach balances prudent risk-taking with support for strategic business objectives. Active engagement with clients continues, supporting their growth while helping them navigate challenges including cost-of-living pressures, elevated interest rates and broader economic uncertainties.

Country risk

Economic, political, financial and regulatory uncertainties in countries where the Group maintains exposures create potential for loss if these conditions impair counterparties' ability to meet obligations.

Country risk encompasses the potential for financial loss stemming from political or economic developments that affect the capacity of counterparties, including sovereign borrowers, to honour their commitments to the Group.

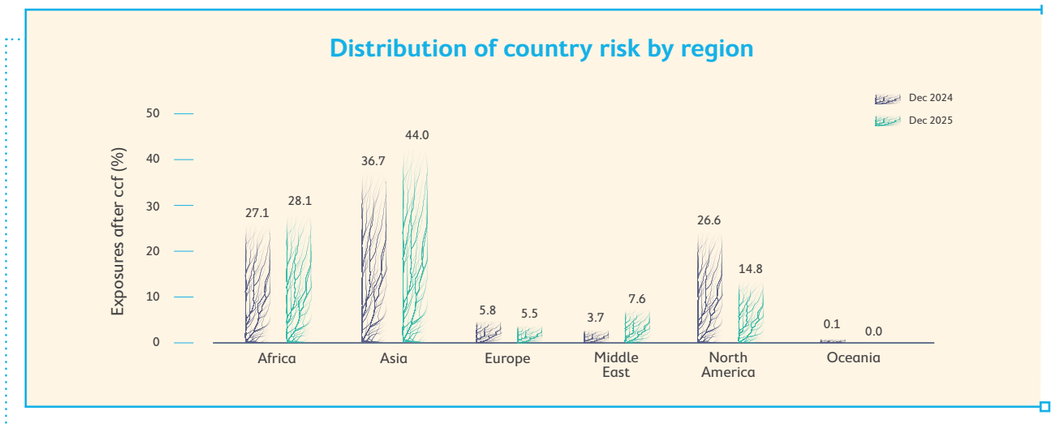
Managing country risk requires comprehensive frameworks and control processes. The Group entities apply limit structures differentiated by country presence (presence versus non-presence countries), credit rating bands and strategic market priorities, ensuring adherence to regulatory guidelines. Ongoing monitoring tracks macroeconomic developments and political dynamics across exposure countries.

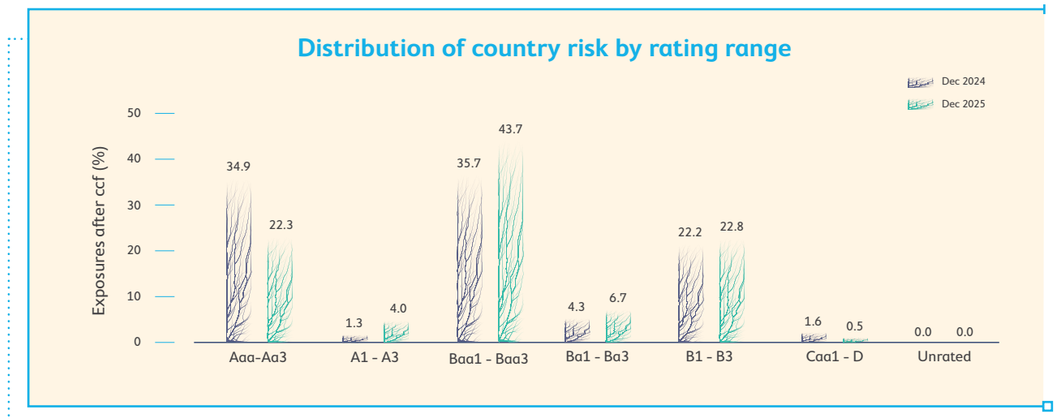
Country risk exposure is assessed on an ongoing basis, with risk appetite calibrated to strategic objectives and aligned with the Credit Risk Management Policy framework.

The Group maintains vigilance over key country risk drivers, including macroeconomic trajectory, sovereign creditworthiness and event risks such as social unrest, political instability, foreign exchange restrictions and asset nationalisation, safeguarding the Group's financial resilience.

Cross-border lending exposure reached 431.0% of the Group's Tier 1 Capital as at 31 December 2025 (2024: 452.6%)

Charts below present the distribution of the Group's country risk exposure after application of Credit Conversion Factors (CCF), analysed by geographic region and credit rating band as at 31 December 2025.





Sovereign risk

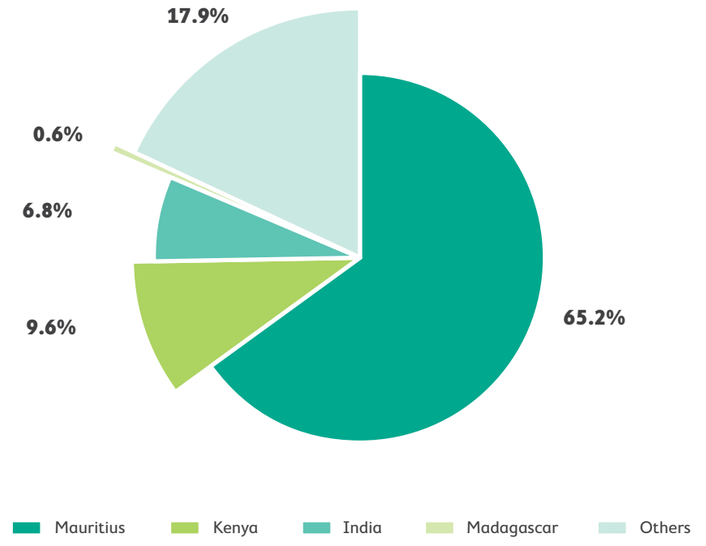
Sovereign risk represents the possibility that a government becomes unable or unwilling to honour its credit obligations. The Group maintains substantial holdings of sovereign High-Quality Liquid Assets (HQLAs) for liquidity management purposes. These holdings attract zero risk-weighting for capital purposes under Basel II standards and Bank of Mauritius (BoM) regulatory guidelines.

Sovereign risk exposures are tracked and managed, drawing on available data sources, including assessments published by international rating agencies. The Group maintains close oversight of cross-border and sovereign exposures, with particular attention to developments that could affect political or institutional stability within sovereign jurisdictions.

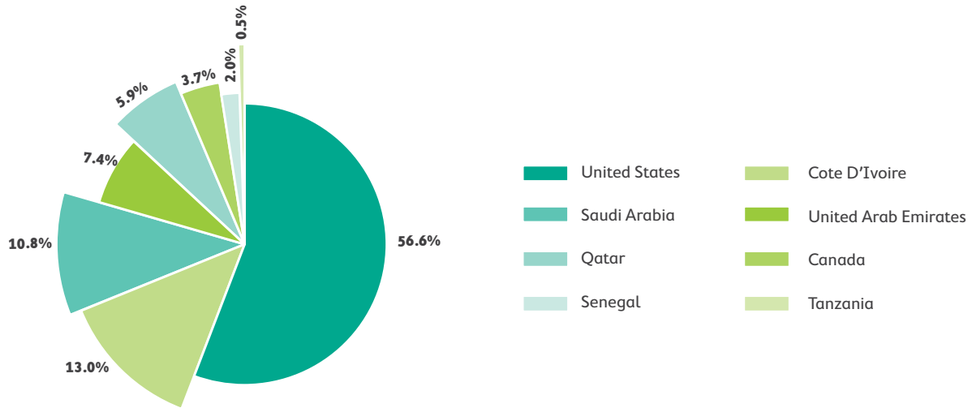
This monitoring informs the assignment of internal credit ratings to governments and central banks and guides the establishment of sovereign exposure limits.

Total exposures to Government of Mauritius securities (including investment holdings) reached USD 2,171.7 million as at 31 December 2025, representing 296.1% of the Group's Tier 1 Capital. The breakdown of the Group's sovereign risk exposures is presented below.

Presence countries



Other countries

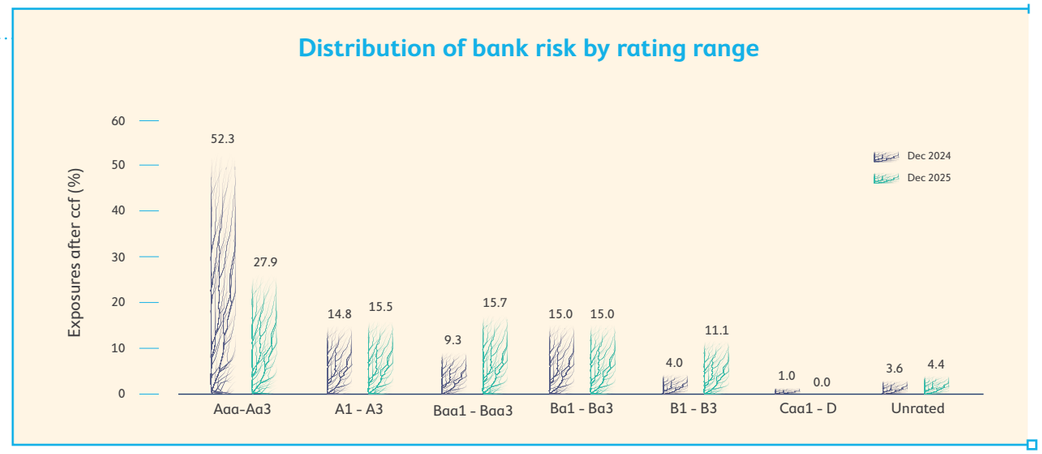


Bank risk

The Group is exposed to bank risk from the possibility that a banking counterparty defaults on its obligations. Exposures generating this risk include money market placements, treasury transactions, trade finance facilities and standby letters of credit issued by correspondent banking partners.

To effectively manage this risk, entities across the Group adopt a Bank Risk Framework that calibrates exposure limits based on the risk profile of each individual bank. These limits operate within the constraints of country-level limits and regulatory restrictions on single counterparty exposure.

Bank counterparty credit equivalent exposure stood at 97.0% of the Group's Tier 1 Capital as at 31 December 2025 (2024: 100.9%).



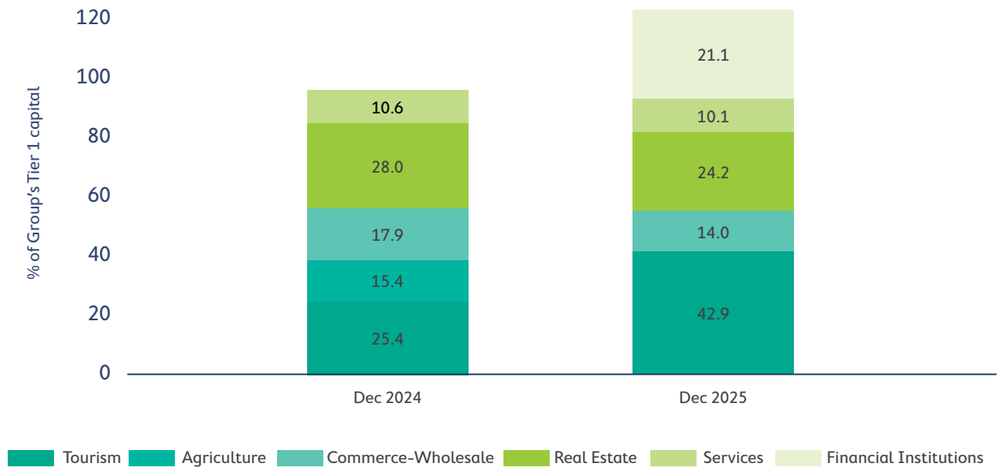
Counterparty credit concentration risk

Counterparty credit concentration risk represents the threat of loss arising from excessive exposure to a single counterparty, connected counterparty groups or correlated exposures within the lending portfolio.

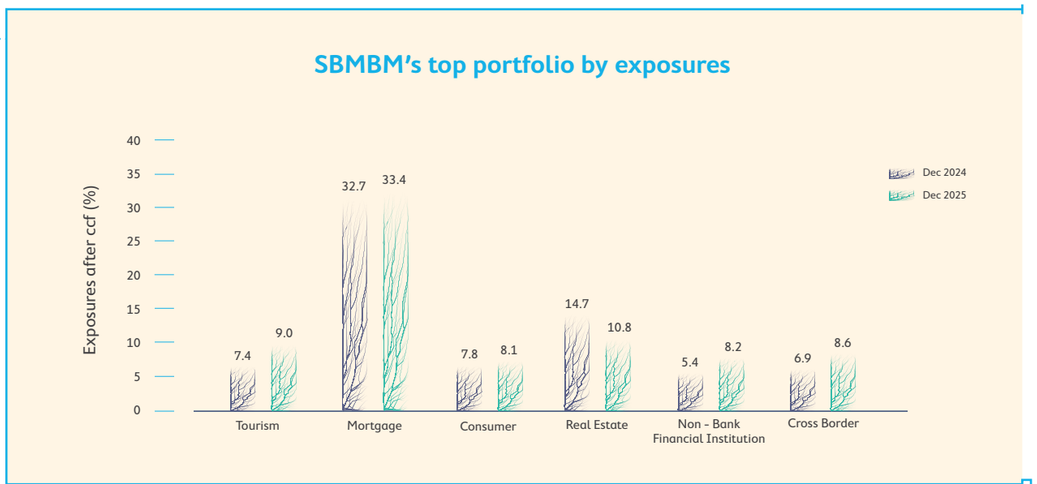
Prudential limits established within regulatory frameworks govern and restrict concentration risk related to individual counterparties, connected counterparty groups and large exposures more broadly.

Across the Group, material concentrations along with any breaches or potential breaches, are closely monitored by the respective entities' Risk Management Committees and reported to the Group Board Risk Management Committee for further oversight.

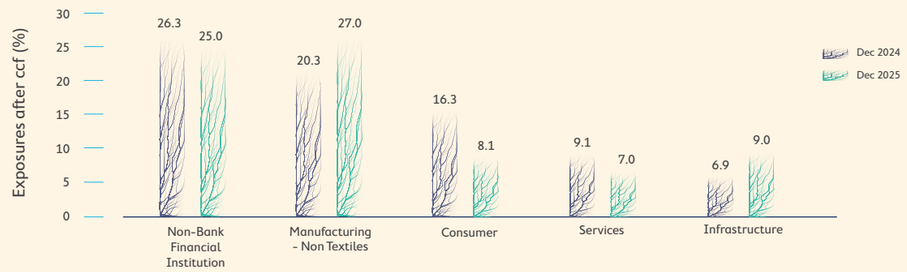
Top group of closely related customers' exposure by sector as a % of Tier 1 Capital



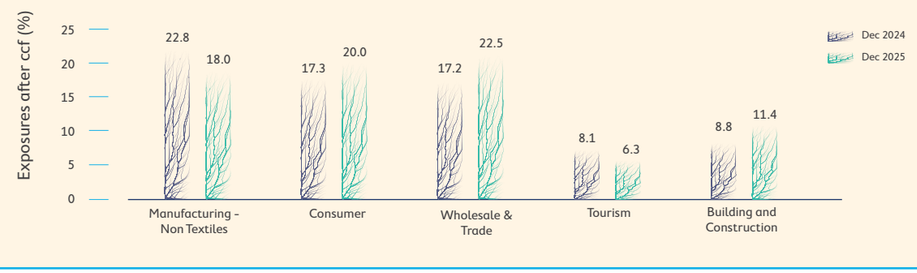
Portfolio concentration risk emerges when exposure becomes excessively concentrated within specific portfolios, creating potential for loss if those portfolios experience stress. The Group remains committed to sustaining a diversified credit portfolio designed to withstand changing economic dynamics and emerging risks. Limits are set by segment, portfolio and sub-portfolio, aligned with strategic priorities and risk appetite.



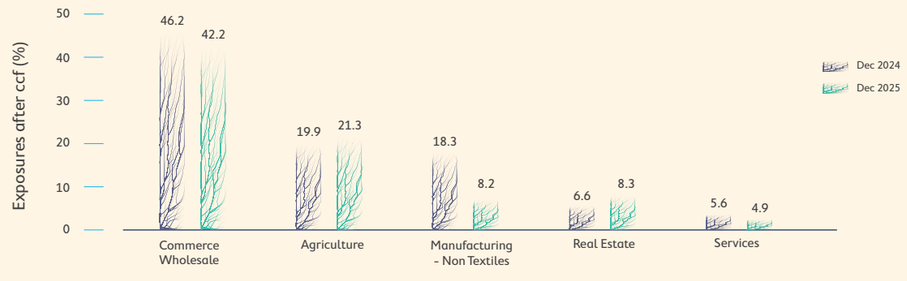
SBMBI's top portfolio by exposures



SBMBK's top portfolio by exposures



BSBMM's top portfolio by exposures



Expected credit loss

At the Group level, expected credit loss (ECL) recognition for financial debt instruments held at amortised cost, financial assets measured at Fair Value through Other Comprehensive Income (FVTOCI), undrawn loan commitments and financial guarantees follows the requirements of IFRS 9.

The ECL calculation follows a three-stage model that provides unbiased, probability-weighted estimates, incorporating a range of forward-looking economic scenarios and potential outcomes. The calculation builds in the time value of money alongside consideration of past events, present conditions and forward-looking projections of economic conditions.

Stage 1
Performing

Encompasses financial instruments that have not experienced credit impairment since initial recognition.

Stage 2
Underperforming

Includes financial instruments that have not defaulted but have experienced significant credit risk increase since origination, without yet showing objective evidence of impairment.

Stage 3
Default

Comprises financial instruments where the obligor has defaulted but the exposure has not yet been written off. These exposures are classified as impaired, non-performing and defaulted.

ECL estimation relies on three fundamental parameters: Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

Annual revalidation of IFRS 9 parameters ensures incorporation of current macroeconomic variables into the models, reflecting prevailing economic outlooks. Models employ regression-based techniques and incorporate three distinct macroeconomic scenarios.

Supplementing the model-generated estimates, entities may apply prudent management overlays to reflect risks or conditions not fully captured by the underlying data. Model outputs are adjusted to incorporate reasonable and supportable forward-looking information, with ongoing developments and emerging trends informing periodic reassessments and resulting ECL refinements where necessary.

Impairment assessment under various stress scenarios supports adequate provisioning and establishment of contingency responses to potential crisis conditions.

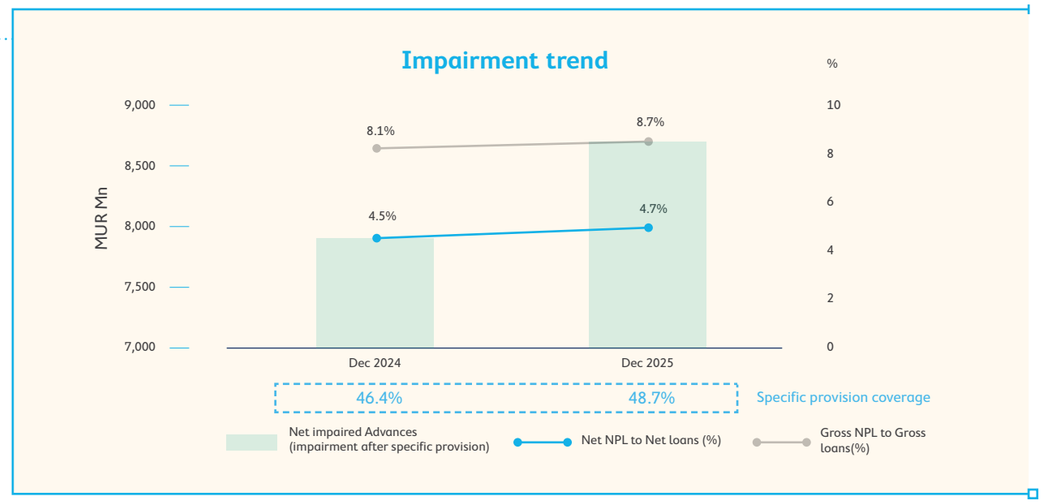
To strengthen oversight, the Group's banking entities hold a Watchlist Review Forum on a quarterly basis to review exposures flagged based on defined watch-listing criteria. This process enables tighter control over vulnerable exposures. Watch-listed accounts are classified as Stage 2, attracting lifetime ECL under IFRS 9 principles.

Credit impairment

The Group adheres to the principles of IFRS 9, ensuring proper classification of assets under Stage 3 (Non-Performing assets) in accordance with IFRS 9 criteria, while maintaining adequate provisions for lifetime Stage 3 ECL.

Impairment results are integrated into management decision-making processes, including, but not limited to, business planning, risk appetite determination and portfolio management.

Non-performing advances increased to 8.7% of gross loans in December 2025 (2024: 8.1%), due to classification of a few new large client exposures as Stage 3 for Mauritius Operations, in line with IFRS 9 requirements. Group remains committed to the ongoing recovery efforts for defaulted clients.



Estimating future recovery amounts and timing requires significant judgment, incorporating factors including anticipated economic conditions and collateral valuations, recognising that collateral may lack readily accessible markets. Total impairment provisions carry inherent uncertainty given sensitivity to economic and credit condition fluctuations across the Bank's operating regions.

Estimating the quantum and timing of future recoveries involves significant judgment and considers factors such as expected economic conditions and the valuation of collateral, which may not always have an observable market price.

Accordingly, the Group's total impairment provision remains inherently subject to uncertainty, as it is sensitive to changes in economic and credit conditions across the jurisdictions in which the Group operate.

Reschedulement

Rescheduled advances involve modifications to the original terms and conditions of credit facilities agreed between client and the entity. Rescheduling supports clients facing temporary cash flow constraints by granting appropriate concessions aligned with their revised operating circumstances, while fostering constructive engagement and facilitating sustainable recovery.

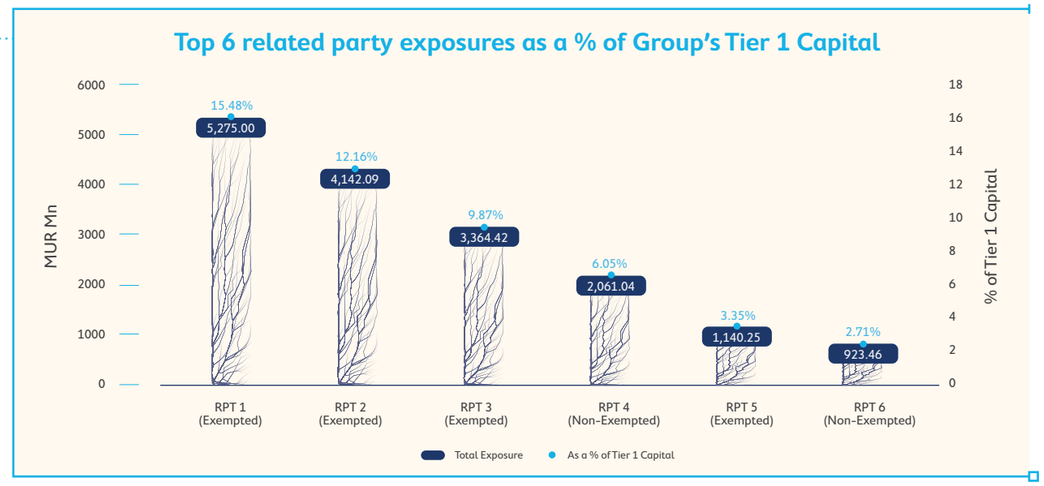
Rescheduled facilities represented 2.86% of total funded advances as at 31 December 2025 (2024: 4.2%, 2023: 6.9%).

Related party transaction risk

Related party exposures are managed in accordance with Bank of Mauritius Guidelines on Related Party Transactions (RPT). Parties qualify as related where one party can directly or indirectly control another or exert significant influence over financial or operational decisions, or where both parties are controlled by a common third entity.

Across the Group, governance for all related party disclosures is strictly adhered to, with reporting conducted at the Board Committee level.

Aggregate non-exempted exposures to related parties represented 11.8% of the Group's Tier 1 Capital as at 31 December 2025 (2024: 5.6%), comfortably within the regulatory limit of 60% for category 1 and the 150% limit for combined categories 1 and 2 under BoM related party transaction definitions.



Market risk

Market risk represents the potential for financial loss stemming from adverse movements in market variables, including interest rates, foreign exchange rates, equity prices, credit spreads, volatility and other price risks. The Group faces non-traded market risk through its banking activities and traded market risk through trading operations.

Market risk management within the Group operates under a comprehensive, Board-approved Market Risk Management Policy and clearly defined Risk Appetite Statement. Each entity of the Group conducts activities within the framework of its respective market risk policies, underpinned by robust processes and controls. These include a series of Board-approved limits (recommended by the Assets and Liabilities Committee) and risk mitigation measures designed to manage market, funding and liquidity risks effectively.

Alignment with the Group's risk appetite is achieved through the regular review and calibration of risk limits in response to:

- Shifts in business strategy and risk appetite;
- Changes in market and economic conditions;
- Evolving regulatory requirements; and
- Portfolio composition dynamics.

The Group maintains a proactive approach to market risk management by setting appropriate risk limits, risk triggers and early warning indicators, ensuring that exposure remains within acceptable thresholds. These triggers are actively monitored to prevent breaches and support informed decision-making.

The Group maintains a robust market risk governance framework, with oversight provided by the Board, the Board Risk Management Committee, and ALCO, which holds primary responsibility for managing and monitoring market risk across the Group.

The Group's market risk exposures are primarily categorised into key areas covering interest rate risk, foreign exchange risk and price risk, which are discussed in further details below.

By maintaining a structured and disciplined approach to market risk management, the Group ensures resilience, stability and sustainable growth in an evolving financial landscape.

Interest rate risk

Interest rate risk emerges from fluctuations in market interest rates, which may adversely impact the Group's Net Interest Income (NII) and overall financial performance. This risk stems primarily from repricing and maturity mismatches between assets, liabilities and off-balance-sheet exposures.

Mitigation of this risk employs comprehensive interest rate risk management strategies, using measurement techniques such as Gap Analysis, Duration Analysis, Earnings-at-Risk (EaR) Assessments and Economic Value.

Additionally, the Group conducts regular stress testing and scenario analysis to assess its resilience under various interest rate environments. These proactive risk management measures support stability of earnings, capital strength and adherence to the Group's risk appetite.

The overarching objective of the Group's interest rate risk management framework is to maintain a stable and sustainable net interest income, effectively balancing risk and return while safeguarding long-term financial stability.

The impact on NII of a parallel change in interest rates is:

	Impact of 200bps parallel rate change on NII	
	Dec 2025	Dec 2024
SBM Bank (Mauritius) Ltd	2.59%	0.54%
SBM Bank (India) Limited	17.44%	1.96%
SBM Bank (Kenya) Limited	18.80%	26.69%
Banque SBM Madagascar SA	3.00%	5.54%

Foreign exchange risk

Foreign exchange risks emerge from fluctuations in currency exchange rates, which may affect the Group's financial position and performance when foreign currency exposures are translated into the reporting currency.

The Group effectively manages structural foreign exchange exposures in alignment with its risk appetite, operating within a robust framework of prudential limits. Transactional foreign exchange risk arises primarily from day-to-day operations, where gains, losses or fair value adjustments in foreign currencies affect profit and loss statements or other comprehensive income reserves.

Mitigation of these risks adheres to strict internal limits and regulatory requirements, ensuring prudent risk-taking through monitoring of intraday and overnight open position limits. Stop-loss mechanisms curb losses and counterparty risk management operates through collateral arrangements and netting agreements, particularly for spot and over-the-counter (OTC) derivative contracts.

Through its comprehensive risk management approach, the Group ensures effective monitoring, control and mitigation of foreign exchange risks, safeguarding its financial stability and resilience against market volatility.

Price risk

The Group proactively manages fluctuations in the market value of both trading and non-trading positions to mitigate adverse impacts on portfolio valuations. This is achieved through a robust framework incorporating stop-loss limits, open position limits by product type, collateral management and daily netting agreements with major counterparties.

The Group maintains exposure to both local and international quoted securities, ensuring a well-diversified investment portfolio primarily comprising investment-grade securities, including local government bonds and other High-Quality Liquid Assets (HQLA) denominated in USD.

Derivative instruments are also utilised in the normal course of business to meet client requirements, hedge against market price variations and support trading activities. These instruments, which derive value from underlying assets, indices or interest rates, include forwards, swaps, options and structured products. The associated risks are carefully managed through product-specific open position limits, stop-loss thresholds and exposure caps, aligned with the Group's risk appetite. Furthermore, daily mark-to-market valuations and netting agreements with major counterparties serve to mitigate counterparty credit risk, reinforcing the Group's prudent approach to risk management.

Value at risk

The Group employs Value-at-Risk (VaR) as the primary metric for quantifying potential losses arising from market fluctuations on foreign exchange risk. This standardised methodology provides a robust framework for managing and controlling market risk, estimating portfolio sensitivity and the maximum expected loss within a defined confidence level over a specified time horizon.

The Group uses a parametric VaR approach, which assumes that historical market returns serve as a reasonable indicator of future movements. VaR is computed using a one-day holding period and a 99% one-tailed confidence interval, implying that actual losses are expected to exceed the estimated VaR approximately once every 100 trading days, or two to three times per year. This metric is fully embedded within the Group's market risk management framework and is consistently applied across all trading positions.

To ensure the reliability of the VaR model, backtesting is conducted by comparing daily VaR estimates against actual profit and loss (P&L) outcomes for each business day. While VaR is a valuable risk management tool, the Group remains cognisant of its inherent limitations, including its reliance on a specific confidence level, its static nature and the assumption that past market trends accurately reflect future fluctuations. Accordingly, VaR is complemented by stress testing, scenario analysis and additional risk control measures to enhance the Group's resilience to market volatility.

Liquidity risk

Liquidity risk represents the potential inability of the Group to fulfill its financial obligations as they fall due, either due to insufficient financial resources or the need to liquidate assets at unfavorable prices or obtain funding at excessive costs. Such circumstances could lead to unexpected losses and impact the Group's ability to manage cash flows, fund asset growth and replace funding sources, while ensuring compliance with statutory and regulatory requirements.

To mitigate this risk, the Group follows a comprehensive Liquidity Risk Management Framework, which outlines the policies, procedures and methodologies required to maintain a strong liquidity position under both normal and stressed conditions. This framework, approved by the Board upon recommendation from ALCO, incorporates the Risk Appetite Statement and defined liquidity limits to ensure effective management of the Group's funding requirements.

A decentralised liquidity management model is in place whereby each subsidiary independently manages its liquidity position in alignment with its specific financial environment. To monitor and mitigate liquidity risk, the Group employs key regulatory and internal metrics, including the Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and Traditional Gap Analysis. A prudent approach sets internal liquidity gap limits and maintains a more conservative LCR and NSFR target than regulatory requirements. These measures are determined by the respective ALCOs and approved by the Board of each entity, as and when needed.

To ensure resilience, regular liquidity stress testing is conducted, covering both general market conditions and adverse stress scenarios, such as increased liability run-offs, asset rollover risks and potential depletion of liquid asset buffers. Additionally, ad hoc stress tests and reverse stress testing are performed together with recovery planning exercises.

Based on stress test results, which consider both general portfolio assumptions and client-specific scenarios, the Bank's liquidity position remains robust and well-aligned with its risk appetite, supported by a stable deposit base and an adequate stock of HQLAs.

The Liquidity Coverage Ratio (LCR) serves as a key metric in assessing the short-term resilience of the Group's liquidity position. It ensures that the Group maintains sufficient High-Quality Liquid Assets (HQLAs) to withstand moderate to severe liquidity stress scenarios over a 30-day horizon.

As an integral component of the Group's liquidity risk management framework, the LCR is closely aligned with internal stress testing methodologies, reinforcing its ability to effectively manage short-term liquidity pressures. By maintaining an LCR consistently above the minimum regulatory requirement, the Group upholds a robust liquidity buffer, ensuring the ability to navigate potential market disruptions and meet its financial obligations with confidence.

Furthermore, the insights derived from stress testing exercises are instrumental in shaping the Group's risk appetite, enhancing liquidity planning and supporting strategic decision-making to sustain financial stability across the Group.

Based on Basel III norms, LCR stood at 189.26% on a consolidated basis for FY 2025 (2024: 192.69%, 2023: 182.25%) against the regulatory threshold at 100%. The stock of HQLA amounts to MUR 122 Billion on a consolidated basis for all the banking entities.

Funding risk

The Group employs a comprehensive suite of internal tools to proactively monitor and manage long-term funding risk, ensuring financial stability and resilience. To mitigate concentration risk, the Group operates within conservative deposit concentration limits, thereby preventing excessive reliance on any single funding source and promoting a well-diversified funding base.

A key pillar of the Group's liquidity strategy is the maintenance of a high proportion of core deposits, recognised for their stability and stickiness. These deposits serve as a reliable and sustainable funding source, reinforcing the Group's ability to withstand liquidity stress events and maintain a robust funding profile across varying market conditions.

Furthermore, the Group continuously evaluates its funding mix, aligning it with its risk appetite, business growth strategies and evolving market dynamics. Through prudent balance sheet management and adherence to regulatory and internal risk parameters, the Group remains well-positioned to support its long-term funding needs while preserving financial strength and flexibility.

The Net Stable Funding Ratio (NSFR) serves as a key regulatory metric for assessing the Group's long-term funding resilience, ensuring a stable and sustainable funding structure in relation to its asset composition and off-balance sheet exposures. NSFR stood at 126% on a consolidated basis for FY 2025 (2024: 124.9%, 2023: 129%) which is comfortably above the regulatory threshold at 100%.

Operational Risk

Consistent with the Basel framework, the Group defines operational risk as the potential for loss stemming from inadequate or failed internal processes, people, systems or external events. This definition encompasses legal risk but excludes strategic and reputational risks.

Operational risk is inherent in the Group's business activities and may materialise due to shortcomings in managing operations, systems, processes, transactions or assets. Such risks include human error, delays in implementing change, unavailability of technology services or loss of customer data. Additionally, operational risk may arise from system failures, cyber threats, theft of Group assets, information security breaches or the impact of natural and man-made disasters. Furthermore, the risk extends to legal and regulatory non-compliance, where failure to anticipate changes in laws or regulations may lead to financial and operational repercussions.

Ensuring robust risk management requires all employees to share responsibility for identifying, assessing and mitigating operational risks associated with their respective functions. The Operational Risk Management Policy outlines governance structures, responsibilities and key controls required to manage operational risk effectively across respective entities of the Group. This is implemented through a Three Lines of Defence Model which ensures a structured approach to risk management: the business line (including support and operations) serves as the first line, the Operational Risk Management function acts as the second line, with Internal Audit providing independent assurance as the third line.

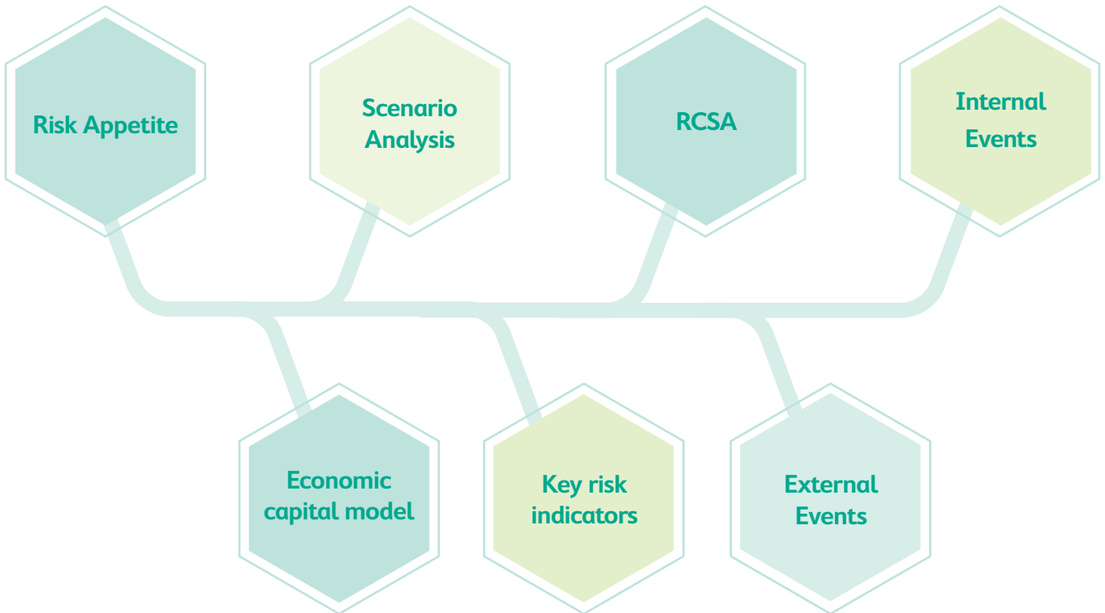
Collaboration between these three lines of defence is fundamental to maintaining a strong risk culture, fostering accountability and ensuring operational resilience across the Group.

Our operational risk model integrates core components that underpin the Group's risk governance and control framework, ensuring alignment with its risk appetite and strategic objectives. The main components of the model include the Group's approach to setting and adhering to risk appetite, the risk and control taxonomies, risk management processes and tools such as incident database, risk control self-assessment (RCSA), review of internal processes, key risk indicators (KRIs) and the operational risk capital models among others.

To further strengthen risk mitigation efforts, the Group employs additional instruments, such as assessment of new products, services and transformation initiatives to preemptively address potential operational risks, business continuity plans to enhance resilience against disruptions and ensure operational continuity and leveraging insights and recommendations from internal and external auditors and supervisory authorities to continuously refine risk controls and governance mechanisms.

Through this structured approach, the Group reinforces its commitment to proactive risk management, operational resilience and regulatory compliance, ensuring a robust and adaptive operational risk framework.

The main operational risk tools used across the Group comprise the following:



The Group remains committed to a proactive and resilient operational risk management framework, ensuring that emerging risk themes—both internal and external—are systematically identified, assessed and addressed. Significant risk trends are regularly reviewed within governance forums, where strategic and tactical control enhancements are evaluated to reinforce internal controls and safeguard business continuity.

During the year, notable enhancements were undertaken to further strengthen operational risk management and reduce operational losses. These initiatives included refinement of the operational risk framework, promotion of strong risk culture through targeted training and awareness, enhancement of key risk indicators, identification of areas for automated workflow solutions, strengthening of third-party risk management, reinforcing in-depth root cause analysis and lessons learned exercises and promoting cross-functional collaboration and communication. Risk awareness sessions were conducted for the sales team and Business Risk Coordinators, complemented by ongoing internal communications to sensitise all users to their risk roles and the importance of policy adherence in fostering a robust risk culture.

Fraud risk

The Group adopts a rigorous and proactive approach to fraud risk management, focused on protecting its customers, assets, and reputation through comprehensive controls, effective surveillance, and timely response mechanisms.

Fraud risk arises from intentional acts of deception, including but not limited to internal and external fraud, cyber fraud, identity theft, payment fraud, forgery, misappropriation of assets and misrepresentation, which may result in financial loss, regulatory breaches or reputational damage.

Aligned with global best practices and regulatory requirements, the Group continuously strengthens its fraud risk governance, ensuring early detection, effective prevention, reporting and swift response to fraudulent activities.

The Group maintains a robust and dynamic fraud risk management framework anchored on four key pillars: Prevention, Detection, Mitigation and Response. These pillars ensure proactive risk management and operational resilience and operate within the following key guiding principles:



Potential fraud incidents are accorded the highest level of scrutiny and are independently investigated in accordance with the Group's established governance framework. The Group ensures that all material findings are escalated to the relevant Management, Risk and Audit Committees for thorough review. Where necessary, appropriate corrective actions are taken against offenders and internal controls are reinforced to mitigate future risks.

The Group remains steadfast in its commitment to upholding the highest standards of integrity, trust and ethical banking practices while continuously investing in its fraud risk management capabilities to adapt to emerging threats and evolving regulatory landscapes.

The Group embeds honesty and integrity in all its operations which is reinforced by continuous training and awareness campaigns.

Business continuity management

The Group operates in an increasingly dynamic and competitive market where stakeholders expect seamless and uninterrupted business processes. Recognising the critical importance of resilience and recovery capabilities, the Group maintains a proactive approach to Business Continuity Management (BCM) to mitigate potential disruptions that could lead to customer detriment, financial losses and reputational impact.

The Group operates within a dynamic risk landscape shaped by rapid technological change, heightened cyber threats, climate-related events, geopolitical uncertainty and increasing reliance on third-party service providers. Emerging risks associated with artificial intelligence (AI), data integrity, misinformation and disinformation further amplify the potential scale and complexity of disruption, particularly during periods of heightened stress. Disruptive events, whether arising from technology failures, cyber incidents, physical site inaccessibility, third-party outages or information integrity challenges have the potential to cause customer detriment, financial loss and reputational damage.

The Group has adopted a comprehensive Business Continuity Management (BCM) framework to identify potential threats, assess operational impacts, and implement robust response mechanisms. Aligned with strategic objectives and the evolving business environment, the framework covers key business functions, including outsourced activities, to ensure resilience and continuity.

The BCM framework is operationalised through a structured programme embedded across all entities, incorporating scenario-based planning, well-defined action plans, employee training, and regular testing and simulation exercises, including Disaster Recovery drills. These measures address severe but plausible disruption scenarios such as cyber incidents, technology outages, climate-related events, and third-party failures, while strengthening resilience across technology and AI-driven processes.

Governance underpins the framework, with clearly defined roles, responsibilities, and escalation pathways. A senior management-led Crisis Management Team (CMT) provides centralised oversight during incidents, coordinating decision-making, communications, and regulatory engagement. The Group also maintains oversight of critical dependencies, including third-party service providers and essential infrastructure.

Key objectives of the BCM framework include safeguarding employee safety, ensuring service continuity, complying with regulatory requirements, minimising financial and operational losses, restoring normal operations promptly, and protecting the Group's reputation.

By embedding a culture of resilience and continuous improvement, the Group ensures preparedness evolves in line with emerging risks and strategic priorities, supporting operational stability and long-term growth.

Cybersecurity and IT risk

In an increasingly digital and interconnected world, cybersecurity risk remains a critical concern for financial institutions. This risk encompasses the potential loss of confidentiality, integrity or availability of data, information systems and digital assets, which could result in financial losses, operational disruptions, reputational damage and regulatory sanctions.

The evolving cyber threat landscape is marked by increasingly sophisticated and coordinated attacks, driven by international conflicts and cybercriminal syndicates. Financial institutions remain prime targets for data breaches, financial fraud and operational disruptions, particularly as the adoption of digital financial services accelerates. In response, the Group has intensified its cybersecurity initiatives, reinforcing its ability to mitigate emerging threats, delivering training and awareness sessions and ensuring operational resilience.

Despite the complex and ever-changing environment, the Group remains agile, continuously adapting its business and technology strategies to meet evolving customer needs and regulatory expectations. Cybersecurity is embedded as a core pillar of the Group's digital transformation journey, ensuring that digital expansion aligns with robust security measures.

To safeguard the organisation and its customers, the Group operates within a comprehensive cybersecurity governance framework, underpinned by a Board-approved policy framework with stringent security controls. This ensures a secure and resilient IT environment that supports the Group's long-term business objectives. The Group undertakes regular cybersecurity assessments and has deployed various tools and systems to proactively detect, manage and minimise exposures to cybersecurity risks.

During the year, there has been an enhanced governance and oversight in relation to dedicated cyber risk & technology committees being at entity Board level coupled with Cyber Technology Risk Management Framework developed to align cybersecurity, technology risk and operational resilience. Cyber awareness training, phishing simulations and incident response capabilities were enhanced across the organisation.

The overarching goal is to establish the Group as a cyber-resilient organisation, capable of preventing, detecting and responding swiftly to cyber threats. Through continuous investment in cybersecurity capabilities, employee awareness programmes and advanced threat monitoring, the Group remains committed to enhancing its defenses, protecting stakeholders and reinforcing trust in its digital ecosystem.

Third party risk

The Group relies on third-party suppliers for the provision of critical services, including technology development, system infrastructure and areas of operational support. While these partnerships are essential to driving efficiency and innovation, the Group remains fully accountable for any risks that may arise from outsourcing arrangements and supplier dependencies.

Third-party risk encompasses potential threats to employee and customer data, financial information and operational stability due to vulnerabilities within the supply chain and external service providers. Given the increasing reliance on third-party relationships, robust risk management practices are essential to ensuring that outsourcing arrangements align with the Group's risk appetite, regulatory expectations and strategic ambitions.

Throughout the year, the Group has continued to reinforce its operating model and internal controls, integrating evolving regulatory requirements to enhance third-party risk assessment and oversight framework. A risk-based approach has been adopted, focusing on suppliers that present a heightened risk profile to the organisation's operations and client services. Additionally, the Group has enhanced its methodologies and monitoring tools to strengthen oversight, improve the internal control environment and further mitigate outsourcing risks.

The Outsourcing Policy is designed to ensure effective governance and risk mitigation, covering key aspects such as:

- Comprehensive due diligence criteria for selecting vendors
- Robust contractual and service agreements with clearly defined expectations
- Periodic assessments of vendor effectiveness, conduct and service delivery
- Commitment to confidentiality and data protection, ensuring service providers adhere to the highest standards of integrity and compliance

By maintaining rigorous oversight and governance mechanisms, the Group ensures that third-party relationships are well-managed, resilient and aligned with its commitment to operational excellence, regulatory compliance and customer trust.

Climate risk

The emergence of climate risk has presented banks with a new frontier of challenges, with implications for both financial stability and long-term profitability. As a result, climate and environmental risks have become integral considerations across all facets of risk management. These risks are viewed as transversal, meaning they have the potential to influence existing risk categories, such as credit, market, liquidity, operational, reputational and strategic risks. The key drivers of these risks include the physical impacts of climate change and the transition to a low-carbon economy.

Physical risk

Physical risks are the potential financial impacts arising from the direct effects of climate change on assets, operations and infrastructure. These are event-driven risks related to extreme weather events, such as floods, cyclones, heatwaves, rising sea levels or wildfires which can cause immediate and significant damage to infrastructure, supply chains and assets, leading to potential financial losses. They are further categorised into acute and chronic risks.

Transition risk

While physical risks are tied to the direct and observable effects of climate change, transition risks are associated with the societal and economic changes required to mitigate climate change. They primarily refer to the financial risks associated with the shift toward a low-carbon economy which emerge from the process of reducing greenhouse gas emissions and transitioning to more sustainable practices. They are typically driven by policy changes, technological development and market sentiment that could affect industries, assets and financial performance.

Both types of risks can significantly impact businesses, but they operate in different timeframes and affect different aspects of financial stability.

To address these emerging challenges, the Group has taken several steps to integrate climate and environmental factors into its Enterprise-Wide Risk Management framework. This includes aligning with regulatory requirements, such as the Guidelines on Climate-related and Environmental Financial Risk Management and adopting proactive measures to ensure compliance and transparency.

During 2025, the Group made progress in integrating climate risk into the ERMF — incorporating climate scenarios into ICAAP stress testing, conducting materiality assessments and developing climate risk heatmaps.

Plans are in place to establish a dedicated sustainability risk function, which will further embed climate and environmental risk considerations across operations and decision-making.

Compliance risk

Compliance risk the risk of legal or regulatory sanctions, financial penalties, reputational damage, or other adverse consequences from failure to comply with applicable laws, regulations and standards.

Maintaining the highest standards of compliance is fundamental to the Group's long-term sustainability and licence to operate.

The Group's key compliance risk exposures include:

Financial crime risk

The Group may be adversely affected if it fails to effectively mitigate the risk that third parties or its employees facilitate, or that its products and services are used to facilitate, financial crime (money laundering, terrorist financing, proliferation financing, breaches of economic and financial sanctions, bribery and corruption). Failure to comply may result in regulatory or enforcement action, including penalties, which may have a material adverse effect on the Bank's financial position, operations and reputation. This risk is:

Measured with reference to the entities of the Group approved risk appetite, key risk indicators, outcome of AML/CFT risk assessments, incident and breach analysis, regulatory feedback and supervision findings as well as the professional judgement and assessments of the AML and Financial Crime Compliance teams;

Monitored through first line of defence risk and control assessments, second line monitoring and control assurance activities, transaction monitoring, internal and external audit outcomes, and regulatory inspections; and

Managed through the implementation of a comprehensive ML/TF and PF framework, including policies and procedures, employee training, and ongoing monitoring of activities to ensure compliance. Proactive remediation and risk mitigation actions are undertaken where required.

Regulatory risk

Regulatory risk arises from the failure to observe relevant laws, codes, rules and regulations and may result in poor customer or market outcomes, regulatory intervention, fines, penalties and reputational damage . This risk is:

Measured using defined metrics, incident assessments, regulatory feedback, inspection outcomes and the professional judgement and assessments of the Regulatory & Advisory Compliance teams;

Monitored through first line control assessments, second line assurance activities and thematic reviews, internal and external audits, and ongoing engagement with Regulators; and

Managed through the implementation of regulatory inventories, implementation of compliance policies, procedures, advisory support to business, training and structured remediation of identified gaps.

Conflicts of interest

Identifying and managing conflicts of interest is fundamental to the conduct of entities of the Group, relationships with customers, and the markets in which they operate. Understanding the conflicts of interest that impact or potentially impact the Group enables us to be identified, managed and mitigated appropriately. Even if there is no evidence of improper actions, a conflict of interest can create an appearance of impropriety that undermines confidence in the Group and its employees. This risk is :

Measured using conflict disclosures, registers, incident assessments, regulatory feedback, and management assessments;

Monitored through attestations, disclosures, registers and governance processes; and

Managed through the implementation of appropriate policies, procedures, training and through mitigation measures such as segregation of duties, information barriers.

Data protection risk

Data protection risk arises from the failure to comply with applicable data protection and privacy laws, resulting in unauthorised access, loss, misuse or disclosure of personal or confidential information, which may lead to regulatory sanctions, financial loss and reputational damage. This risk is:

Measured through data protection risk assessments, incident and breach analysis, regulatory feedback and management judgement;

Monitored through monitoring activities, breach reporting, data protection impact assessments and governance oversight; and

Managed through the implementation of data protection policies, training, incident management procedures and ongoing monitoring to ensure compliance with applicable requirements.

Compliance risk framework

Compliance risk is managed through a structured, risk-based framework embedded within the Group's Enterprise Risk Management Framework and aligned to the Three Lines of Defence model.

The framework is designed to ensure that compliance risks are identified, assessed, monitored and mitigated in a forward-looking and proportionate manner. Key components include:

- Enterprise-wide and thematic compliance risk assessments aligned to defined risk appetite metrics
- Regulatory change management and horizon scanning to anticipate evolving obligations
- Risk-based monitoring and control testing programmes
- Structured incident identification, escalation and remediation processes
- Targeted training and awareness initiatives to promote a strong compliance culture
- Ongoing engagement with regulators across jurisdictions

Financial crime prevention remains a strategic priority and is supported by a comprehensive AML/CFT/PF framework incorporating risk assessments, monitoring mechanisms and defined control standards.

The compliance framework is reinforced by the Group's internal control environment, which includes clearly documented policies and standards, preventive and detective control activities (both manual and automated), defined reporting lines, and systems that enable timely risk identification, escalation and remediation. These efforts are reinforced through dedicated training programmes for employees, periodic policy revisions and the introduction of enhanced policies and standards.

These mechanisms collectively support operational integrity, regulatory adherence and sustainable business practices.

The Group upholds a zero-tolerance policy for deliberate or intentional breaches of legislative and regulatory requirements, as well as for willful misconduct, unethical behavior or any actions that facilitate financial crime. While operational errors and judgmental mistakes may occur in the course of business activities, the Group maintains a minimal tolerance for any losses incurred by customers

Oversight and assurance

Compliance operates as an independent second line of defence, providing oversight, challenge and advisory support across all business activities and jurisdictions.

The function is responsible for:

- Maintaining and enhancing the Group's compliance framework and standards
- Providing independent challenge to first line risk assessments and control effectiveness
- Overseeing financial crime, regulatory and conduct risk exposures
- Escalating material issues, breaches and emerging risks to senior management

Independent assurance is delivered through risk-based monitoring and testing programmes, thematic reviews and structured reporting on control effectiveness, incidents, regulatory developments and remediation progress.

This approach ensures that compliance risks are transparently assessed and managed within the Group's defined risk appetite.

The Board retains ultimate responsibility for overseeing compliance risk and ensuring that the Group maintains an effective compliance framework. The oversight of compliance is exercised through established governance forums entrusted to the Board Risk Committees and Board Audit Committees, ensuring a robust governance framework. Within each entity, the Audit Committee assumes responsibility for monitoring compliance risk through review of:

- the compliance risk profile and key risk indicators
- significant breaches, regulatory findings and remediation actions
- emerging regulatory developments and supervisory interactions
- the effectiveness of compliance controls and culture

Through regular and structured reporting, the Board is provided with timely, accurate and comprehensive information to support informed oversight and effective challenge. This governance structure enables the Board to ensure that compliance risk is managed prudently, consistently and in alignment with the Group's strategic objectives and values.

Reputational risk

Reputational risk is defined as the potential for negative financial or operational impact arising from damage to the Group's public perception, trust and confidence among key stakeholders, including employees, customers, shareholders, investors and the broader community. This risk may originate from various sources, including business activities, operational decisions, market dynamics and external socio-economic or political factors. Additionally, media coverage, regardless of its accuracy, can significantly influence the Group's reputation.

Reputational risk emerges from failure to meet stakeholder expectations and can result from operational failures, compliance breaches, governance issues or perceived misconduct. The year was marked by heightened stakeholder and regulatory scrutiny, reinforcing the importance of transparency, effective governance and timely communication. Social media amplifies reputational events, increasing the speed and scale at which negative sentiment can spread and impact customer confidence, investor perceptions and regulatory relationships. Reputational damage can lead to client attrition, revenue loss, regulatory action, erosion of market confidence and difficulties in accessing capital or recruiting talent.

Mitigating reputational risk requires a proactive and preventive risk management approach, integrating early-warning mechanisms, structured response protocols and continuous risk monitoring. The methodology encompasses stakeholder perception analysis, enabling the identification of shifts in sentiment that could impact the Group's standing.

Reputational risks are subject to ongoing assessment and oversight, with regular reporting to the Risk Management Committee to facilitate prompt and strategic responses, ensuring the preservation of trust, credibility and long-term stakeholder confidence.

The Group employs several key measures to manage reputational risk effectively:

- Proactive monitoring of media coverage across all channels—local, regional, international and social media—supported by structured escalation processes to address potential reputational risks promptly
- Strong governance oversight ensuring business activities are appropriately assessed, managed and subject to robust Board and management oversight
- Proactive engagement with regulatory authorities, industry bodies and key stakeholders to maintain credibility, transparency and open communication
- Well-embedded complaint management process with effective root cause analysis, prompt resolution and escalation to senior management where appropriate
- Sound due diligence processes maintained at various stages of the client lifecycle to mitigate association with inappropriate or high-risk counterparties
- Clear communication protocols to ensure consistent, accurate and timely messaging during periods of heightened stakeholder attention
- Regular assessment of reputational risk exposures through governance forums, with escalation of material risks to the Risk Management Committee and Board

Through these measures, the Group maintains a disciplined approach to managing reputational risk, protecting stakeholder trust and safeguarding the institution's standing in the markets it serves.

Focus areas

As part of our ongoing risk management process, the Group remains vigilant in assessing emerging risks that could impact our resilience, business operations and strategic objectives. With an increasingly dynamic and interconnected risk landscape, our focus remains on early detection, adaptive risk management and coordinated response strategies to safeguard the Group's stability and strategic growth. The Group will closely monitor developments in the following key areas.

Geopolitical fragmentation and trade disruption

Geopolitical tensions continue to reshape the global economic landscape, with potential impacts on cross-border trade, capital flows and foreign exchange stability. Heightened geopolitical fractures may trigger capital flight, exchange rate volatility and trade disruptions, weakening the financial position of cross-border and trade-linked borrowers in key markets where the Group maintains exposures.

The Group faces both direct and indirect exposure to these risks through its international lending portfolio, correspondent banking relationships and clients with cross-border operations. Disruptions to supply chains, restrictions on capital movements and shifts in trade patterns could affect borrower creditworthiness and debt servicing capacity.

To navigate these challenges, the Group maintains rigorous monitoring of geopolitical developments, conducts regular stress testing of cross-border exposures and ensures that risk appetite limits and country-specific frameworks remain appropriately calibrated. The Group continues to assess the macroeconomic and political landscape across exposure jurisdictions, deploying enhanced risk mitigation measures where conditions warrant.

Regulatory intensity

The pace and complexity of regulatory requirements continue to evolve across the Group's markets, driven by factors including enhanced prudential standards, evolving AML/CFT frameworks, data protection requirements and supervisory expectations around governance and risk management. Regulatory scrutiny remains heightened, particularly in relation to financial crime prevention, conduct standards, operational resilience and climate-related disclosures.

Diverging international regulatory approaches present jurisdictional challenges, including variations in data sovereignty requirements, ESG regulatory frameworks and AI governance standards. The evolving regulatory landscape requires continuous adaptation of internal frameworks, policies and control environments to maintain compliance across all jurisdictions where the Group operates.

The Group takes a proactive approach to regulatory change, maintaining close engagement with the entities' respective local supervisors, contributing to industry consultations and investing in technology-driven compliance solutions. Frameworks and policies are subject to regular review to ensure alignment with regulatory expectations. The Group fosters a strong compliance culture through training programmes, awareness campaigns and clear accountability structures, ensuring that regulatory requirements are embedded across business operations and that the organisation remains well-positioned to adapt to future regulatory developments.

Through early identification of these emerging risk themes, proactive risk management and disciplined governance, the Group remains committed to maintaining its resilience, protecting stakeholder interests and supporting sustainable long-term growth.

Cybersecurity, technology and AI risk

The cybersecurity threat landscape continues to evolve rapidly, with increasing sophistication in attack methods and expanding attack surfaces. The emergence of AI-driven fraud, deepfakes and automated exploitation techniques heightens the risk of successful breaches and operational disruptions. Ransomware attacks, zero-day vulnerabilities and targeted phishing campaigns remain persistent threats to financial institutions globally.

As digital transformation accelerates and the Group's reliance on technology infrastructure deepens, inherent cyber risks increase. The adoption of artificial intelligence and machine learning across business processes introduces new operational and model risks, while dependence on cloud infrastructure and third-party service providers creates potential for systemic vulnerabilities and cascading impacts.

Regulatory expectations continue to intensify around cybersecurity resilience, AI governance, third-party risk management and operational risk reporting. Supervisors are placing greater emphasis on institutions' ability to prevent, detect, respond to and recover from cyber incidents, alongside robust governance frameworks for AI deployment.

The Group is committed to ongoing investment in cybersecurity capabilities, threat intelligence, detection and response technologies and employee awareness programmes.

Enhanced governance frameworks for AI risk management are being developed to ensure responsible deployment of AI technologies. The Group continues to strengthen third-party risk controls and maintain rigorous testing of incident response and business continuity capabilities to ensure operational resilience in the face of evolving cyber threats.

Climate risk integration

Climate risk and environmental considerations are becoming increasingly material to the banking sector, driven by regulatory expectations, stakeholder demands and the growing physical and transition risks associated with climate change. Data availability and methodological challenges persist, particularly in assessing long-term climate scenarios and quantifying financial impacts across portfolios.

Supervisory attention on climate-related and environmental risk considerations within credit risk assessment, portfolio management and strategic planning continues to intensify. Regulators are placing greater emphasis on climate risk governance, stress testing, scenario analysis and disclosure practices.

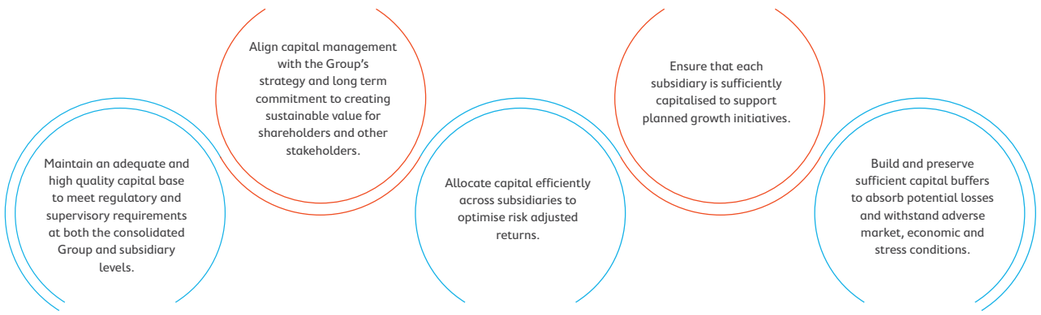
The Group has made progress in developing frameworks to identify, measure and manage climate risks, including the incorporation of climate risk scenarios into ICAAP stress testing. Efforts are underway to build internal capabilities in sustainability risk management, with plans to establish a dedicated sustainability risk function within the risk management teams to embed climate and environmental risk considerations across the Group's operations and decision-making processes.

Enhanced transaction screening and due diligence processes are being developed to ensure climate-related risks are systematically considered in lending and investment decisions. The Group continues to engage with specialist service providers, refine climate risk policies and deliver training programmes to strengthen awareness and understanding of climate risks across the organisation, ensuring alignment with evolving regulatory requirements and stakeholder expectations.

Capital management

SBM Group's capital management strategy is anchored on maintaining a strong and resilient capital position to ensure financial soundness, compliance with Basel requirements and applicable regulatory frameworks, alignment with industry best practices, and the support of sustainable growth. A robust capital base enables the Group to meet expectations of key stakeholders, including regulators, shareholders, rating agencies and analysts, while operating within the Group's approved risk appetite and supporting the achievement of its strategic objectives.

The Group's capital management function is designed to:



SBM Holdings Ltd, as the ultimate holding company, is the principal source of capital for the Group's operating subsidiaries. The allocation of capital is guided by:



This structured approach ensures efficient resource deployment, enabling the Group to respond dynamically to market opportunities while safeguarding financial stability.

Regulatory capital requirements

SBM Group operates under the regulatory capital framework prescribed by the Bank of Mauritius (BoM), which aligns with international standards set by the Basel Committee on Banking Supervision (BCBS).

SBM Group has adopted the following risk measurement approaches:

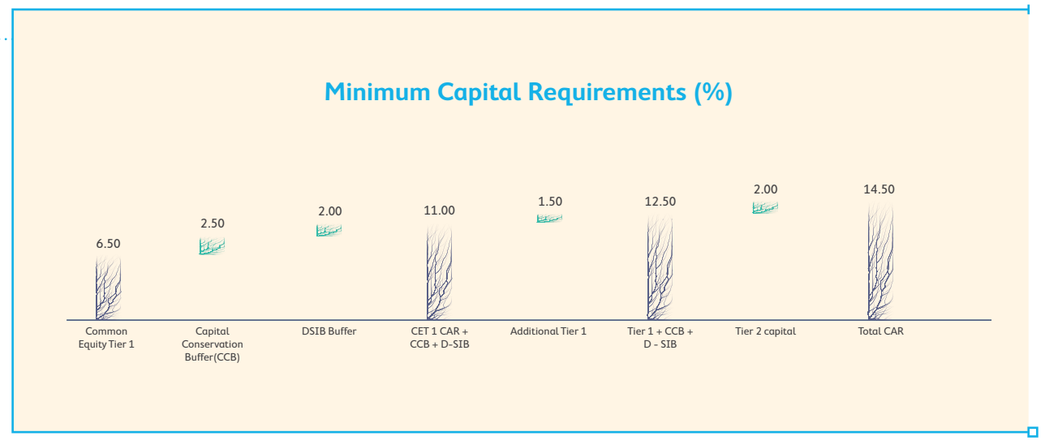
- Credit Risk: Measured using the Standardised Approach, as outlined in the BoM Guideline on Standardised Approach to Credit Risk.
- Market Risk: Assessed using the Standardised Approach, in line with the Guideline on Measurement of Market Risk.
- Operational Risk: Evaluated using the Alternative Standardised Approach

The determination of its capital base is worked out in accordance with the Guideline on Scope of Application of Basel III and Eligible Capital issued by BOM in 2014 and banks shall hold and maintain at all times, a minimum ratio of total regulatory capital to risk weighted assets (CAR) at or above the agreed minimum of 10%.

In addition, the banking entities need to abide to additional capital requirement in the form of capital conservation buffer (CCB) of 2.5%, which is designed to ensure that banks build up capital buffers outside periods of stress which can be drawn down as losses are incurred. SBM Group should as well, maintain CCB of 2.5% in form of Common Equity Tier 1 (''CET 1'') capital.

Being a Mauritius' Domestic Systemically Important Banks (D-SIBs), SBM Group needs to maintain an additional 2.0% CET1 buffer. The D-SIB is applied on a discretionary basis by the regulator and is reviewed annually based on five criteria which include size, exposure to large groups, interconnectedness, complexity and substitutability.

The table below illustrates regulatory capital requirements applicable to SBM Group:



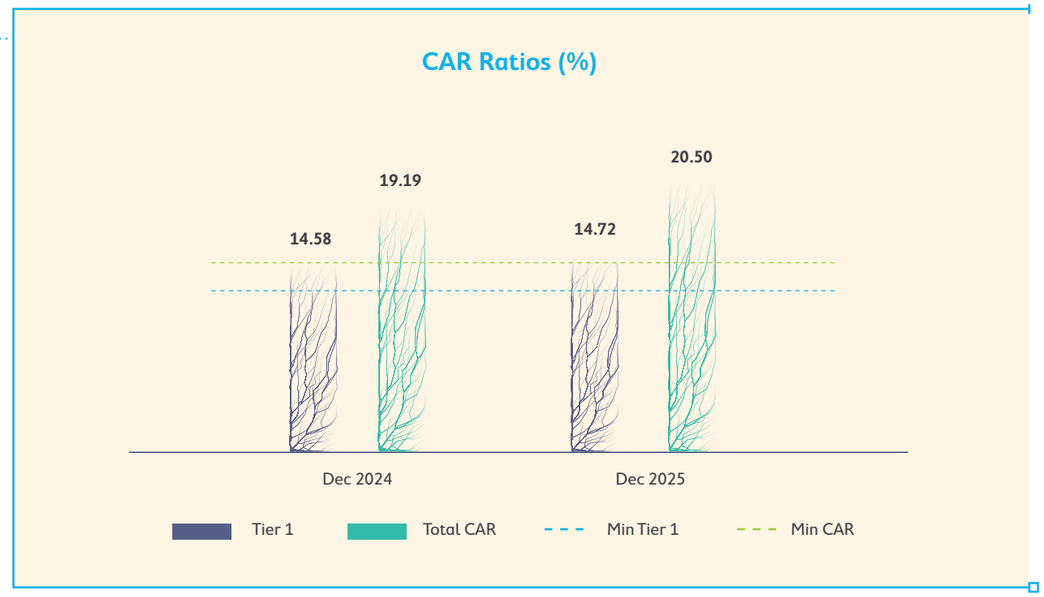
Additionally, the banking entities of the Group are subject to capital adequacy requirements of the jurisdiction in which they operate. Table below shows the minimum Tier 1 and total CAR ratio as at 31 December 2025.

Requirement as per Host Regulator	SBMBM	SBMBI	SBMBK	BSBMM
Minimum Tier 1 Ratio (%)	12.50	8.00	10.50	6.00
Minimum Total CAR Ratio (%)	14.50	11.50	14.50	8.00

The Group's disciplined capital management framework provides the foundation for resilient financial performance and long term value creation. By maintaining a high quality capital base and adhering to regulatory requirements the Group remains well positioned to respond effectively to evolving market, economic and regulatory conditions while continuing to pursue its long term strategic ambitions.

Capital position

As of 31 December 2025, our capital position remained robust and comfortably exceeded the regulatory minimum requirements. The capital ratios and the evolution of Risk-Weighted Assets (RWA) are as follows:



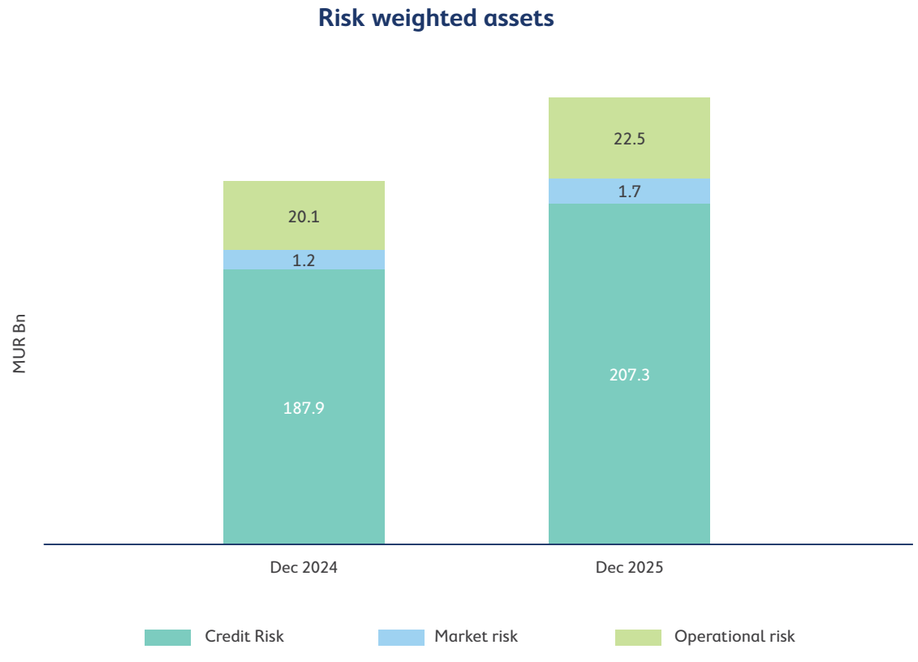


Table below shows the Group's capital base and risk-weighted assets for the past two years:

	SBM Group	
	Dec 2025	**Dec 2024**
Capital base	**Figures in MUR Mn**	
Share Capital	32,500	32,500
Retained Earnings	15,069	11,543
Accumulated other comprehensive income and other disclosed reserves	(5,196)	(5,608)
Common Equity Tier 1 Capital (CET 1) before regulatory adjustments	**42,372**	**38,434**
Regulatory Adjustments	**8,296**	**7,931**
Treasury (own) shares	4,875	4,875
Goodwill and intangible assets	1,021	1,536
Deferred tax assets	2,400	1,520
Common Equity Tier 1 Capital (CET 1)	**34,076**	**30,504**
Additional Tier 1 (AT 1)	0	0
Tier 1 capital (T1 = CET1 + AT1)	**34,076**	**30,504**
Capital Instruments	10,042	6,431
"Other Reserves (45% of surplus arising from Revaluation of land & buildings)"	753	851
"Portfolio Provision or ECL (restricted to 1.25% of credit RWA)"	2,592	2,348
Tier 2 Capital	**13,387**	**9,630**
TOTAL CAPITAL BASE	**47,463**	**40,134**

	SBM Group	
	Dec 2025	**Dec 2024**
Risk Weighted Assets (RWAs)	**Figures in MUR Mn**	
Credit risk	**207,337**	**187,862**
On-balance sheet assets	189,195	170,167
Off-balance sheet exposures	18,142	17,695
Market risk	**1,745**	**1,250**
Off- balance sheet exposures *Aggregate net open foreign exchange position*	1,280	943
Capital charge for trading book position exceeding 5% or more of its total assets	465	307
Operational risk	**22,451**	**20,064**
TOTAL RWAs	**231,533**	**209,175**
CAPITAL ADEQUACY RATIOS (%)		
CET1 Capital Ratio (%)	**14.72**	**14.58**
Tier 1 Capital Ratio (%)	**14.72**	**14.58**
Total Capital Ratio (%)	**20.50**	**19.19**

Banking cluster- RWAs and CAR Ratios

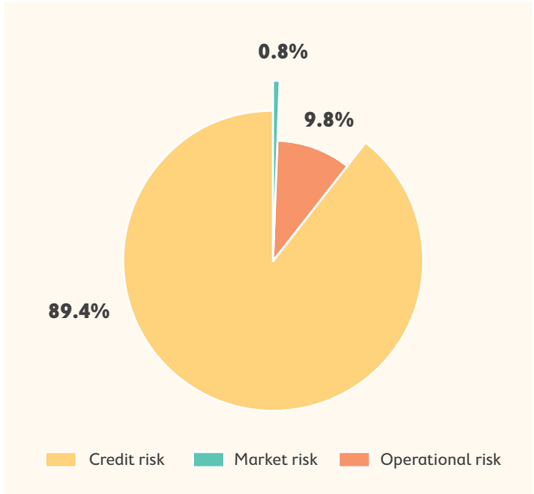
The Banking Group's total RWAs as of 31 December 2025, stood at MUR220 billion, an increase of 11% compared to the prior year, driven primarily by growth in business volumes across different subsidiaries.

	Dec 2025	Dec 2024
	Figures in MUR Mn	
TOTAL CAPITAL BASE	**37,798**	**35,363**
RISK WEIGHTED ASSETS (RWAs)		
Credit risk	196,729	176,832
Market risk	1,745	1,250
Operational risk	21,555	19,535
TOTAL RWAs	**220,030**	**197,617**
CAPITAL ADEQUACY RATIOS (%)		
CET1 Capital Ratio	15.15	15.67
Tier 1 Capital Ratio	15.15	15.67
Total CAR Ratio	**17.18**	**17.89**

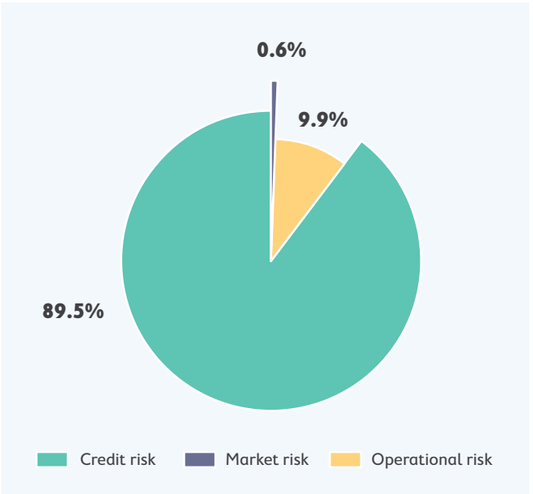
Banking Group's RWAs analysed by type of risk

Credit risk remains the main type of risk to which the banking subsidiaries are exposed to in view of the nature of their operations and activities:

Dec 2025



Dec 2024



Credit risk

The tables below provide breakdown of the risk weighted assets for the consolidated Banking Cluster after credit risk mitigation (CRM) for both on-balance sheet and off-balance sheet assets for the past two years:

Exposure After CRM

Risk Weighted On-Balance Sheet Assets	Dec 2025			Dec 2024
Figures in MUR Mn	Amount	Weight %	RWAs	RWAs
Cash Items	3,840	0-20	0	2
Claims on Sovereigns	117,844	0-150	5,934	5,275
Claims on Central banks	51,600	0-150	0	0
Claims on Multilateral Development Banks	10,961	0-150	1,137	1,210
Claims on Banks	19,239	20-150	13,071	8,588
Claims on Non-Central Government Public Sector Entities	9,443	20-150	7,024	8,774
Claims on other securities firms	0	100	0	0
Claims on Corporates	90,013	20-150	76,605	68,596
Claims included in the Regulatory Retail Portfolio	29,792	75	22,344	19,074
Claims secured by Residential Property	44,759	35-125	16,677	16,241
Claims secured by Commercial Real Estate	9,243	100-125	9,934	9,662
Past due claims	8,849	50-150	10,630	7,612
Other Assets	15,231	100	15,231	14,103
Total On Balance Sheet RWAs	**410,816**		**178,587**	**159,137**

Nominal Amount After CRM

RWAs - Non market related Off-Balance sheet assets	Dec 2025					Dec 2024
Figures in MUR Mn	Nominal Amount after CRM	Credit Conversion Factor (%)	Credit Equivalent Amount	Weight %"	Weighted Assets	Weighted Assets
Direct Credit Substitutes	4,058	100	4,058	0-100	4,023	3,899
Transaction-Related Contingent items	10,967	50	5,483	0-100	5,433	7,653
Trade-Related Contingent items	6,925	20-100	2,740	0-100	2,672	1,812
Other Commitments	28,519	0-50	3,097	0-100	2,661	2,144
Total Off Balance Sheet RWAs	**50,469**		**15,379**		**14,788**	**15,508**

Market related risk capital

The table below provides figures for the RWAs in respect of market related off-balance sheet assets for the Banking Cluster.

Market related Off-balance Sheet RWAs	Dec 2025							Dec 2024
	Nominal Amount	CCF	Potential future exposure	Current exposure	Credit equivalent amount	Weight	RWAs	RWAs
	MUR Mn	%	MUR Mn	MUR Mn	MUR Mn	%	MUR Mn	MUR Mn
Interest rate contracts	70,960	0 - 1.5	273	128	401	20-100	382	71
Foreign exchange Contracts	75,140	1 -7.5	1,747	1,097	2,844	20-100	2,748	1,915
Equity contracts	1,501	6 - 8	118	254	372	20-100	186	144
Other commodity contracts	0	10 - 12	0	0	0	20-100	0	0
Credit derivative contracts	0	20	0	0	0	50	0	0
Other market-related contracts	442	10-12	50	6	56	50	37	57
Total Market RWAs	**148,043**		**2,187**	**1,485**	**3,673**		**3,353**	**2,188**

Aggregate net open foreign exchange position

The Banking Group is subject to foreign exchange (FX) risk from an on-balance sheet perspective, i.e. as a result of imbalances witnessed between the foreign currency composition of its assets and liabilities. The risk to which SBM is exposed can also be viewed from an off-balance sheet angle through its outstanding positions, mainly in respect of foreign exchange forwards.

The table below provides the comparative figures for the aggregate net open foreign exchange position for the Banking Cluster for the past two years:

Figures in MUR Mn	Dec 2025	Dec 2024
Aggregate net open foreign exchange position	1,280	943

Operational risk capital

SBM has adopted the Alternative Standardised Approach for calculating its operational risk capital as per the BOM Guideline on Operational Risk. Capital Charge for Operational risk for the Banking Group witnessed a growth of 10% from December 2024 to December 2025, in line with growth in business volumes.

Figures in MUR Mn	Dec 2025	Dec 2024
RWAs for Operational Risk	21,555	19,535

Capital adequacy ratios of the banking subsidiaries

The Group's banking subsidiaries are subject to capital adequacy requirements of the jurisdiction in which they operate. As of 31 December 2025, all subsidiaries-maintained CAR ratios exceeding local regulatory requirements, ensuring compliance across jurisdictions.

The table below shows the CAR ratios of the subsidiaries as per their host regulator as of 31 December 2025:

Position as at 31 December 2025	SBMBM	SBMBI	SBMBK	BSBMM
Actual CAR Ratio (%)	18.10	14.47	26.87	15.02



GROUNDED IN TRUST, GROWING WITH PURPOSE



Financial Review

This section provides an overview of our financial performance across various indicators, with emphasis on key trends and underpinnings.

Executive overview

The SBM Group (the 'Group') delivered a resilient performance for the year ended 31 December 2025, with net interest income increasing to MUR 12,192.8 million (2024: MUR 11,174.1 million) and non-interest income rising to MUR 6,836.7 million (2024: MUR 5,460.4 million), reflecting improved business volumes and diversified revenue streams. Profit before credit loss expenses stood at MUR 8,663.6 million compared to MUR 6,015.4 million in the prior year, while profit for the year slightly decreased to MUR 4,213.5 million (2024: MUR 4,338.7 million). Operational efficiency improved significantly, with the cost-to-income ratio declining to 54.5% in FY 2025 from 63.8% in FY 2024. Earnings per share were marginally lower at MUR 163.2 (2024: MUR 168.0), and returns moderated, with return on average assets at 1.0% and return on average equity at 10.9%. The balance sheet remained robust, with loans and advances growing to MUR 185.3 billion and shareholders' equity strengthening to MUR 40.5 billion. Deposits stood at MUR 352.9 billion as at 31 December 2025. Market confidence improved, as reflected in the increase in market capitalisation to MUR 20,290 million, with a rise in share price to MUR 6.7 at year end.

Key financial highlights

Financial Performance (2021–2025)

Over the five-year period, SBM Group achieved sustained growth in profitability and balance sheet expansion, driven by increased lending and strong core operating performance.

Key Financial Indicators (MUR million)	2025	2024	2023	2022	2021
Profit before income tax and net credit loss	**8,664**	6,015	6,027	5,517	4,653
Profit before income tax	**5,129**	5,584	4,980	4,184	2,178
Profit for the year	**4,214**	4,339	4,317	3,636	1,737
Gross loans and advances	**195,378**	180,676	157,802	163,451	145,086
Investment securities	**156,832**	176,104	157,533	151,978	153,427
Total assets	**425,328**	433,642	362,253	362,341	357,668
Deposits from non-bank customers	**347,444**	359,496	290,640	293,350	298,581
Shareholders' equity	**40,452**	36,637	31,683	27,170	26,378

The balance sheet was supported by growth in loans and advances, while maintaining strong capital adequacy.

Key Financial Ratios

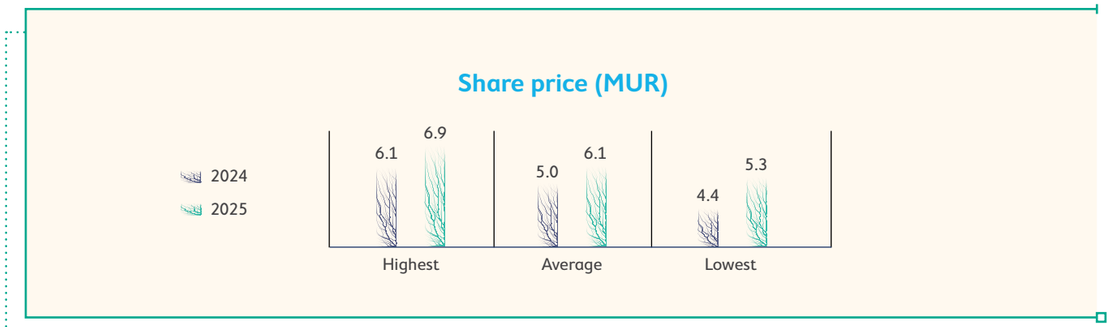
Ratio	2025	2024	2023	2022	2021
Capital adequacy ratio	**20.5%**	19.2%	20.5%	19.1%	21.4%
Tier 1 capital ratio	**14.7%**	14.6%	15.1%	13.0%	14.3%
Return on risk-weighted assets	**1.9%**	2.2%	2.4%	2.1%	1.1%
Return on average assets	**1.0%**	1.1%	1.2%	1.0%	0.5%
Return on average shareholders' equity	**10.9%**	12.7%	14.7%	13.6%	6.7%
Cost-to-income ratio	**54.5%**	63.8%	61.4%	59.6%	60.6%
Gross impaired advances ratio	**8.7%**	8.1%	6.9%	8.9%	11.4%
Net impaired advances ratio	**4.7%**	4.5%	2.1%	2.8%	3.3%
Credit-to-deposit ratio	**56.2%**	50.3%	54.3%	55.7%	48.6%

Operational efficiency improved in 2025, as demonstrated by the improvement in the cost-to-income ratio to 54.5% from 63.8% in 2024.

Shareholder Value Indicators

Indicator	2025	2024	2023	2022	2021
Earnings per share (cents)	**163.2**	168.0	167.2	140.8	67.3
Dividend per share (cents)	**50.0**	40.0	20.0	20.0	-
Net asset value per share (MUR)	**15.7**	14.2	12.3	10.5	10.2
Market price per share (MUR)	**6.7**	5.2	4.6	4.5	4.3
Market capitalisation (MUR million)	**20,290**	15,734	13,820	13,577	12,970
Dividend yield (%)	**7.5**	7.7	3.0	4.7	-

Over the five-year period, the shareholder returns improved, reflecting higher dividends and growing net asset value per share.

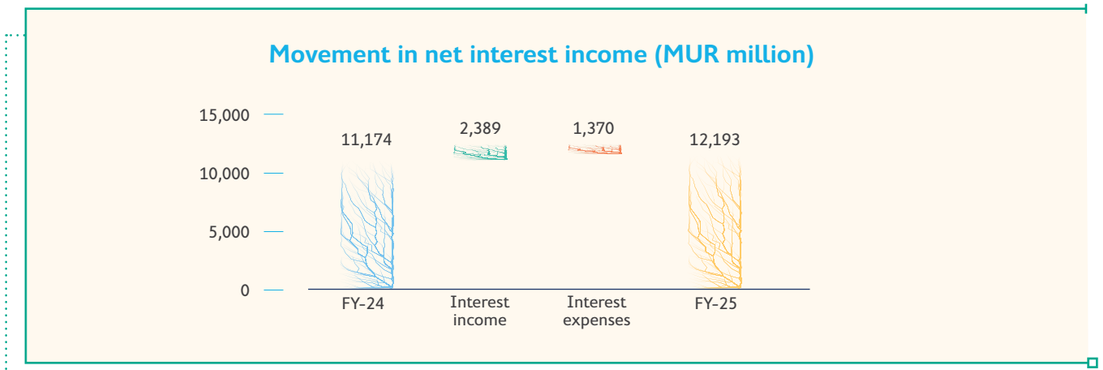


Performance Analysis

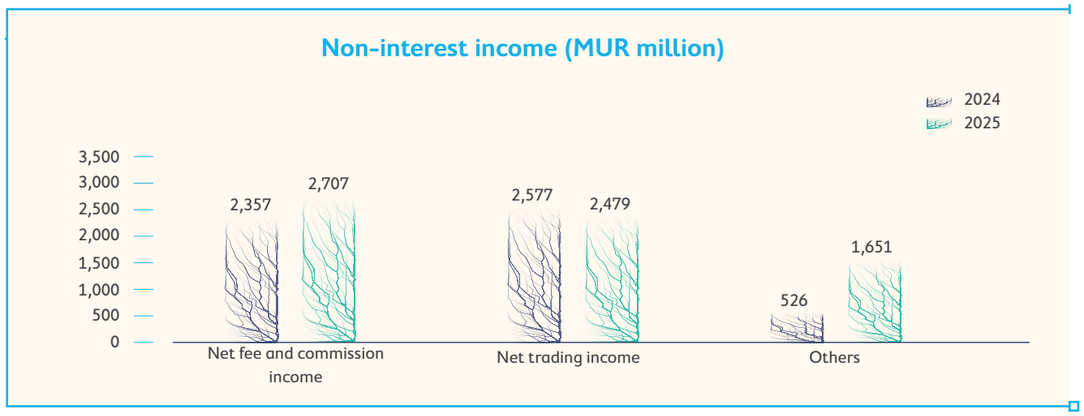
Net Interest Income

Net interest income increased from MUR 11,174.1 million in FY 2024 to MUR 12,192.8 million in FY 2025, driven by growth in the loan book and effective management of interest-earning assets. Despite the increase in interest income, the net interest margin (NIM) remained stable at 2.8%.

Interest income from loans and advances rose by 4.7% to MUR 15,016.4 million, driven by steady portfolio growth. Income from investment securities grew by 8.3% to MUR 7,967.8 million, reflecting portfolio optimisation and higher yields. Interest expense on deposits increased by 13.7% to MUR 10,850.7 million despite the fall in total deposits base, while interest expense on other borrowed funds, including subordinated debt, rose by 26.6% to MUR 1,401.4 million.



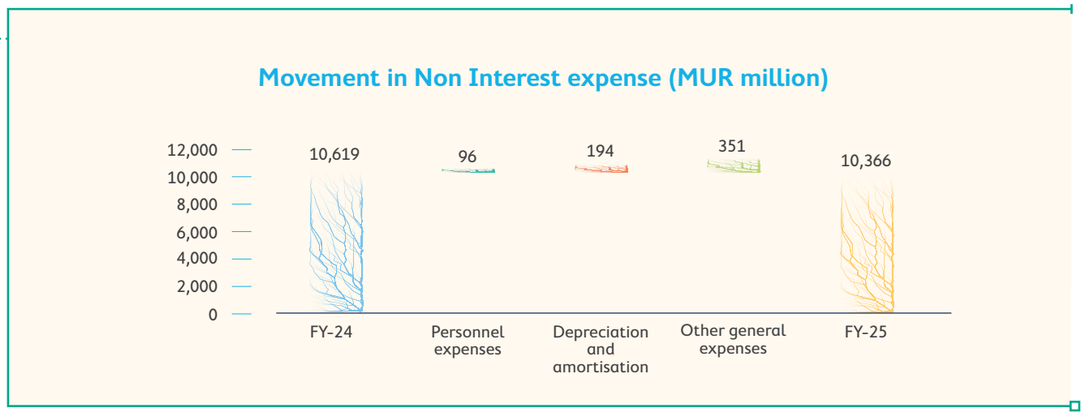
Non-Interest Income



Non-interest income increased to MUR 6,836.7 million in 2025 from MUR 5,460.4 million in 2024, driven by higher fee and commission income and gains on financial instruments. Net fee and commission income rose to MUR 2,707.4 million, while trading income remained resilient at MUR 2,478.9 million. Performance was further supported by a significant increase in gains from financial assets measured at FVTPL and higher gains on FVTOCI instruments. Overall, the result reflects continued progress in diversifying income streams.

Operating Expenses

Non-interest expenses decreased to MUR 10,365.9 million in 2025 from MUR 10,619.0 million in 2024, reflecting continued cost discipline across the Group. The reduction was mainly driven by lower personnel and other operating expenses, partly offset by higher depreciation and amortisation charges associated with ongoing investments in infrastructure and intangible assets.



Despite inflationary pressures and continued strategic investments, the Group achieved improved cost efficiency, with the cost-to-income ratio improving significantly to 54.5% in FY 2025 from 63.8% in FY 2024. This demonstrates effective cost management and enhanced operational leverage, thus supporting overall profitability.

Credit Loss Expenses

The Group recorded a significant increase in credit impairment charges, with total credit losses rising to MUR 3,534.1 million in FY 2025 from MUR 431.3 million in FY 2024. This increase was primarily driven by higher impairments within SBM Bank (Mauritius) Ltd (SBMBM), with additional impairments under resident advances in the line with the requirement of IFRS 9.

	Credit loss expense	
	2024 MUR million	2025 MUR million
SBMBM	(116)	**(3,246)**
SBMBI	(247)	**(189)**
BSBMM	(21)	**(39)**
SBMBK	(30)	**(71)**
Others	(17)	**11**
Total	(431)	**(3,534)**

Despite the higher impairment charges, bad debt recoveries amounted to MUR 1,120.9 million in FY 2025, compared to MUR 177.7 million in FY 2024, on major recoveries within SBMBM. This demonstrates the Group's continued focus on credit risk management and recovery efforts, partially mitigating the impact of increased provisioning on overall profitability.

Tax expense

Income tax expense increased significantly from MUR 1,241.1 million in 2024 to MUR 1,838.4 million in 2025, mainly driven by higher tax charges at SBMBM, which rose by MUR 603.9 million, following changes in tax regulations. This increase was partially offset by a decline in tax expense at SBMBI and BSBMM. Contributions from other entities also increased modestly, while SBMBK recorded a tax charge in 2025 compared to none in 2024.

Deferred tax moved from a marginal net charge of MUR 4.3 million in 2024 to a significant net credit of MUR 922.4 million in 2025. This shift was mainly driven by SBMBM, which recorded a substantial deferred tax credit of MUR 1,030.8 million in 2025 compared to a charge in 2024. SBMBK also contributed a deferred tax charge in 2025, reversing the credit position recorded in the prior year, while movements in other entities remained minimal.

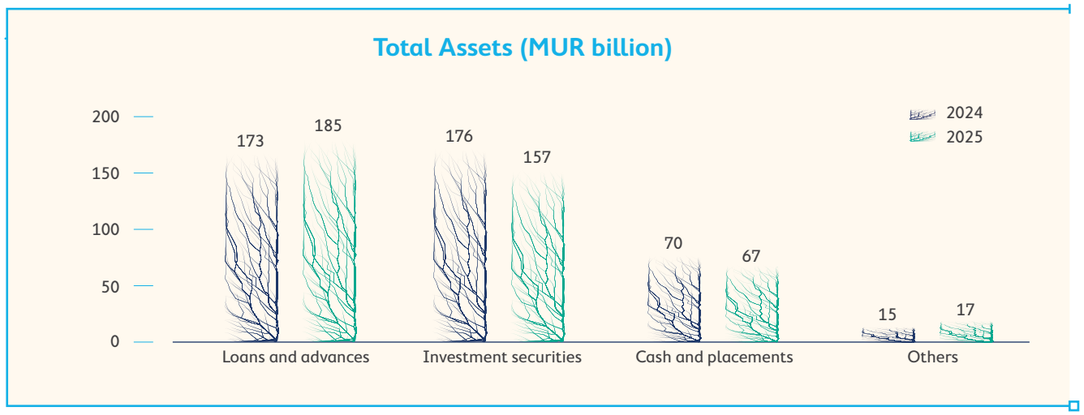
Tax expense by entity	Income tax expense		Deferred tax expense/(Reversal)	
	2024 MUR million	2025 MUR million	2024 MUR million	2025 MUR million
SBMBM	1,156	**1,760**	209	**(1,031)**
SBMBI	19	**-**	-	**-**
BSBMM	18	**8**	-	**-**
SBMBK	-	**3**	(193)	**110**
Others	48	**69**	(11)	**(2)**
Total	1,241	**1,838**	4	**(922)**

Financial Position Analysis

Total Assets

Total assets stood at MUR 425.3 billion as at 31 December 2025 (2024: MUR 433.6 billion). The decline in total assets was due to a decrease in deposits which led to investment securities going down, as well as cash and cash equivalents also declined during the period.

However, net loans and advances rose from MUR 172.7 billion as at 31 December 2024 to MUR 185.3 billion as at 31 December 2025. Other assets increased by 31%.



Loans and Advances

Gross loans and advances increased by MUR 14.7 billion (+8.1%), from MUR 180.7 billion as at 31 December 2024 to MUR 195.4 billion as at 31 December 2025, reflecting continued expansion in core business activities. After accounting for higher ECL allowances, net loans grew by MUR 12.6 billion (+7.3%) to MUR 185.3 billion.

Entity-Level Contribution

At the entity level, growth was mainly driven by SBMBM, which increased its loan book by MUR 12.8 billion (+9.5%), maintaining its dominant share (~76%) within the Group. SBMBI also recorded solid growth of 14.7%, while BSBMM showed a slight decline. Although SBMBK's loan book grew by 4%, the increase was offset by exchange rate depreciation, resulting in an overall decline upon translation.

Loans and advances by entity	2024 MUR million	2025 MUR million
SBMBM	134,796	**147,619**
SBMBI	26,761	**30,708**
BSBMM	1,354	**1,329**
SBMBK	18,680	**18,389**
Interco adjustment	(915)	**(2,666)**
Total	180,676	**195,378**

Asset Quality and ECL Trends

Gross impaired advances rose by 16.7% from MUR 14.6 billion to MUR 17.0 billion, outpacing loan growth and leading to some deterioration in asset quality.

The gross impaired advances ratio increased from 8.1% to 8.7%, while the net impaired advances ratio edged up from 4.5% to 4.7%.

On a positive note, specific provisions increased to MUR 8.3 billion, leading to an improvement in the provision coverage ratio from 46.4% to 48.7%, reflecting a more prudent provisioning stance. Portfolio provisions also rose slightly, further strengthening overall coverage.

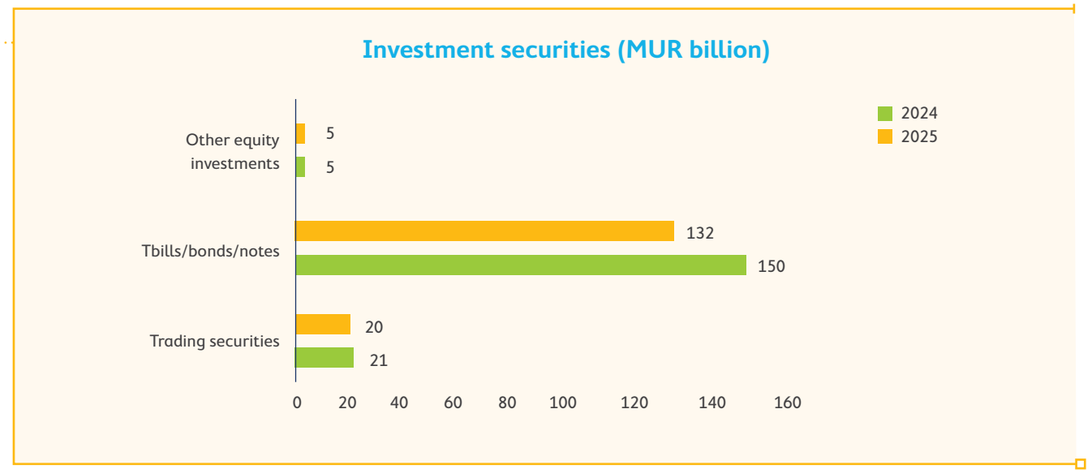
Overall, while the Group continues to expand its lending activities, the rise in impaired advances highlights emerging credit risk pressures, partially mitigated by improved provisioning levels.

	Dec-24	Dec-25
MUR million		
Gross advances	180,676	**195,378**
Impaired advances	14,581	**17,015**
Specific provision held	6,763	**8,291**
Net impaired advances	7,818	**8,724**
Provision coverage ratio (%)	46.4%	**48.7%**
Portfolio provision held	258	**278**
Net impaired advances/Net advances (%)	4.5%	**4.7%**
Gross impaired advances/Gross advances (%)	8.1%	**8.7%**

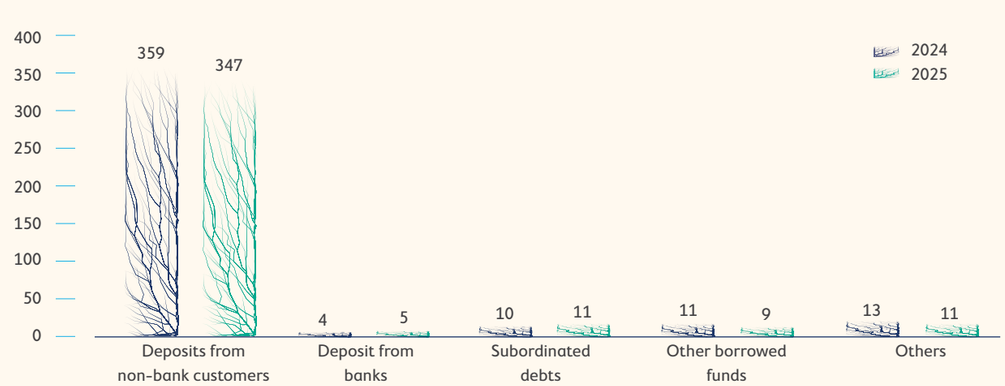
Investment Securities

Investment securities declined by MUR 19.3 billion (-10.9%), from MUR 176.1 billion in FY 2024 to MUR 156.8 billion in FY 2025, which was due to a fall in the deposits and redeployment to loans and advances which are higher earnings.

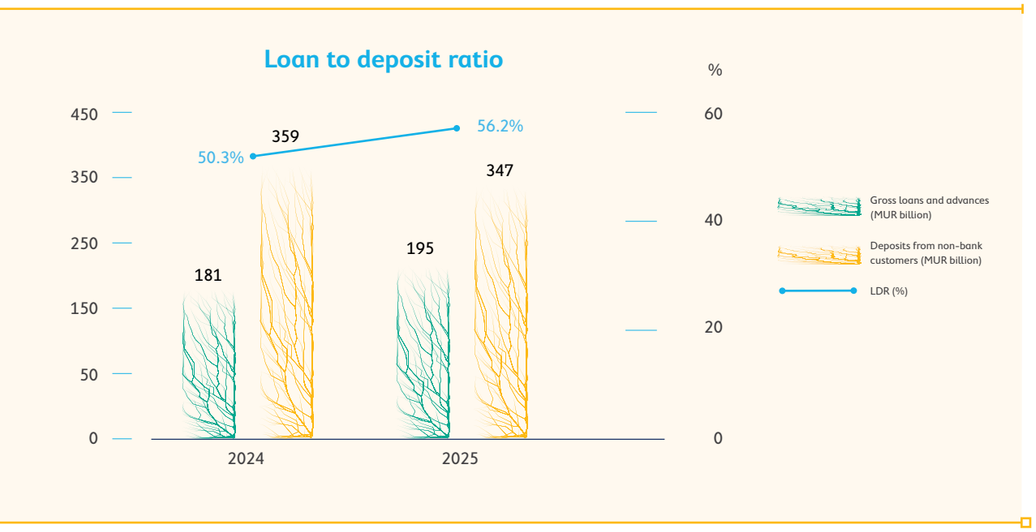
The decline was primarily driven by SBMBM, where investment securities fell significantly by MUR 18.2 billion (-12.9%). SBMBI recorded a decrease of MUR 3.8 billion (-27.0%). Partially offsetting this trend, SBMBK increased its holdings by MUR 1.5 billion (+11.7%), while BSBMM and other SBM entities recorded modest growth.



Total Liabilities



Deposits from Non-Bank Customers



The Group's loan-to-deposit ratio (LDR) increased to 56.2% in 2025 from 50.3% in 2024. This is due to gross loans and advances growing to MUR 195.4 billion in 2025 from MUR 180.7 billion in 2024, while deposits from non-bank customers decreased to MUR 347.4 billion in 2025 from MUR 359.5 billion in 2024.

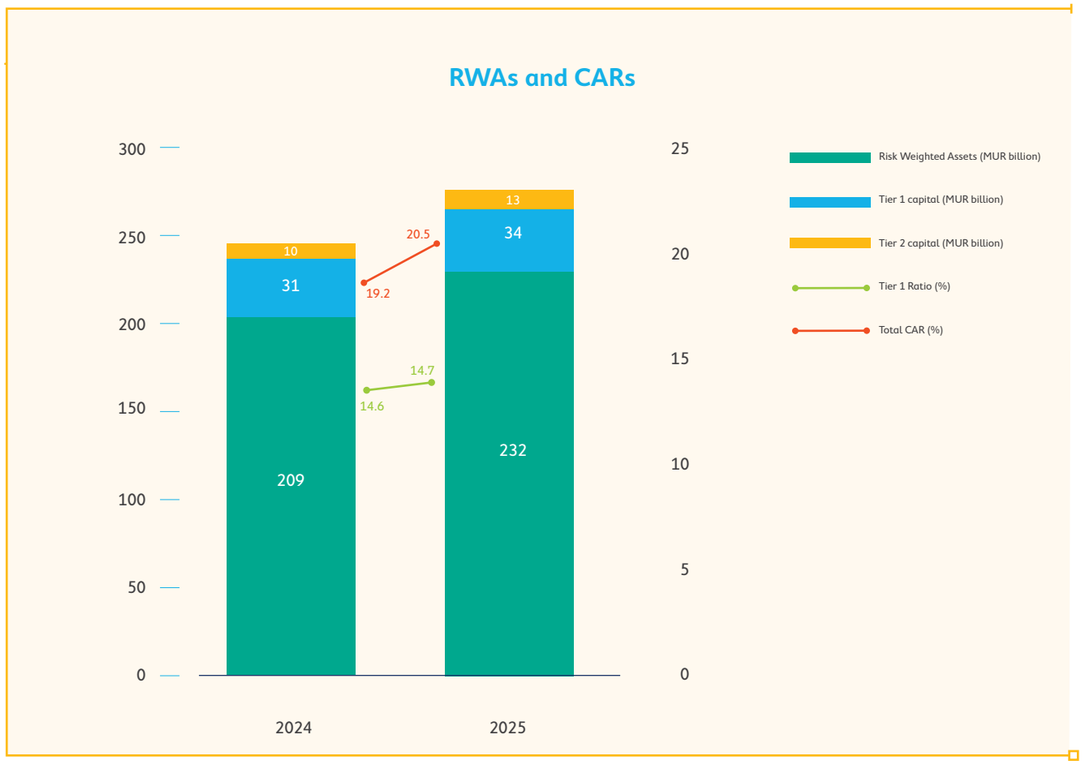
Subordinated Debts

Issuance	Instrument	Maturity	Currency	Carrying value (MUR million)
2018 (Second Issue)	Class A2 – Senior unsecured bonds	June 2028	MUR	3,061
2021 (Third Issue)	Class A3 & B3 – Unsecured bonds	June 2031	MUR	2,009
2025 (Fourth Issue)	Class A4 & A5 – Unsecured bonds	June 2035	MUR	5,002
SBMBI (2022–2023)	Fixed-rate subordinated unsecured bonds 2032–2033	2032–2033	INR	1,245
Total				**11,317**

The Company has successfully repaid the Class B2 Series unsecured bond of USD 75 million which matured in June 2025. During the year 2025, the Company has raised Class A4 and A5 Series unsecured bond of MUR 2.5 billion each respectively.

Shareholders' Equity

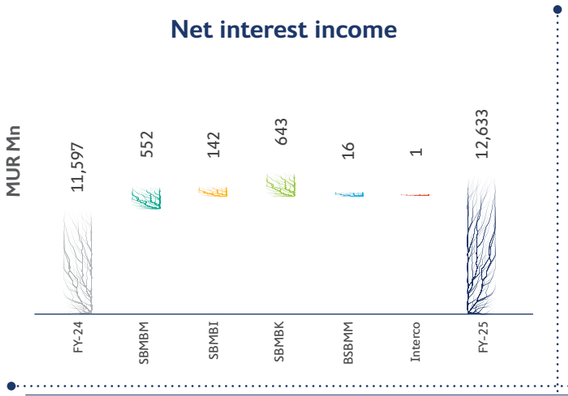
At 31 December 2025, the Group's total equity stood at MUR 40.5 billion (2024: MUR 36.6 billion), reflecting a strong and stable capital position. The increase was supported by a profit of MUR 4.2 billion, together with other comprehensive income of MUR 0.9 billion, mainly driven by property revaluations, remeasurement of defined benefit plans, FVTOCI investments, which was mitigated partly by the dividend payment of MUR 1.3 billion and property revaluation loss.

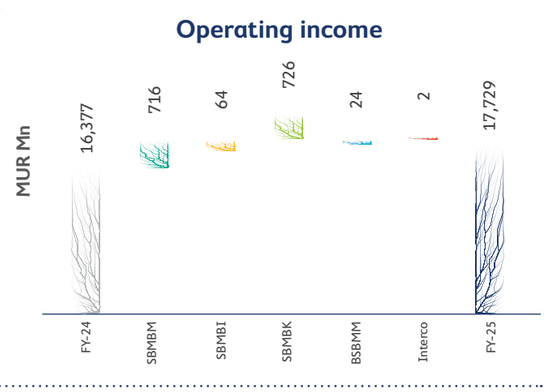


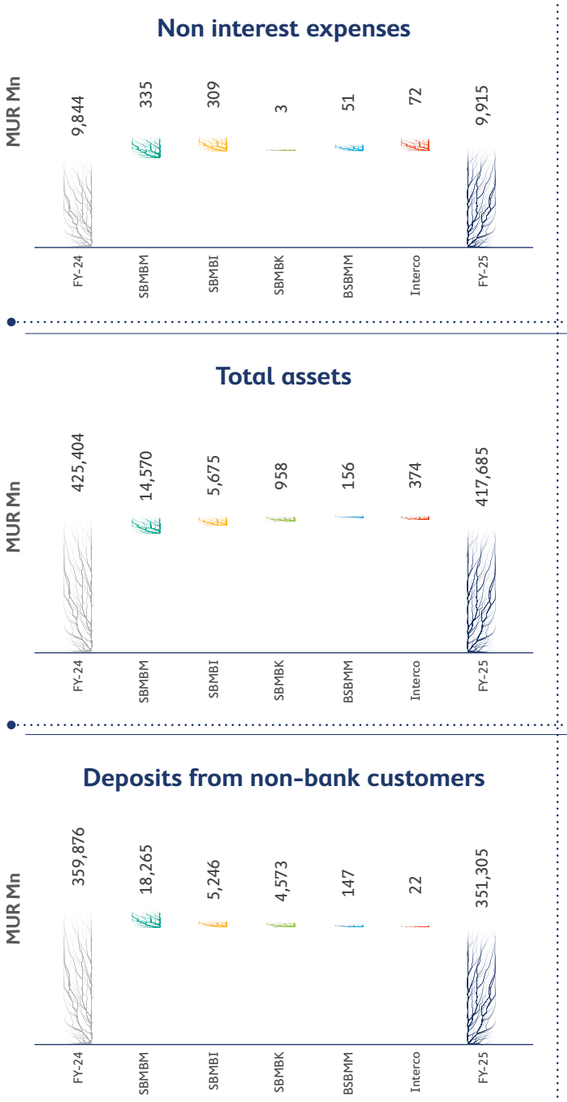
Overall, the Group maintains a strong and resilient capital position, with adequate buffers above regulatory requirements, along with supporting its ongoing business expansion.

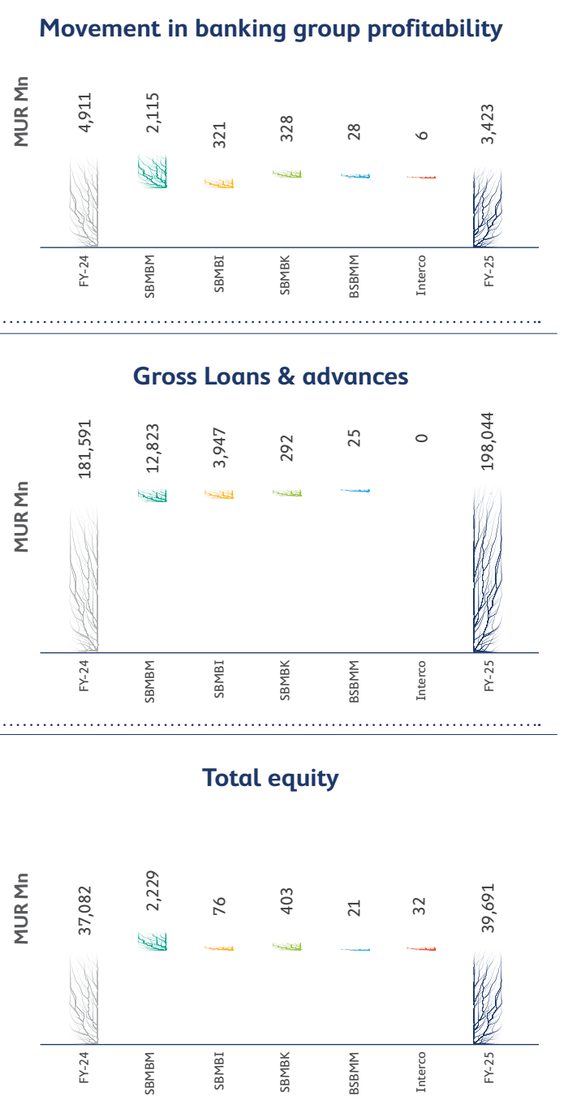
Segment Information

Banking Segment Performance









Detailed Analysis of Banking Segment

SBM Bank (Mauritius) Ltd (SBMBM)

The bank achieved a net profit after tax of MUR 3,720.1 million for the year ended 31 December 2025 (FY 2025) compared to MUR 5,834.7 million for the year ended 31 December 2024 (FY 2024). This drop in performance was primarily driven by higher expected credit loss expense and higher non-interest expenses, partially offset by an improvement in operating income and lower income tax expense.

The bank recorded an operating income of MUR 13,570.7 million for FY 2025, against MUR 12,855.1 million for FY 2024. This increase is mainly attributable to higher net interest income and non-interest income. Net interest income grew by MUR 552.2 million and stood at MUR 9,961.2 million for FY 2025 compared to MUR 9,409.0 million for FY 2024. Non-interest income also increased during the year under review and stood at MUR 3,609.5 million for FY 2025, higher by MUR 163.4 million compared to FY 2024.

On the non-interest expense side, an overall increase of MUR 335.5 million was noted for FY 2025, from MUR 5,539.9 million for FY 2024 to MUR 5,875.4 million for FY 2025. The increase in non-interest expenses was primarily the result of higher system costs and property-related expenses, reflecting continued investment in technology and infrastructure, whilst being partly offset by a drop in personnel costs from MUR 2,659.1 million for FY 2024 to MUR 2,562.4 million for FY 2025.

The current year's credit loss expense was higher by MUR 3,246.5 million compared to MUR 116.2 million for FY 2024. Income tax expense was lower by MUR 635.6 million for FY 2025 on account of a deferred tax credit of MUR 1,030.8 million for FY 2025 compared to a deferred tax charge of MUR 208.6 million for FY 2024, which positively impacted the profit for the period.

The bank's total assets decreased from MUR 336.7 billion as at 31 December 2024 to MUR 322.2 billion as at 31 December 2025. This decline was primarily driven by a reduction in deposits, which in turn led to lower investment in securities, which was partially offset by growth in net loans and advances, which rose by MUR 10.0 billion. The gross impaired ratio increased from 5.5% as at 31 December 2024 to 7.5% as at 31 December 2025. Total deposits stood at MUR 279.3 billion as at 31 December 2025 compared to MUR 297.3 billion as at 31 December 2024.

SBM Bank (India) Limited (SBMBI)

In 2025, SBMBI showed signs of improvement despite continuing challenges, reducing its loss to MUR 294.2 million from MUR 615.3 million in 2024. Net interest income declined by 11.2%, impacted by margin pressures, but this was partly offset by a 10% increase in non-interest income, reflecting diversification of revenue streams. Operating income remained stable while non-interest expenses were reduced by nearly 13%, demonstrating enhanced cost management. Credit loss provisions decreased by 23%, indicating improving asset quality.

The loan book grew by 15.2%, supported by a 14.1% increase in customer deposits, strengthening the funding base. Total assets expanded by 11.5%, while shareholders' equity slightly declined due to the ongoing loss.

Banque SBM Madagascar SA (BSBMM)

BSBMM delivered a modest but weakened financial performance for the year ended 31 December 2025, with profit after tax declining to MUR 16.9 million from MUR 45.0 million in FY 2024. The decrease in profitability was primarily driven by lower operating income and higher credit impairment charges. Net interest income declined by 9.3% to MUR 157.2 million, reflecting margin compression and subdued growth in earning assets, while non-interest income fell by 10.2% to MUR 71.9 million, indicating limited contribution from fee-based activities. As a result, total operating income decreased from MUR 253.4 million to MUR 229.1 million. Operating expenses also dropped to MUR 166.0 million (2024: MUR 168.7 million), demonstrating continued cost discipline, though this performance was insufficient to offset the revenue contraction. Credit loss provisions increased to MUR 38.5 million compared to MUR 21.5 million in the prior year, reflecting heightened credit risk within the portfolio.

On the statement of financial position, loans and advances marginally decreased to MUR 1.2 billion as at 31 December 2025, while deposits from non-bank customers declined to MUR 2.1 billion (2024: MUR 2.3 billion), indicating softer balance sheet growth. Total assets stood at MUR 2.8 billion. Shareholders' equity improved, supported by retained earnings for the year. Overall, BSBMM's 2025 performance reflects a challenging operating environment characterised by revenue pressures and increased provisioning, partially mitigated by prudent cost management and maintained capital adequacy. Continued focus on asset quality, deposit mobilisation and revenue diversification will be key to strengthening future performance.

SBM Bank (Kenya) Limited (SBMBK)

SBMBK delivered a strong financial turnaround in 2025, moving from a loss of MUR 352 million in 2024 to a profit of MUR 157.7 million, reflecting a significant improvement in its operating performance. However, the subsidiary restated its 2024 financial statements by KES 503 million (MUR 181.5 million), which was not adjusted in prior year but reflected in the current year at Group level, resulting in a loss of MUR 23.7 million.

Net interest income rose sharply from MUR 750.0 million to MUR 1,392.5 million (+85.7%), supported by improved asset yields, pricing and deployment of interest-earning assets as well as a reduction in interest expense. Non-interest income increased from MUR 482.1 million to MUR 565.4 million, indicating stronger fee-based activities and greater revenue diversification. Consequently, operating income grew substantially from MUR 1,232.1 million to MUR 1,957.9 million, outpacing the modest increase in non-interest expenses (from MUR 1,746.5 million to MUR 1,797.3 million), reflecting improved cost efficiency and positive operating leverage. However, credit loss provisions rose from MUR 30.1 million to MUR 71.2 million, pointing to emerging asset quality pressures.

From a balance sheet perspective, loans and advances increased moderately from MUR 16.5 billion to MUR 16.9 billion, while deposits grew strongly from MUR 25.2 billion to MUR 29.7 billion, enhancing the funding base and liquidity position. Total assets rose from MUR 37.2 billion to MUR 38.1 billion and shareholders' equity improved from MUR 3.3 billion to MUR 3.7 billion, supported by a capital injection of MUR 146.6 million from SBMH.

Overall, SBMBK's 2025 performance reflects a strong operational recovery, underpinned by robust and sustained revenue growth, improved efficiency and strengthened capitalisation, albeit with rising credit risk requiring continued monitoring.

Non-Banking Segment performance

SBM Non-Banking Financial Cluster (NBFC)

SBM's Non-Banking Financial Cluster (NBFC) reported a profit after tax of MUR 215.3 million for the year ended 31 December 2025, up from MUR 188.0 million in 2024. The increase was primarily driven by lower ECL provisioning under IFRS 9 and reduced operating expenses, partially offset by lower operating income from two of its subsidiaries.

The capital markets businesses —including trading, asset and portfolio management and corporate finance —remained the primary contributors to the cluster's income. While other lines of business also improved over the year, assets under management grew by 10%, from MUR 20.8 billion at 31 December 2024 to MUR 22.9 billion at 31 December 2025, despite challenging market conditions that continued to weigh on investment returns.

SBM Holdings Ltd (SBMH)

SBM Holdings Ltd, on stand-alone basis, delivered a strong performance for the year ended 31 December 2025, with profit attributable to equity holders rising to MUR 3.1 billion, compared to MUR 1.8 billion in 2024. The growth was largely driven by the revaluation of FVTPL investments (+MUR 891.0 million), higher dividend income from subsidiaries and equity investments, foreign exchange gains and tighter cost management, which offset higher finance costs from new subordinated debt. While net interest income remained negative due to the holding company structure, overall operating profit improved significantly to MUR 3.4 billion. Total comprehensive income amounted to MUR 2.9 billion, reflecting fair value movements on investment securities.

Total assets increased from MUR 38.7 billion to MUR 43.7 billion, a rise of MUR 5.0 billion (+12.9%), primarily driven by higher subordinated debt. Total liabilities grew by MUR 3.4 billion (+37.8%), reflecting the repayment of Bond B2 Series and the new issuance of A4 and A5 unsecured bonds, while a bridge loan of MUR 2.1 billion was repaid in early 2026. Total equity rose by MUR 1.6 billion (+4.2%).



LEGACY ANCHORED, FUTURE UNFOLDING



Statement of Directors' Responsibilities

Independent Auditor's Report

Financial Statements

Statement of Directors' Responsibilities

FOR THE YEAR ENDED 31 DECEMBER 2025

The Board of Directors of SBM Holdings Ltd is appointed by its shareholder at its AGM. A professional management team is appointed to run the business of SBM Holding Ltd (the "Group") under the oversight of the Board of Directors. The Board is directly accountable to the shareholder and each year the Group holds an Annual Meeting at which the directors report to the shareholder on the performance of the Group and its future plans and strategies. They also submit themselves for re-election as directors at the Annual Meeting, as laid out in the Constitution and the National Code of Corporate Governance for Mauritius.

The Board of Directors' key purpose is to ensure the Group's prosperity by collectively directing its affairs via delegated authority, whilst meeting the appropriate interests of its stakeholders. In addition to business and financial issues, the Board of Directors is also called upon to deal with the challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics. The Board must ensure that appropriate internal controls and risk management processes are set in place for the proper running of the business.

The Risk Management Committee has the responsibility to set the risk strategy, advise the Board on risk issues and monitor the risk management processes. Amongst others, it sets and reviews policies for the management of risks particularly in the areas of credit, market, interest, liquidity, operational and technological risks including legal, reputational and strategic risks, ensuring that adequate procedures and limits as well as appropriate methodologies and systems are in place.

The Audit Committee critically reviews the financial and interim reports, prospectus and other financial circulars/ documents and is responsible, amongst others, for reviewing the systems of internal controls to ascertain their adequacy and effectiveness. It reviews and discusses any material weaknesses identified in controls and deficiencies in system, and if necessary, recommends additional procedures to enhance the system of internal controls.

An internal audit function, whose Head also reports directly to the Audit Committee, is in place to ensure that the Group's operations are conducted according to the established practices by providing an independent and objective assurance, and by advising on best practices. The Audit Committee reviews reports from internal and external auditors and monitors relevant actions taken by management.

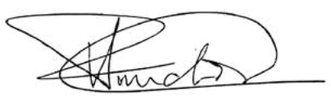
The Risk Management section contained in the Annual Report provides further details on the processes for risk management and internal controls.

The directors confirm, to the best of their knowledge and belief, that:

(i) an effective system of internal controls and robust risk management practices, including compliance, has been put in place to safeguard the assets and for the prevention and detection of fraud and other irregularities;
(ii) the Group has neither the intention nor the need to liquidate or curtail materially the scale of its operations in the foreseeable future;
(iii) the Financial Statements give a true and fair view of the state of affairs of the Group for the year ended 31 December 2025 and have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) , Mauritius Companies Act 2001 and the Financial Reporting Act 2004. These were supported by reasonable and prudent judgments, and estimates have been used consistently;
(iv) they continuously review the implications of corporate governance best practices and are of the opinion that the Group complies with the requirement of the National Code of Corporate Governance for Mauritius in all material aspects or has explained non-compliance; and
(v) proper accounting records have been kept, in accordance with the requirements of the Mauritius Companies Act 2001 and are free from misstatements.

The external auditors, PricewaterhouseCoopers have independently given their opinion in their audit report as set out in the financial statements on pages 271 to 275.

Signed on behalf of the Board.



Mr. Mahendra Vikramdass Punchoo
Chairman



Mr. Aakash Krishan Kalachand
Chairman, Audit Committee

30 March 2026

Independent Auditor's Report

To the Shareholders of SBM Holdings Ltd

Report on the Audit of the Consolidated and Separate Financial Statements

Our Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of SBM Holdings Ltd (the "Company") and its subsidiaries (together the "Group") and of the Company standing alone as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The accompanying consolidated and separate financial statements of SBM Holdings Ltd comprise:

- the statements of financial position as at 31 December 2025;
- the statements of profit or loss for the year then ended;
- the statements of comprehensive income for the year then ended;
- the statements of changes in equity for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements" section of our report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code") as applicable to audits of financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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Tel: +230 404 5000, Fax:+230 404 5088, www.pwc.com/mu
Business Registration Number : F07000530

PricewaterhouseCoopers is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

Independent Auditor's Report

To the Shareholders of SBM Holdings Ltd (Continued)

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

Key Audit Matters

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

Key audit matters – Consolidated Financial Statements	How our audit addressed the key audit matters
Expected credit losses (ECL) on financial instruments	
As at 31 December 2025, the Group recorded allowances for expected credit losses of MUR 11,489 million on its financial assets at amortised cost, memorandum items and financial assets at fair value through other comprehensive income (FVTOCI). The disclosures associated with ECL in the financial statements is set out in the following accounting policies and notes: • Material accounting policy 3(g) – financial instruments, impairment of financial assets; • Note 6 – Cash and cash equivalents; • Note 7 – Loans to and placements with banks; • Note 9 – Loans and advances to non-bank customers; • Note 10 – Investment securities; • Note 13 – Other assets; • Note 23 – Memorandum items; and • Note 33 - Credit loss movement on financial assets and memorandum items The determination of expected credit losses ("ECL") was identified as a key audit matter due to the complexity of the models used and the critical assumptions required regarding future economic conditions and credit behaviour. The key areas of significant management judgement within the ECL calculations include: • Assessment of the stage classification, including evaluation of significant increase in credit risk ("SICR") and credit-impaired assets; • Determination and appropriateness of the input assumptions applied to estimate the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD"); • Incorporation of forward-looking information into the ECL model; • Likelihood of economic scenarios; • ECL on stage 3 exposures are assessed individually and require significant management judgement in estimating future recoveries; and • Credit risk disclosures are significant as they explain the application of IFRS 9, Financial Instruments, including the key judgements and material inputs used in determining the ECL.	We obtained an understanding and tested the operating effectiveness of the relevant controls relating to the approval of credit facilities, subsequent monitoring of credit facilities, collateral management, determination of customer credit ratings and reconciliations performed on ECL. **Assessment of the stage classification** We have obtained and assessed the appropriateness of the Group's policy on SICR and assessed, on a sample basis, whether the stage classification of exposures at the reporting date was in line with the policy as well as the requirements of IFRS 9. This includes a comparison of the credit risk ratings for a sample of customers at the reporting date with their credit ratings at the origination date. We also verified the delinquent report at the reporting date to assess whether there were any 30 days past due customers that would trigger a SICR. We have obtained and assessed the appropriateness of the Group's policy on credit-impaired assets and assessed completeness of the list in line with the policy and IFRS 9. We have reviewed the Group's policy on the curing period and tested a sample of cured facilities during the year. **Input assumptions applied to the ECL model** With the assistance of our modelling experts, we have obtained an understanding of the data, methodologies and assumptions used in the ECL Model. The procedures performed include: - assessment of the appropriateness of the methodology used in line with IFRS 9 and parameters selected within the model, including the PD, LGD and EAD; and - testing, on a sample basis, the accuracy and completeness of the data inputs into the ECL model. **Incorporation of forward-looking information into the ECL model** Assessed, on a sample basis, the appropriateness of the forward-looking information incorporated in the ECL model. **Likelihood of economic scenarios** We assessed the appropriateness of the probability weightings of the macroeconomic scenarios by benchmarking these against external evidence and economic data. **ECL on stage 3 exposures** For a sample of customers, we performed the below procedures: - Where collateral was used in the ECL computation, we evaluated the Group's legal rights over the collateral and inspected the most recent valuation reports issued by external certified valuers appointed by the Group. - We evaluated the reasonableness of the assumptions applied to discount the collateral value, including haircuts applied and estimated time to realisation. **Credit risk disclosures** We have assessed the appropriateness of the ECL related disclosures in the financial statements in accordance with IFRS 7 and IFRS 9. We evaluated whether the credit risk disclosures are consistent with the ECL information tested as part of our audit procedures.

Independent Auditor's Report

To the Shareholders of SBM Holdings Ltd (Continued)

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

Key Audit Matters (Continued)

Key audit matters – Consolidated and Separate Financial Statements	How our audit addressed the key audit matters
Fair valuation of level 3 investment securities	
As at 31 December 2025, the Company has invested in level 3 equity investment securities with a company value of MUR 6,627 Million. These equity investments involve valuation models where external evidence and unobservable inputs are used in the valuation. The disclosures associated with Investment Securities in the financial statements is set out in the following accounting policies and notes: • Note 4(b) - Fair value of financial Instruments; • Note 10(a) – Investment Securities; • Note 38 - Risk management - a(iii) Fair value measurement hierarchy; • Note 29 (a) - Net gain/(losses) from financial assets at fair value through profit or loss; Management of the company uses the market approach using unobservable inputs to value these equity investment securities. Due to the materiality of the investments, the estimation uncertainties in the assumptions, and the degree of judgement required, the assessment of the fair value of the underlying investment securities is a Key Audit Matter to our audit.	With the assistance of our internal valuation experts, we have: • assessed the appropriateness of the valuation methodologies applied by management by comparing them to recognised valuation techniques and the requirements IFRS 13 – Fair value Measurement and IFRS 9 – Financial Instruments. • review the reasonableness of the assumptions, data points and unobservable inputs used in the valuation model. • developed an independent point estimate based on the most appropriate valuation basis and compare to the management valuation approach. • obtained an understanding and evaluated the relevant financial controls over the valuation process • assessed the adequacy of the related disclosures in the financial statements, including that relating to valuation techniques, key assumptions and sensitivity to changes in unobservable inputs.

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Governance Report, the Company Secretary's Certificate, the Financial Review and the Statement of Director's responsibilities but, does not include the consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report and the Introduction, the Reflections from the Chairman, the Message from the Group CEO, the In Conversation with the Deputy Group CEO, the Our Reporting Universe and Philosophy, the Overview of the SBM Group, the Group Leadership and Governance, the Strategy Report, the Sustainability Report and the Risk Management Report, which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above 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 on the other information, 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

When we read the Introduction, the Reflections from the Chairman, the Message from the Group CEO, the In Conversation with the Deputy Group CEO, the Our Reporting Universe and Philosophy, the Overview of the SBM Group, the Group Leadership and Governance, the Strategy Report, the Sustainability Report and the Risk Management Report not yet received and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

To the Shareholders of SBM Holdings Ltd (Continued)

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements (continued)

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

The directors are responsible for overseeing the Group's and Company'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's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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.

Independent Auditor's Report

To the Shareholders of SBM Holdings Ltd (Continued)

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) we have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as auditor and tax advisor of the Company and some of its subsidiaries and as business advisor of one of its subsidiaries;
(b) we have obtained all the information and explanations we have required; and
(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the Corporate Governance 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 Corporate Governance Report, the Company has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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PricewaterhouseCoopers

30 March 2026

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John Li How Cheong, licensed by FRC

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Notes	The Group			The Company	
		31 December 2025	31 December 2024	01 January 2024	**31 December 2025**	31 December 2024
		MUR'000	MUR'000 (Restated)	MUR'000 (Restated)	**MUR'000**	MUR'000
ASSETS						
Cash and cash equivalents	6	**52,608,903**	62,287,617	40,746,640	**36,062**	2,517
Loans to and placements with banks	7	**14,038,281**	7,595,289	2,853,065	**3,187,562**	-
Derivative financial instruments	8	**1,812,406**	1,464,946	679,073	**-**	-
Loans and advances to non-bank customers	9	**185,297,918**	172,687,378	148,259,418	**-**	-
Investment securities	10(a)	**156,831,695**	176,104,391	157,532,715	**8,434,225**	6,662,340
Investment in subsidiaries	10(b)	**-**	-	-	**31,947,252**	31,923,308
Property and equipment	11(a)	**4,822,843**	5,270,896	4,140,212	**6,018**	4,873
Right of use assets	11(b)(i)	**856,827**	781,578	724,545	**-**	-
Intangible assets	12	**1,020,843**	1,535,893	1,851,623	**-**	-
Deferred tax assets	18 (d)	**2,400,187**	1,519,647	1,390,569	**-**	-
Other assets	13	**5,638,190**	4,394,750	4,075,455	**47,379**	80,935
Total assets		**425,328,093**	433,642,385	362,253,315	**43,658,498**	38,673,973
LIABILITIES						
Deposits from banks	15	**5,499,793**	3,963,451	2,662,028	**-**	-
Deposits from non-bank customers	16	**347,444,343**	359,496,028	290,639,805	**-**	-
Other borrowed funds	17	**9,166,253**	10,523,557	13,405,661	**2,058,691**	121,946
Derivative financial instruments	8	**1,455,794**	1,429,727	782,595	**-**	-
Lease liabilities	11(b)(ii)	**956,031**	856,681	801,229	**-**	-
Current tax liabilities	18 (a)	**1,191,263**	1,018,819	556,294	**-**	-
Pension liabilities	14	**545,786**	758,138	450,863	**23,883**	29,411
Other liabilities	19	**7,299,763**	8,981,235	10,039,834	**133,314**	117,594
Subordinated debts	20	**11,316,586**	9,978,148	11,232,173	**10,072,160**	8,648,535
Total liabilities		**384,875,612**	397,005,784	330,570,482	**12,288,048**	8,917,486
SHAREHOLDERS' EQUITY						
Stated capital	21	**32,500,204**	32,500,204	32,500,204	**32,500,204**	32,500,204
Retained earnings		**15,068,614**	11,543,044	9,511,081	**4,689,536**	2,877,797
Other reserves		**(2,241,306)**	(2,531,616)	(5,453,421)	**(944,259)**	(746,483)
		45,327,512	41,511,632	36,557,864	**36,245,481**	34,631,518
Treasury shares	21	**(4,875,031)**	(4,875,031)	(4,875,031)	**(4,875,031)**	(4,875,031)
Total equity attributable to owners of the Company		**40,452,481**	36,636,601	31,682,833	**31,370,450**	29,756,487
Total equity and liabilities		**425,328,093**	433,642,385	362,253,315	**43,658,498**	38,673,973

Approved by the Board of Directors and authorised for issue on 30 March 2026



Mr. Mahendra Vikramdass Punchoo
Chairman



Mr. Aakash Krishan Kalachand
Chairman, Audit Committee

The notes on pages 283 to 393 form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	The Group		The Company	
		2025	2024	**2025**	2024
		MUR'000	MUR'000	**MUR'000**	MUR'000
Interest income using the effective interest method	26	**24,459,039**	22,709,870	**83,925**	12,370
Other interest income	26	**1,272,175**	633,002	**-**	-
Interest expense using the effective interest method	26	**(12,341,609)**	(11,522,394)	**(545,860)**	(464,252)
Other interest expense	26	**(1,196,796)**	(646,415)	**-**	-
Net interest income/(expense)	26	**12,192,809**	11,174,063	**(461,935)**	(451,882)
Fee and commission income	27	**2,836,873**	2,481,656	**-**	-
Fee and commission expense	27	**(129,431)**	(124,710)	**-**	-
Net fee and commission income	27	**2,707,442**	2,356,946	**-**	-
Other income					
Net trading income	28	**2,478,924**	2,577,460	**-**	-
Net gains/(losses) from financial assets measured at FVTPL	29 (a)	**835,527**	(2,837)	**890,957**	1,369
Net losses on derecognition of financial assets measured at amortised cost	29 (b)	**-**	(32,383)	**-**	(20,940)
Net gains/(losses) on derecognition of financial assets measured at FVTOCI	29 (c)	**381,616**	108,567	**-**	(10,250)
Other operating income	30	**433,166**	452,602	**3,016,136**	2,866,107
Non-interest income		**6,836,675**	5,460,355	**3,907,093**	2,836,286
Total operating income		**19,029,484**	16,634,418	**3,445,158**	2,384,404
Personnel expenses	31	**(4,803,982)**	(4,899,768)	**(213,299)**	(231,909)
Depreciation of property and equipment	11(a)	**(506,906)**	(408,417)	**(564)**	(439)
Depreciation of right of use assets	11(b)	**(222,702)**	(229,078)	**-**	-
Amortisation of intangible assets	12	**(794,462)**	(692,546)	**-**	(66)
Other expenses	32	**(4,037,810)**	(4,389,219)	**(69,844)**	(353,074)
Impairment of investment in subsidiary	10(b)	**-**	-	**(69,378)**	(29,320)
Non-interest expense		**(10,365,862)**	(10,619,028)	**(353,085)**	(614,808)
Profit before credit loss expense		**8,663,622**	6,015,390	**3,092,073**	1,769,596
Credit loss movement on financial assets and memorandum items	33	**(3,534,141)**	(431,289)	**(6,942)**	(739)
Profit before income tax		**5,129,481**	5,584,101	**3,085,131**	1,768,857
Tax expense	18 (b)	**(915,971)**	(1,245,431)	**(2,705)**	(1,897)
Profit for the year attributable to owners of the Company		**4,213,510**	4,338,670	**3,082,426**	1,766,960
Earnings per share:					
Basic and Diluted (Cents)	34	**163.2**	168.0		

The notes on pages 283 to 393 form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	The Group		The Company	
		2025	2024	**2025**	2024
		MUR'000	MUR'000	**MUR'000**	MUR'000
Profit for the year attributable to owners of the Company		**4,213,510**	4,338,670	**3,082,426**	1,766,960
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
(Loss)/gain on revaluation of property	11(a)	**(110,000)**	779,597	**-**	-
Deferred tax on revaluation of property	18(d)	**18,700**	(94,290)	**-**	-
Deferred tax arising following change in rate:					
- Revaluation of property	18(d)	**(49,890)**	-	**-**	-
- Defined benefit pension plans	18(d)	**74,144**	-	**-**	-
Remeasurement of defined benefit pension plans	14	**307,135**	(262,230)	**12,034**	(4,801)
Deferred tax on remeasurement of defined benefit pension plans	18(d)	**(67,402)**	34,392	**-**	-
Fair value (loss)/gain on equity instruments designated at FVTOCI	10(a)	**(141,530)**	27,131	**(189,601)**	-
		31,157	484,600	**(177,567)**	(4,801)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	37	**(299,527)**	773,635	**-**	-
Debt securities measured at FVTOCI					
-Movement in fair value during the year		**946,385**	627,085	**-**	(11,881)
-Fair value (gains)/losses reclassified to profit or loss on derecognition		**(381,616)**	(108,567)	**-**	10,250
-Credit loss movement relating to debt instruments held at FVTOCI		**596,867**	(128,938)	**-**	189
		862,109	1,163,215	**-**	(1,442)
Total other comprehensive income/(loss) attributable to owners of the Company		**893,266**	1,647,815	**(177,567)**	(6,243)
Total comprehensive income for the year attributable to owners of the Company		**5,106,776**	5,986,485	**2,904,859**	1,760,717

The notes on pages 283 to 393 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

The Group	Notes	**Stated capital**	**Property revaluation reserve**	**Other reserves***	**Statutory reserve**	**Retained earnings**	**Treasury shares**	**Total equity**
		MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
At 01 January 2024		32,500,204	182,309	(6,399,721)	763,991	9,511,081	(4,875,031)	31,682,833
Comprehensive income:								
Profit for the year		-	-	-	-	4,338,670	-	4,338,670
Other comprehensive income/(loss) for the year		-	685,307	1,190,346	-	(227,838)	-	1,647,815
Total comprehensive income for the year		-	685,307	1,190,346	-	4,110,832	-	5,986,485
Transaction with owners:								
Appropriation of reserves		-	-	1,087,036	16,233	(1,103,269)	-	-
Revaluation surplus realised on depreciation		-	(57,117)	-	-	57,117	-	-
Dividend	22	-	-	-	-	(1,032,717)	-	(1,032,717)
Total transaction with owners		-	(57,117)	1,087,036	16,233	(2,078,869)	-	(1,032,717)
At 31 December 2024		32,500,204	810,499	(4,122,339)	780,224	11,543,044	(4,875,031)	36,636,601
At 01 January 2025		**32,500,204**	**810,499**	**(4,122,339)**	**780,224**	**11,543,044**	**(4,875,031)**	**36,636,601**
Comprehensive income:								
Profit for the year		**-**	**-**	**-**	**-**	**4,213,510**	**-**	**4,213,510**
Other comprehensive (loss)/income for the year		**-**	**(141,190)**	**720,579**	**-**	**313,877**	**-**	**893,266**
Total comprehensive (loss)/income for the year		**-**	**(141,190)**	**720,579**	**-**	**4,527,387**	**-**	**5,106,776**
Transaction with owners:								
Appropriation of reserves		**-**	**-**	**(221,052)**	**9,131**	**211,921**	**-**	**-**
Revaluation surplus realised on depreciation		**-**	**(77,158)**	**-**	**-**	**77,158**	**-**	**-**
Dividend	22	**-**	**-**	**-**	**-**	**(1,290,896)**	**-**	**(1,290,896)**
Total transaction with owners		**-**	**(77,158)**	**(221,052)**	**9,131**	**(1,001,817)**	**-**	**(1,290,896)**
At 31 December 2025		**32,500,204**	**592,151**	**(3,622,812)**	**789,355**	**15,068,614**	**(4,875,031)**	**40,452,481**

*Other reserves comprise of fair value reserve, translation reserve, prudential provisions reserve and restructuring reserve (note 37).

The notes on pages 283 to 393 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

The Company	Notes	Stated capital MUR'000	Treasury shares MUR'000	Retained earnings MUR'000	Fair value reserve MUR'000	Total equity MUR'000
At 1 January 2024		32,500,204	(745,041)	2,148,355	(4,875,031)	29,028,487
Comprehensive income:						
Profit for the year		-	-	1,766,960	-	1,766,960
Other comprehensive loss for the year		-	(1,442)	(4,801)	-	(6,243)
Total comprehensive (loss)/ income for the year		-	(1,442)	1,762,159	-	1,760,717
Transaction with owners:						
Dividend	22	-	-	(1,032,717)	-	(1,032,717)
At 31 December 2024		32,500,204	(746,483)	2,877,797	(4,875,031)	29,756,487
At 1 January 2025		**32,500,204**	**(746,483)**	**2,877,797**	**(4,875,031)**	**29,756,487**
Comprehensive income:						
Profit for the year		**-**	**-**	**3,082,426**	**-**	**3,082,426**
Other comprehensive (loss)/ income for the year		**-**	**(189,601)**	**12,034**	**-**	**(177,567)**
Total comprehensive (loss)/ income for the year		**-**	**(189,601)**	**3,094,460**	**-**	**2,904,859**
Transaction with owners:						
Appropriation of reserves		**-**	**(8,175)**	**8,175**	**-**	**-**
Dividend	22	**-**	**-**	**(1,290,896)**	**-**	**(1,290,896)**
Total transaction with owners		**-**	**(8,175)**	**(1,282,721)**	**-**	**(1,290,896)**
At 31 December 2025		**32,500,204**	**(944,259)**	**4,689,536**	**(4,875,031)**	**31,370,450**

The notes on pages 283 to 393 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	The Group 2025 MUR'000	The Group 2024 MUR'000 (Restated)	The Company 2025 MUR'000	The Company 2024 MUR'000
Cash flows from operating activities					
Profit for the year		**4,213,510**	4,338,670	**3,082,426**	1,766,960
Adjustments to determine net cash flows:					
Depreciation of property and equipment	11(a)	**506,906**	408,417	**564**	439
Depreciation of right of use assets	11(b)	**222,702**	229,078	**-**	-
Amortisation of intangible assets	12	**794,462**	692,546	**-**	66
Write off of property and equipment	11(a)	**825**	-	**-**	-
Write off of intangible assets	12	**27,784**	-	**-**	-
Impairment of investment in subsidiaries	10(b)	**-**	-	**69,378**	29,320
Pension expense	31	**155,446**	119,234	**6,891**	12,839
Credit loss movement on financial assets and memorandum items	33	**3,534,141**	431,289	**6,942**	739
Net (gains)/losses on derecognition of financial assets measured at FVTOCI	29(c)	**(381,616)**	(108,567)	**-**	10,250
Net gain on termination of right of use		**(4,896)**	(20,447)	**-**	-
Net gain on disposal of property and equipment	30	**(9,729)**	(12,888)	**-**	-
Net losses on derecognition of financial assets measured at amortised cost	29(b)	**-**	32,383	**-**	20,940
Net (gains)/losses from financial assets measured at FVTPL	29(a)	**(835,527)**	2,837	**(890,957)**	(1,369)
Interest income	26	**(25,731,214)**	(23,342,872)	**(83,925)**	(12,370)
Interest expense	26	**13,538,405**	12,168,809	**545,860**	464,252
Tax expense	18(b)	**915,971**	1,245,431	**2,705**	1,897
Dividend income	30	**(287,778)**	(305,568)	**(2,830,043)**	(2,796,280)
Exchange difference		**(345,468)**	437,737	**(111,029)**	-
Operating loss before working capital changes		**(3,686,076)**	(3,683,911)	**(201,188)**	(502,317)
Change in operating assets and liabilities					
Increase in derivative financial instruments (assets)		**(355,212)**	(795,337)	**-**	-
Increase in loans to and placements with banks		**(6,451,425)**	(4,752,445)	**(3,187,562)**	-
Increase in loans and advances to non bank customers		**(15,598,193)**	(23,966,838)	**-**	-
Decrease/(increase) in investment securities		**21,009,452**	(17,559,702)	**(1,077,605)**	842,422
(Increase)/decrease in other assets		**(1,304,303)**	(395,585)	**26,614**	32,296
(Decrease)/increase in derivative financial instruments (liabilities)		**(144,617)**	720,226	**-**	-
Increase in deposits from banks		**1,536,343**	1,301,423	**-**	-
(Decrease)/increase in deposits from non-bank customers		**(11,740,896)**	68,525,800	**-**	-
(Decrease)/increase in other liabilities		**(2,185,070)**	(1,096,518)	**15,720**	28,299
Net change in pension liabilities	14(a)&14(b)	**(60,663)**	(79,070)	**(385)**	(1,025)
Cash (used in)/ generated from operations		**(18,980,660)**	18,218,043	**(4,424,406)**	399,675
Interest received		**26,003,622**	22,729,256	**91,000**	17,076
Interest paid		**(13,883,385)**	(11,823,636)	**(542,700)**	(472,893)
Income tax paid	18(c)	**(1,673,969)**	(770,319)	**(2,705)**	(1,897)
Net cash (used in)/generated from operating activities		**(8,534,392)**	28,353,344	**(4,878,811)**	(58,039)

The notes on pages 283 to 393 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Notes	The Group		The Company	
		2025	2024	**2025**	2024
		MUR'000	MUR'000	**MUR'000**	MUR'000
			(Restated)		
Investing activities					
Acquisition of property and equipment		**(206,623)**	(724,427)	**(1,710)**	-
Acquisition of intangible assets	12	**(319,446)**	(406,927)	**-**	-
Proceeds on disposal of property and equipment		**16,669**	23,260	**-**	-
Dividend received	30	**287,778**	305,568	**2,830,043**	2,796,280
Redemption of capital contribution	10(b)	**-**	-	**572,714**	125,886
Contribution during the year	10(b)	**-**	-	**(666,036)**	(1,366,474)
Net cash (used in)/generated from investing activities		**(221,622)**	(802,526)	**2,735,011**	1,555,692
Financing activities					
Proceeds from other borrowed funds	20	**9,630,967**	4,612,409	**2,526,482**	-
Repayment of other borrowed funds	20	**(10,317,261)**	(7,740,277)	**(495,993)**	-
Repayment of subordinated debts	20	**(3,440,358)**	(1,500,000)	**(3,440,302)**	(1,500,000)
Subordinated debts issued	20	**5,000,000**	-	**5,000,000**	-
Dividend paid on ordinary shares	22	**(1,290,896)**	(1,032,717)	**(1,290,896)**	(1,032,717)
Payment of principal portion of lease liabilities	11(b)	**(269,637)**	(293,092)	**-**	-
Net cash flow (used in)/generated from financing activities		**(687,185)**	(5,953,677)	**2,299,291**	(2,532,717)
Net change in cash and cash equivalents		**(9,443,199)**	21,597,141	**155,491**	(1,035,064)
Effect of foreign exchange rate changes		**(252,338)**	(33,845)	**-**	204,902
Expected credit loss allowance on cash and cash equivalents		**16,823**	(22,319)	**-**	-
Cash and cash equivalents at start of year		**62,287,617**	40,746,640	**(119,429)**	710,733
Cash and cash equivalents at end of year		**52,608,903**	62,287,617	**36,062**	(119,429)
Reconciliation of cash and cash equivalents					
Cash at bank	6	**52,608,903**	62,287,617	**36,062**	2,517
Bank overdraft		**-**	-	**-**	(121,946)
		52,608,903	62,287,617	**36,062**	(119,429)

The notes on pages 283 to 393 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

SBM Holdings Ltd (the "Company") is a public company incorporated on 18 November 2010 and domiciled in Mauritius. The Company was listed on the Stock Exchange of Mauritius on 03 October 2014 pursuant to a group restructuring approved by the Bank of Mauritius. The address of its registered office is SBM Tower, 1 Queen Elizabeth II Avenue, Port Louis, Mauritius.

These financial statements comprise the Company as a standalone as well as its subsidiaries (together referred to as the "Group").

The Group operates in the financial services sector, principally commercial banking.

2. Application of new and revised standards and interpretations

In the current year, the Group and the Company have 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 ("IFRS-IC") of the IASB that are relevant to their operations and effective for accounting periods beginning on 01 January 2025.

(a) New and revised IFRS Accounting Standards as issued by the IASB

A number of new standards, amendments to existing standards and interpretations are effective for the first time for the accounting period beginning 01 January 2025. None of these had a significant effect on the financial information of the Group.

(b) New and revised IFRS Accounting Standards in issue but not yet effective

A number of new standards, amendments to existing standards and interpretations are effective for periods beginning after 01 January 2025 and which are as follows:

(i) Amendments to the Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning after 01 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group does not expect these amendments to have a material impact on its financial information.

(ii) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 01 January 2027)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be significant, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The Directors shall assess the impact of the IFRS 18 on the Group's financial information in due course.

(iii) IFRS 19 Subsidiaries without Public Accountability (effective for annual periods beginning on or after 01 January 2027)

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. The Group does not expect this standard to have an impact on its financial information.

The directors anticipate that these amendments will be applied in the financial statements for the annual periods beginning on the respective dates as indicated above. The directors have not yet had an opportunity to consider the potential impact of the application of these amendments.

3. Material accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards (IFRSs), as issued by the International Accounting Standards Board (IASB) and in compliance with the Mauritius Companies Act 2001, and the Financial Reporting Act 2004.

(b) Basis of preparation

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

The accounting policies of each relevant line item not disclosed below are included in the respective notes.

The financial statements have been prepared on the historical cost basis, except for certain property and equipment measured at revalued amounts and derivative and financial instruments that are measured at fair value as explained in the accounting policies. These financial statements are presented in Mauritian Rupee, which is the Group's and Company's functional currency and presentation currency.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. In estimating the fair value of an asset or liability the Group takes into account the characteristics of the asset or liability if market participants would take into account those characteristics when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Going concern

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

(c) Presentation of financial statements

The financial statements are presented in Mauritian Rupee ('MUR') , which is the Group's and Company's functional and presentation currency. All values are rounded to the nearest thousand (MUR'000), except where otherwise indicated. The Group and the Company presents its statement of financial position broadly in order of liquidity. The recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented under each respective note.

(d) Basis of consolidation

The financial statements include the financial statements of SBM Holdings Ltd and its subsidiaries.

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

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

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

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

3. Material accounting policies (cont'd)

(d) Basis of consolidation (cont'd)

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

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

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, except for SBMBI, which has a different reporting period as mandated by the Reserve Bank of India (RBI). All subsidiaries apply consistent accounting policies, and where necessary, adjustments are made to align their financial statements with the accounting policies of the Group.

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

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

(e) Foreign currency translation

Assets, liabilities, income and expense items denominated in other currencies are translated into Mauritian Rupees, the currency of the primary economic environment in which the entity operates ('functional currency') in accordance with IAS 21.

(i) Transactions denominated in foreign currency are converted at the rate prevailing at the date of the transactions.

(ii) Monetary assets and liabilities denominated in foreign currency at the reporting date are translated into Mauritian Rupees at the rates of exchange prevailing at that date.

(iii) Non-monetary assets and liabilities denominated in foreign currency are reported using the exchange rates at the date of the transactions, if carried at cost, or the exchange rates that existed when the fair values were determined, if carried at fair value.

(iv) Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the statements of profit or loss and other comprehensive income ('OCI') for the year. When a gain or loss on a non-monetary item is recognised in equity, any exchange component of that gain or loss shall be recognised in equity. Conversely, when a gain or loss on a non-monetary item is recognised in the statements of profit or loss and other comprehensive income, any exchange component of that gain or loss shall be recognised in the statements of profit or loss and other comprehensive income.

(v) Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at closing rate. Exchange differences arising are recognised in other comprehensive income.

(vi) On consolidation, the assets and liabilities of foreign operations are translated into Mauritian Rupee at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.On disposal/ derecognition of a foreign entity, such translation differences are recognised in the statements of profit in the period in which the foreign entity is disposed of/derecognised.

3. Material accounting policies (cont'd)

(f) Financial instruments

Financial assets and financial liabilities (excluding regular way trades) are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Recognised financial assets and financial liabilities are initially measured at fair value. Regular way trades are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. These are recognised using trade date accounting and are applied both for financial assets mandatorily measured at FVTPL and financial assets measured at amortised cost.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the entity will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability). After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Financial assets

For all financial assets the amount presented on the statements of financial position represent all amounts receivable including interest accruals. All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as follows:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income (FVTOCI); and
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the entity may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the entity may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in OCI; and
- the entity may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

The Group has not designated any debt instruments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3. Material accounting policies (cont'd)

(f) Financial instruments (cont'd)

Financial assets (cont'd)

Debt instruments measured at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are SPPI. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The entity determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The entity's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group has more than one business model for managing its financial instruments which reflect how it manages its financial assets in order to generate cash flows. The business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group considers all relevant information available when making the business model assessment.

However, this assessment is not performed on the basis of scenarios that the Group does not reasonably expect to occur, such as 'worst case' or 'stress case' scenarios. The Group takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassesses its business models at each reporting period to determine whether the business models have changed since the preceding period. When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

3. Material accounting policies (cont'd)

(f) Financial instruments (cont'd)

Financial assets (cont'd)

Financial assets measured at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

Equity instruments designated at FVTOCI

On initial recognition, the entity may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has evidence of a recent actual pattern of short-term profit taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Cash and cash equivalents

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Reclassifications

If the business model under which the entity holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the financial assets. During the current financial year there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost, exchange differences are recognised in profit or loss;
- for debt instruments measured at FVTOCI, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss and other exchange differences are recognised in the OCI in fair value reserve;
- for financial assets measured at FVTPL, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in the OCI in the fair value reserve.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3. Material accounting policies (cont'd)

(f) Financial instruments (cont'd)

Financial assets (cont'd)

Financial guarantees

In the ordinary course of business, the Group gives financial guarantees, consisting of letters of credit, Group guarantees and acceptances.

Financial guarantee contracts issued by an entity are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the entity's revenue recognition policies.

Any increase in the liability relating to financial guarantees is recorded in the statements of profit or loss and other comprehensive income. The premium received is recognised in the statements of profit or loss and other comprehensive income in 'Fees and commission income' on a straight-line basis over the life of the guarantee.

Impairment of financial assets

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- loans and advances to non-banks customers;
- loans to and placements with banks;
- investment securities measured at amortised cost;
- investment securities measured at FVTOCI;
- loan commitments issued; and
- financial guarantee contracts issued.

No impairment loss is recognised on equity investments designated at FVTOCI.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instruments that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instruments (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL. More details on the determination of significant increase in credit risk are provided in Note 38 (b).

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the entity under the contract and the cash flows that the entity expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the entity if the holder of the commitment draws down the loan and the cash flows that the entity expects to receive if the loan is drawn down.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the entity expects to receive from the holder, the debtor or any other party.

More information on measurement of ECLs is provided in Note 38.

3. Material accounting policies (cont'd)

(f) Financial instruments (cont'd)

Credit impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets.

Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event - instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a backstop if amounts are overdue for 90 days or more.

The Group does not have purchased or originated credit impaired financial assets.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk (see Note 38).

The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is unlikely to pay its credit obligations to the Group in full.

This definition of default is used by the Group for accounting purposes as well as for internal credit risk management purposes and is broadly aligned to the regulatory definition of default. The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding. When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

The Group uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. More details are provided in Note 38. As noted in the definition of credit impaired financial assets above, default is evidence that an asset is credit impaired. Therefore credit impaired assets will include defaulted assets, but will also include other non-defaulted asset given the definition of credit impaired is broader than the definition of default.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3. Material accounting policies (cont'd)

(f) Financial instruments (cont'd)

Significant increase in credit risk (SICR)

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

For corporate lending, forward-looking information includes the future prospects of the industries in which the Group's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information. For retail lending, forward-looking information includes the same economic forecasts as corporate lending with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behaviour.

The Group allocates its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing:

- the remaining lifetime PD at the reporting date with
- the remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

The PDs used are forward-looking and the Group uses the same methodologies and data used to measure the loss allowance for ECL.

The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However, the Group still considers separately some qualitative factors to assess if credit risk has increased significantly. For corporate lending, there is particular focus on assets that are included on a 'watch list' given an exposure is on a watch list once there is concern that the creditworthiness of the specific counterparty has deteriorated. For retail lending, the Group considers the expectation of forbearance and payment holidays, credit scores and events such as unemployment, bankruptcy, sale of assets.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when an asset becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. In addition, loans that are individually assessed and are included on a watch list are in stage 2 of the impairment model. As noted, if there is evidence of credit impairment, the assets are moved to stage 3 of the impairment model.

3. Material accounting policies (cont'd)

(f) Financial instruments (cont'd)

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness), change in interest rates and amendments to covenants. The Group has a forbearance policy in place to cater for requests for restructuring of debts. When a financial asset is modified, the Group assesses whether this modification results in derecognition. In accordance with the Group's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms, the Group considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or when rights to cash flows between the original counterparties expire because a new debtor replaces the original debtor (unless both debtors are under common control), the extent of change in interest rates, and maturity. If these do not clearly indicate a substantial modification, then;

- A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest rate. If the difference in present value is greater than 10% the Group deems the arrangement is substantially different leading to derecognition. When performing a quantitative assessment of a modification or renegotiation of a credit-impaired financial asset or a purchased or originated credit-impaired financial asset that was subject to a write-off, the Group considers the expected (rather than the contractual) cash flows before modification or renegotiation and compares those with the contractual cash flows after modification or renegotiation.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification.

The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the entity determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD at the reporting date with

- the remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

For financial assets modified as part of the forbearance policy, where modification did not result in derecognition, the estimate of PD reflects the ability to collect the modified cash flows taking into account the previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. If a forborne loan is credit impaired due to the existence of evidence of credit impairment (see above), the Group performs an ongoing assessment to ascertain if the problems of the exposure are cured, to determine if the loan is no longer credit-impaired. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk. Where a modification does not lead to derecognition, the Group calculates the modification loss by comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Modification losses for financial assets are included in the profit or loss account. Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3. Material accounting policies (cont'd)

(f) Financial instruments (cont'd)

Modification and derecognition of financial assets (cont'd)

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continue to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss. On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not has assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains, which will be presented in 'credit loss on financial assets and memorandum items' in the statement of profit or loss.

Presentation of allowance for ECL in the statements of financial position

Loss allowances for ECLs are presented in the statements of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;

- for debt instruments measured at FVTOCI: no loss allowance is recognised in the statements of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the fair value reserve; and

- for debt instruments measured at FVTOCI: no loss allowance is recognised in the statements of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the fair value reserve; and

Financial liabilities and equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

3. Material accounting policies (cont'd)

(f) Financial instruments (cont'd)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of direct issue costs. Ordinary shares are classified as equity. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Ordinary shares are classified as equity.

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 their 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.

Financial liabilities measured at amortised cost

Financial liabilities include deposits from banks and non banks customers, due to Groups and other borrowed funds, lease liabilities and other liabilities and are initially measured at fair value, net of transaction costs. These financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities measured at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument. Financial liabilities at FVTPL are stated at fair value, with any gains/losses arising on remeasurement recognised in profit or loss. The net gain/loss recognised in profit or loss incorporates any interest paid on the financial liability.

Financial liabilities at FVTPL are stated at fair value, with any gains/losses arising on remeasurement recognised in profit or loss. The net gain/loss recognised in profit or loss incorporates any interest paid on the financial liability.

Derecognition and modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. When the entity exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the entity accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. To determine if the modified terms, of a liability are substantially different to the original terms a similar process with modification of financial assets is followed. The modification is assessed at first on a qualitative basis, factors such as a change in currency or the introduction of a non-closely related embedded derivative that significantly modifies the cash flows are regarded as substantially different.

3. Material accounting policies (cont'd)

(f) Financial instruments (cont'd)

Derecognition and modification of financial liabilities (cont'd)

If it is not clear from the qualitative assessment that a modification has resulted in a substantial change in a financial liability, a quantitative assessment is applied. It is assumed that the terms of the financial liability are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the Group recalculates the amortised cost of the modified financial liability by discounting the modified contractual cash flows using the original effective interest rate. The Group recognises any adjustment to the amortised cost of the financial liability in profit or loss as income or expense at the date of the modification. The financial liability modification gain/loss is not significant for the Group. Modification gains are presented in 'other operating income' and modification losses are presented in 'other operating expenses' in profit or loss.

(g) Derivative financial instruments

The Group enters into a variety of derivative financial instruments some of which are held for trading while others are held to manage its exposure to interest rate risk; credit risk; and foreign exchange rate risk. Derivatives held include forward contracts, spot position, swaps and option contracts. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(h) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

(i) Provisions and other contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss net of any reimbursement.

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, they are involved in various litigation, arbitration and regulatory investigations and proceedings both in local and in other jurisdictions, arising in the ordinary course of the Group's business. When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. However, when the Group is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Group does not include detailed, case-specific disclosures in its financial statements. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

3. Material accounting policies (cont'd)

(j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the 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, therefore, the related assets and liabilities are presented gross in the statements of financial position.

Income and expense will not be offset in the statements of profit or loss and other comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies.

The accounting policies of each relevant line item are included in the respective notes.

(k) Recognition of income and expenses

(i) *Net interest income*

Interest income and expense for all financial instruments except for those classified as held for trading or those measured or designated as at FVTPL are recognised in 'Net interest income' as 'Interest income' and 'Interest expense' in profit or loss using the effective interest method. Interest on financial instruments measured as at FVTPL is included within the fair value movement during the year in 'Net trading income'. Interest on derivatives in economic hedge relationship is included in other interest income/expense.

For all financial instruments measured at amortised cost and interest-earning financial instruments classified as investment securities measured at FVTOCI, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

The interest income / interest expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortised cost of financial liabilities. For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

For financial assets at FVTPL, transaction costs are recognised in profit or loss at initial recognition. Interest on financial instruments measured as at FVTPL is included within the fair value movement during the year in other interest income/expense. Interest on derivatives in economic hedge relationship is included in other interest income/expense.

(ii) *Net fee and commission income*

Fee and commission income and expense include fees other than those that are an integral part of EIR. The Group earns fee and commission income from a diverse range of services being provided to its customers. Fee income can be categorised as follows:

Fee income earned from services provided

These fees include commission income, asset management, custody and other management and advisory fees. The fees are recognised as the related services are provided. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight-line basis. A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Fee income from providing transaction services

Commission and fees arising from negotiation of transactions with third parties, or participating in the negotiation of a transaction for a third party is recognised on completion of the underlying transaction.

Fee and commission expense

Fee and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

3. Material accounting policies (cont'd)

(k) Recognition of income and expenses (cont'd)

(iii) *Net trading income*

Results arising from trading activities include profit arising on dealings in foreign currencies, all gains and losses from changes in fair value and related interest income and expense as well as dividend on financial assets and financial liabilities held-for-trading.

Profits arising from dealings in foreign currencies include gains and losses from spot and forward contracts and other currency derivatives. Debt securities income includes the results of buying and selling and changes in the fair value of debt securities and debt securities sold short. The results of trading money market instruments, interest rate swaps, options and other derivatives are recorded under other interest rate instruments.

Other net trading income includes the impact of fair value changes due to movement in the fair value of asset backed securities, recorded as held for trading.

(iv) *Gains and losses from financial assets measured at FVTPL*

The above include:

- Gains or losses on assets, liabilities and derivatives designated in hedge relationships (excluding interest) on both the hedged item and hedging derivative in a fair value hedge relationship, and hedge ineffectiveness from fair value hedge relationships.
- Gains or losses on other financial assets designated at fair value through profit or loss (excluding interest).

(v) *Dividend income*

Dividend is recognised when the Group's and the Company's right to receive the payment is established, which is generally when the dividend is declared.

(l) Comparative figures

Where necessary, comparative figures are reclassified to conform to the current year's presentation and to the changes in accounting policies.

The accounting policies of each relevant line item not disclosed above are included in the respective notes.

4. Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are summarised below with respect to judgements/estimates involved.

Judgements

(a) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4. Significant accounting estimates and judgements (cont'd)

Judgements (cont'd)

(b) Significant increase in credit risk

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 take into account qualitative and quantitative reasonable and supportable forward-looking information.

- Establishing groups of assets with similar credit risk characteristics: When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Group monitor the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets.
- Models and assumptions used: The Group uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

(c) Deferred tax assets

Recognition of deferred tax assets depends on management's intention of the Group to generate future taxable profits which will be used against temporary differences and to obtain tax benefits thereon. The outcome of their actual utilisation may be different.

Establishing groups of assets with similar credit risk characteristics

When ECL are measured on a collective basis, the financial assets are grouped on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether groups of financial assets continue to share similar characteristics. This is required in order to assess the need for re-segmentation of the financial assets, with new portfolios being created or assets moving to an existing portfolio that better reflects their credit risk characteristics.

Models and assumptions used

The Group uses various models and assumptions in measuring the fair value of financial assets and in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset and when determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Estimates

(a) Expected credit losses on financial assets

The ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models applied by the subsidiaries that are are considered accounting judgements and estimates include:

(i) The internal credit grading model, which assigns PDs to the individual grades;

(ii) The criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a long term ECL basis and the qualitative assessment;

(iii) The segmentation of financial assets when their ECL are assessed on a collective basis;

(iv) Development of ECL models, including the various formulas and the choice of inputs;

(v) Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and

(vi) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

In relation to credit impaired facilities, the Group determines expected credit losses by estimating the shortfall between the present value of expected cash flows and the present value of contractual cash flows. The estimation of expected cash flows is inherently judgemental and involves an estimation of proceeds from liquidation of the borrowers, proceeds from realisation of collaterals and the timing and extent of repayments on forborne facilities.These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

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FOR THE YEAR ENDED 31 DECEMBER 2025

4. Significant accounting estimates and judgements (cont'd)

Estimates (cont'd)

(b) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable market data where possible, but where observable data is not available, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

(c) Leases

The application of IFRS 16 requires significant judgements and certain key estimates. Critical judgements include determination of enforceable period of the lease and whether it is reasonably certain that an extension or termination option will be exercised. Key sources of estimation uncertainty in the application of IFRS 16 include estimation of lease terms, determination of the appropriate rates to discount the lease payments and assessment of whether right of use asset is impaired.

(d) Assessment of useful lives of property and equipment and intangible assets

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

(e) Pension benefits

The Group operates a defined benefit pension plan for its employees as well as provide for retirement gratuities under the Workers' Rights Act. The amount shown in the statement of financial position in respect of retirement benefit obligations is subject to estimates in respect of periodic costs which would be dependent on returns on assets, future discount rates, rates of salary increases and inflation rate in respect of the pension plan. The value of the defined benefit pension plans is based on report submitted by an independent actuarial firm on an annual basis. Management considers that they have used their best estimates to value the retirement benefit obligation provisions. Actual results may be different from their estimates.

(f) Provisions and other contingent liabilities

Provision is recognised in the financial statements when the Group has met the recognition criterion. The directors measure the provision at the best estimate of the amount required to settle the obligation at the reporting date. Actual results may be different from their estimates.

In specific circumstances, significant judgement is required from directors to identify the financial effects to be disclosed attributable to the uncertainties inherent in contingent liabilities.

(g) Impairment of subsidiaries

The Group assesses at each reporting date whether there are indicators that investments in subsidiaries may be impaired. Where such indicators exist, the recoverable amount of the investment is determined based on the higher of value in use and fair value less costs of disposal. The value in use calculation requires the use of estimates and assumptions, including projected future cash flows, discount rates, and long-term growth rates. Changes in these assumptions could materially affect the carrying amount of the investment and the impairment charge recognised, if any.

5. Impact of prior year restatement

(i) Mandatory balance with central banks classified separately

During the year ended 31 December 2025, management has considered the IFRS IC agenda decision 'Demand Deposits with Restrictions on Use arising from a Contract with a Third Party (IAS 7)' published in April 2022 [IAS 7 para 6] and concluded that the nature of the minimum cash balance with central banks meet the definition of cash under IAS 7 Statement of cash flows. It was noted that the restricted balances are accessible for the subsidiaries, subject to meeting the minimum end of day balance or an average minimum balance over a period of time. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and balances with banks and central banks excluding mandatory balances with central banks, loans to and placements with banks having an original maturity of up to 3 months.

While management recognises that the current guidelines in the relevant subsidiaries' jurisdiction does not explicitly prohibit the Banks from using such cash balances, in practice, management rarely maintains cash balances that are significantly below the applicable level in each jurisdiction. These balances were classified as "Mandatory balances with central banks". As such, the minimum cash balance of 31 December 2024: 19,509.7 million and 01 January 2024: MUR 16,918.9 million meet the criteria to be considered as cash and cash equivalents.

SBM Bank (Mauritius) Ltd

SBM Bank (Mauritius) Ltd is currently required to maintain a minimum Cash Reserve Ratio of 9% on average, under Section 49 of the Bank of Mauritius Act. Under the current Guideline on Cash Reserve Requirement (effective 24 February 2023), the Cash Reserve Ratio is calculated such that on average, over a maintenance period of 28 days, the Bank shall maintain a minimum cash balance equivalent to 9% of its average Mauritian rupee and foreign currency deposit in the preceding 28-day period.

SBM Bank (India) Limited

As per the Reserve Bank of India (RBI) guidelines, SBM India must maintain an average daily CRR balance of at least 3.0% of its Net Demand and Time Liabilities (NDTL) with the RBI. Compliance is based on a fortnightly average, with daily CRR not allowed to fall below 90% of the required amount.

SBM Bank (Kenya) Limited

The Central Bank of Kenya (CBK) stipulates that Banks in Kenya must maintain a CRR of 3.25% of domestic & foreign currency deposits, based on a daily average from the 15th to the 14th of the following month.

Banque SBM Madagascar SA

The Banque Centrale de Madagascar stipulates that Banks in Madagascar must maintain a CRR of 15% of total deposits. This cash is not restricted, and the Banks can use the cash if the threshold is replenished by end of the day.

The above has resulted in a reclassification of mandatory balances with central banks to cash and cash equivalents which impacts the statements of financial position (see extract of statements of financial position below) and statements of cash flow (see extract of statements of cashflow below).

(ii) Presentation of Statements of cash flows

During the year ended 31 December 2025, management identified below presentation matters in the statement of cashflows that required adjustment to improve compliance with IAS 7 Statement of Cash Flows. Below reclassifications did not impact the reported net increase or decrease in cash and cash equivalents.

1) Presentation of interest received and paid

Per IAS 7, paragraph 31, cash flows from interest received or paid must be presented separately. Interest received and paid were not previously presented separately and have now, accordingly, been reclassified in the statement of cash flows. Accordingly, interest paid or received which was included in the changes in operating assets and liabilities are being reclassified to interest paid under operating activities.

2) Presentation of unrealised exchange gains and losses

Unrealised foreign exchange gains and losses were included within cash flows, which is inconsistent with IAS 7. According to IAS 7, unrealised exchange differences do not represent actual cash movements and, therefore, should be excluded from the statement of cash flows. The restated statement now excludes unrealised exchange gains and losses from the cash flow amounts, aligning the presentation with IAS 7 requirements.

5. Impact of prior year restatement (cont'd)

(ii) Presentation of Statements of cash flows (cont'd)

3) Presentation of other borrowed funds movement

Proceeds from and repayments of other borrowed funds were previously presented on a net basis in the statements of cash flows, which is not consistent with the requirements of IAS 7. This has been amended during the year.

The above has resulted in a reclassification of those line items in the statements of cash flows, see extract of statements of cash flows below.

In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the matters stated in (i) and (ii) above have been treated as a correction of a prior period error. Accordingly, the comparative information has been restated to reflect the correction of the prior period error

Extract of consolidated statement of financial position

The Group	01 January 2024		
	As previously stated	Adjustments	As restated
ASSETS	MUR'000	MUR'000	MUR'000
Cash and cash equivalents	23,827,701	16,918,939	40,746,640
Mandatory balances with central banks	16,918,939	(16,918,939)	-

	31 December 2024		
	As previously stated	Adjustments	As restated
ASSETS	MUR'000	MUR'000	MUR'000
Cash and cash equivalents	42,777,884	19,509,733	62,287,617
Mandatory balances with central banks	19,509,733	(19,509,733)	-

Extract of consolidated statement of cash flows

	31 December 2024		
	As previously stated	Adjustments	As restated
The Group			
Cash flows from operating activities	MUR'000	MUR'000	MUR'000
Adjustments to determine net cash flows:			
Interest income	-	(23,342,872)	(23,342,872)
Interest expense	-	12,168,809	12,168,809
Net exchange differences	-	437,737	437,737
Operating loss before working capital changes	**7,052,415**	**(10,736,326)**	**(3,683,911)**

5. Impact of prior year restatement (cont'd)

(ii) Presentation of Statements of cash flows (cont'd)

3) Presentation of other borrowed funds movement (cont'd)

	01 January 2024		
	As previously stated	Adjustments	As restated
Changes in operating assets and liabilities	MUR'000	MUR'000	MUR'000
Increase in derivative financial instruments (assets)	(785,873)	(9,464)	(795,337)
Increase in loans to and placements with banks	(4,798,884)	46,439	(4,752,445)
Increase in loans and advances to non bank customers	(24,754,470)	787,632	(23,966,838)
Increase in investment securities	(17,930,125)	370,423	(17,559,702)
Increase in mandatory balances with central banks	(2,590,795)	2,590,795	-
Increase in derivative financial instruments (liabilities)	647,132	73,094	720,226
Decrease in other liabilities	(1,024,895)	(71,623)	(1,096,518)
Increase in deposits from non-bank customers	68,856,223	(330,423)	68,525,800
Interest received	-	22,729,256	22,729,256
Interest paid	-	(11,823,636)	(11,823,636)
Net cash generated from operating activities	**24,727,177**	**3,626,167**	**28,353,344**
Financing activities			
Net movement in other borrowed funds	(2,882,104)	2,882,104	-
Proceeds from other borrowed funds	-	4,612,409	4,612,409
Repayment of other borrowed funds	-	(7,740,277)	(7,740,277)
Net cash flow used in financing activities	**(5,707,913)**	**(245,764)**	**(5,953,677)**
Net change in cash and cash equivalents			
Exchange difference	755,764	(789,609)	(33,845)
Cash and cash equivalents at start of year	23,827,701	16,918,939	40,746,640
Cash and cash equivalents at end of the year	**42,777,884**	**19,509,733**	**62,287,617**

(iii) Mis-classification of one of its investments held in its investment in securities

In accordance with IFRS 9 - Financial Instruments, an entity makes an irrevocable election at initial recognition to measure the equity investments at fair value through other comprehensive income. Hence the designation should not change and remain at FVOCI.

This restatement affects the notes to the financial statements, namely Note 10(a) Investment Securities and does not impact the statement of financial position as both classifications are included under Investment Securities. The fair value movement of MUR 7 million for the year ended 31 December 2024, wrongly accounted for in the profit or loss statement instead of Other Comprehensive income has not been restated as the amount is not material.

In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the matters stated in (iii) ahave been treated as a correction of a prior period error. Accordingly, the comparative information has been restated to reflect the correction of the prior period error.

5. Impact of prior year restatement (cont'd)

(iii) Mis-classification of one of its investments held in its investment in securities (cont'd)

Extract of 10(a) Investments securities - The Group

	31 December 2024		
	As previously stated	Adjustments	As restated
	MUR'000	MUR'000	MUR'000
Investment securities measured at FVTPL			
Equity investments	2,359,295	(689,695)	1,669,600
Equity securities designated at FVTOCI			
Equity investments	5,001,053	689,695	5,690,748

Extract of 10. (a) Investments securities - The Company

Investment securities measured at FVTPL			
Equity investments	2,359,296	(689,696)	1,669,600
Equity securities designated at FVTOCI			
Equity investments	4,303,044	689,696	4,992,740

6. Cash and cash equivalents

Cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are normally those with less than three months' maturity from the date of acquisition.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and balances with banks and central banks including mandatory balances with central banks, loans to and placements with banks having an original maturity of up to 3 months.

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000 (Restated)	**MUR'000**	MUR'000
Cash in hand	**2,670,390**	2,493,703	**-**	-
Foreign currency notes and coins	**1,168,025**	1,104,713	**-**	-
Unrestricted balances with central banks[1]	**2,166,678**	3,485,414	**-**	-
Mandatory balances with central banks[2]	**20,219,280**	19,509,733	**-**	-
Short term placements with banks	**467,376**	211,992	**-**	-
Short term placements with central bank[3]	**22,152,063**	34,032,749	**-**	
Balances with banks	**3,777,515**	1,478,560	**36,062**	2,517
	52,621,327	62,316,864	**36,062**	2,517
Less: allowance for credit losses	**(12,424)**	(29,247)	**-**	-
	52,608,903	62,287,617	**36,062**	2,517

6. Cash and cash equivalents (cont'd)

An analysis of changes in the corresponding ECL allowances is as follows:

	The Group	
	2025	2024
	MUR'000	MUR'000
	Stage 1	Stage 1
ECL allowance as at 01 January	**29,247**	6,927
New assets originated or purchased	**105**	-
Net remeasurement of loss allowance	**3,978**	26,942
Assets repaid	**(20,834)**	(4,671)
Translation adjustment	**(72)**	49
ECL allowance as at 31 December	**12,424**	29,247

[1] Unrestricted balances with central banks represent amounts above the minimum cash reserve requirement.

[2] The mandatory balances with central bank represent the minimum balances held with the Bank of Mauritius as the Cash Reserve Requirement, as required by section 49 of the Bank of Mauritius Act and disclosed in Note 5

[3] The balance above relates to loans and placements with banks having an original maturity of up to three months.

- The restatement information on cash and cash equivalent is available in Note 5

- Cash and cash equivalents were classified under stage 1 and 12-month ECL was calculated thereon.

7. Loans to and placements with banks

	The Group		The Company	
	2025	2024	**2025**	2024
At amortised cost	**MUR'000**	MUR'000	**MUR'000**	MUR'000
Loans to and placements with banks				
- In Mauritius	**950,098**	-	**3,194,248**	-
- Outside Mauritius	**13,176,106**	7,670,399	**-**	-
	14,126,204	7,670,399	**3,194,248**	-
Less: allowance for credit losses	**(87,923)**	(75,110)	**(6,686)**	-
	14,038,281	7,595,289	**3,187,562**	-
Remaining term to maturity				
Up to 3 months	**1,652,877**	14,717	**-**	-
Over 3 months and up to 6 months	**467,836**	-	**1,844,248**	-
Over 6 months and up to 12 months	**4,083,019**	3,580,105	**1,350,000**	-
Over 1 year and up to 2 years	**5,891,554**	1,424,985	**-**	-
Over 2 years and up to 5 years	**2,030,918**	2,650,592	**-**	-
	14,126,204	7,670,399	**3,194,248**	-

7. Loans to and placements with banks (cont'd)

Credit loss allowance for loans to and placement with banks

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in note 38.

	The Group			The Company	
	2025			**2025**	
	Stage 1	**Stage 2**	**Total**	**Stage 1**	**Total**
Internal rating grade	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Performing					
Standard grade	**8,498,217**	**-**	**8,498,217**	**3,194,248**	**3,194,248**
Sub-standard grade	**5,627,987**	**-**	**5,627,987**	**-**	**-**
Total	**14,126,204**	**-**	**14,126,204**	**3,194,248**	**3,194,248**

	The Group		
	2024		
	Stage 1	Stage 2	Total
Internal rating grade	MUR'000	MUR'000	MUR'000
Performing			
Standard grade	3,617,112	-	3,617,112
Sub-standard grade	2,809,493	1,243,794	4,053,287
Total	6,426,605	1,243,794	7,670,399

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

	The Group			The Company	
	2025			**2025**	
	Stage 1	**Stage 2**	**Total**	**Stage 1**	**Total**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Gross carrying amount as at 1 January	**6,426,605**	**1,243,794**	**7,670,399**	**-**	**-**
Financial assets originated or purchased	**9,416,047**	**-**	**9,416,047**	**3,194,248**	**3,194,248**
Financial assets derecognised or repaid	**(3,050,591)**	**(14,717)**	**(3,065,308)**	**-**	**-**
Transfers to Stage 1	**1,229,077**	**(1,229,077)**	**-**	**-**	**-**
Foreign exchange adjustments	**105,066**	**-**	**105,066**	**-**	**-**
Gross carrying amount as at 31 December	**14,126,204**	**-**	**14,126,204**	**3,194,248**	**3,194,248**

	The Group		
	2024		
	Stage 1	Stage 2	Total
	MUR'000	MUR'000	MUR'000
Gross carrying amount as at 1 January	2,798,533	72,932	2,871,465
Financial assets originated or purchased	6,426,605	1,229,077	7,655,682
Financial assets derecognised or repaid	(2,987,200)	(58,546)	(3,045,746)
Foreign exchange adjustments	188,667	331	188,998
Gross carrying amount as at 31 December	6,426,605	1,243,794	7,670,399

7. Loans to and placements with banks (cont'd)

Credit loss allowance for loans to and placement with banks (cont'd)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows: (cont'd)

	The Group			The Company	
	2025			2025	
	Stage 1	Stage 2	Total	Stage 1	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
ECL allowance as at 1 January	**73,815**	**1,295**	**75,110**	**-**	**-**
Net remeasurement of loss allowance	**35,257**	**-**	**35,257**	**6,686**	**6,686**
Assets repaid (excluding write offs)	**(21,373)**	**(1,071)**	**(22,444)**	**-**	**-**
Transfers to Stage 1	**224**	**(224)**	**-**	**-**	**-**
ECL allowance as at 31 December	**87,923**	**-**	**87,923**	**6,686**	**6,686**

	The Group		
	2024		
	Stage 1	Stage 2	Total
	MUR'000	MUR'000	MUR'000
ECL allowance as at 1 January	8,942	9,458	18,400
Net remeasurement of loss allowance	73,814	223	74,037
Assets repaid (excluding write offs)	(8,941)	(8,386)	(17,327)
ECL allowance as at 31 December	73,815	1,295	75,110

8. Derivative financial instruments

	The Group	
	2025	2024
	MUR'000	MUR'000
Assets		
Derivative assets	**1,812,406**	1,464,946
Liabilities		
Derivative liabilities	**1,455,794**	1,429,727

The fair values of derivative financial instruments are further analysed as follows:

The Group	Notional Principal Amount	Fair Values	
		Assets	Liabilities
	MUR'000	MUR'000	MUR'000
31 December 2025			
Derivatives held for trading			
Foreign exchange contracts*	**50,344,270**	**1,011,960**	**(522,774)**
Cross currency swaps	**29,933,546**	**437,942**	**(385,887)**
Other derivative contracts**	**138,381,378**	**359,476**	**(547,133)**
Derivatives held for risk management purposes			
Interest rate swap contracts	**228,546**	**3,028**	**-**
	218,887,740	**1,812,406**	**(1,455,794)**

	Notional Principal Amount	Fair Values	
		Assets	Liabilities
31 December 2024	MUR'000	MUR'000	MUR'000
Derivatives held for trading			
Foreign exchange contracts*	66,140,199	974,360	(989,856)
Cross currency swaps	15,271,662	248,061	(183,198)
Other derivative contracts**	29,754,611	231,809	(256,673)
Derivatives held for risk management purposes			
Interest rate swap contracts	254,645	10,716	-
	111,421,117	1,464,946	(1,429,727)

* Foreign exchange contracts include foreign swaps, forward and spot contracts.

** Other derivatives contracts include options contracts (structured deposits) and interest rate swaps.

9. Loans and advances to non-bank customers

	The Group	
	2025	2024
	MUR'000	MUR'000
Credit cards	**1,238,793**	537,441
Governments	**2,865**	3,971
Retail customers	**77,095,737**	63,518,237
- Mortgages	**55,590,110**	49,914,573
- Other retail loans	**21,505,627**	13,603,664
Corporate customers	**101,305,533**	57,931,324
Entities outside Mauritius	**15,735,542**	58,685,403
	195,378,470	180,676,376
Less allowance for credit impairment (note 9 (c))	**(10,080,552)**	(7,988,998)
Net loans and advances	**185,297,918**	172,687,378

(a) Remaining term to maturity

	The Group	
	2025	2024
	MUR'000	MUR'000
Up to 3 months	**32,682,939**	36,980,589
Over 3 months and up to 6 months	**7,997,825**	7,799,846
Over 6 months and up to 12 months	**9,510,383**	8,784,044
Over 1 year and up to 2 years	**15,346,057**	11,563,692
Over 2 years and up to 5 years	**36,500,517**	30,883,740
Over 5 years	**93,340,749**	84,664,465
	195,378,470	180,676,376

Out of the gross advances of MUR 195.4 billion (2024: MUR 180.7 billion), there is an amount of MUR 273.3 million (2024: MUR 303.9 million) relating to loans where fair value hedging has been applied. Refer to note 38(d)(ii) for more details.

9. Loans and advances to non-bank customers (cont'd)

(b) Net investment in finance leases

The Group

Amounts due from lessees under finance leases are recorded as loans and advances at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

The Group acts as lessor of several items like motor vehicles and equipment. There are no restrictions placed upon the lessee by entering into these leases. Rental income earned by the Group during the year is MUR 339.5 million (2024: MUR 155.4 million).

The amount of net investment in finance leases included in loans and advances to non-bank customers and the associated allowance for credit losses are as follows:-

31 December 2025	**Up to 1 year**	**After 1 year and up to 5 years**	**After 5 years**	**Total**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
Gross investment in finance leases	**828,849**	**2,251,970**	**369,660**	**3,450,479**
Less: Unearned finance income	**(188,335)**	**(330,029)**	**(17,268)**	**(535,632)**
Present value of minimum lease payments	**640,514**	**1,921,941**	**352,392**	**2,914,847**
Credit loss expense				**(100,647)**
Net investment in finance lease				**2,814,200**

31 December 2024	Up to 1 year	After 1 year and up to 5 years	After 5 years	Total
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Gross investment in finance leases	710,365	1,931,287	313,051	2,954,703
Less: Unearned finance income	(154,107)	(271,381)	(13,948)	(439,436)
Present value of minimum lease payments	556,258	1,659,906	299,103	2,515,267
Credit loss expense				(89,283)
Net investment in finance lease				2,425,984

Finance lease contracts give the lessees the option to purchase the assets for a residual value at the termination of the lease arrangements. The term of lease contracts generally ranges from five to seven years. Finance leases are secured mainly by charges on the leased assets and/or corporate/personal guarantees.

9. Loans and advances to non-bank customers (cont'd)

(c) Credit loss allowance on loans and advances to non-bank customers

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are set out in note 38.

31 December 2025	**The Group**			
Internal rating grade	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
Performing				
High grade	**80,020,724**	**1,384,702**	**-**	**81,405,426**
Standard grade	**54,680,838**	**5,557,106**	**-**	**60,237,944**
Sub-standard grade	**25,923,600**	**4,349,894**	**-**	**30,273,494**
Past due but not impaired	**-**	**6,446,372**	**-**	**6,446,372**
Non-performing				
Individually impaired	**-**	**-**	**17,015,234**	**17,015,234**
Total	**160,625,162**	**17,738,074**	**17,015,234**	**195,378,470**

31 December 2024	The Group			
Internal rating grade	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Performing				
High grade	70,797,153	1,160,549	-	71,957,702
Standard grade	54,591,532	6,913,321	-	61,504,853
Sub-standard grade	24,447,304	5,181,211	-	29,628,515
Past due but not impaired	-	3,004,146	-	3,004,146
Non-performing				
Individually impaired	-	-	14,581,160	14,581,160
Total	149,835,989	16,259,227	14,581,160	180,676,376

9. Loans and advances to non-bank customers (cont'd)

(c) Credit loss allowance on loans and advances to non-bank customers (cont'd)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances for the year is as follows:

31 December 2025	**The Group**			
Gross carrying amount	**Stage 1 MUR'000**	**Stage 2 MUR'000**	**Stage 3 MUR'000**	**Total MUR'000**
As at 01 January	**149,835,989**	**16,259,227**	**14,581,160**	**180,676,376**
Financial assets originated or purchased	**68,716,063**	**4,287,789**	**187,420**	**73,191,272**
Assets derecognised or repaid (excluding write offs)	**(50,302,005)**	**(6,314,462)**	**(244,339)**	**(56,860,806)**
Transfers to Stage 1	**164,878**	**(565,416)**	**400,538**	**-**
Transfers to Stage 2	**(5,359,320)**	**6,164,205**	**(804,885)**	**-**
Transfers to Stage 3	**(999,339)**	**(2,342,574)**	**3,341,913**	**-**
Changes to contractual cash flows due to modifications not resulting in derecognition	**(2,537)**	**(82,007)**	**597,603**	**513,059**
Amounts written off	**-**	**-**	**(1,060,503)**	**(1,060,503)**
Foreign exchange adjustments	**388,378**	**375,874**	**159,542**	**923,794**
Translation adjustments	**(1,816,945)**	**(44,562)**	**(143,215)**	**(2,004,722)**
As at 31 December	**160,625,162**	**17,738,074**	**17,015,234**	**195,378,470**

31 December 2024	The Group			
Gross carrying amount	Stage 1 MUR'000	Stage 2 MUR'000	Stage 3 MUR'000	Total MUR'000
As at 01 January	120,409,855	26,533,300	10,859,007	157,802,162
Financial assets originated or purchased	**50,615,998**	5,137,149	**263,569**	56,016,716
Assets derecognised or repaid (excluding write offs)	**(27,153,873)**	(8,753,349)	**(42,653)**	(35,949,875)
Transfers to Stage 1	**7,910,505**	(7,899,026)	**(11,479)**	-
Transfers to Stage 2	**(5,230,876)**	5,407,343	**(176,467)**	-
Transfers to Stage 3	(421,732)	(4,372,634)	4,794,366	-
Changes to contractual cash flows due to modifications not resulting in derecognition	584,855	(171,352)	193,328	606,831
Amounts written off	-	-	(2,554,367)	(2,554,367)
Foreign exchange adjustments	(484,187)	(64,530)	72,870	(475,847)
Translation adjustments	3,605,444	442,326	1,182,986	5,230,756
As at 31 December	149,835,989	16,259,227	14,581,160	180,676,376

9. Loans and advances to non-bank customers (cont'd)

(c) Credit loss allowance on loans and advances to non-bank customers (cont'd)

An analysis of changes in ECL allowances by staging are as follows:

31 December 2025	The Group			
ECL allowance	**Stage 1 MUR'000**	**Stage 2 MUR'000**	**Stage 3 MUR'000**	**Total MUR'000**
As at 01 January	**828,556**	**397,197**	**6,763,245**	**7,988,998**
Allowance on new financial assets	**666,683**	**229,572**	**45,440**	**941,695**
Remeasurement of loss allowance	**(192,243)**	**450,190**	**3,617,428**	**3,875,375**
Assets derecognised or repaid (excluding write offs)	**(147,308)**	**(263,957)**	**(1,437,429)**	**(1,848,694)**
Transfers to Stage 1	**39,198**	**(39,187)**	**(11)**	**-**
Transfers to Stage 2	**(77,980)**	**376,331**	**(298,351)**	**-**
Transfers to Stage 3	**(355,884)**	**(147,550)**	**503,434**	**-**
Changes to models and inputs used for ECL calculations	**36,537**	**2,338**	**296,639**	**335,514**
Amounts written off	**-**	**-**	**(1,060,503)**	**(1,060,503)**
Foreign exchange adjustments	**(11)**	**-**	**(3,305)**	**(3,316)**
Recoveries	**-**	**-**	**(40,693)**	**(40,693)**
Translation adjustments	**(10,171)**	**(2,779)**	**(94,874)**	**(107,824)**
At 31 December	**787,377**	**1,002,155**	**8,291,020**	**10,080,552**

31 December 2024	The Group			
ECL allowance	Stage 1 MUR'000	Stage 2 MUR'000	Stage 3 MUR'000	Total MUR'000
As at 01 January	667,552	1,171,168	7,704,024	9,542,744
Allowance on new financial assets	344,806	116,015	4,024	464,845
Remeasurement of loss allowance	(182,412)	20,389	1,270,192	1,108,169
Assets derecognised or repaid (excluding write offs)	(129,122)	(438,460)	(553,806)	(1,121,388)
Transfers to Stage 1	312,916	(312,897)	(19)	-
Transfers to Stage 2	(66,381)	78,920	(12,539)	-
Transfers to Stage 3	(182,598)	(291,390)	473,988	-
Changes to models and inputs used for ECL calculations	53,458	50,359	38,247	142,064
Amounts written off	-	-	(2,554,367)	(2,554,367)
Foreign exchange adjustments	(2,668)	-	(83,030)	(85,698)
Translation adjustments	13,005	3,093	476,531	492,629
At 31 December	828,556	397,197	6,763,245	7,988,998

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9. Loans and advances to non-bank customers (cont'd)

(c) Credit loss allowance on loans and advances to non-bank customers (cont'd)

31 December 2025	The Group			
Retail Customers	**Stage 1 MUR'000**	**Stage 2 MUR'000**	**Stage 3 MUR'000**	**Total MUR'000**
ECL allowance				
As at 1 January	**459,526**	**89,604**	**1,753,909**	**2,303,039**
Transfer to Stage 1	**15,808**	**(15,796)**	**(12)**	**-**
Transfer to Stage 2	**(55,095)**	**57,454**	**(2,359)**	**-**
Transfer to Stage 3	**(180,999)**	**(75,675)**	**256,674**	**-**
Financial assets derecognised during the period other than write-offs	**(47,518)**	**(16,936)**	**(220,695)**	**(285,149)**
New financial assets originated or purchased	**267,227**	**3,997**	**21,338**	**292,562**
Modification of contractual cash flows of financial assets	**37,603**	**669**	**60,241**	**98,513**
Recoveries	**-**	**-**	**(19,295)**	**(19,295)**
Write-offs	**-**	**-**	**(338,125)**	**(338,125)**
Net remeasurement of loss allowance	**(255,004)**	**6,727**	**366,297**	**118,020**
Foreign exchange and other movements	**4**	**-**	**23**	**27**
Translation adjustments	**(4,867)**	**(2,097)**	**(33,589)**	**(40,553)**
At 31 December	**236,685**	**47,947**	**1,844,407**	**2,129,039**

	The Group			
Corporate customers	**Stage 1 MUR'000**	**Stage 2 MUR'000**	**Stage 3 MUR'000**	**Total MUR'000**
ECL allowance				
As at 1 January	**369,030**	**307,593**	**5,009,336**	**5,685,959**
Transfer to Stage 1	**23,390**	**(23,390)**	**-**	**-**
Transfer to Stage 2	**(22,886)**	**318,878**	**(295,992)**	**-**
Transfer to Stage 3	**(174,886)**	**(71,874)**	**246,760**	**-**
Financial assets derecognised during the period other than write-offs	**(99,789)**	**(247,021)**	**(1,216,734)**	**(1,563,544)**
New financial assets originated or purchased	**399,455**	**225,575**	**24,101**	**649,131**
Modification of contractual cash flows of financial assets	**(1,067)**	**1,669**	**236,398**	**237,000**
Recoveries	**-**	**-**	**(21,398)**	**(21,398)**
Write-offs	**-**	**-**	**(722,378)**	**(722,378)**
Net remeasurement of loss allowance	**62,761**	**443,463**	**3,251,131**	**3,757,355**
Foreign exchange and other movements	**(15)**	**-**	**(3,328)**	**(3,343)**
Translation adjustments	**(5,301)**	**(685)**	**(61,283)**	**(67,269)**
At 31 December	**550,692**	**954,208**	**6,446,613**	**7,951,513**

TOTAL	**787,377**	**1,002,155**	**8,291,020**	**10,080,552**

9. Loans and advances to non-bank customers (cont'd)

(c) Credit loss allowance on loans and advances to non-bank customers (cont'd)

31 December 2024	The Group			
Retail Customers	Stage 1 MUR'000	Stage 2 MUR'000	Stage 3 MUR'000	Total MUR'000
ECL allowance				
As at 1 January	455,078	151,497	1,511,337	2,117,912
Transfer to Stage 1	74,435	(74,416)	(19)	-
Transfer to Stage 2	(38,534)	48,842	(10,308)	-
Transfer to Stage 3	(178,741)	(48,967)	227,708	-
Financial assets derecognised during the period other than write-offs	(69,203)	(19,299)	(217,105)	(305,607)
New financial assets originated or purchased	205,213	8,092	29,145	242,450
Modification of contractual cash flows of financial assets	57,637	14,189	2,626	74,452
Recoveries	-	-	(47,614)	(47,614)
Write-offs	-	-	(149,403)	(149,403)
Net remeasurement of loss allowance	(50,867)	9,555	268,296	226,984
Foreign exchange and other movements	(125)	-	(24,266)	(24,391)
Translation adjustments	4,633	111	163,512	168,256
At 31 December	459,526	89,604	1,753,909	2,303,039

	The Group			
Corporate customers	Stage 1 MUR'000	Stage 2 MUR'000	Stage 3 MUR'000	Total MUR'000
ECL allowance				
As at 1 January	212,476	1,019,667	6,192,690	7,424,833
Transfer to Stage 1	238,481	(238,481)	-	-
Transfer to Stage 2	(27,847)	30,077	(2,230)	-
Transfer to Stage 3	(3,857)	(242,423)	246,280	-
Financial assets derecognised during the period other than write-offs	(59,919)	(419,161)	(336,701)	(815,781)
New financial assets originated or purchased	139,594	107,924	(25,120)	222,398
Modification of contractual cash flows of financial assets	(4,179)	36,170	35,621	67,612
Recoveries	-	-	(56,661)	(56,661)
Write-offs	-	-	(2,404,965)	(2,404,965)
Net remeasurement of loss allowance	(131,548)	10,834	1,106,171	985,457
Foreign exchange and other movements	(2,543)	-	(58,766)	(61,309)
Translation adjustments	8,372	2,986	313,017	324,375
At 31 December	369,030	307,593	5,009,336	5,685,959
TOTAL	828,556	397,197	6,763,245	7,988,998

9. Loans and advances to non-bank customers (cont'd)

(d) Credit loss allowance on loans and advances to non-bank customers by industry sectors

31 December 2025	The Group				
	Gross amount of loans	**Credit impaired loans**	**Stage 3 allowance for credit impairment**	**Stage 1 & Stage 2 for credit allowance**	**Total allowances for credit impairment**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Agriculture and fishing	**4,122,265**	**127,432**	**5,014**	**71,058**	**76,072**
Manufacturing	**15,778,498**	**1,008,365**	**327,125**	**247,668**	**574,793**
of which EPZ	***1,179,229***	***8,469***	***8,469***	***21,299***	***29,768***
Tourism	**12,909,055**	**2,761,380**	**693,922**	**192,419**	**886,341**
Transport	**1,004,603**	**430,447**	**115,747**	**6,045**	**121,792**
Construction	**23,915,819**	**4,940,785**	**2,478,210**	**390,935**	**2,869,145**
Financial and business services	**20,052,989**	**1,484,644**	**1,174,193**	**76,810**	**1,251,003**
Traders	**15,208,068**	**1,713,671**	**742,485**	**211,479**	**953,964**
Personal	**73,203,113**	**2,091,714**	**1,520,094**	**237,927**	**1,758,021**
Professional	**2,917,273**	**185,272**	**121,142**	**14,176**	**135,318**
Global Business Licence holders	**3,181,028**	**814,319**	**814,319**	**77,056**	**891,375**
Others	**23,085,759**	**1,457,205**	**298,769**	**263,959**	**562,728**
	195,378,470	**17,015,234**	**8,291,020**	**1,789,532**	**10,080,552**

31 December 2024	The Group				
	Gross amount of loans	Credit impaired loans	Stage 3 allowance for credit impairment	Stage 1 & Stage 2 for credit allowance	Total allowances for credit impairment
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Agriculture and fishing	4,702,924	149,756	56,873	19,955	76,828
Manufacturing	14,776,966	917,302	447,742	75,039	522,781
of which EPZ	*1,267,487*	*6,086*	*6,086*	*4,831*	*10,917*
Tourism	11,553,392	3,391,806	522,374	75,832	598,206
Transport	1,495,449	750,296	359,899	11,968	371,867
Construction	21,274,862	2,969,061	1,093,796	147,389	1,241,185
Financial and business services	13,812,337	607,977	351,679	133,869	485,548
Traders	11,841,955	1,867,872	858,074	72,072	930,146
Personal	67,428,271	2,060,389	1,429,863	490,685	1,920,548
Professional	3,947,711	189,848	138,450	40,075	178,525
Global Business Licence holders	3,164,963	1,198,300	1,095,675	29,675	1,125,350
Others	26,677,546	478,553	408,820	129,194	538,014
	180,676,376	14,581,160	6,763,245	1,225,753	7,988,998

10. (a) Investments securities

The Group	2025								
Remaining term to maturity	Up to 3 months	3-6 months	6-9 months	9-12 months	1-2 years	2-5 years	Over 5 years	No specific maturity	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
(i) Investment securities mandatorily measured at FVTPL									
Trading investment:									
Government bonds and treasury notes	-	-	-	-	-	2,750,499	4,025,462	-	6,775,961
Treasury bills	2,332,393	4,679,278	1,304,985	336,018	-	-	-	-	8,652,674
Bank of Mauritius bills/notes	15,936	258,176	-	351,874	-	-	-	-	625,986
Corporate bonds	-	-	-	-	-	104,225	8,590	-	112,815
Other investments:									
Investment in mutual funds	-	-	-	-	-	-	-	1,181,478	1,181,478
	2,348,329	4,937,454	1,304,985	687,892	-	2,854,724	4,034,052	1,181,478	17,348,914
(ii) Investment securities designated at FVTPL									
Other investments:									
Equity investments	-	-	-	-	-	-	-	2,524,303	2,524,303
	-	-	-	-	-	-	-	2,524,303	2,524,303
(iii) Debt securities measured at FVTOCI									
Government bonds	1,233,714	1,542,897	1,022	213,192	6,273,465	17,091,005	18,551,005	-	44,906,300
Treasury bills	1,069,410	-	1,166,218	1,665,105	-	-	-	-	3,900,733
Bank of Mauritius bills/bonds	-	587,820	-	-	342,742	-	-	-	930,562
Bank bonds	-	-	-	-	265,128	7,574,201	741,751	-	8,581,080
Corporate bonds	-	537,883	50,218	500,557	1,032,021	4,315,877	386,866	125,000	6,948,422
	2,303,124	2,668,600	1,217,458	2,378,854	7,913,356	28,981,083	19,679,622	125,000	65,267,097
(iv) Debt securities measured at amortised cost									
Government bonds	2,409,278	1,468,839	992,465	2,494,694	7,410,065	7,316,127	26,527,748	-	48,619,216
Treasury bills	-	-	-	-	-	4,992,242	-	-	4,992,242
Bank of Mauritius bills/bonds	93,202	-	-	-	-	161,057	92,070	-	346,329
Bank bonds	843,135	85,873	37,529	57,466	1,447,843	3,934,527	5,169,612	-	11,575,985
Corporate bonds	1,021,158	142,254	132,666	169,473	7,537	7,006	-	-	1,480,094
	4,366,773	1,696,966	1,162,660	2,721,633	8,865,445	16,410,959	31,789,430	-	67,013,866
(v) Equity securities designated at FVTOCI									
Equity investments	-	-	-	-	-	-	-	5,031,499	5,031,499
Total investment securities	9,018,226	9,303,020	3,685,103	5,788,379	16,778,801	48,246,766	55,503,104	8,862,280	157,185,679
Less: allowance for credit losses									(353,984)
Total investment securities									156,831,695

The Group has irrevocably designated certain strategic equity investments at FVTOCI under IFRS 9, as these instruments are held for long-term purposes and not for trading, with fair value changes recognised in OCI to reflect their long-term investment nature.

10. (a) Investments securities (cont'd)

The Group	2024 (Restated)								
Remaining term to maturity	Up to 3 months	3-6 months	6-9 months	9-12 months	1-2 years	2-5 years	Over 5 years	No specific maturity	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
(i) Investment securities mandatorily measured at FVTPL									
Trading investment:									
Government bonds and treasury notes	-	13,171	-	2,808	1,486,168	5,726,392	3,456,510	-	10,685,049
Treasury bills	353,404	3,113,332	488,385	2,696,218	-	-	-	-	6,651,339
Corporate bonds	14,033	-	71,793	-	245,812	177,299	305,330	-	814,267
Other investments:									
Investment in mutual funds	-	-	-	-	-	-	-	973,169	973,169
	367,437	3,126,503	560,178	2,699,026	1,731,980	5,903,691	3,761,840	973,169	19,123,824
(ii) Investment securities designated at FVTPL									
Other investments:									
Equity investments	-	-	-	-	-	-	-	1,669,600	1,669,600
	-	-	-	-	-	-	-	1,669,600	1,669,600
(iii) Debt securities measured at FVTOCI									
Government bonds	244,567	55,011	-	255,934	2,884,449	6,692,130	8,526,511	-	18,658,602
Treasury bills	3,812,160	54,041	1,150,050	1,041,463	-	-	-	-	6,057,714
Bank of Mauritius bills/bonds	745,438	-	-	-	-	-	-	-	745,438
Bank bonds	1,059,475	2,409,260	1,870,653	229,227	5,852,688	6,012,796	357,934	-	17,792,033
Corporate bonds	2,603,086	4,176,132	1,017,815	-	4,585,261	9,970,617	2,164,382	-	24,517,293
	8,464,726	6,694,444	4,038,518	1,526,624	13,322,398	22,675,543	11,048,827	-	67,771,080
(iv) Debt securities measured at amortised cost									
Government bonds	673,053	4,151,054	1,072,706	2,601,018	7,224,566	14,800,802	30,994,331	-	61,517,530
Treasury bills	228,119	159,467	85,271	81,619	31,955	-	-	-	586,431
Bank of Mauritius bills/bonds	-	4,563,546	403,069	148,896	-	-	4,989,090	-	10,104,601
Bank bonds	47,813	-	-	-	94,556	164,211	93,358	-	399,938
Corporate bonds	6,946	82,189	83,046	756,317	723,172	3,805,419	3,859,768	-	9,316,857
	955,931	8,956,256	1,644,092	3,587,850	8,074,249	18,770,432	39,936,547	-	81,925,357
(v) Equity securities designated at FVTOCI									
Equity investments	-	-	-	-	-	-	-	5,690,748	5,690,748
Total investment securities	9,788,094	18,777,203	6,242,788	7,813,500	23,128,627	47,349,666	54,747,214	8,333,517	176,180,609
Less: allowance for credit losses									(76,218)
Total investment securities									176,104,391

10. (a) Investments securities (cont'd)

The Company	2025						
Remaining term to maturity	Up to 3 months	3-6 months	6-12 months	2-5 years	Over 5 years	No specific maturity	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
(i) Investment securities measured at FVTPL							
Equity investments	-	-	-	-	-	2,524,303	2,524,303
	-	-	-	-	-	2,524,303	2,524,303
(ii) Debt securities measured at amortised cost							
Government bonds and treasury notes	-	-	246,924	-	-	-	246,924
Treasury bills	860,645	-	-	-	-	-	860,645
	860,645	-	246,924	-	-	-	1,107,569
(iii) Equity securities designated at FVTOCI							
Equity investments	-	-	-	-	-	4,803,106	4,803,106
	-	-	-	-	-	4,803,106	4,803,106
Total investment securities	860,645	-	246,924	-	-	7,327,409	8,434,978
Less: allowance for credit losses							(753)
Total investment securities							8,434,225

	2024 (Restated)						
	Up to 3 months	3-6 months	6-12 months	2-5 years	Over 5 years	No specific maturity	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
(i) Investment securities measured at FVTPL							
Equity investments	-	-	-	-	-	1,669,600	1,669,600
	-	-	-	-	-	1,669,600	1,669,600
(ii) Equity securities designated at FVTOCI							
Equity investments	-	-	-	-	-	4,992,740	4,992,740
	-	-	-	-	-	4,992,740	4,992,740
Total investment securities	-	-	-	-	-	6,662,340	6,662,340
Less: allowance for credit losses							-
Total investment securities							6,662,340

10. (a) Investments securities (cont'd)

Debt securities at amortised cost

The table shows the credit quality and the maximum exposure to credit risk as well as year end stage classification. The amount presented are gross of impairment allowance.

The Group	2025				2024		
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Total
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
High Grade	11,133,207	-	-	11,133,207	16,568,269	-	16,568,269
Standard Grade	52,698,961	-	-	52,698,961	63,309,379	204,105	63,513,484
Sub Standard Grade	1,788,552	1,189,043	-	2,977,595	1,843,604	-	1,843,604
Impaired	-	-	204,103	204,103	-	-	-
Total gross carrying amount	65,620,720	1,189,043	204,103	67,013,866	81,721,252	204,105	81,925,357
Credit loss allowance	(66,593)	(84,028)	(204,103)	(354,723)	(75,913)	(305)	(76,218)
Carrying amount	65,554,128	1,105,015	-	66,659,143	81,645,339	203,800	81,849,139

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

	2025				2024		
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Total
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
Gross carrying amount as at 01 January	81,721,252	204,105	-	81,925,357	80,009,876	485,921	80,495,797
New financial assets originated	10,686,088	-	-	10,686,088	8,566,921	-	8,566,921
Financial assets that have been repaid/ derecognised	(25,707,837)	-	-	(25,707,837)	(10,052,620)	(177,206)	(10,229,826)
Transfer to stage 1	-	-	-	-	300,000	(300,000)	-
Transfer to Stage 2	(1,189,036)	1,189,036	-	-	(200,000)	200,000	-
Transfer to Stage 3	-	(204,103)	204,103	-	-	-	-
Other movements*	305,293	-	-	305,293	503,072	(4,610)	498,462
Translation adjustment	(195,040)	5	-	(195,035)	2,594,003	-	2,594,003
Gross carrying amount as at 31 December	65,620,720	1,189,043	204,103	67,013,866	81,721,252	204,105	81,925,357

	2025				2024		
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Total
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
ECL allowance as at 01 January	75,912	305	-	76,217	54,022	44,490	98,512
New assets originated	1,993	-	-	1,993	15,105	-	15,105
Net remeasurement of loss allowance	9,518	80,467	203,799	293,784	4,453	131	4,584
Assets derecognised or repaid (excluding write offs)	(17,835)	-	-	(17,835)	(7,681)	(34,413)	(42,094)
Transfer to Stage 1	-	-	-	-	10,077	(10,077)	-
Transfer to Stage 2	(3,560)	3,560	-	-	(174)	174	-
Transfer to Stage 3	-	(304)	304	-	-	-	-
Translation adjustment	565	-	-	565	111	-	111
At 31 December	66,593	84,028	204,103	354,723	75,913	305	76,218

*Other movements include interest and exchange differences.

10. (a) Investments securities (cont'd)

Debt securities at FVTOCI

The Group	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR '000	MUR '000	MUR '000	MUR '000
High Grade	**36,347,107**	**-**	**-**	**36,347,107**
Standard Grade	**26,531,849**	**382,463**	**-**	**26,914,312**
Sub Standard Grade	**1,102,198**	**308,274**	**-**	**1,410,472**
Impaired	**-**	**-**	**595,206**	**595,206**
Carrying amount	**63,981,154**	**690,737**	**595,206**	**65,267,097**

	2024		
	Stage 1	Stage 2	Total
	MUR '000	MUR '000	MUR '000
High Grade	48,439,742	-	48,439,742
Standard Grade	17,251,915	866,768	18,118,683
Sub Standard Grade	1,045,179	167,476	1,212,655
Carrying amount	66,736,836	1,034,244	67,771,080

The Group	2025			
	Stage 1	Stage 2	Stage 3	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Carrying amount				
As at 01 January	**66,736,846**	**1,034,244**	**-**	**67,771,090**
Transfer to stage 2	**(308,273)**	**308,273**	**-**	**-**
Transfer to stage 3	**-**	**(603,400)**	**603,400**	**-**
New financial assets originated	**84,005,995**	**-**	**-**	**84,005,995**
Financial assets that have been repaid/derecognised	**(87,581,322)**	**-**	**-**	**(87,581,322)**
Other movements	**397,721**	**(48,380)**	**(8,194)**	**341,147**
Movement in accrued interest	**1,369,677**	**-**	**-**	**1,369,677**
Amortisation of discounts and premiums	**6,010**	**-**	**-**	**6,010**
Translation adjustments	**(645,500)**	**-**	**-**	**(645,500)**
Carrying amount at 31 December	**63,981,154**	**690,737**	**595,206**	**65,267,097**

	2024		
	Stage 1	Stage 2	Total
	MUR '000	MUR '000	MUR '000
Carrying amount			
As at 01 January	55,950,069	1,727,777	57,677,846
Transfer to stage 1	1,366,914	(1,366,914)	-
Transfer to stage 2	(578,400)	578,400	-
New financial assets originated	64,202,097	300,000	64,502,097
Financial assets that have been repaid/derecognised	(57,643,750)	(225,000)	(57,868,750)
Fair value and other movements	2,623,710	19,981	2,643,691
Translation adjustments	816,196	-	816,196
Carrying amount at 31 December	66,736,836	1,034,244	67,771,080

The Group	2025			
ECL allowance on debt securities at FVTOCI	Stage 1	Stage 2	Stage 3	Total
	MUR '000	MUR '000	MUR '000	MUR '000
As at 01 January	**17,847**	**14,214**	**-**	**32,061**
Net remeasurement of loss allowance	**31,089**	**17,095**	**553,339**	**601,523**
Transfer to stage 1	**9,176**	**(9,176)**	**-**	**-**
Transfer to stage 2	**(424)**	**424**	**-**	**-**
Transfer to stage 3	**-**	**(4,242)**	**4,242**	**-**
Changes to contractual cash flows due to modifications not resulting in derecognition	**(4,656)**	**-**	**-**	**(4,656)**
As at 31 December	**53,032**	**18,315**	**557,581**	**628,928**

10. (a) Investments securities (cont'd)

Debt securities at FVTOCI (cont'd)

ECL allowance on debt instruments at FVTOCI (cont'd)

	2024		
	Stage 1	Stage 2	Total
	MUR'000	MUR'000	MUR'000
As at 01 January	48,539	112,610	161,149
Net remeasurement of loss allowance	(70,646)	(11,112)	(81,758)
Assets derecognised or repaid (excluding write offs)	(47,273)	(58)	(47,331)
Transfer to stage 1	87,733	(87,733)	-
Transfer to stage 2	(507)	507	-
As at 31 December	17,846	14,214	32,060

The Group	2025	2024
Equity instruments designated at FVTOCI	**MUR'000**	MUR'000
		(Restated)
Carrying amount as at 01 January	**5,690,748**	5,771,917
Additions	**-**	689,695
Disposal	**(516,886)**	(798,193)
Fair value movement	**(141,528)**	27,131
Translation adjustment	**(835)**	198
Carrying amount as at 31 December	**5,031,499**	5,690,748

No loss allowance is recognised in the statement of financial position for debt instruments measured at FVTOCI as the carrying amount is at fair value.

The Company

Debt securities at amortised cost

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

	2025	2024
	Stage 1	Stage 1
	MUR'000	MUR'000
Gross carrying amount as at 01 January	**-**	375,189
New financial assets originated	**1,136,266**	-
Financial assets that have been disposed/matured	**(28,697)**	(370,045)
Other movements	**-**	(5,144)
Gross carrying amount as at 31 December	**1,107,569**	-

10. (a) Investments securities (cont'd)

Debt securities at amortised cost (cont'd)

The Company

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows: (cont'd)

	2025	2024
	Stage 1	Stage 1
	MUR'000	MUR'000
ECL allowance as at 01 January	**-**	433
Assets derecognised or repaid (excluding write offs)	**-**	(433)
New assets originated or purchased	**753**	-
ECL allowance as at 31 December	**753**	-

Debt investment securities at FVTOCI	2025	2024
	Stage 1	Stage 1
	MUR'000	MUR'000
Carrying amount as at 01 January	**-**	467,537
Financial assets that have been disposed/matured	**-**	(467,537)
Carrying amount as at 31 December	**-**	-

No loss allowance is recognised in the statement of financial position for debt instruments measured at FVTOCI as the carrying amount is at fair value.

Equity instruments designated at FVTOCI	2025	2024 (Restated)
	MUR'000	MUR'000
At 01 January	**4,992,740**	4,992,740
Fair value movement	**(189,634)**	-
At 31 December	**4,803,106**	4,992,740

10. (b) Investment in subsidiaries

Financial statements of the Company

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

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

10. (b) Investment in subsidiaries (cont'd)

The Company

Investment in subsidiaries	2025	2024
	MUR'000	MUR'000
Equity shares	**175**	175
Capital contribution	**31,947,077**	31,923,133
Total investment in subsidiaries	**31,947,252**	31,923,308

Management has evaluated the investment in subsidiaries for impairment and recorded the necessary provisions as required.

Investment reconciliation is as follows:

	2025	2024
	MUR'000	MUR'000
Opening balance	**31,923,308**	31,438,094
Transfer to investment securities	**-**	(726,054)
Redemption of capital contribution during the year	**(572,714)**	(125,886)
Capital contribution granted during the year	**666,036**	1,366,474
Impairment losses*	**(69,378)**	(29,320)
Closing balance	**31,947,252**	31,923,308

*The impairment loss relates to the investment in SBM Africa Equity Fund, a subsidiary, where the recoverable amount based on the Fund's NAV and expected recoverability of the underlying assets was lower than the carrying amount in accordance with IAS 36.

Details of subsidiaries are as follows:

Direct holding

	Country of incorporation and operation	**Business activity**	**Carrying amount**		**Effective % holding**	
			2025	2024	**2025**	2024
			MUR'000	MUR'000		
SBM (Bank) Holdings Ltd	Mauritius	Bank investment holding company	**31,426,586**	30,765,850	**100**	100
SBM (NBFC) Holdings Ltd	Mauritius	Non-banking financial investments holding company	**138,565**	711,279	**100**	100
SBM (NFC) Holdings Ltd	Mauritius	Non-financial holding company	**139,273**	139,273	**100**	100
SBM 3S Ltd	Mauritius	Training services	**6,000**	6,000	**100**	100

10. (b) Investment in subsidiaries (cont'd)

Details of subsidiaries with indirect holding as follows:

		Country of incorporation and operation	Business activity	Effective % holding 2025	Effective % holding 2024
1.0	*Banking Segmental Subsidiaries*				
1.1	***Special Purpose Vehicle for Bank Investments Holding Company***				
1.1.1	SBM (Bank) Holdings Ltd	Mauritius	Bank investment holding company	**100**	100
1.1.2	SBM Overseas One Ltd	Mauritius	Offshore banking	**100**	100
1.1.3	SBM Overseas Two Ltd	Mauritius	Offshore banking	**100**	100
1.1.4	SBM Overseas Three Ltd	Mauritius	Offshore banking	**100**	100
1.1.5	SBM Overseas Four Ltd	Mauritius	Offshore banking	**100**	100
1.1.6	SBM Overseas Five Ltd	Mauritius	Offshore banking	**100**	100
1.1.7	SBM Overseas Six Ltd	Mauritius	Offshore banking	**100**	100
1.2	***Special Purpose Vehicles for single Bank Investment Holding Subsidiaries***				
1.2.1	SBM Africa Holdings Ltd	Mauritius	Investment in SBM Bank (Kenya) Limited	**100**	100
1.3	***Bank Operating Subsidiaries***				
1.3.1	SBM Bank (Mauritius) Ltd	Mauritius	Commercial banking	**100**	100
1.3.2	Banque SBM Madagascar SA	Madagascar	Commercial banking	**100**	100
1.3.3	SBM Bank (Kenya) Limited	Kenya	Commercial banking	**100**	100
1.3.4	SBM Bank (India) Limited	India	Commercial banking	**100**	100
2.0	*Non-Bank Financial Segment Subsidiaries*				
2.1	***Special Purpose Vehicle for Non-Bank Investments Holding Company***				
2.1.1	SBM (NBFC) Holdings Ltd	Mauritius	Non-Banking Financial Investments Holding Company	**100**	100
2.2	***Non-Bank Operating Subsidiaries***				
2.2.1	SBM Fund Services Ltd	Mauritius	Fiduciary services / Back office processing	**100**	100
2.2.2	SBM Mauritius Asset Managers Ltd	Mauritius	Asset management	**100**	100
2.2.3	SBM eBusiness Ltd	Mauritius	Card acquiring & processing	**100**	100
2.2.4	SBM Factors Ltd	Mauritius	Factoring	**100**	100
2.2.5	SBM Insurance Agency Limited	Mauritius	Insurance	**100**	100
2.2.6	SBM Capital Markets Limited	Mauritius	Investments	**100**	100
3.0	*Non-Financial Segment*				
3.1	SBM (NFC) Holdings Ltd	Mauritius	Investment securities	**100**	100
3.2	SBM 3S Ltd	Mauritius	Training services	**100**	100
4.0	*Investment Holding*				
4.1	SBM Africa Equity Fund	Mauritius	Closed ended fund	**100**	100

SBM Holdings Ltd is the ultimate holding company of all the subsidiaries.

The investment in subsidiaries is classified as non current assets.

11. (a) Property and equipment

Accounting policy

Property and equipment are stated at cost (except for freehold land and buildings on leasehold land) less accumulated depreciation and any cumulative impairment loss. Land is stated at revalued amounts and buildings are stated at revalued amounts less accumulated depreciation and any impairment loss.

It is the Group's policy to revalue its freehold land and buildings and leasehold buildings at least every five years by independent valuers. Any revaluation surplus is credited to the net property revaluation reserve. Any revaluation decrease is first charged directly against the net property revaluation reserve held in respect of the respective asset, and then to the Statement of profit or loss.

Progress payments on tangible fixed assets are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other tangible fixed assets, commences when the assets are ready for their intended use.

Depreciation on owned assets is calculated to write off the cost or revalued amounts of tangible fixed assets over their estimated useful lives on a straight-line basis. Depreciation is calculated from the month the asset is capitalised. No depreciation is provided on freehold land.

The estimated useful lives of property and equipment are as follows:

Buildings	50 years
Furniture, fittings, computer and other equipment	3-10 years
Motor vehicles	5-8 years

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset. These are included within *Other operating income* in the *Statement of profit or loss*.

Depreciation on revalued buildings is charged to profit or loss. A transfer is made from the revaluation reserve to retained earnings as the asset is used (representing difference between depreciation based on revalued amount and depreciation based on original cost). On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

The Group	Freehold land and buildings	Buildings on leasehold land	Other tangible fixed assets	Motor vehicles	Total
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
Cost or valuation					
At 01 January 2024	1,169,963	1,552,851	3,185,683	28,247	5,936,744
Additions	30,756	284,375	439,462	16,846	771,439
Disposals	-	-	(134,420)	(16,260)	(150,680)
Revaluation adjustment	154,196	255,910	-	-	410,106
Translation adjustment	33,013	-	143,770	4,582	181,365
At 31 December 2024	1,387,928	2,093,136	3,634,495	33,415	7,148,974
At 01 January 2025	**1,387,928**	**2,093,136**	**3,634,495**	**33,415**	**7,148,974**
Additions	**-**	**95,592**	**500,081**	**2,995**	**598,668**
Disposals	**-**	**-**	**(283,312)**	**(296)**	**(283,608)**
Write off	**-**	**-**	**(5,913)**	**-**	**(5,913)**
Revaluation adjustment	**-**	**(110,000)**	**-**	**-**	**(110,000)**
Translation adjustment	**(17,873)**	**-**	**(38,308)**	**(178)**	**(56,359)**
At 31 December 2025	**1,370,055**	**2,078,728**	**3,807,043**	**35,936**	**7,291,762**

11. (a) Property and equipment (cont'd)

The Group	Freehold land and buildings	Buildings on leasehold land	Other tangible fixed assets	Motor vehicles	Total
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
Accumulated depreciation					
At 01 January 2024	141,261	242,607	2,094,474	27,707	2,506,049
Charge for the year	34,795	80,651	291,150	1,821	408,417
Disposals	-	-	(124,049)	(16,260)	(140,309)
Revaluation adjustment	(70,343)	(299,148)	-	-	(369,491)
Translation adjustment	19,750	-	111,553	4,615	135,918
At 31 December 2024	125,463	24,110	2,373,128	17,883	2,540,584
At 01 January 2025	**125,463**	**24,110**	**2,373,128**	**17,883**	**2,540,584**
Charge for the year	**37,287**	**99,351**	**365,946**	**4,322**	**506,906**
Transfer	**-**	**4,739**	**(4,739)**	**-**	**-**
Disposals	**-**	**-**	**(276,553)**	**(116)**	**(276,669)**
Write off	**-**	**-**	**(5,087)**	**-**	**(5,087)**
Translation adjustment	**(4,773)**	**-**	**(21,599)**	**18**	**(26,354)**
At 31 December 2025	**157,977**	**128,200**	**2,431,096**	**22,107**	**2,739,380**
Carrying value					
At 31 December 2025	**1,212,078**	**1,950,529**	**1,375,946**	**13,829**	**4,552,382**
Progress payments on tangible fixed assets					**270,461**
					4,822,843
At 31 December 2024	1,262,465	2,069,026	1,261,367	15,532	4,608,390
Progress payments on tangible fixed assets					662,506
					5,270,896

The Company	Other tangible fixed assets	Total
	MUR '000	MUR '000
Cost or valuation		
At 01 January 2024	2,265	2,265
Additions	-	-
At 31 December 2024	2,265	2,265
Additions	**1,709**	**1,709**
At 31 December 2025	**3,974**	**3,974**
Accumulated depreciation		
At 01 January 2024	810	810
Charge for the year	439	439
At 31 December 2024	1,249	1,249
Charge for the year	**564**	**564**
At 31 December 2025	**1,813**	**1,813**
Carrying value		
At 31 December 2025		
Progress payments on tangible fixed assets	**2,161**	**2,161**
		3,857
		6,018
At 31 December 2024		
Progress payments on tangible fixed assets	1,016	1,016
		3,857
		4,873

11. (a) Property and equipment (cont'd)

The property and equipment are classified as non-current assets.

Management has reviewed the carrying amount of the Group's and Company's property and equipment and are of the opinion that no impairment is required at the reporting date (2024: Nil).

Details of the Group's land and buildings and information about the fair value hierarchy are as follows:

		The Group	
		2025	2024
		MUR '000	MUR '000
Freehold land	Level 2	**600,015**	609,333
Freehold buildings	Level 3	**612,062**	653,132
Buildings on leasehold land	Level 3	**1,950,529**	2,069,026
		3,162,606	3,331,491

The carrying amounts of land and buildings, that would have been included in the financial statements had the assets been carried at cost are as follows:

	The Group	
	2025	2024
	MUR '000	MUR '000
Freehold land and buildings	**835,180**	841,627
Building on leasehold land	**374,065**	378,499
	1,209,245	1,220,126

The freehold land and buildings and buildings on leasehold land are periodically valued by an independent chartered valuation surveyor. The last valuation exercise conducted as at 31 December 2025 has been performed by an independent chartered valuation surveyor, Aestima Ltd who is a duly registered valuer licensed by the RICS. The valuation is based on its Market Value which is defined as: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". The following methods of valuation has been used, namely, the sales comparison method, the depreciated replacement cost method and the income capitalisation approach. There has been no change in the valuation basis and methodology compared to the last valuation exercise conducted. The freehold land and building in India were revalued in March 2023 by independent Chartered Valuation Surveyors, Creative Proptech on market value of similar properties basis. The freehold land and building in Kenya were revalued in November 2018 by Ardhiworth Real Estate Limited an independent Chartered Valuation Surveyors on an open market value basis. The inputs used to revalue the PPE relate to unit prices of similar market transactions.

Management has assessed the fair value of the properties at 31 December 2025 and 2024 and have estimated the fair value to approximate the carrying value as at that date.

11. (b) Right of use assets and lease liabilities

The Group

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as printers). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

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

- 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 commencement date;
- 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 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 remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

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. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37.

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

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

The Group leases several assets including land, buildings and equipment. The lease term is between 3-25 years.

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11. (b) Right of use assets and lease liabilities (cont'd)

The Group (cont'd)

The Group as lessee (cont'd)

The Group apply IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of non-financial assets' policy. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other operating expenses' in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The lease contracts do not have lease and non-lease components and hence the Group has not used this practical expedient.

(i) Right of use assets

Right of use assets are classified as non-current assets.

The Group	Land and buildings	Other tangible fixed assets	Total
Cost or valuation	**MUR'000**	**MUR'000**	**MUR'000**
At 01 January 2024	1,144,134	203,276	1,347,410
Translation adjustment	154,588	-	154,588
Additions	318,799	7,998	326,797
Termination	(182,820)	(17,151)	(199,971)
Expiry	(76,745)	-	(76,745)
Remeasurement of existing lease	(23,953)	-	(23,953)
At 31 December 2024	1,334,003	194,123	1,528,126
At 01 January 2025	**1,334,003**	**194,123**	**1,528,126**
Translation adjustment	**(241,891)**	**-**	**(241,891)**
Additions	**355,851**	**-**	**355,851**
Termination	**(82,541)**	**-**	**(82,541)**
Expiry	**(166,722)**	**(533)**	**(167,255)**
At 31 December 2025	**1,198,700**	**193,590**	**1,392,290**
Accumulated depreciation			
At 01 January 2024	584,710	38,155	622,865
Translation adjustment	82,247	-	82,247
Termination	(98,848)	(12,118)	(110,966)
Expiry	(76,676)	-	(76,676)
Charge for the year	225,896	3,182	229,078
At 31 December 2024	717,329	29,219	746,548
At 01 January 2025	**717,329**	**29,219**	**746,548**
Translation adjustment	**(222,549)**	**-**	**(222,549)**
Termination	**(43,983)**	**-**	**(43,983)**
Expiry	**(166,722)**	**(533)**	**(167,255)**
Charge for the year	**220,423**	**2,279**	**222,702**
At 31 December 2025	**504,498**	**30,965**	**535,463**
Carrying value			
At 31 December 2025	**694,202**	**162,625**	**856,827**
At 31 December 2024	616,674	164,904	781,578

11. (b) Right of use assets and lease liabilities (cont'd)

(i) Right of use assets (cont'd)

The following are the amounts recognised in Statements of profit and loss:	**2025**	2024
	MUR'000	MUR'000
Depreciation expense on right of use assets	**222,702**	229,078
Interest expense on lease liability (note 26)	**89,536**	74,523
Expense relating to leases of low-value assets (included in other operating expenses)	**2,492**	4,111
Gain/(loss) on contract termination of right of use asset	**3,177**	(1,088)
Total amount recognised in Statements of profit and loss	**317,907**	306,624

For short term leases (leases with a lease term of 12 months or less) and leases of low value assets (printers and computers), the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease. Lease payments for short term lease amounted to MUR 12.5 million and MUR 89.0 million for low value assets for the year ended 31 December 2025.

At 31 December 2025, the Group does not have any commitment for short-term leases. There are no variable lease payment in the lease contracts of the Group.

(ii) Lease liabilities	**2025**	2024
	MUR'000	MUR'000
At 01 January	**856,681**	801,229
Additions	**355,851**	326,797
Interest expense	**89,536**	74,523
Termination	**(43,454)**	(107,133)
Expiry	**-**	(2,390)
Total cash outflows	**(269,637)**	(293,092)
Exchange difference	**(27,296)**	83,592
Remeasurement of existing lease	**(5,650)**	(26,845)
At 31 December	**956,031**	856,681

Maturity analysis of lease liability are as follows:	**2025**	2024
	MUR'000	MUR'000
Up to 1 year	**215,882**	105,837
1 to 5 years	**708,778**	538,387
5 to 25 years	**159,929**	317,577
	1,084,589	961,801
Less unearned interest	**(128,558)**	(105,120)
	956,031	856,681
Further analysed into:		
Non current	**733,135**	517,371
Current	**222,896**	339,310
	956,031	856,681

The Group does not face significant liquidity risk with regards to its lease liabilities. All the lease obligations are denominated either in Mauritian Rupees or functional currency of the subsidiaries.

12. Intangible assets

Accounting policy

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised on a straight line basis over their estimated useful lives of 3 to 10 years. Costs directly associated with the production of identifiable and software products controlled by the group, that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets.

Intellectual property rights

The Group entered into an agreement in respect of Business Process Engineering and Business Transformation Initiatives to aligh both its strategies and processes with the Technology Transformation Initiative namely Flamingo Project and also high performance banks. The costs incurred in respect of these initiatives were capitalised as intellectual property rights and are being amortised following the project going live in September 2016.

WIP Software

The Group is developing some softwares. These costs will be transferred under "Software" as soon as they will be in use by the Group.

The Group	**Software**	**WIP Software**	**Intellectual property**	**Total**
Cost or valuation	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
At 01 January 2024	5,595,454	355,491	284,915	6,235,860
Translation adjustment	101,987	2,130	-	104,117
Additions	137,359	269,568	-	406,927
Transfer to expenses	-	(58,199)	-	(58,199)
Transfer	304,710	(304,710)	-	-
At 31 December 2024	6,139,510	264,280	284,915	6,688,705
At 01 January 2025	**6,139,510**	**264,280**	**284,915**	**6,688,705**
Translation adjustment	**(40,050)**	**(3,940)**	**-**	**(43,990)**
Additions	**178,660**	**140,786**	**-**	**319,446**
Transfers	**43,507**	**(43,507)**	**-**	**-**
Write off	**(228,375)**	**(27,348)**	**-**	**(255,723)**
Assets derecognised	**-**	**-**	**(284,915)**	**(284,915)**
At 31 December 2025	**6,093,252**	**330,271**	**-**	**6,423,523**
Accumulated amortisation				
At 01 January 2024	4,099,322	-	284,915	4,384,237
Translation adjustment	76,029	-	-	76,029
Charge for the year	692,546	-	-	692,546
At 31 December 2024	4,867,897	-	284,915	5,152,812
At 01 January 2025	**4,867,897**	**-**	**284,915**	**5,152,812**
Translation adjustment	**(31,740)**	**-**	**-**	**(31,740)**
Charge for the year	**794,462**	**-**	**-**	**794,462**
Write off	**(216,059)**	**-**	**-**	**(216,059)**
Assets derecognised	**(11,880)**	**-**	**(284,915)**	**(296,795)**
At 31 December 2025	**5,402,680**	**-**	**-**	**5,402,680**
Carrying value				
At 31 December 2025	**690,572**	**330,271**	**-**	**1,020,843**
At 31 December 2024	1,271,613	264,280	-	1,535,893

12. Intangible assets (cont'd)

The Company

	Software	Total
Cost or valuation	**MUR'000**	**MUR'000**
At 01 January 2024/ 31 December 2024	1,371	1,371
Additions	-	-
At 31 December 2025	**1,371**	**1,371**
Accumulated depreciation		
At 01 January 2024	1,305	1,305
Charge for the year	66	66
At 31 December 2024	**1,371**	**1,371**
Charge for the year	-	-
At 31 December 2025	**1,371**	**1,371**
Carrying value		
At 31 December 2025	-	-
At 31 December 2024	-	-

The directors have reviewed the carrying amount of the Group's and Company's intangible assets and are of the opinion that no impairment is required at the reporting date (2024 : nil). The intangible assets are non-current assets whose maturity are more than one year.

13. Other assets

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
Accounts receivable - banking[1]	**3,330,277**	2,009,569	**-**	-
Accounts receivable - non-banking	**1,129,320**	1,270,781	**47,529**	81,212
Balances due in clearing	**6,077**	10,562	**-**	-
Tax deducted at source	**417,619**	390,336	**-**	-
Tax assets (note 18)	**41,188**	27,587	**-**	-
Prepayment	**363,686**	462,774	**-**	462
Other receivables	**525,757**	367,526	**93**	-
	5,813,924	4,539,135	**47,622**	81,674
Less: allowance for credit losses	**(175,734)**	(144,385)	**(243)**	(739)
	5,638,190	4,394,750	**47,379**	80,935

[1] The accounts receivable are mainly transition accounts that will be cleared the following day and the impairment loss threon is insignificant.

Other assets are classified as current assets.

An analysis of changes in the corresponding ECL pertaining to accounts receivable is as follows:

	The Group		
	2025		
	MUR'000	**MUR'000**	**MUR'000**
	Stage 1	**Stage 3**	**Total**
ECL allowance as at 01 January	**68,095**	**76,290**	**144,385**
Financial assets originated or purchased	**-**	**60,890**	**60,890**
Assets derecognised or repaid (excluding write offs)	**-**	**(24,574)**	**(24,574)**
Translation adjustment	**-**	**(4,967)**	**(4,967)**
ECL allowance as at 31 December	**68,095**	**107,639**	**175,734**

13. Other assets (cont'd)

	The Group		
		2024	
	MUR '000	MUR '000	MUR '000
	Stage 1	Stage 3	Total
ECL allowance as at 01 January	81,130	41,985	123,115
Financial assets originated or purchased	-	131,310	131,310
Assets derecognised or repaid (excluding write offs)	(13,035)	(41,985)	(55,020)
Translation adjustment	-	(55,020)	(55,020)
ECL allowance as at 31 December	68,095	76,290	144,385

Credit risk is managed for each category and is subject to the Group's established policy, procedures and control relating to customers credit risk management.

The tax paid in advance is incurred by the Kenyan Operations and Madagascar Operations. The amount is shown net of current tax payable.

14. Pension liabilities

Accounting policy

(i) Defined benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets, is reflected immediately in the Statements of financial position with a charge or credit recognised in the Statements of comprehensive income in the period in which they occur. Remeasurement recognised in the Statements of comprehensive income is reflected immediately in retained earnings and will not be reclassified the Statements of profit or loss. Past service cost is recognised in the Statements of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements), net interest expense or income and remeasurement.

The retirement benefit obligation recognised in the Statements of financial position represents the actual deficit or surplus in the Group's defined benefits plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

(ii) Defined contribution plan

Employees who joined after 31 December 2004 are entitled to defined contribution retirement benefit pension arrangements. Employer contributions are expensed in the Statements of profit or loss in the period in which they fall due. The defined contribution benefit replaced the defined benefit pension plan as from 01 January 2005. Employees who were initially in the defined benefit pension plan remained in the said plan.

Pension liabilities are classified as non-current liabilities.

The amount included in the Statements of Financial Position arising from the Group's obligation in respect of its defined benefits plan is as follows:

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
Defined benefit plan (note 14 (a))	**161,025**	398,091	**(1,974)**	(120)
Residual retirement gratuities (note 14 (b))	**384,761**	360,047	**25,857**	29,531
	545,786	758,138	**23,883**	29,411

14. Pension liabilities (cont'd)

(a) Defined benefit plans

The Group provides final salary defined benefit (DB) plan to some of its employees ("eligible employees"), and the plan operates under the SBM Group Pension Fund (the "Fund") which is in existence since 1 July 1999. The plan provides for a pension at retirement and a benefit on death or disablement in service before retirement and is wholly funded. SBMBM is the principal sponsor of the Fund and eligible employees are those who have joined the Bank prior to 31 December 2004. The assets of the managed by SBM Mauritius Asset Managers Ltd and administered by SICOM Ltd. There are other participating employers of the Fund (within the SBM Group) that allows them to pool their assets for investment purposes (group administration plans).

The plan provides for a pension at a retirement and a benefit in death or disablement in service before retirement.

The plan exposes the Group to normal risks associated with defined benefit pension plans such as investment, interest, longevity and salary rise risks.

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 their 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 liability.

There has been no plan amendment, curtailment or settlement during the year except for past service costs accounted for some employee transfers between related entities within the Group and due to the change in methodology.

The most recent actuarial valuation of the defined benefit plan was carried out at 31 December 2025 by Actuarix Consulting Limited , actuaries and consultants.

	The Group		The Company	
	2025	2024	**2025**	2024
Reconciliation of present value of defined benefit liability	**MUR'000**	MUR'000	**MUR'000**	MUR'000
Present value of funded defined benefit obligation	**2,421,354**	2,561,171	**16,656**	17,057
Fair value of planned assets	**(2,260,329)**	(2,163,080)	**(18,630)**	(17,177)
Net liability arising from defined benefit obligation	**161,025**	398,091	**(1,974)**	(120)
Balance at start of the year	**398,091**	243,263	**(120)**	1,534
Amount recognised in Statements of profit or loss	**89,017**	76,483	**380**	628
Amount recognised in Statements of comprehensive income	**(276,462)**	139,448	**(1,849)**	(1,851)
Less employer contributions	**(49,621)**	(65,984)	**(385)**	(431)
Transfer from other liabilities	**-**	4,881	**-**	-
Balance at end of the year	**161,025**	398,091	**(1,974)**	(120)

14. Pension liabilities (cont'd)

(a) Defined benefit plans (cont'd)

	The Group		The Company	
	2025	2024	**2025**	2024
Components of amount recognised in Statements of profit or loss	**MUR'000**	MUR'000	**MUR'000**	MUR'000
Current service cost	**68,810**	64,069	**397**	465
Past service cost	**97**	-	**-**	85
Net interest cost	**20,110**	12,414	**(17)**	78
Total expense	**89,017**	76,483	**380**	628
Components of amount recognised in Statements of comprehensive income				
Return on planned assets above interest income	**(82,758)**	(204,228)	**(691)**	(1,654)
Liability experience loss	**(9,861)**	290,033	**-**	(363)
Liability gain due to change in demographic assumptions	**(12,134)**	29,684	**-**	-
Liability experience loss due to change in financial assumptions	**(171,709)**	23,959	**(1,158)**	166
Total	**(276,462)**	139,448	**(1,849)**	(1,851)
Reconciliation of fair value of assets				
Balance at start of the year	**2,163,080**	1,851,954	**17,177**	14,755
Interest income	**112,959**	104,162	**907**	810
Employer contributions	**49,621**	65,984	**385**	431
Benefits paid	**(148,089)**	(116,495)	**(530)**	(473)
Transfer from other liabilities	**-**	53,247	**-**	-
Return on assets excluding interest income	**82,758**	204,228	**691**	1,654
Balance at end of the year	**2,260,329**	2,163,080	**18,630**	17,177
Reconciliation of present value of defined benefit obligation				
Balance at start of the year	**2,561,171**	2,095,217	**17,057**	16,289
Current service cost	**68,810**	64,069	**397**	465
Past service cost	**98**	-	**-**	85
Interest expense	**133,068**	116,576	**890**	888
Other benefits paid	**(148,089)**	(116,495)	**(530)**	(473)
Liability experience loss	**(9,861)**	290,033	**-**	(363)
Liability gain due to change in demographic assumptions	**(12,131)**	29,684	**-**	-
Liability loss due to change in financial assumptions	**(171,712)**	23,959	**(1,158)**	166
Transfer from other liabilities	**-**	58,128	**-**	-
Balance at end of the year	**2,421,354**	2,561,171	**16,656**	17,057

14. Pension liabilities (cont'd)

(a) Defined benefit plans (cont'd)

	The Group		The Company	
	2025	2024	**2025**	2024
	%	%	**%**	%
Allocation of assets at end of year				
Equity - Overseas quoted	**51**	47	**51**	47
Equity - Local quoted	**15**	18	**15**	18
Debt - Overseas quoted	**1**	1	**1**	1
Debt - Local quoted	**6**	6	**6**	6
Debt - Local unquoted	**14**	13	**14**	13
Investment Fund	**11**	14	**11**	14
Cash and other	**2**	1	**2**	1
Total	**100**	100	**100**	100

	The Group		The Company	
	2025	2024	**2025**	2024
Allocation of assets at end of year				
Reporting entity's own transferable financial instruments	**2%**	2%	**2%**	2%
Principal assumptions used at end of year				
Discount rate	**6.0%**	5.5%	**6.0%**	5.3%
Rate of salary increases	**6.2%/7%**	6.2%	**6.2%**	5.7%
Rate of pension increases	**2.0%**	2.0%	**2.0%**	2.0%
Average retirement age (ARA)	**65**	65	**65**	65
Average life expectancy for:				
- Male at ARA	**15.9 years**	15.9 years	**15.9 years**	15.9 years
- Female at ARA	**20.0 years**	20.0 years	**20.0 years**	20.0 years

IAS 19 requires that the discount rate be set based on the yields of high quality corporate bonds with an appropriate term. Since no deep market in such bonds is available, IAS 19 requires that the yield on government bonds of appropriate term can be applied. The discount rate takes account of the nominal yield to redemption of government bonds traded on the secondary market as at 31 December 2025.

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
Sensitivity analysis on defined benefit obligation at end of year				
Increase due to 1% decrease in discount rate	**333,739**	372,869	**2,049**	1,075
Decrease due to 1% increase in discount rate	**272,596**	300,593	**1,716**	792
Increase due to 1% increase in salary increase rate	**96,732**	-	**516**	-
Decrease due to 1% decrease in salary increase rate	**87,258**	-	**483**	-
Increase due to 1% increase in pension increase rate	**239,403**	-	**1,599**	-
Decrease due to 1% decrease in pension increase rate	**206,551**	-	**1,382**	-
Increase due to 1 year decrease in normal retirement age	**42,337**	-	**316**	-
Decrease due to 1 year increase in normal retirement age	**46,994**	-	**316**	-
Increase due to 1 year increase in life expectancy	**86,964**	-	**683**	-
Decrease due to 1 year decrease in life expectancy	**89,313**	-	**700**	-

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

14. Pension liabilities (cont'd)

(a) Defined benefit plans (cont'd)

Future cashflows

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

The Group expects to make a contribution of around MUR 65.5 million to the SBM Group Pension Fund for the next financial year and the weighted average duration of the defined benefit obligation is ranges between 12 to 28 years for the Group and 12 years for the Company.

The Company expects to make a contribution of around MUR 33,000 to the SBM Group Pension Fund for the next financial year.

(b) Residual retirement gratuities

The liability relates to residual retirement gratuities payable under the Workers' Rights Act 2019 and is unfunded.

The Group is exposed to normal risks associated with residual retirement gratuities such as interest and salary rise risks.

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.

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 liability..

The most recent actuarial valuation of the retirement gratuities was carried out at 31 December 2025 by Actuarix Consulting Ltd, actuaries and consultants.

The amount included in the statement of financial position arising from the Group's obligation in respect of its residual retirement gratuities is as follows:

	The Group		The Company	
	2025	2024	**2025**	2024
Reconciliation of net defined benefit liability	**MUR'000**	MUR'000	**MUR'000**	MUR'000
Balance at start of the year	**360,047**	207,600	**29,531**	11,524
Amount recognised in Statements of profit or loss	**66,429**	42,751	**6,511**	11,949
Amount recognised in Statements of comprehensive income	**(30,673)**	122,782	**(10,185)**	6,652
Less benefits paid	**(11,042)**	(13,086)	**-**	(594)
Balance at end of the year	**384,761**	360,047	**25,857**	29,531
Reconciliation of present value of defined benefit obligation				
Balance at start of the year	**360,047**	207,600	**29,531**	11,524
Current service cost	**51,532**	37,815	**5,245**	4,452
Past service cost	**(3,795)**	(5,964)	**(292)**	6,698
Interest expense	**18,692**	10,900	**1,558**	799
Liability experience loss	**18,276**	34,571	**(6,866)**	1,153
Liability gain due to change in demographic assumptions	**-**	95,840	**-**	4,750
Liability loss due to change in financial assumptions	**(48,949)**	(7,629)	**(3,319)**	749
Benefits paid	**(11,042)**	(13,086)	**-**	(594)
Balance at end of the year	**384,761**	360,047	**25,857**	29,531

14. Pension liabilities (cont'd)

(b) Residual retirement gratuities (cont'd)

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
Components of amount recognised in Statements of profit or loss				
Current service cost	**51,532**	37,815	**5,245**	4,452
Past service cost	**(3,795)**	(5,964)	**(292)**	6,698
Net interest cost	**18,692**	10,900	**1,558**	799
Total expense	**66,429**	42,751	**6,511**	11,949
Components of amount recognised in Statements of comprehensive income				
Liability experience loss	**18,276**	34,571	**(6,866)**	1,153
Liability experience gain due to change in demographic assumptions	**-**	95,840	**-**	4,750
Liability loss due to change in financial assumptions	**(48,949)**	(7,629)	**(3,319)**	749
Total	**(30,673)**	122,782	**(10,185)**	6,652
Principal assumptions used at end of year				
Discount rate	**6.0%**	5.3%	**6.0%**	5.3%
Rate of salary increases	**6.2%/7%**	5.7%/7%	**6.2%/7%**	5.7%/7%
Rate of pension increases	**2.0%**	2.0%	**2.0%**	2.0%
Average retirement age (ARA)	**60/65%**	60/65	**60/65%**	60/65
Sensitivity Analysis on defined benefit obligation at end of year				
Increase due to 1% decrease in discount rate	**122,064**	112,626	**5,800**	771
Decrease due to 1% increase in discount rate	**102,733**	94,017	**4,962**	626
Increase due to 1% increase in salary increase rate	**94,914**	-	**4,616**	-
Decrease due to 1% decrease in salary increase rate	**79,067**	-	**3,993**	-
Increase due to 1% increase in pension increase rate	**25,372**	-	**1,089**	-
Decrease due to 1% decrease in pension increase rate	**26,460**	-	**1,075**	-
Increase due to 1 year decrease in Normal Retirement Age	**7,257**	-	**231**	-
Decrease due to 1 year increase in Normal Retirement Age	**9,972**	-	**288**	-
Increase due to 1 year increase in life expectancy	**9,265**	-	**446**	-
Decrease due to 1 year decrease in life expectancy	**5,603**	-	**201**	-

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. The results are particularly sensitive to a change in discount rate due to the nature of the liabilities being the difference between the pure retirement gratuities under the Workers' Rights Act 2019 and the deductions allowable, being five times the annual pension provided and half the lump sum received by the member at retirement from the SBM Group DC Fund with reference to the Group's share of contributions.

Future cashflows

The funding policy is to pay benefits from the reporting entity's cashflow as and when due.

Expected contribution for the next financial year is MUR 29.2 million for the Group and MUR 53,000 for the Company and the weighted average duration of the defined benefit obligation is 8-26 years for the Group and 16 years for the Company.

Defined contribution plan

As from 1 January 2005, the defined benefit plan has been closed to new entrants and all new entrants of the Group joined a defined contribution plan operated under the SBM Group Defined Contribution Fund (DC Fund). SBMBM is the principal employer of the DC Fund. The assets are managed by SBM Mauritius Asset Managers Ltd and administered by SICOM Ltd. There are other participating employers of the Fund (within the SBM Group) that allows them to pool their assets for investment purposes (group administration plans).

The Group made a contribution amounting to MUR 319.4 million to SBM Group DC fund for employees under the defined contribution pension plan (2024: MUR 323.5 million). The Company contributed MUR 9.2 million (2024: MUR 23.6 million) to the defined contribution plan during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

15. Deposits from banks

	The Group	
	2025	2024
	MUR'000	MUR'000
Demand deposits	**5,499,793**	3,963,451

16. Deposits from non-bank customers

		The Group	
		2025	2024
		MUR'000	MUR'000
(i)	Retail customers		
	Current accounts	**32,427,806**	31,675,788
	Savings accounts	**108,787,899**	94,881,043
	Time deposits with remaining term to maturity:		
	- Up to 3 months	**11,825,150**	12,707,339
	- Over 3 months and up to 6 months	**5,061,424**	5,594,638
	- Over 6 months and up to 12 months	**9,928,696**	7,798,884
	- Over 1 year and up to 5 years	**12,478,926**	13,587,979
	- Over 5 years	**89,924**	99,743
	Total time deposits	**39,384,120**	39,788,583
	Total deposits from retail customers	**180,599,825**	166,345,414
(ii)	Corporate customers		
	Current accounts	**69,252,791**	72,206,031
	Savings accounts	**7,235,723**	5,230,260
	Time deposits with remaining term to maturity:		
	- Up to 3 months	**44,920,943**	71,732,370
	- Over 3 months and up to 6 months	**10,685,852**	13,058,473
	- Over 6 months and up to 12 months	**13,465,496**	7,967,819
	- Over 1 year and up to 5 years	**3,335,169**	2,695,908
	- Over 5 years	**58,782**	68,868
	Total time deposits	**72,466,242**	95,523,438
	Total deposits from corporate customers	**148,954,756**	172,959,729
(iii)	Government		
	Current accounts	**12,995,031**	8,495,361
	Savings accounts	**3,962,447**	4,491,106
	Time deposits with remaining term to maturity:		
	- Up to 3 months	**74,097**	3,219,710
	- Over 3 months and up to 6 months	**20,283**	3,218,316
	- Over 6 months and up to 12 months	**132,628**	72,387
	- Over 1 year and up to 5 years	**705,276**	694,005
	Total time deposits	**932,284**	7,204,418
	Total deposits from the Government	**17,889,762**	20,190,885
	Total deposits from non-bank customers	**347,444,343**	359,496,028

17. Other borrowed funds

	The Group	
	2025	2024
	MUR'000	MUR'000
Borrowings from central banks	**3,615,828**	9,393,322
Other financial institutions	**2,059,370**	1,109,181
Borrowings from banks		
• In Mauritius	**2,508,049**	21,054
• Outside Mauritius	**983,006**	-
	9,166,253	10,523,557

	The Group	
	2025	2024
Remaining term to maturity	**MUR'000**	MUR'000
Up to 3 months	**5,121,012**	8,335,677
Over 3 months and up to 6 months	**2,508,232**	236,312
Over 6 months and up to 12 months	**155,250**	950,978
Over 1 year and up to 5 years	**155,250**	580,545
Over 5 years	**1,226,509**	420,045
	9,166,253	10,523,557

	The Company	
	2025	2024
	MUR'000	MUR'000
Borrowings from banks		
- In Mauritius	**2,058,691**	121,946
	2,058,691	121,946

	The Company	
	2025	2024
Remaining term to maturity	**MUR'000**	MUR'000
Over 6 months and up to 12 months	**-**	121,946
Over 1 year and up to 5 years	**2,058,691**	-
	2,058,691	121,946

Borrowings from banks are short term interbank borrowings from local banks at 31 December 2025 with an interest rate ranging from 3% to 4.5% per annum with a tenor of up to 6 months. 50% of the local borrowings were fully collateralised in the form of marketable government securities.

Borrowings from other financial institutions are long term borrowings taken for refinancing purposes with an interest rate ranging from 0.4% to 10% and have maturity date up to 2032.

18. Taxation

Accounting policy

Income tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Non-banking entities within the Group are taxable at the rate of 15% (2024: 15%). Corporate Social Responsibility, Corporate Climate Responsibility and fair share also apply as applicable.

Corporate Social Responsibility (CSR)

Corporate social responsibility (CSR) was legislated by the Government of Mauritius in July 2009. In terms of the legislation, the Bank is required to allocate 2% of chargeable income of the preceding financial year to government approved CSR NGOs. The chargeable income excludes income derived from non-residents and companies holding a Global Business License. The Group remits 75% of the CSR contribution to the Director General of the MRA and 25% of the CSR contribution to an approved Fund. This contribution is recorded as part of income tax expense.

Corporate Climate Responsibility (CCR)

The Finance (Miscellaneous Provisions) Act 2024, which was gazetted on 27 July 2024, introduced a new Corporate Climate Responsibility (CCR) Levy at 2% of the current year's chargeable income as from the year of assessment commencing on 01 July 2024. CCR is payable to the MRA by all companies where the turnover exceeds MUR 50M. This levy is recognised as part of income tax expense.

Special Levy on banks

SBMBM is liable to pay a special levy as per the VAT Act. Special levy is calculated as a percentage of the Bank's leviable income from residents excluding Global Business Licence holders. Special Levy is accounted as an income tax expense as at the reporting dates. The minimum amount prescribed for Special levy on Banks with respect to the base year has been repealed under the Finance Act 2025, therefore the Bank will be required to pay a special levy of 5.5% on its leviable income at all times as from accounting year starting 01 January 2026.

Fair share contribution

A fair share of contribution of 5% of the chargeable income and an additional fair share of contribution of 2.5% of the chargeable income arising from transactions with residents, other than from a global business entity, is applicable to the Bank as from 01 July 2025 up to 30 June 2028.

SBM Bank (Mauritius) Ltd are now taxed at 5% on a chargeable income of less than MUR 1.5 billion and at 15% on a chargeable income exceeding MUR 1.5 billion.

The applicable tax rate for India is 43.26%(2024: 43.26%), whereas that of Madagascar is 20% (2024: 20%) and Kenya is 30% (2024: 30%)

18. Taxation (cont'd)

(a) Current tax liabilities

The Company had accumulated tax losses amounting to MUR'000 40,626 as at 31 December 2025 (31 December 2024: MUR'000 29,195) which will expire in year 2031.

Current tax liabilities can be analysed as follows:

	The Group		The Company	
	2025	2024	**2025**	2024
Statements of financial position	**MUR'000**	MUR'000	**MUR'000**	MUR'000
At 01 January	**991,232**	523,562	**-**	-
Income tax provision	**1,033,006**	787,208	**2,705**	1,897
Corporate Social Responsibility contribution	**104,476**	103,742	**-**	-
Underprovision in prior years	**26,965**	16,118	**-**	-
Paid during the year	**(1,673,969)**	(770,319)	**(2,705)**	(1,897)
Translation difference	**(3,592)**	(733)	**-**	-
Bank levy	**186,416**	186,416	**-**	-
Corporate Climate Responsibility levy	**159,808**	124,774	**-**	-
Tax refund	**291**	20,464	**-**	-
Fair share contribution	**325,442**	-	**-**	-
At 31 December	**1,150,075**	991,232	**-**	-
The breakdown of current tax liability is as follows:				
Tax liability	**1,191,263**	1,018,819	**-**	-
Tax assets (note 13)	**(41,188)**	(27,587)	**-**	-
	1,150,075	991,232	**-**	-

Current tax liabilities will be repaid within the next one year and is classified as a current liabilities.

(b) Tax expense

The total tax expense can also be analysed as being incurred as follows:

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
In Mauritius	**915,971**	1,224,855	**-**	-
Overseas	**-**	20,576	**2,705**	1,897
Total tax expense	**915,971**	1,245,431	**2,705**	1,897
Income tax provision	**1,033,006**	787,208	**-**	-
Deferred income tax (note 18d)	**(922,388)**	4,031	**-**	-
Corporate Social Responsibility contribution	**104,476**	103,742	**-**	-
Bank levy	**186,416**	186,416	**-**	-
Corporate Climate Responsibility levy	**159,808**	124,774	**-**	-
Under provision in previous periods	**26,965**	35,841	**-**	-
Fair share contribution	**325,442**	-	**-**	-
Tax refund in relation to prior years	**-**	898	**-**	-
Withholding tax	**2,246**	2,521	**2,705**	1,897
Total tax expense	**915,971**	1,245,431	**2,705**	1,897

18. Taxation (cont'd)

(c) Tax reconciliation

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
Profit before income tax from continuing operations	**5,129,480**	5,584,098	**3,085,131**	1,768,856
Tax on accounting profit at applicable tax rates	**1,282,370**	949,297	**524,472**	300,706
Over provision in previous periods	**(66)**	(379)	**-**	-
Non allowable expenses	**699,130**	265,784	**157,883**	169,969
Exempt income	**(440,851)**	(296,884)	**(684,298)**	(472,863)
Corporate Social Responsibility contribution	**(12,955)**	(684)	**-**	-
CCR adjustment	**(5)**	-	**-**	-
Special levy on banks	**186,416**	186,416	**-**	-
Deferred tax assets not recognised	**5,080**	(6,513)	**1,943**	2,188
Translation difference	**39,595**	(11,852)	**-**	-
Fair share contribution	**5,566**	-	**-**	-
Tax loss utilised	**(251)**	(7)	**-**	-
Tax rate differential	**(862,994)**	158,356	**-**	-
Withholding tax	**14,936**	1,897	**2,705**	1,897
Total tax expense	**915,971**	1,245,431	**2,705**	1,897

(d) Deferred tax (assets)/liabilities

Accounting policy

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

18. Taxation (cont'd)

(d) Deferred tax (assets)/liabilities (cont'd)

Accounting policy (cont'd)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Current and deferred tax relating to items recognised outside profit or loss are recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Tax rate of SBM Bank (Mauritius) Ltd

Following the change in tax rate for SBMBM, deferred tax has been calculated at the rate of 25% for residents and 20% for non residents & Global Business License holders for temporary differences arising before 30 June 2028. For temporary differences arising after 30 June 2028, the deferred tax rate has been calculated at 17% for residents and 15% for non residents & Global Business License holders. (2024: 14% and 12%).

No deferred tax was recognised as it is not probable that future taxable profit will be available to offset against the unused tax losses.

Reconciliation of deferred tax assets

	The Group	
	2025	2024
	MUR'000	MUR'000
At 01 January	**(1,519,647)**	(1,390,569)
Translation adjustments	**17,400**	(193,007)
Charge/(credit) to profit or loss:		
• Movement for the year (note 18b)	**(922,388)**	4,031
(Credit)/Charge to other comprehensive income:		
• Remeasurement of retirement benefit obligations	**(6,742)**	(34,392)
• Revaluation of property	**31,190**	94,290
At 31 December	**(2,400,187)**	(1,519,647)

18. Taxation (cont'd)

(d) Deferred tax (assets)/liabilities (cont'd)

Reconciliation of deferred tax (assets)/liabilities

	The Group				
2025	**01 January 2025**	**Charge/ (credit) to profit or loss**	**Charge (credit) to OCI**	**Translation adjustment**	**31 December 2025**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Deferred tax assets					
Allowances for credit impairment	**(744,815)**	**(1,022,861)**	**-**	**-**	**(1,767,676)**
Pension liability	**(95,687)**	**(16,760)**	**(6,742)**	**-**	**(119,189)**
Other provisions	**(1,155,723)**	**208,122**	**-**	**19,110**	**(928,491)**
	(1,996,225)	**(831,499)**	**(6,742)**	**19,110**	**(2,815,356)**
Deferred tax liabilities					
Accelerated capital allowances	**114,600**	**51,155**	**-**	**687**	**166,442**
Revaluation of property	**230,241**	**(14,893)**	**31,190**	**-**	**246,538**
Unrealised exchange gains	**131,737**	**(127,151)**	**-**	**(2,397)**	**2,189**
	476,578	**(90,889)**	**31,190**	**(1,710)**	**415,169**
Net deferred tax assets	**(1,519,647)**	**(922,388)**	**24,448**	**17,400**	**(2,400,187)**

	The Group				
2024	01 January 2024	Charge/ (credit) to profit or loss	Charge (credit) to OCI	Translation adjustment	31 December 2024
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Deferred tax assets					
Allowances for credit impairment	(955,336)	202,580	-	7,941	(744,815)
Pension liability	(58,861)	(2,434)	(34,392)	-	(95,687)
Other provisions	(661,987)	(305,601)	-	(188,135)	(1,155,723)
	(1,676,184)	(105,455)	(34,392)	(180,194)	(1,996,225)
Deferred tax liabilities					
Accelerated capital allowances	137,423	(9,736)	-	(13,087)	114,600
Revaluation of property	145,063	(9,112)	94,290	-	230,241
Unrealised exchange gains	3,129	128,334	-	274	131,737
	285,615	109,486	94,290	(12,813)	476,578
Net deferred tax assets	(1,390,569)	4,031	59,898	(193,007)	(1,519,647)

19. Other liabilities

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
Bills payable	**524,644**	549,775	**-**	-
Accruals for expenses	**1,959,271**	2,453,511	**87,867**	75,370
Accounts payable	**3,639,419**	3,913,962	**45,447**	42,224
Deferred income	**98,512**	104,160	**-**	-
Balance due in clearing	**2,450**	(1,184)	**-**	-
Balances in transit	**72,115**	1,528,803	**-**	-
ECL on memorandum items (note 23)	**778,062**	335,414	**-**	-
Other payables	**225,290**	96,794	**-**	-
	7,299,763	8,981,235	**133,314**	117,594

Other liabilities, except for deferred income, are classified as current liabilities. Deferred income has a maturity of over more than one year and is treated as non-current liabilities.

20. Subordinated debts

	The Group		The Company	
	2025	2024	**2025**	2024
Subordinated Bonds:	**MUR'000**	MUR'000	**MUR'000**	MUR'000
Class A 2 series bond of MUR fixed interest rate senior unsecured bonds maturing in 2028 (Note (a))	**3,060,520**	3,060,520	**3,060,520**	3,060,520
Class B 2 series bond of USD fixed interest rate senior unsecured bonds maturing in 2025 (Note (a))	**-**	3,579,225	**-**	3,579,225
Class A 3 series bond of MUR fixed interest rate senior unsecured bonds maturing in 2031 (Note (b))	**1,003,568**	1,003,567	**1,003,568**	1,003,567
Class B 3 series bond of MUR floating interest rate senior unsecured bonds maturing in 2031 (Note (b))	**1,005,648**	1,005,223	**1,005,648**	1,005,223
Class A 4 series bond of MUR fixed interest rate senior unsecured bonds maturing in 2035 (Note (c))	**2,501,212**	-	**2,501,212**	-
Class A 5 series bond of MUR fixed interest rate senior unsecured bonds maturing in 2035 (Note (c))	**2,501,212**	-	**2,501,212**	-
Series Bond of INR fixed interest rate subordinated unsecured bonds maturing 2032 & 2033 (Note (d))	**1,244,426**	1,329,613	**-**	-
	11,316,586	9,978,148	**10,072,160**	8,648,535
Analysed as :				
Non-current	**11,316,586**	6,398,923	**10,072,160**	5,069,310
Current	**-**	3,579,225	**-**	3,579,225
	11,316,586	9,978,148	**10,072,160**	8,648,535

(a) The public offer for the issue of subordinated senior unsecured multicurrency fixed interest rate bonds for Class A2 and B2 Series Bonds of MUR 2 Billion and USD 50 Million respectively opened on 29 May 2018. Class A2 Series Bonds were oversubscribed and a maximum amount of MUR 3.06 Billion, of MUR 10,000 bonds with half yearly fixed coupon payment of 5.75% per annum maturing in 2028, was retained including the optional amount. Similarly an amount of USD 75.66 Million, of USD 1,000 bonds with half yearly payment of fixed coupon rate of 4.75% per annum maturing in 2025, were retained including the optional amount. The public offer was issued by the SBM Holdings Ltd (SBMH) and the bonds are eligible as Tier II Capital.

These bonds are quoted on the Official Market of the Stock Exchange of Mauritius (SEM) pre and post restructure.

20. Subordinated debts (cont'd)

(b) Private placement of Subordinated Tier II bonds amounting to MUR 2 Billion at a price of MUR 10,000 per bond maturing in 2031, issued in two series: Series A3 and Series B3, at the rate of 4.2% and 4.0% (Repo rate + 2.15%).

(c) Private placement of Subordinated Tier II bonds amounting to MUR 5 Billion at a price of MUR 1,000,000 per bond maturing in 2035, issued in two series: Series A4 and Series A5, at the rate of 5.9%.

(d) In FY 2022, SBM Bank (India) Ltd made a private placement of 125 Basel III compliant rated, unsecured, subordinated, listed, redeemable, non-convertible and fully paid up Tier 2 bonds in the nature of debentures (Series II) amounting to INR 1,250 million at a price of INR 10 million face value at a fixed interest rate of 9.75% maturing in April 2032. In financial year 2023, the subsidiary further issued 99 unsecured subordinated debts at INR 10 million face value at the rate of 9.98% maturing in January 2033.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financial activities are those for which cash flows were, or future cash flows will be classified in cash flows from financing activities in the Statements of cash flows.

The Group

				Non-cash changes		
	At 1 January	**Financing cash flows (i)**	**Addition**	**Exchange differences**	**Other changes (ii)**	**At 31 December**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
2025						
Other borrowed funds	**10,523,557**	**(10,317,261)**	**9,630,967**	**(373,635)**	**(297,375)**	**9,166,253**
Subordinated debts	**9,978,148**	**(3,440,358)**	**5,000,000**	**(224,170)**	**2,966**	**11,316,586**
Lease liabilities	**856,681**	**(258,456)**	**350,366**	**(21,765)**	**29,205**	**956,031**
	21,358,386	**(14,016,075)**	**14,981,333**	**(619,570)**	**(265,204)**	**21,438,870**
2024						
Other borrowed funds	13,405,661	(7,740,277)	4,612,409	110,840	134,924	10,523,557
Subordinated debts	11,232,173	(1,500,000)	-	293,054	(47,079)	9,978,148
Lease liabilities	801,227	(293,092)	326,797	83,591	(61,842)	856,681
	25,439,061	(9,533,369)	4,939,206	487,485	26,003	21,358,386

The Company

				Non-cash changes		
	At 1 January	**Financing cash flows (i)**	**Addition**	**Exchange differences**	**Other changes (ii)**	**At 31 December**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
2025						
Other borrowed funds	**121,946**	**(495,993)**	**2,526,482**	**25,211**	**(118,955)**	**2,058,691**
Subordinated debts	**8,648,535**	**(3,440,302)**	**5,000,000**	**(139,040)**	**2,967**	**10,072,160**
	8,770,481	**(3,936,295)**	**7,526,482**	**(113,829)**	**(115,988)**	**12,130,851**
2024						
Other borrowed funds	-	-	121,946	-	-	121,946
Subordinated debts	9,952,271	(1,500,000)	-	244,770	(48,506)	8,648,535
	9,952,271	(1,500,000)	121,946	244,770	(48,506)	8,770,481

(i) The cash flows from other borrowed funds and subordinated debts make up the net amount of proceeds from borrowings and repayments of borrowings in the Statements of cash flows.

(ii) Other changes include non-cash transactions such as interests accrued but not yet paid on interest-bearing other borrowed funds and subordinated debts.

21. Stated capital and treasury shares

Authorised, issued and paid up share capital	The Group		The Company	
	Number	MUR'000	Number	MUR'000
At 31 December 2025	**3,037,402,230**	**32,500,204**	**3,037,402,230**	**32,500,204**
At 31 December 2024	3,037,402,230	32,500,204	3,037,402,230	32,500,204

Treasury shares held	The Group		The Company	
	Number	MUR'000	Number	MUR'000
At 31 December 2025	**455,610,330**	**4,875,031**	**455,610,330**	**4,875,031**
At 31 December 2024	455,610,330	4,875,031	455,610,330	4,875,031

Fully paid ordinary shares carry one vote per share and the right to dividend, except for treasury shares which have no such rights.

22. Dividend

Dividends on ordinary shares are recognised in equity in the period in which they are authorised by the directors and have been approved by the Bank of Mauritius.

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
Dividend declared and paid in current year:				
2025: 50 cents; 2024: 40 cents	**1,290,896**	1,032,717	**1,290,896**	1,032,717
	1,290,896	1,032,717	**1,290,896**	1,032,717
Less dividend declared and paid during the year	**(1,290,896)**	(1,032,717)	**(1,290,896)**	(1,032,717)
Dividend payable	**-**	-	**-**	-

A dividend of 50 cents (2024: 40 cents) per share has been declared on 20 March 2025 and was paid on 20 June 2025.

23. Memorandum items

		The Group	
		2025	2024
		MUR'000	MUR'000
(a)	Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers		
	Acceptances on account of customers	**1,696,650**	3,108,889
	Guarantees on account of customers	**25,228,851**	23,159,784
	Letters of credit and other obligations on account of customers	**4,107,339**	2,902,407
		31,032,840	29,171,080
(b)	Commitments		
	Undrawn credit facilities	**38,280,624**	29,054,246
(c)	Other		
	Inward bills held for collection	**1,319,344**	1,860,578
	Outward bills sent for collection	**7,481,531**	7,814,130
		8,800,875	9,674,708
Total		**78,114,339**	67,900,034
Credit loss allowance (note 19)		**(778,062)**	(335,414)
Total carrying value		**77,336,277**	67,564,620

23. Memorandum items (cont'd)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification.

The Group	2025			
Internal rating grade	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
Performing				
High grade	**31,100,947**	**566,752**	**-**	**31,667,699**
Standard grade	**34,668,744**	**2,929,620**	**-**	**37,598,364**
Sub-standard grade	**5,897,828**	**728,006**	**-**	**6,625,834**
Non-performing				
Individually impaired	**-**	**-**	**2,222,442**	**2,222,442**
Total	**71,667,519**	**4,224,378**	**2,222,442**	**78,114,339**

	2024			
Internal rating grade	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Performing				
High grade	24,995,149	998,974	-	25,994,123
Standard grade	25,157,680	2,881,060	-	28,038,740
Sub-standard grade	12,615,540	610,305	-	13,225,845
Non-performing				
Individually impaired	-	-	641,326	641,326
Total	62,768,369	4,490,339	641,326	67,900,034

Details of the Group's internal grading system are set out in note 38(b)(i).

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

The Group	2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
Gross carrying amount as at 01 January	**62,768,369**	**4,490,339**	**641,326**	**67,900,034**
New exposures	**35,163,124**	**1,572,501**	**385,938**	**37,121,563**
Exposures derecognised or matured/lapsed	**(22,904,225)**	**(1,779,471)**	**(462,439)**	**(25,146,135)**
Transfers to Stage 1	**10,045**	**(10,045)**	**-**	**-**
Transfers to Stage 2	**(1,571,586)**	**1,571,586**	**-**	**-**
Transfers to Stage 3	**(45,846)**	**(1,611,857)**	**1,657,703**	**-**
Translation adjustments	**(1,752,362)**	**(8,675)**	**(86)**	**(1,761,123)**
Gross carrying amount as at 31 December	**71,667,519**	**4,224,378**	**2,222,442**	**78,114,339**

23. Memorandum items (cont'd)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows: (cont'd)

	2024			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Gross carrying amount as at 01 January	59,008,768	4,449,493	133,201	63,591,462
New exposures	20,219,067	2,260,471	42,273	22,521,811
Exposures derecognised or matured/lapsed	(18,275,492)	(2,059,839)	(201,111)	(20,536,442)
Transfers to Stage 1	353,132	(353,132)	-	-
Transfers to Stage 2	(699,111)	699,111	-	-
Transfers to Stage 3	(155,478)	(511,269)	666,747	-
Translation adjustments	2,317,483	5,504	216	2,323,203
Gross carrying amount as at 31 December	62,768,369	4,490,339	641,326	67,900,034

The Group	**2025**			
	Stage 1 Individual	**Stage 2 Individual**	**Stage 3**	**Total**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
ECL allowance as at 01 January	**146,254**	**7,965**	**181,195**	**335,414**
New exposures	**31,518**	**4,707**	**526,488**	**562,713**
Exposured derecognised or repaid	**(85,243)**	**(7,987)**	**(24,801)**	**(118,031)**
Transfers to Stage 1	**3**	**(3)**	**-**	**-**
Transfers to Stage 2	**(11,039)**	**11,120**	**(81)**	**-**
Transfers to Stage 3	**(5,663)**	**(1,037)**	**6,700**	**-**
Translation adjustments	**(1,924)**	**(191)**	**81**	**(2,034)**
At 31 December	**73,906**	**14,574**	**689,582**	**778,062**

	2024			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
ECL allowance as at 01 January	87,967	12,651	132,346	232,964
New exposures	88,511	2,930	106,871	198,312
Exposured derecognised or repaid	(32,830)	(4,757)	(59,724)	(97,311)
Transfers to Stage 1	3,028	(3,028)	-	-
Transfers to Stage 2	(1,455)	1,455	-	-
Transfers to Stage 3	(301)	(1,401)	1,702	-
Translation adjustments	1,334	115	-	1,449
At 31 December	146,254	7,965	181,195	335,414

23. Memorandum items (cont'd)

SBM Bank (Mauritius) Ltd (SBMBM)

Legal Claims

SBMBM is subject to various legal claims from former employees and customers totaling MUR 662.1 million (2024: MUR 696.75 million and 2023: MUR 882.40 million). Out of these, the Bank has assessed the claims that are highly probable and has made a provision of MUR 130.7 million as at 31 December 2025. The Bank has not made any provision on the remaining claims on the basis that so far there is no indication that the claims would succeed in court.

Contingent liability

SBMBM has been subject to an investigation by the Regulators on certain daily cash withdrawals exceeding the threshold of Rs 500,000 prescribed by the Financial Intelligence Anti-Money Laundering Act 2002. These specific withdrawals being investigated were made in the financial year ended 31 December 2024 and were also above the limit set by the Bank for cash withdrawals.

Based on current facts and information available as of date, the directors are of the view that even if a potential present obligation exists as a result of an event that took place in the prior financial year ended 31 December 2024 (past event), no provision should be made as at 31 December 2025 in accordance with the requirements of IAS 37. The directors believe that since the investigation is still in progress, they are currently unable to reliably estimate any potential cash outflows. Additionally, it remains uncertain whether the Bank will face any financial or non-financial consequences. Therefore, the directors believe it is appropriate not to recognise a provision at this stage and to only disclose the matter as a contingent liability.

SBM Bank (Kenya) Limited (SBMBK)

In August 2018 SBM Bank (Kenya) Limited (SBMBK) acquired certain assets and assumed specific liabilities of Chase Bank in receivership(CBIR). One of the liabilities that SBMBK did not take over from CBIR was a placement by Afrasia Bank Limited of USD 7,500,000. In 2019 Afrasia Bank Limited sued SBMBK claiming the full amount of USD 7,500,000 together with the accrued interest of USD 9,291. In July 2020 the matter was referred to arbitration where a judgment favourable to SBMBK was delivered in April 2021. Dissatisfied with the decision of the arbitrator, Afrasia Bank Limited moved to High Court. Kenya Deposit Insurance Corporation, in a sworn affidavit filed at the High Court, confirmed that this liability together with the accrued interest was not taken over by SBMBK and that the same rests with CBIR. In July 2022, the High Court entered judgment against SBMBK awarding Afrasia Bank Limited the claimed amount of USD 7,500,000 together with accrued interest of USD 9,291. SBMBK has filed an appeal at the Court of Appeal seeking to set aside the judgment of the High Court. The directors in consideration of the underlying facts about the claim, are confident that SBMBK is not liable and therefore no provision has been made in these financial statements in respect therefore.

24. Assets pledged

The aggregate carrying amount of assets that have been pledged to secure the credit facilities of the Group with Central Banks and of the Group's Indian Operations with Clearing Corporation of India Limited are as follows:

	The Group	
	2025	2024
	MUR'000	MUR'000
Treasury bills/Government bonds	**4,879,596**	8,475,353
Other investment securities	**2,859,209**	195,275
	7,738,805	8,670,628
Analysed as:		
• Overseas	**7,738,805**	8,670,628
	7,738,805	8,670,628

25. Capital commitments

	The Group	
	2025	2024
	MUR'000	MUR'000
Approved and contracted for	**232,534**	1,147,888
Approved and not contracted for	**2,055,118**	721,582

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Property, plant and equipment	**626,372**	6,947
Intangible assets	**1,213,401**	727,634

26. Net interest income/(expense)

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
Interest income using the effective interest method				
Cash and cash equivalents	**1,308,443**	1,049,298	**17,259**	-
Loans to and placements with banks	**533,099**	363,725	**54,226**	-
Loans and advances to non-bank customers	**15,016,384**	14,345,281	**-**	-
Investment securities at amortised cost	**3,042,995**	3,875,081	**12,278**	3,560
Investment securities at FVTOCI	**4,558,118**	3,076,485	**162**	8,810
	24,459,039	22,709,870	**83,925**	12,370
Interest income on financial instruments at fair value				
Investment securities at FVTPL	**366,660**	406,904	**-**	-
Derivatives held for risk management	**905,515**	226,098	**-**	-
	1,272,175	633,002	**-**	-
Total interest income	**25,731,214**	23,342,872	**83,925**	12,370
Interest expense using the effective interest method				
Deposits from non-bank customers	**(10,850,668)**	(9,539,541)	**-**	-
Other borrowed funds	**(769,224)**	(1,320,633)	**(29,545)**	(150)
Subordinated debts	**(632,181)**	(587,697)	**(516,315)**	(464,102)
Interest expense on lease liabilities (note 11 (b))	**(89,536)**	(74,523)	**-**	-
Total interest expense	**(12,341,609)**	(11,522,394)	**(545,860)**	(464,252)
Other interest expense				
Interest paid on trading liabilities	**(1,056,507)**	(454,915)	**-**	-
Derivatives held for risk management	**(140,289)**	(191,500)	**-**	-
	(1,196,796)	(646,415)	**-**	-
Total interest expense	**(13,538,405)**	(12,168,809)	**(545,860)**	(464,252)
Net interest income/(expense)	**12,192,809**	11,174,063	**(461,935)**	(451,882)

27. Net fee and commission income

	The Group	
	2025	2024
	MUR'000	MUR'000
Fee and commission income		
Retail banking customer fees	**469,430**	419,618
Corporate banking customer fees	**873,077**	865,193
Brokerage income	**42,845**	202,621
Asset management fees	**115,662**	106,772
Factoring fees	**10,750**	11,879
Card income	**806,086**	579,919
Other fees	**519,023**	295,654
Total fee and commission income	**2,836,873**	2,481,656
Fee and commission expense		
Interbank transaction fees	**(66,402)**	(66,632)
Brokerage	**(509)**	(3,783)
Other fees	**(62,520)**	(54,295)
Total fee and commission expense	**(129,431)**	(124,710)
Net fee and commission income	**2,707,442**	2,356,946
Timing of revenue recognition		
Services transferred at a point in time	**2,182,429**	1,912,756
Services transferred over time	**654,444**	568,900
Total revenue from contracts with customers	**2,836,873**	2,481,656

(a) Revenue from contracts with customers

Significant accounting estimates and judgements

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Identify the performance obligations

SBM Mauritius Asset Managers Ltd

The Company provides asset management services. Revenue from contracts with customers is recognised when the services are rendered to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The Company determined that management fees, retrocession fees, arranger fees, entry and exit fees and commission from structured products are capable of being distinct since they are different services being provided and the contracts are separate.

SBM Capital Markets Ltd

The Company provides corporate finance advisory services and stock broking services. Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The Company determined that commission from local equity, commission from local bonds, commission from international equity, commission from international bonds, management fees, retrocession fees, arranger fees, entry and exit fees and commission from structured products are capable of being distinct since they are different services being provided and the contracts are separate.

27. Net fee and commission income (cont'd)

(a) Revenue from contracts with customers (cont'd)

Significant accounting estimates and judgements (cont'd)

Identify the performance obligations (cont'd)

SBM Fund Services Ltd

The Company acts as registrar and transfer agent for numerous listed companies and mutual funds. It also provides administration services including trade and fees processing, net asset value computation and fund accounting services. Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The Company determined that registry fees, administrative fees, trustee fees and debenture holder representative fees are capable of being distinct since they are different services being provided and the contracts are separate.

SBM Factors Ltd

The Company provides factoring services. Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

SBM Insurance Agency Ltd

The Company acts as an agent between various insurance companies and customers who want to take up an insurance policy. The Company operates three agency business lines which are General Insurance, Life Insurance and Decreasing Term Assurance. Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The Company determined that commission from general insurance, commission from life insurance and commission from Decreasing Term Assurance (DTA) are capable of being distinct since they are different services being provided and the contracts are separate.

Determine the transaction price

SBM Mauritius Asset Managers Ltd

Management fees are generated through investment management agreements and are generally based on an agreed percentage of the valuation of the assets under management (AUM). Management fees are recognised as the service is provided and it is probable that the fee will be received.

Retrocession fees are based on an agreed percentage of the management fees charged to the third party funds. The fees are recognised when they are probable to be received.

Entry and exit fees represent variable consideration based on the amount invested / disinvested by the customer.

Arranger fees are based on an agreed percentage of the amount raised on behalf of the client.The fees are recognised when they are probable to be received.

Commission from structured products on the other hand represents a fixed consideration on the amount invested by third parties.

SBM Fund Services Ltd

Registry fees from Funds and administrative fees represent variable consideration which is based on each period's NAV. Registry fees from Funds and administrative fees are recognised as the service is provided and it is probable that the fee will be received.

Registry fees from other clients, trustee fees and debenture holder representative fees are generated through agreements between the entity and the clients and are charged a fixed contract amount. Invoicing is done on a quarterly / half yearly and yearly basis and the fees are recognised when they are probable to be received.

27. Net fee and commission income (cont'd)

(a) Revenue from contracts with customers (cont'd)

Significant accounting estimates and judgements (cont'd)

Determine the transaction price (cont'd)

SBM Capital Markets Ltd

Corporate finance advisory fees are generated through agreements between the entity and the clients and are charged a fixed contract amount. Invoicing is done on a quarterly / half yearly and yearly basis and the fees are recognised when they are probable to be received.

Arranger fees are based on an agreed percentage of the amount raised on behalf of the client. The fees are recognised when they are probable to be received.

Management fees are generated through investment management agreements and are generally based on an agreed percentage of the valuation of the assets under management (AUM). Management fees are recognised as the service is provided and it is probable that the fee will be received.

Retrocession fees are based on an agreed percentage of the management fees charged to the third party funds. The fees are recognised when they are probable to be received.

Entry and exit fees represent variable consideration based on the amount invested / disinvested by the customer.

Commission from structured products on the other hand represents a fixed consideration on the amount invested by third parties.

Commission received from trading services provided is allocated to each trading activity (equity and bond trading) as and when it is due as per the agreement.

SBM Factors Ltd

The Company finances its clients a fixed percentage of the invoices and a factoring fee is charged on the invoices being financed as per the agreement in place.

Signing fee is charged upon onboarding of a new client.

SBM Insurance Agency Ltd

Commission from life insurance represents a fixed consideration which is based on a percentage of the total premium amount and in some cases, on the sum assured. The percentage varies in the case of an initial policy and in the case of a renewal. The commission is recognised as the service is provided and it is probable that the commission will be received.

Commission from general insurance represents a fixed consideration which is based on a percentage of the gross premium amount. For each insurer and for every type of insurance, a specific commission rate is applied. The amount of commission received is calculated based on the commission rate multiplied by the gross premium amount. The commission is recognised as the service is provided and it is probable that the commission will be received.

For DTA commission, the policy is subscribed per client. A percentage is retained as commission prior to payment to insurer. DTA commission are recognised as the service is provided and it is probable that the commission will be received.

Allocate the transaction price to the performance obligations

SBM Mauritius Asset Managers Ltd

The transaction price which comprises the variable consideration related to the management fee is allocated to each individual month as management fee relates specifically to the entity's efforts to provide management services during the month.

Retrocession fees are allocated to each third party Fund on a monthly basis as per the respective agreement.

The entry and exit fees are allocated to each client investing or disinvesting from the Funds managed by the Company.

Arranger fees are allocated as per the agreement in place between the Company and the client.

Commission received from structured products is allocated to each product as and when it is due as per the agreement.

SBM Fund Services Ltd

The transaction price which comprises the variable consideration related to the registry and administrative fee is allocated to each individual month as the registry and administrative fee relates specifically to the entity's efforts to provide registry/administrative services during the month.

Trustee fees and debenture holder representative fees are allocated to each client on a monthly basis based on the agreement in place.

27. Net fee and commission income (cont'd)

(a) Revenue from contracts with customers (cont'd)

Significant accounting estimates and judgements (cont'd)

Allocate the transaction price to the performance obligations (cont'd)

SBM Capital Markets Ltd

The corporate finance advisory fees are allocated to each client once the assignment has been completed.

Arranger fees are allocated as per the agreement in place between the Company and the client.

Commission received from trading services provided is allocated to each trading activity (equity and bond trading) as and when it is due as per the agreement.

SBM Factors Ltd

Factoring fees are allocated to each batch of invoices being financed.

Signing fee is fixed amount charged to the client.

SBM Insurance Agency Ltd

Commission from life and general insurance is allocated to each client on a monthly basis based on the premium collected by the Insurance Company.

DTA commission is allocated once the service is completed based on the agreement in place.

Satisfaction of performance obligations

SBM Mauritius Asset Managers Ltd

The Company concluded that the management and retrocession fees are recognised over time as the customer simultaneously receives and consumes the benefits provided by the Company when the latter discharges the service or the Company's performance enhances the assets that the fund controls.

On the other hand, entry and exit fees are recognised at a point in time as the benefits are obtained only upon new investment or disinvestment by a customer. Arranger fees and commission from structured products are also recognised at a point in time as they are a one-off fee received upon the completion of the capital raising and at the start of the life of each product respectively.

SBM Fund Services Ltd

The Company concluded that all the fees are recognised over time as the customer simultaneously receives and consumes the benefits provided by the Company when the latter discharges the service or the Company's performance enhances the assets that the fund controls.

SBM Capital Markets Ltd

The Company concluded that the management and retrocession fees are recognised over time as the customer simultaneously receives and consumes the benefits provided by the Company when the latter discharges the service or the Company's performance enhances the assets that the fund controls.

On the other hand, entry and exit fees are recognised at a point in time as the benefits are obtained only upon new investment or disinvestment by a customer. Arranger fees and commission from structured products are also recognised at a point in time as they are a one-off fee received upon the completion of the capital raising and at the start of the life of each product respectively.

The Company concluded that the commission income is recognised at a point in time. The Company recognises the revenue as the service is provided.

The Company concluded that the corporate finance advisory fees and arranger fees are recognised at a point in time upon completion of assignment.

SBM Factors Ltd

The Company concluded that the factoring fees are recognised at a point in time upon financing of each batch of invoices. Signing fee is also recognised at a point in time upon onboarding of new client.

SBM Insurance Agency Ltd

The Company concluded that all the commissions are recognised at a point in time upon collection of premium by the Insurance Companies.

27. Net fee and commission income (cont'd)

(a) Revenue from contracts with customers (cont'd)

Principal versus agent considerations

SBM Mauritius Asset Managers Ltd

The Company determined that it is a principal in the contracts as it is primarily responsible for fulfilling the promise to provide the specified service.

SBM Fund Services Ltd

The Company determined that it is a principal in the contracts as it is primarily responsible for fulfilling the promise to provide the specified service.

SBM Capital Markets Ltd

The Company determined that it is a principal in the contracts as it is primarily responsible for fulfilling the promise to provide the specified service.

SBM Factors Ltd

The Company determined that it is a principal in the contracts since it is primarily responsible for fulfilling the promise to provide the specified service.

SBM Insurance Agency Ltd

The Company determined that it is an agent in the contracts as it is not primarily responsible for fulfilling the promise to provide the specified service. The Company has no discretion in establishing the premium for the policies. The Company's consideration in these contracts is only based on a percentage of the premium being received by the Insurance Companies.

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	The Group	
	2025	2024
	MUR'000	MUR'000
SBM Mauritius Asset Managers Ltd		
Management fees	**59,335**	57,809
Entry and exit fees	**2,022**	1,732
Arranger fees	**3,114**	855
Asset management fees included above	**64,471**	60,396
SBM Capital Markets Ltd		
Commission income - Local equity	**20,856**	5,697
Commission income - Foreign equity	**243,114**	176,161
Commission income - Local bonds	**388**	122
Commission income - Foreign bonds	**18,032**	23,798
Brokerage income	**282,390**	205,778

27. Net fee and commission income (cont'd)

(a) Revenue from contracts with customers (cont'd)

Disaggregated revenue information (cont'd)

	The Group	
	2025	2024
	MUR'000	MUR'000
SBM Capital Markets Ltd		
Entry and exit fees	**2,373**	898
Management fees	**38,972**	34,124
Retrocession fees	**8,131**	7,725
Advisory fees	**9,582**	3,714
SBM Fund Services Ltd		
Registry fees from Funds	**8,177**	7,781
Registry fees from other clients	**13,308**	11,334
Trustee fees	**861**	921
Debenture holder representative fees	**165**	180
Administrative fees	**8,961**	8,654
Registry fees from ultimate holding company	**1,725**	1,705
SBM Factors Ltd		
Factoring fees	**6,022**	7,458
SBM E-Business Ltd		
Card income	**-**	2,816
Network fee	**197**	4,558
SBM Insurance Agency Ltd		
Life commission	**11,521**	10,669
General commission	**19,036**	18,039
DTA commission	**37,950**	34,953
Others	**166,981**	155,529
Total revenue from Non Banking	**513,842**	421,703
Banking		
Fee and commission income		
Retail banking customer fees	**469,430**	419,618
Corporate banking customer fees	**873,077**	865,193
Card income	**807,423**	572,403
Other fees	**173,101**	202,739
Total revenue from Banking	**2,323,031**	2,059,953
Total revenue from contracts with customers	**2,836,873**	2,481,656

28. Net trading income

	The Group	
	2025	2024
	MUR'000	MUR'000
Profit arising from dealing in foreign currencies	**1,716,625**	1,615,313
Profit on disposal of debt securities	**702,454**	827,498
Other interest rate instruments	**59,845**	134,649
	2,478,924	2,577,460

29. (a) Net gains/(losses) from financial assets measured at FVTPL

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
Financial assets measured at fair value through profit or loss	**893,685**	(18,169)	**890,957**	1,369
Derivatives held for risk management purposes	**(58,158)**	15,332	**-**	-
	835,527	(2,837)	**890,957**	1,369

(b) Net losses on derecognition of financial assets measured at amortised cost

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
Financial assets measured at amortised cost	**-**	(32,383)	**-**	(20,940)

The Group disposed some of its investments held at amortised cost during the year following credit downgrade of these investments. The nominal value of investment disposed amounts to MUR 307.48 million and realised a loss of MUR 11.77 million for the year ended 31 December 2024.

(c) Net gains/(losses) on derecognition of financial assets measured at FVTOCI

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
Debt securities measured at FVTOCI	**381,616**	108,567	**-**	(10,250)

The Group disposed some of these assets due to the risks associated.

30. Other operating income

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
Gain on disposal of property and equipment	**9,729**	12,888	**-**	-
Dividend income from financial assets measured at FVTOCI	**287,778**	305,568	**283,043**	249,280
Dividend income from investment in subsidiaries	**-**	-	**2,547,000**	2,547,000
Foreign exchange gain	**109,308**	-	**109,269**	-
Management support income	**-**	-	**76,824**	69,827
Sundry income	**26,351**	134,146	**-**	-
	433,166	452,602	**3,016,136**	2,866,107

Accounting policy

Dividend income is recognised when the Group's and the Company's right to receive the payment is established, which is generally when the dividend is declared.

31. Personnel expenses

Short-term employee benefits include items such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services:

(a) wages, salaries and social security contributions;

(b) paid annual leave and paid sick leave;

(c) bonuses; and

(d) non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees.

When an employee has rendered service to an entity during an accounting period, the entity shall recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

(a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, an entity shall recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

(b) as an expense, unless another IFRS Accoounting Standard as issued by IASB requires or permits the inclusion of the benefits in the cost of an asset.

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
Salaries	**3,756,821**	3,882,551	**180,023**	175,626
Other social security obligations	**35,556**	34,889	**10,370**	10,443
Contributions to defined contribution plans	**319,413**	323,540	**9,218**	23,657
Defined benefit plans (Note 14(a))	**89,017**	76,483	**380**	628
Residual retirement gratuities (Note 14(b))	**66,429**	42,751	**6,511**	11,949
Benefits under early retirement scheme	**85,345**	126,358	**-**	-
Staff welfare cost	**258,855**	195,284	**2,535**	846
Other staff benefits	**192,546**	217,912	**4,262**	8,760
	4,803,982	4,899,768	**213,299**	231,909

32. Other expenses

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
Software licensing and other information technology cost	**1,934,992**	1,750,023	**1,012**	1,099
Utilities	**102,722**	105,575	**212**	199
Professional charges	**481,070**	553,411	**41,914**	101,880
Marketing costs	**170,673**	181,633	**(921)**	5,266
Rent, repairs and maintenance	**376,076**	321,630	**-**	-
Licence and other registration fees	**(2,668)**	136,964	**6,683**	5,117
Foreign exchange difference	**(388)**	205,950	**-**	215,658
Other operating and administrative costs	**975,333**	1,134,033	**20,944**	23,855
	4,037,810	4,389,219	**69,844**	353,074

33. Credit loss movement on financial assets and memorandum items

The table below shows the movement in credit loss recognised in the statements of profit or loss under IFRS 9 during 2025:

	2025			
The Group	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
Loans and advances to non-bank customers	**(31,008)**	**607,740**	**2,575,707**	**3,152,439**
Loans and placements with banks*	**(2,656)**	**(1,295)**	**-**	**(3,951)**
Debt instruments measured at amortised cost and FVTOCI	**15,382**	**96,998**	**761,684**	**874,064**
Other receivables	**-**	**-**	**60,863**	**60,863**
Loan commitments	**(65,210)**	**10,533**	**5,775**	**(48,902)**
Off balance sheet items (Guarantees, Letters of credit, Acceptances)	**(5,212)**	**(3,734)**	**502,525**	**493,579**
Other financial assets	**-**	**-**	**53,270**	**53,270**
Total credit loss expense	**(88,704)**	**710,242**	**3,959,824**	**4,581,362**
Write off				**73,650**
Bad debts recovered				**(1,120,871)**
				3,534,141

	2025			
The Company	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
Loans and placements with bank	**6,685**	**-**	**-**	**6,685**
Debt instruments	**753**	**-**	**-**	**753**
Other receivables	**-**	**-**	**(496)**	**(496)**
	7,438	**-**	**(496)**	**6,942**

	2024			
The Group	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Loans and advances to non-bank customers	147,998	(777,065)	1,133,308	504,241
Loans and placements with banks*	87,143	(8,163)	-	78,980
Debt instruments measured at amortised cost and FVTOCI	(8,912)	(142,581)	-	(151,493)
Other receivables	-	-	76,290	76,290
Loan commitments	45,325	1,302	300	46,927
Off balance sheet items (Guarantees, Letters of credit, Acceptances)	11,630	(6,105)	48,550	54,075
Total credit loss expense	283,184	(932,612)	1,258,448	609,020
Bad debts recovered				(177,731)
				431,289

	2024			
The Company	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Other receivables	-	-	739	739

*ECL movement for cash and cash equivalents are included under loans and placement with banks.

34. Earnings per share

Earnings per share is calculated by dividing profit attributable to equity holders of the parent by the number of shares outstanding during the year, excluding treasury shares.

	The Group	
	2025	2024
	MUR'000	MUR'000
Profit for the year	**4,213,510**	4,338,670
Profit attributable to owners of the Company	**4,213,510**	4,338,670
Number of shares entitled to dividend (thousands)	**2,581,792**	2,581,792
Basic and Diluted Earnings per share (cents)	**163.2**	168.0

35. Related party disclosures

Accounting policy

For the purposes of these financial statements, parties are considered to be related to the Group if they have the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or vice versa, or if they and the Group are subject to common control. Related parties may be individuals or other entities.

The Group	**Key management personnel including directors**	
	2025	2024
Statement of financial position	**MUR'000**	MUR'000
(a) Credit facilities		
(i) *Loans*		
Balance at beginning of year	**401,068**	395,862
Loans to directors / entities who ceased to be related parties during the year	**(42,162)**	(53,378)
Existing loans of new related parties	**30,426**	30,718
Exchange difference	**(497)**	13,908
Other net movements	**(71,724)**	13,958
Balance at end of year	**317,111**	401,068
(ii) *Off-balance sheet obligations*		
Balance at end of year	**-**	1,050
(b) Deposits at end of year	**498,816**	412,549
Statement of profit or loss		
(c) Interest income	**16,104**	15,109
(d) Interest expense	**11,942**	10,228
(e) Other income	**481**	339

Short term benefits amounted to MUR 149.2 million at the reporting date (2024: MUR 136.1 million) and long term benefits was nil at the reporting date (2024: nil).

The Company	**Subsidiaries**	
	2025	2024
	MUR'000	MUR'000
(a) Cash and cash equivalents at year end	**36,059**	2,514
(b) Payables	**17,273**	16,793
(c) Dividend income	**2,547,000**	2,547,000
(d) Management support income	**76,598**	69,827
(e) Management support cost	**16,722**	12,837
(f) Receivables	**25,668**	96,538
(g) Interest expense	**2,993**	150

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35. Related party disclosures (cont'd)

Related party transactions in relation to SBM Pension Funds are as follows:

	The Group	
	2025	2024
	MUR'000	MUR'000
Deposits at end of year	**86,952**	94,388

Credit facilities to key management personnel and executive directors are as per their contract of employment. All other transactions with key management personnel and directors, whether credit facilities, deposits or purchase of goods and services, are at market terms and conditions and will be settled in cash.

All credit facilities with entities considered as related parties disclosed above are at market terms and conditions and will be settled in cash. Credit facilities are secured except for credit card advances and some personal loans which are granted under an unsecured loan scheme in the normal course of business.

The above mentioned outstanding balances arose in the normal course of business. For the year ended 31 December 2025, the Group has recognised expected credit losses on doubtful debts relating to amounts owed by related parties as per ECL model currently being applied on financial assets. At 31 December 2025, none of the facilities to related parties was non-performing (2024: MUR Nil). In addition, for the year ended 31 December 2025, the Banking Group has not written off any amount owed by related party (2024: MUR Nil).

The Government of Mauritius (GOM), by virtue of board representation, exercises significant influence on SBMH. The transactions with GOM and other entities controlled, jointly controlled or significantly influenced by GOM pertain mainly to investments, loans and advances and deposits. The transactions are individually and collectively not material. None of these transactions are carried out on either non-market terms or outside the normal course of business.

36. Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern and maximise returns to shareholders. It also ensures that adequate capital is maintained to support its growth strategies, its risk appetite and depositors' confidence, while complying with statutory and regulatory requirements. The capital resources of the Group are disclosed in the Statement of changes in equity.

All entities within the Group have met the respective minimum capital requirements set out by the relevant regulatory body and, where applicable, appropriate transfers have also been made to statutory reserves, ranging from 10% to 25% of annual profits.

All Banking entities within the Group have also met their respective minimum capital adequacy ratio requirements. Banks in Mauritius are required to maintain a ratio of eligible capital to risk weighted assets of at least 14.5%, whereas for India,Kenya and Madagascar, the minimum ratio is set at 11.5%, 14.5% and 8.0% respectively.

	The Group	
	2025	2024
	MUR'000	MUR'000
Tier 1 Capital	**34,076,334**	30,503,827
Eligible capital	**47,463,179**	40,134,166
Risk weighted assets	**231,533,226**	209,175,339
Capital adequacy ratio (%)	**20.5**	19.2

Tier 1 Capital also known as going concern capital consists of shareholder's equity less revaluation of fixed assets and regulatory deductions such as intangible assets and deferred tax and Tier 2 Capital also known as the supplementary capital that provides loss absorption of a going concern basis includes 45% revaluation reserves on fixed assets and allowances for credit losses (restricted to 1.25% of total credit risk weighted assets).

37. Other reserves

The Group	Unrealised investment fair value reserve MUR'000	Translation reserve MUR'000	Prudential provisions reserve MUR'000	Restructuring reserve MUR'000	Total MUR'000
At 1 January 2024	(1,531,707)	(310,065)	822,391	(5,380,340)	(6,399,721)
Other comprehensive income for the year	416,711	773,635	-	-	1,190,346
Transfer from retained earnings	-	-	1,087,036	-	1,087,036
At 31 December 2024	(1,114,996)	463,570	1,909,427	(5,380,340)	(4,122,339)
At 1 January 2025	**(1,114,996)**	**463,570**	**1,909,427**	**(5,380,340)**	**(4,122,339)**
Other comprehensive income for the year	**1,020,106**	**(299,527)**	**-**	**-**	**720,579**
Transfer from retained earnings	**56,632**	**-**	**(277,684)**	**-**	**(221,052)**
At 31 December 2025	**(38,258)**	**164,043**	**1,631,743**	**(5,380,340)**	**(3,622,812)**

Unrealised investment fair value reserve

This reserve comprise of fair value movements recognised on financial assets measured at FVTOCI.

Translation reserve

The translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries and associates.

Prudential provisions reserve

The prudential provision reserve for SBMBK relate to, where impairment losses required as per prudential guidelines exceed those computed under IFRS Accounting Standard issued by the IASB, the excess is recognised as a regulatory loan loss reserve and accounted for as an appropriation of retained profits and the reverse for reduction. Investment fluctuation reserve is 2% of FTVOCI and FVTPL portfolio of investment required to be transferred and profit on investment securities held at amortised cost portfolio required to be appropriated as required by legislation.

SBMBM has appropriated part of its retained earnings to the provision reserve in accordance with the revised Bank of Mauritius Guideline on Classification, Provisioning and Write off of Credit Exposures effective on 30 September 2024.

Restructuring reserve

Restructuring reserve includes unrealized investment fair value reserve of MUR 5,401 million, translation reserve of MUR 646 million and property revaluation reserve of MUR 1,063 million and shall not be reclassified to the statement of profit or loss upon disposal of the related asset.

38. Risk management

The Board of Directors oversees the risk management framework and ensures decision making is aligned with the Board-driven strategic risk objectives and risk appetite. The board approves the risk policies and a set of prudential limits and risk tolerance limits, besides regulatory limits, within which the Group operates. The Senior Management Team monitors a full spectrum of risks on an ongoing basis and is accountable to ensure its operations are within board approved policies and risk appetite framework besides regulatory limits. Any deviation and non-compliance are reported to Board Risk Committee. The principal risks arising from financial instruments to which the Group is exposed include credit risk, liquidity risk, market risk, operational risk, strategic risk and reputational risk.

38. Risk management (cont'd)

(a) (i) Classification of financial assets and financial liabilities

The following table shows the measurement categories under IFRS 9 for financial assets and financial liabilities:

The Group

	Classification and measurement category	2025 MUR'000	2024 MUR'000 (Restated)
Financial assets			
Cash and cash equivalents	Amortised cost	**52,608,903**	62,287,617
Derivative financial instruments	Fair value through P&L	**1,812,406**	1,464,946
Loans to and placements with banks	Amortised cost	**14,038,281**	7,595,289
Loans and advances to non-bank customers	Amortised cost	**185,297,918**	172,687,378
Investment securities	Amortised cost	**66,659,882**	81,849,139
Investment securities	Fair value through OCI	**65,267,097**	67,771,080
Investment securities	Fair value through P&L	**17,348,914**	19,123,824
Equity investment	Fair value through OCI	**5,031,499**	5,690,748
Equity investment	Fair value through P&L	**2,524,303**	1,669,600
Other assets *1	Amortised cost	**4,471,947**	3,357,381
Total financial assets		**415,061,150**	423,497,002
Financial liabilities			
Deposits from banks	Amortised cost	**5,499,793**	3,963,451
Deposits from non-bank customers	Amortised cost	**347,444,343**	359,496,028
Derivative financial instruments	Fair value through P&L	**1,455,794**	1,429,727
Other borrowed funds	Amortised cost	**9,166,253**	10,523,557
Lease liabilities	Amortised cost	**956,031**	856,681
Other liabilities *2	Amortised cost	**6,578,045**	8,364,650
Subordinated debts	Amortised cost	**11,316,586**	9,978,148
Total financial liabilities		**382,416,845**	394,612,242
The Company			
Financial assets			
Cash and cash equivalents	Amortised cost	**36,062**	2,517
Loans to and placements with banks	Amortised cost	**3,187,562**	-
Investment securities	Amortised cost	**1,106,816**	-
Equity investment	Fair value through OCI	**4,803,106**	4,992,740
Equity investment	Fair value through P&L	**2,524,303**	1,669,600
Other assets *3	Amortised cost	**47,284**	80,163
Total financial assets		**11,705,133**	6,745,020
Financial liabilities			
Other borrowed funds	Amortised cost	**2,058,691**	121,946
Other liabilities *4	Amortised cost	**132,922**	117,243
Subordinated debts	Amortised cost	**10,072,160**	8,648,535
Total financial liabilities		**12,263,773**	8,887,724

*1 An amount of MUR 1,166.2 million pertaining to security deposits, prepayments and taxes has been excluded from other assets under the above section. (2024: MUR 1,037.4 million)

*2 An amount of MUR 628.2 million pertaining to taxes has been excluded from other liabilities under the above section. (2024: MUR 617.2 million).

*3 An amount of MUR 0.09 million pertaining to prepayments has been excluded from other assets under the above section. (2024: MUR 0.8 million)

*4 An amount of MUR 0.4 million pertaining to taxes has been excluded from other liabilities under the above section. (2024: MUR 0.4 million).

38. Risk management (cont'd)

(a) (ii) Fair values

Accounting policy

The Group measures financial instruments, such as, derivatives at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in note a (ii) below. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Set out below is a comparison of the carrying amounts and fair values of financial instruments held at the reporting date.

	2025		2024	
	Carrying value	**Fair value**	Carrying value	Fair value
	MUR'000	**MUR'000**	MUR'000 (Restated)	MUR'000 (Restated)
The Group				
Financial assets				
Cash and cash equivalents	**52,608,903**	**52,608,903**	62,287,617	62,287,617
Loans to and placements with banks	**14,038,281**	**14,038,281**	7,595,289	7,595,289
Derivative financial instruments	**1,812,406**	**1,812,406**	1,464,946	1,464,946
Loans and advances to non-bank customers	**185,297,918**	**185,237,372**	172,687,378	172,263,066
Investment securities	**156,831,695**	**153,884,083**	176,104,391	172,414,326
Other assets	**4,471,947**	**4,471,947**	3,357,381	3,357,381
	415,061,150	**412,052,992**	423,497,002	419,382,625
Financial liabilities				
Deposits from banks	**5,499,793**	**5,499,793**	3,963,451	3,963,451
Deposits from non-bank customers	**347,444,343**	**347,404,491**	359,496,028	359,382,095
Other borrowed funds	**9,166,253**	**9,166,253**	10,523,557	10,523,557
Derivative financial instruments	**1,455,794**	**1,455,794**	1,429,727	1,429,727
Lease liabilities	**956,031**	**956,031**	856,681	856,681
Other liabilities	**6,578,045**	**6,578,045**	8,364,650	8,364,650
Subordinated debts	**11,316,586**	**11,316,586**	9,978,148	9,978,148
	382,416,845	**382,376,993**	394,612,242	394,498,309

38. Risk management (cont'd)

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

	2025		2024	
	Carrying value	**Fair value**	Carrying value	Fair value
	MUR'000	**MUR'000**	MUR'000	MUR'000
The Company				
Financial assets				
Cash and cash equivalents	**36,062**	**36,062**	2,517	2,517
Loans to and placements with banks	**3,187,562**	**3,187,562**	-	-
Investment securities	**8,434,225**	**8,434,225**	6,662,340	6,662,340
Other assets	**47,284**	**47,284**	80,163	80,163
	11,705,133	**11,705,133**	6,745,020	6,745,020
Financial liabilities				
Other borrowed funds	**2,058,691**	**2,058,691**	121,946	121,946
Other liabilities	**132,922**	**132,922**	117,243	117,243
Subordinated debts	**10,072,160**	**10,072,160**	8,648,535	8,648,535
	12,263,773	**12,263,773**	8,887,724	8,887,724

Loans and advances to non-bank customers

All the fixed loans and advances maturing after one year have been fair valued based on the current prevailing lending rate.

Investment securities and equity investments

All government bonds and BOM bonds have been fair valued based on the latest weighted yield rate. The equity investments has been fair valued at year end based on net assets value of the investees. The Group fair values its investment in mutual funds using net asset value.

Derivative financial instruments

Derivative products valued using a valuation methodology with market observable inputs include forward foreign exchange contracts, interest rate swaps and option contracts across several asset classes, including but not limited to foreign currencies, commodities, indices and equities. The most frequently applied valuation techniques include forward pricing and swap models, using discounted cash flow methodology based on market conventions. The models incorporate various inputs including foreign exchange spot and forward rates, interest rate curves, market volatilities and other feeds from appointed valuation/calculation agents.

Deposits from non-bank customers

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

Except for the levels in which the financial assets and financial liabilities are shown in table below, the fair values of the other financial assets and financial liabilities are categorised in level 3.

38. Risk management (cont'd)

(a) (iii) Fair value measurement hierarchy

Fair value measurements of financial instruments can be grouped into level 1 to 3 based on the degree to which the fair value is observable, namely:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

	The Group				The Company			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2025								
Derivative financial assets	**-**	**1,812,406**	**-**	**1,812,406**	**-**	**-**	**-**	**-**
Investment securities measured at FVTPL								
Debt securities	**16,318,437**	**-**	**1,030,477**	**17,348,914**	**-**	**-**	**-**	**-**
Equity securities	**-**	**-**	**2,524,303**	**2,524,303**	**-**	**-**	**2,524,303**	**2,524,303**
Investments measured at FVTOCI								
Debt securities	**60,693,490**	**2,627,372**	**1,946,235**	**65,267,097**	**-**	**-**	**-**	**-**
Equity securities	**71,145**	**700,060**	**4,260,294**	**5,031,499**	**-**	**700,060**	**4,103,046**	**4,803,106**
Total assets	**77,083,072**	**5,139,838**	**9,761,309**	**91,984,219**	**-**	**700,060**	**6,627,349**	**7,327,409**
Derivative financial liabilities	**-**	**1,455,794**	**-**	**1,455,794**	**-**	**-**	**-**	**-**
Total liabilities	**-**	**1,455,794**	**-**	**1,455,794**	**-**	**-**	**-**	**-**
2024								
Derivative financial assets	-	1,464,946	-	1,464,946	-	-	-	-
Investment securities measured at FVTPL								
Debt securities	18,382,045	-	741,779	19,123,824	-	-	-	-
Equity securities	-	-	1,669,600	1,669,600	-	-	1,669,600	1,669,600
Investments measured at FVTOCI								
Debt securities	62,791,594	2,678,428	2,301,058	67,771,080	-	-	-	-
Equity securities	70,330	689,695	4,930,723	5,690,748	-	689,695	4,303,044	4,992,739
Total assets	81,243,969	4,833,069	9,643,160	95,720,198	-	689,695	5,972,644	6,662,339
Derivative financial liabilities	-	1,429,727	-	1,429,727	-	-	-	-
Total liabilities	-	1,429,727	-	1,429,727	-	-	-	-

38. Risk management (cont'd)

(a) (iii) Fair value measurement hierarchy (cont'd)

Fair value through other comprehensive income

Valuation technique	Significant unobservable inputs	Range of input
P/E Multiples	P/E Multiples	7.9x
	Favourable changes	Unfavourable changes
	MUR' 000	MUR' 000
0.25x change in PE Multiples	**149,328**	**(149,328)**

Fair Value through profit or loss

Valuation technique	Significant unobservable inputs	Range of input
P/E Multiples	P/E Multiples	1.09x
	Favourable changes	Unfavourable changes
	MUR' 000	MUR' 000
0.25x change in PE Multiples	**217,175**	**(217,175)**

The Group

Reconciliation of level 3 assets:	Investment securities measured at FVTPL	Investment securities measured at FVOCI	Total
	MUR'000	MUR'000	MUR'000
Balance at 01 January 2025	**741,779**	**8,901,381**	**9,643,160**
Additions	**232,332**	**-**	**232,332**
Disposals	**(64,968)**	**(932,868)**	**(997,836)**
Foreign exchange adjustment	**(13,139)**	**60,321**	**47,182**
Movement in fair value	**134,473**	**701,998**	**836,471**
Balance at 31 December 2025	**1,030,477**	**8,730,832**	**9,761,309**

	Investment securities measured at FVTPL	Investment securities measured at FVOCI	Total
	MUR'000	MUR'000	MUR'000
Balance at 01 January 2024	398,049	9,425,736	9,823,785
Additions	709,563	-	709,563
Disposals	(461,067)	(442,786)	(903,853)
Foreign exchange adjustment	26,978	2,066	29,044
Movement in fair value	68,256	(83,635)	(15,379)
Balance at 31 December 2024	741,779	8,901,381	9,643,160

There was no transfer between level 1 and 2 during the year.

(b) Credit risk

The Group is exposed to credit risk through its lending, trade finance, treasury, asset management and leasing activities. Credit risk is the risk of loss arising from the failure of a counterparty to fulfil its contractual or financial obligations to the Group as and when they fall due. The Group's credit risk is managed through a portfolio approach with prudential limits set across country, sovereign, bank, single and group of connected counterparties concentration, industry and asset quality. The risk management team, independent of the origination process, ensures the accumulation of assets within acceptable risk norms using internal and external rating systems for the standardisation of credit assessment. The Group has a tiered credit sanctioning process depending on the credit quality, exposure type and amount. Credit exposures and risk profile are monitored by the Risk Management team and reported regularly to the Board Risk Management Committee. The Group has also enhanced its credit risk policy to reinforce its controls on non-resident lending.

38. Risk management (cont'd)

(b) Credit risk (cont'd)

(i) Maximum credit exposure

The maximum exposure to credit risk at the reporting date without taking account of any collateral held and other credit enhancements is as disclosed below:

	The Group		The Company	
	2025	2024	**2025**	2024
	MUR'000	MUR'000 (Restated)	**MUR'000**	MUR'000
Fund-based exposures:				
Cash and cash equivalents	**48,782,912**	57,726,737	**36,062**	2,517
Loans to and placements with banks	**14,126,204**	7,670,399	**3,194,248**	-
Derivative financial instruments	**1,812,406**	1,464,946	**-**	-
Loans and advances to non-bank customers	**195,378,470**	180,676,376	**-**	-
Investment securities	**157,185,679**	176,180,609	**8,434,978**	6,662,340
Other assets	**4,471,947**	3,357,381	**47,284**	80,163
	421,757,618	427,076,448	**11,712,572**	6,745,020
Non-fund based exposures:				
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	**39,833,715**	38,845,786	**-**	-
Credit commitments	**38,280,624**	29,054,248	**-**	-
	78,114,339	67,900,034	**-**	-

An analysis of the Group's maximum exposure to credit risk per class of financial asset, internal rating and 'stage', at the reporting date, without taking account of any collateral held and other credit enhancements have been disclosed in the respective notes 9 and 10.

An analysis of credit exposures, including non-fund based facilities, for loans and advances to non-bank customers that are neither past due nor impaired using the Group's credit grading system is given below:

	2025	2024
The Group	**MUR'000**	MUR'000
Grades:		
1 to 3 - High Grade	**96,374,253**	67,808,639
4 to 6 - Standard	**90,528,894**	78,269,136
7 to 10 (including unrated) - Sub standard	**37,894,009**	58,100,340
	224,797,156	204,178,115

Grade 1 includes customers with low credit risk factors, strong financial conditions and excellent repayment capacities whereas grade 10 includes weak category clients and unrated customers who have been defaulted to 10 on a prudent basis. The Group also have an internal policy to downgrade internal ratings which are based on outdated financials depending on the date of the last available financials. For non bank exposures, internal ratings are used except for some corporates which have external ratings.

Overview of modified loans

From a risk management point of view, once an asset is modified, the Group continues to monitor the exposure until it is completely and ultimately derecognised.

The table below shows the gross carrying amount and ECL of modified financial assets for where modification did not result in derecognition. No modification gains/losses were recognised as amounts were not material.

	2025		2024	
	Gross carrying amount	**ECL**	Gross carrying amount	ECL
	MUR'000	**MUR'000**	MUR'000	MUR'000
Modified loans	**3,104,131**	**70,882**	15,659,710	481,132

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FOR THE YEAR ENDED 31 DECEMBER 2025

38. Risk management (cont'd)

(b) Credit risk (cont'd)

(ii) Credit risk assessment

The credit risk management framework is further supported by the policies and procedures in place to appropriately maintain and validate models to assess and measure ECL. (Expected Credit Loss)

The Group uses a combination of credit rating (internal and external) and statistical regression analyses to determine the probability of default. Statistical regression is derived using an analysis of historical data, whereby the Group has estimated relationships between macro-economic variables, credit risk and credit losses.

Governance and post model adjustments

The IFRS 9 parameters PD, EAD and LGD models are subject to the provisioning policy that stipulates periodic model monitoring, periodic re-validation and defines approval procedures and authorities according to model materiality. Post model adjustments (PMAs) are applied where necessary to incorporate the most recent data available and are made on a temporary basis ahead of the underlying model parameter changes being implemented.

Internal credit risk ratings

In order to minimise credit risk, the Group has recourse to external international providers of credit rating scorecards that grades the corporate and SME clients according to their degree of risk of default. The Group also has internal acquisition scorecards for its retail facilities. The Group's credit risk grading framework comprises different categories. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement. The nature of the exposure and type of borrower are taken into account in the analysis. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.

The credit risk grades are designed and calibrated to reflect the risk of default as credit risk deteriorates. As the credit risk increases the difference in risk of default between grades changes. Each exposure is allocated to a credit risk grade at initial recognition, based on the available information about the counterparty. All exposures are monitored and the credit risk grade updated to reflect current information. The monitoring procedures followed are both general and tailored to the type of exposure.

The following data are typically used to monitor the Group's exposures:

- Payment record and ageing analysis;
- Extent of utilisation of granted limit;
- Changes in business, financial and economic conditions;
- Credit rating information supplied by external rating agencies; and
- For retail exposures internally generated data of customer behaviour or other metrics.

The Group uses credit risk grades as a primary input into the determination of the term structure of the PD for exposures. The Group collects performance and default information about its credit risk exposure analysed by type of products and borrower as well as by credit risk grading. The information used is both internal and external depending on the portfolio assessed. The table below provides a mapping of the Group's internal credit risk grades to external ratings.

Group's credit risk grades	BOM external rating grade	S&P Global Ratings	Moody's Investors Service	Fitch Rating	Description
1 - 3	1	AAA to AA-	Aaa to Aa3	AAA to AA-	High Grade
4	2	A+ to A -	A1 to A3	A+ to A -	Standard
5	3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	Standard
6-7	4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	Standard
8-9	5	B+ to B-	B1 to B3	B+ to B-	Sub-standard
10	6	CCC+ to D	Caa1 to D	CCC+ to D	Sub-standard

The Group analyses all data collected using statistical models and estimates the remaining lifetime PD of exposures and how these are expected to change over time by using macroeconomic forecasts to adjust estimates of PDs.

38. Risk management (cont'd)

(b) Credit risk (cont'd)

(ii) Credit risk assessment (cont'd)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due unless the Group has reasonable and supportable information that demonstrate otherwise.

The Group has monitoring procedures in place to ensure that the criteria used to identify significant increases in credit are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes 30 days past due unless the Group has reasonable and supportable information that demonstrate otherwise. The Group has monitoring procedures in place to ensure that the criteria used to identify significant increases in credit are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes 30 days past due.

1. Inputs, assumptions and techniques used in estimating ECL

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is a compounded element of the LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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

The Group calculates ECLs based on three scenarios (baseline, upside and downside) to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the Group expects to receive.

Loan commitments are assessed along with the category of loan the Group is committed to provide, i.e. commitments to provide corporate loans are assessed using similar criteria to corporate loans.

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

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. The expected cash shortfalls are 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%. Of note,for the year under review, the Group also abides by the Bank of Mauritius Guideline on Classification, Provisioning and Write-off of credit exposure effective 30 September 2024.

2. Incorporation of forward-looking information

The Group incorporates forward looking information that is available without undue cost and effort into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on analysis from the economic experts and consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

When estimating the macro-economic variables used in ECL calculation, the Group considers three scenarios (a base case, an upside and a downside). These economic scenarios are subject to different assumptions with the base scenario being the best estimate. These estimates are taken from reputable external providers based on econometrics methods.

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38. Risk management (cont'd)

(b) Credit risk (cont'd)

(ii) Credit risk assessment (cont'd)

2. Incorporation of forward-looking information (cont'd)

Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of increasing the severity of the weights assigned to the downside scenarios or taking higher percentile of downside scenarios. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables, credit risk and credit losses. The following key indicators were considered:

- National Accounts: Real Gross Domestic Product
- National Accounts: Nominal Gross Capital Formation
- National Accounts: Real Private Consumption Expenditure
- National Accounts: Real Gross Capital Formation
- National Accounts: Real Government Consumption Expenditure
- National Accounts: Real Domestic Demand
- Implicit Price Deflator: Government Consumption
- Balance of Payments: Current Account Balance
- Labor Force Survey Employment – Total
- Real Gross Domestic Product - Market exchange rate

In the prior financial year, the Group adopted a conservative stance within its Expected Credit Loss ("ECL") framework, applying a 100% weighting to the downside scenario. This reflected heightened macroeconomic uncertainty, as well as additional information regarding the outlook of Moody's Investors Service on Mauritius that was not yet fully incorporated into the macroeconomic variable forecasts underpinning IFRS 9 parameters.

During the year, macroeconomic conditions have stabilised, supported by fiscal consolidation and structural reforms, with Moody's maintaining the sovereign rating and outlook of Mauritius. This has provided greater confidence in the baseline scenario.

Notwithstanding this improvement, global risks remain elevated, particularly geopolitical tensions in the Middle East, ongoing trade uncertainties, and external geopolitical developments. Accordingly, the Group has revised its macroeconomic scenario weightings to 70% baseline and 30% downside, with no weighting assigned to the upside scenario. This reflects a balanced yet prudent view of the operating environment.

In addition, targeted post-model overlays have been applied to selected exposures where emerging risks are not yet fully captured in internal ratings, ensuring that ECL provisions remain forward-looking and appropriately conservative. Conversely, the overlay previously applied to the retail portfolio, based on recomputed debt-to-income ratios exceeding policy thresholds in anticipation of rising interest rates, has been removed, as the Group did not observe a corresponding deterioration in asset quality or peak in impairments within this segment.

Overall, these adjustments ensure that ECL provisions remain forward-looking, risk-sensitive, and appropriately calibrated to both evolving macroeconomic conditions and observed portfolio performance.

3. Significant increase in credit risk

The Group monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of default that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

For the year under review, one of the subsidiaries, SBMBM has revised its approach to SICR criteria for corporate clients. Previously, downgrade in credit rating and outdated financials were automatic SICR triggers for movement to stage 2. However, such events do not always indicate a genuine increase in credit risk, particularly when they are temporary or do not materially affect the client's ability to meet their financial obligations. As such, these criterias were adopted into a watchlist process where the Group ensures that decisions are made based on a more comprehensive evaluation considering the client's overall risk profile, external conditions and any mitigating circumstances. The watchlist process warrants clients being classified as high risk and these are reviewed on a quarterly basis by the Credit Portfolio and Monitoring Forum (Senior Management Risk Forum) prior movement to stage 2. The Group has however maintained clients rescheduled over the last 12 months as criteria of SICR.

The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is similar to other lending products. This is based on shifts in the customer's internal credit grade, but greater emphasis is also given to qualitative factors such as changes in usage.

Forward-looking information includes the future prospects of the industries in which the Group's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information. The Group allocated its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing:

38. Risk management (cont'd)

(b) Credit risk (cont'd)

(ii) Credit risk assessment (cont'd)

3. Significant increase in credit risk (cont'd)

- the remaining lifetime PD at the reporting date; with
- the remaining lifetime PD for the point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

The PDs used are forward looking and the Group uses the same methodologies and data used to measure the loss allowance for ECL.

The qualitative factors that indicate a significant increase in credit risk are reflected in PD models on a timely basis. However the Group still considers separately some qualitative factors to assess if credit risk has increased significantly, such as, creditworthiness of counterparty which has deteriorated.

As a back-stop when an asset becomes 30 days past due (rebuttable presumption), the Group considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is similar to other lending products. This is based on shifts in the customer's internal credit grade, but greater emphasis is also given to qualitative factors.

For the year under review, the Group has also considered classification requirements under the BoM Guideline on Classification, Provisioning and Write-Off of Credit Exposures.

4. Measurement of ECL

The calculation of ECLs, including the estimation of the expected period of exposure and discount rate is made at a facility level for all credit exposures.

The key inputs into the measurement of ECL are the following:

(i) Probability of default (PD);

The Probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

(ii) Loss given default (LGD);

The Loss Given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

(iii) Exposure at default (EAD).

The 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.

These parameters are derived from trusted external sources based on internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD Estimates

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. For other segments, different internal variables such as industry, line of business, product, month on book are considered. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

Retail, Corporate and SME PD models all use the logistic regression framework to model monthly default rates. For the different segments, different features including macro-economic variables have been chosen for inclusion in the logit models based on their statistical significance in explaining defaults as well as intuitiveness of the coefficients.

For Banks, external default data from Standard & Poor's (S&P) is used. The PD models convert the through-the-cycle transition matrices (and TTC Default rates) from Standard & Poor's into point-in-time estimates that reflect economic conditions observed at reporting date. The forward looking factor is quantified by a scalar factor arrived by a difference if two economic regressions (with Macroeconomic variables and without Macroeconomic variables).

For sovereigns, historical default rates from Moody's is used together with correlated Global MEVs. The average 12-month rating transition matrix is converted into point-in-time (PIT) transition matric using the Vasicek Transformation.

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38. Risk management (cont'd)

(b) Credit risk (cont'd)

(ii) Credit risk assessment (cont'd)

4. Measurement of ECL (cont'd)

LGD

Loss Given Default ("LGD") represents the magnitude of the expected loss in the event of default. The Group estimates LGD parameters based on historical recovery experience on defaulted exposures, including observed recovery and cure rates. LGD models incorporate key factors such as the nature and value of collateral, as well as costs associated with recovery processes, where such collateral is integral to the financial asset.

Retail, Corporate and SME LGD model use the work-out LGD framework. In this methodology, LGD estimates are based on the historical data after discounting the cash flows (of the contracts in default) that are recorded through the recovery & workout stage at the reference time. Two possible outcomes are considered: Cure (Facility defaults, but goes back to active without loss, LGD close to zero) and No cure (Facility defaults, does not cure, LGD between 0% and 100%). A logit model is fitted to the work-out LGD and the different features for inclusion in the model are chosen based on their statistical significance as well as the intuitiveness of the coefficients. The Group considers different scenarios for LGD to reflect possible changes in the forecasted LGD figures.

For banks and sovereign exposures, in the absence of internal data, Basel F-IRB unsecured recovery rates for senior claims are used for the LGD parameter.

EAD

Exposure at Default ("EAD") represents the expected exposure in the event of a default. The Group derives EAD from the current on-balance sheet exposure and expected changes to the exposure over time, including contractual amortisation. For financial assets, EAD corresponds to the gross carrying amount. For lending commitments and financial guarantees, EAD includes both the drawn amount and an estimate of future drawdowns, based on historical utilisation patterns.

In measuring Expected Credit Losses ("ECL"), the Group considers the risk of default over the maximum contractual period to which it is exposed to credit risk, including any borrower extension options. For exposures where credit risk has not significantly increased, a 12-month Probability of Default is applied. The maximum contractual period is defined as the period up to which the Group has the contractual right to demand repayment or to cancel the commitment or guarantee.

However, for loans with a funded component, the Group measures ECL over a period longer than the maximum contractual period if the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Group becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Group expects to take and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

For corporates, segmentation has been done based on local and cross-border categories with credit rating as internal variable. SME has been modelled separately with industry and line of business as internal parameters. Retail on the other hand has been segmented at a product level with different internal parameters such as month-on-book and line of business as suited by the models.

Revolving products use segment specific (Retail, SME, Corporate) credit conversion factors (CCF) to project EAD values. Amortising products use an amortising schedule, where the expected cash flows from the Bank's IT system are used to project EAD values at each point-in-time.

With the exception of credit cards and other revolving facilities, for which the treatment is separately set out below, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has the legal right to call it earlier.

Loan commitments and letters of credit: When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cashflows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan..

Financial guarantee contracts: The Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit or loss, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The ECLs related to financial guarantee contracts are recognised within other liabilities.

38. Risk management (cont'd)

(b) Credit risk (cont'd)

(ii) Credit risk assessment (cont'd)

4. Measurement of ECL (cont'd)

EAD (cont'd)

Credit cards and other revolving facilities: The Group's product offering includes a variety of corporate and retail overdraft and credit cards facilities, in which the Group has the right to cancel and/or reduce the facilities with one day's notice. The Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behaviour, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities. In the case of credit cards, the most significant judgement is to reflect the operational practice of card reissuance and the associated credit assessment as enabling a formal re-origination trigger. As a consequence, a capped lifetime approach of 12 months is used for overdraft balances since limit are renewed on a yearly basis. For credit cards, an estimate of the behavioural lifetime is considered by segment (36 months for retail cards and 20 months for corporates and SME).

For credit cards and revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within other liabilities.

Individually assessed allowances

The Group determines the allowances to be appropriate for each facility assessed on an individual basis. Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected dividend payout should bankruptcy ensue, the availability of other financial support, the realisable value of collateral and the timing of the expected cash flows. The impairment losses are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

Regulatory provision

Regulatory provision is conducted in accordance with the Bank of Mauritius Guideline on The Guideline on 'Classification, Provisioning and Write offs which require the Group to take a minimum level of general provisioning as follows:

- Exposures with bullet repayment with remaining maturity of more than 2 years (other than those to sovereigns, central banks, Multilateral Development Banks and banks) : 1.5%
- Exposures to or guaranteed by counterparties whose rating is investment grade or better: 0.5% (The ratings should be issued by an Eligible External Credit Assessment Institution (ECAI) as per the Guideline on the Recognition and Use of External Credit Assessment Institutions. The guarantee should meet the minimum requirements stipulated in the Guideline on Standardised Approach to Credit Risk.)
- All other performing exposures: 1%

Additional portfolio provision is also required as a macroprudential policy measure ranging between 0.5% to 1% depending on the sectors.

For SBM Bank (Kenya) Limited, the following minimum percentage amounts for provisioning are to be maintained according to assigned classifications as described below:

(i) for loans classified as 'Normal' minimum 1% portfolio provision

(ii) for loans classified as 'Watch' minimum 3% portfolio provision

(iii) for loans classified 'Substandard' 20% applied on net balances after deduction of realisable value of security and interest in suspense.

(iv) for loans classified 'Doubtful' 100% applied on net balances after deduction of realisable value of security and interest in suspense.

(v) for loans classified 'Loss' 100% applied on net balances after deduction of realisable value of security and interest in suspense.

Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

38. Risk management (cont'd)

(b) Credit risk (cont'd)

(ii) Credit risk assessment (cont'd)

4. Measurement of ECL (cont'd)

Collateral repossessed

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

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are recorded on the statement of financial position.

5. Modified financial asset

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

The Group renegotiates loans to customers in financial difficulties to maximise collection opportunities and minimise the risk of default. Under this policy, renegotiation is performed on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to renegotiation policy. For financial assets modified, the estimate of PD reflects whether the modification has improved or restored the Group's ability to collect interest and principal based on the Group's previous experience on similar renegotiation.

Generally modification of financial assets is a qualitative indicator of a significant increase in credit risk and may constitute evidence that the exposure is credit-impaired/ in default. A customer needs to demonstrate consistently good payment behaviour over a period of time, as prescribed by BOM guidelines on The Guideline on 'Classification, Provisioning and Write offs before the exposure is no longer considered to be credit-impaired/ in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to lifetime ECL.

A restructured standard exposure should continue to be designated as a restructured exposures until it performs satisfactorily for a continuous period of at least 12 months. A non-performing exposure should be upgraded to a standard exposure when:

- all arrears of interest and principal are paid by the counterparty in full and the customer meets the terms and conditions of the existing loan for a continuous 'observation' period as specified in the table below:
- the counterparty has resolved its financial difficulty such that full repayment is expected according to original or modified terms; and
- the reduction in credit risk is considered sustainable.

The observation period for each type of exposure is listed below:

- Non-Performing Exposure : 3 months
- Restructured (included repeated restructuring) non-performing exposure : 6 months
- Non-performing bullet facility: 12 months

38. Risk management (cont'd)

(b) Credit risk (cont'd)

(iii) Collateral and other credit enhancements

The use of credit risk mitigants is an integral part of the credit risk management process and is documented in the Group Credit Risk policy. The amount and type of collateral required depend on the counterparty's credit quality and repayment capacity. The principal collateral types taken include:

- Fixed / floating charge on assets of borrowers;
- Pledge of deposits / securities / life insurance policy / shares;
- Government guarantee / bank guarantee / corporate guarantee / personal guarantee;
- Lien on vehicle; and
- Letter of comfort.

The Group holds collateral and other credit enhancement against certain of its credit exposure. The following table sets out the principal types of collateral held against different types of financial assets.

Type of credit exposure	2025	2024	Principal Type of collateral held
The Group	**MUR'000**	MUR'000	
Fund-based exposures:		(Restated)	
Cash and cash equivalents	**48,782,912**	57,726,737	*Unsecured*
Loans to and placements with banks	**14,126,204**	7,670,399	*Unsecured*
Derivative financial instruments	**1,812,406**	1,464,946	*Unsecured*
Loans and advances to non-bank customers	**195,378,470**	180,676,376	*Residential/ Commercial property/ Floating charge on assets*
Investment securities	**157,185,679**	176,180,609	*Unsecured*
Other assets	**4,471,947**	3,357,381	*Unsecured*
Non-fund based exposures:			
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	**39,833,715**	38,845,786	*Fixed/Floating charge on assets*
Credit commitments	**38,280,624**	29,054,248	*Unsecured*

The Company

The fund-based exposures are unsecured.

In addition to the collateral included in the table above, the Group holds other types of collateral and credit enhancements, such as second charges and floating charges for which specific values are not generally available.

There was no change in the Group's collateral policy during the year.

(iv) Ageing of loans and advances to non-bank customers

Under the Group's monitoring procedures, a significant increase in credit risk is identified before the exposure has defaulted, and at the latest when the exposure becomes 30 days past due The table below provides an analysis of the gross carrying amount of receivables by past due status:

	The Group			
	2025		2024	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
	MUR'000	MUR'000	MUR'000	MUR'000
0-30 days	**172,579,267**	**1,398,784**	162,391,965	1,068,535
31-60 days	**4,125,079**	**185,245**	2,358,344	91,361
61-89 days	**1,658,890**	**205,503**	1,344,907	65,857
Total	**178,363,236**	**1,789,532**	166,095,216	1,225,753

38. Risk management (cont'd)

(b) Credit risk (cont'd))

(v) Impaired financial assets

Loans and advances are deemed as impaired when objective evidence, such as default or delinquency in interest or principal payments, significant financial difficulty of the counterparty or evidence that the borrower will enter bankruptcy or financial re-organisation, indicate that the account may be impaired.

The carrying amount of impaired financial assets and specific allowance held are shown below:

	The Group	
	2025	2024
	MUR'000	MUR'000
Loans and advances (note 9c)	**17,015,234**	14,581,160
Specific allowance held in respect of impaired advances (note 9c)	**8,291,020**	6,763,245
Fair value of collaterals of impaired advances	**11,688,788**	8,062,826

(vi) Credit concentration of risk by industry sectors

Total outstanding credit facilities, net of deposits and claims with rights of set off, extended by the Bank to any one customer or group of closely-related customers for amounts aggregating more than 10% of its capital base, classified by industry sectors:

	The Group	
	2025	2024
	MUR'000	MUR'000
Portfolio		
Agriculture	**-**	4,706,844
Traders	**4,776,121**	5,469,270
Real estate	**8,248,810**	8,535,478
Financial Institutions	**7,202,495**	-
Services	**3,437,725**	3,244,846
Tourism	**14,629,514**	7,741,570
	38,294,665	29,698,008

(vii) Offsetting financial instruments

Loans and advances to customers

The Group holds cash collateral and marketable securities to mitigate the credit risk of securities lending.

Derivative financial instruments

The Group enters into derivatives bilaterally under International Swaps and Derivatives Association (ISDA) master netting agreements. ISDA Master Netting agreements give either party the legal right of offset on termination of the contract or on default of the other party. The Bank executes a credit support annex in conjunction with each ISDA agreement, which requires the Group and each counterparty to post collateral to mitigate credit risk. Collateral is also posted as per terms of Credit Support Annex (CSA) in respect of derivatives transacted on exchanges.

(c) Liquidity risk

Liquidity risk is the potential earnings volatility arising from being unable to fund assets at reasonable rates over required maturities. The Group ensures that sufficient liquidity is maintained to fund its day-to-day operations, meet deposit withdrawals and loan disbursements. Liquidity risk is managed by setting prudential limits on maturity mismatches, liquid assets ratios, concentration of deposits by type and by entity. Liquidity gap analysis is used to measure and monitor the mismatches by time bucket and currency under realistic and stress scenarios.

38. Risk management (cont'd)

(c) Liquidity risk (cont'd)

Liquidity risk is the risk that the Group is unable to meet its obligations as they fall due. The Group manages this risk by maintaining sufficient stock of high-quality liquid assets (HQLA), to meet expected and stressed cash outflows. A contractual maturity analysis is presented in accordance with IFRS 7 and is supported by qualitative disclosures of liquidity management across time buckets. Short-term liquidity (up to 1 month) is managed through HQLA holdings, including cash and central Group balances. Medium-term liquidity (1–12 months) is managed through expected inflows from assets and the stability and rollover of customer deposits. Long-term liquidity (>1 year) is supported by stable funding sources and alignment of asset and liability maturities. The contractual maturity profile does not fully reflect expected cash flows; accordingly, behavioural assumptions are applied, particularly for customer deposits. The Group also conducts regular stress testing and maintains a contingency funding plan. The Assets and Liabilities Management Team monitors liquidity on an ongoing basis, with a focus on short-term buckets. The Group's strong HQLA position provides a robust buffer against liquidity stress.

(i) The tables below show the expected timing of cash flows for financial assets and liabilities of the Group, slotted as per the rules defined by the Bank of Mauritius.

	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-Maturity Bucket *	Total
The Group	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
2025								
Financial assets								
Non-derivative cash flows								
Cash and cash equivalents	**49,375,216**	**1,017,489**	**499,084**	**838,272**	**731,669**	**151,025**	**1,615**	**52,614,370**
Loans to and placements with banks	**947,431**	**791,285**	**691,741**	**4,317,499**	**8,305,281**	**-**	**-**	**15,053,237**
Loans and advances to non-bank customers	**21,683,107**	**15,477,107**	**10,916,685**	**13,558,399**	**61,167,111**	**128,579,814**	**5,760,729**	**257,142,952**
Investment securities	**29,307,397**	**6,114,324**	**9,768,015**	**8,841,057**	**39,018,879**	**94,493,540**	**7,451,131**	**194,994,343**
Other assets	**5,059**	**1,134**	**1,045**	**49,217**	**54,820**	**1,005**	**10,806,708**	**10,918,988**
Total non-derivative cash flows	**101,318,210**	**23,401,339**	**21,876,570**	**27,604,444**	**109,277,760**	**223,225,384**	**24,020,183**	**530,723,890**
Derivative cash flows								
Derivative financial instruments	**200,338**	**213,349**	**319,775**	**87,998**	**280,752**	**167,662**	**542,532**	**1,812,406**
Total derivative cash flows	**200,338**	**213,349**	**319,775**	**87,998**	**280,752**	**167,662**	**542,532**	**1,812,406**
Total financial assets	**101,518,548**	**23,614,688**	**22,196,345**	**27,692,442**	**109,558,512**	**223,393,046**	**24,562,715**	**532,536,296**
Financial liabilities								
Non-derivative cash flows								
Deposits from banks	**2,432,264**	**1,835,736**	**394,679**	**813,792**	**102,949**	**-**	**-**	**5,579,420**
Deposits from non-bank customers	**264,319,813**	**21,797,540**	**14,553,480**	**24,947,134**	**22,397,807**	**2,851,218**	**25,000**	**350,891,992**
Other borrowed funds	**3,517,036**	**1,652,665**	**2,572,666**	**298,050**	**330,831**	**1,124,802**	**-**	**9,496,050**
Subordinated debts	**-**	**-**	**357,738**	**294,668**	**4,791,934**	**10,571,169**	**-**	**16,015,509**
Lease liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**956,031**	**956,031**
Other liabilities	**63,299**	**-**	**-**	**134,646**	**35,819**	**-**	**6,027,157**	**6,260,921**
Total non-derivative cash flows	**270,332,412**	**25,285,941**	**17,878,563**	**26,488,290**	**27,659,340**	**14,547,189**	**7,008,188**	**389,199,923**
Derivative cash flows								
Derivative financial instruments	**94,544**	**200,421**	**169,166**	**55,012**	**207,653**	**213,492**	**515,506**	**1,455,794**
Total derivative cash flows	**94,544**	**200,421**	**169,166**	**55,012**	**207,653**	**213,492**	**515,506**	**1,455,794**
Total financial liabilities	**270,426,956**	**25,486,362**	**18,047,729**	**26,543,302**	**27,866,993**	**14,760,681**	**7,523,694**	**390,655,717**
On Balance Sheet	**(168,908,408)**	**(1,871,674)**	**4,148,617**	**1,149,140**	**81,691,519**	**208,632,365**	**17,039,021**	**141,880,579**
Off balance sheet	**775,266**	**109,608**	**97,138**	**(100,138)**	**(200,356)**	**(330,619)**	**(33,128,534)**	**(32,777,635)**
Liquidity gap	**(168,133,142)**	**(1,762,066)**	**4,245,754**	**1,049,002**	**81,491,163**	**208,301,746**	**(16,089,513)**	**109,102,944**

*Non-maturity bucket includes ECL provisions, investment in shares having no maturity, non-performing loans whose maturity date have been exceeded, derivatives, other assets and liabilities with undetermined maturity dates.

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38. Risk management (cont'd)

(c) Liquidity risk (cont'd)

	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-Maturity Bucket *	Total
The Group	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
2024	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
Financial assets								
Non-derivative cash flows								
Cash and cash equivalents	58,696,809	1,510,346	931,540	575,978	755,824	268,503	157,054	62,896,054
Loans to and placements with banks	3,370	60,764	171,570	3,708,205	4,382,299	-	-	8,326,208
Loans and advances to non-bank customers	31,092,557	9,645,522	10,004,604	13,717,834	56,360,270	114,017,360	6,105,241	240,943,388
Investment securities	21,100,322	4,206,448	19,018,825	13,080,127	50,714,208	86,305,959	7,691,461	202,117,350
Other assets	27,106	592	779	81,187	545	244	3,329,130	3,439,583
Total non-derivative cash flows	110,920,164	15,423,672	30,127,318	31,163,331	112,213,146	200,592,066	17,282,886	517,722,583
Derivative cash flows								
Derivative financial instruments	40,133	121,342	296,471	256,059	119,151	123,823	507,967	1,464,946
Total derivative cash flows	40,133	121,342	296,471	256,059	119,151	123,823	507,967	1,464,946
Total financial assets	110,960,297	15,545,014	30,423,789	31,419,390	112,332,297	200,715,889	17,790,853	519,187,529
Financial liabilities								
Non-derivative cash flows								
Deposits from banks	2,132,910	1,422,818	181,492	394,994	407,317	-	-	4,539,531
Deposits from non-bank customers	273,711,889	24,597,403	22,166,622	16,464,723	18,595,533	5,761,008	-	361,297,178
Other borrowed funds	7,427,501	373,156	388,062	1,083,252	508,971	444,821	-	10,225,763
Subordinated debts	101,810	-	3,919,710	141,402	908,518	7,274,330	-	12,345,770
Lease liabilities	-	-	-	-	-	-	856,681	856,681
Other liabilities	-	-	-	-	39,400	-	8,288,012	8,327,412
Total non-derivative cash flows	283,374,110	26,393,377	26,655,886	18,084,371	20,459,739	13,480,159	9,144,693	397,592,335
Derivative cash flows								
Derivative financial instruments	25,829	141,830	301,980	380,508	67,285	47,294	465,001	1,429,727
Total derivative cash flows	25,829	141,830	301,980	380,508	67,285	47,294	465,001	1,429,727
Total financial liabilities	283,399,939	26,535,207	26,957,866	18,464,879	20,527,024	13,527,453	9,609,694	399,022,062
On Balance Sheet	(172,439,642)	(10,990,193)	3,465,923	12,954,511	91,805,273	187,188,436	8,181,159	120,165,467
Off balance sheet	15,891	40,074	28,594	15,992	(8,290)	16,352	-	108,613
Liquidity gap	(172,423,751)	(10,950,119)	3,494,517	12,970,503	91,796,983	187,204,788	8,181,159	120,274,080

*Non-maturity bucket includes ECL provisions, investment in shares having no maturity, non-performing loans whose maturity date have been exceeded, derivatives, other assets and liabilities with undetermined maturity dates

38. Risk management (cont'd)

(c) Liquidity risk (cont'd)

	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	Over 3 years	Non-Maturity *	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
The Company								
2025								
Financial assets								
Non-derivative cash flows								
Cash and cash equivalents	36,062	-	-	-	-	-	-	36,062
Loans to and placements with banks	1,350,000	-	1,884,669	-	-	-	-	3,234,669
Investment securities	635,895	229,998	251,157	-	-	-	6,472,706	7,589,756
Other assets	-	-	-	47,620	-	-	-	47,620
Total non-derivative cash flows	2,021,957	229,998	2,135,826	47,620	-	-	6,472,706	10,908,107
Financial liabilities								
Derivative cash flows								
Subordinated debts	-	-	294,668	294,668	4,564,558	8,821,373	-	13,975,267
Other borrowed funds	2,058,691	483,250	-	-	-	-	7,553	2,549,494
Other liabilities	-	-	-	132,922	-	-	-	132,922
Total derivative cash flows	2,058,691	483,250	294,668	427,590	4,564,558	8,821,373	7,553	16,657,683
Liquidity Gap	(36,734)	(253,252)	1,841,158	(379,970)	(4,564,558)	(8,821,373)	6,465,153	(5,749,576)
2024								
Financial assets								
Non-derivative cash flows								
Cash and cash equivalents	2,517	-	-	-	-	-	-	2,517
Investment securities	-	-	-	-	-	-	6,662,340	6,662,340
Other assets	-	-	-	-	-	-	80,163	80,163
Total non-derivative cash flows	2,517	-	-	-	-	-	6,742,503	6,745,020
Financial liabilities								
Non-derivative cash flows								
Subordinated debts	-	-	3,805,603	141,402	672,434	5,424,362	-	10,043,801
Other borrowed funds	-	-	121,945	-	-	-	-	121,945
Other liabilities	-	-	-	-	-	-	117,243	117,243
	-	-	3,927,548	141,402	672,434	5,424,362	117,243	10,282,989
Liquidity Gap	2,517	-	(3,927,548)	(141,402)	(672,434)	(5,424,362)	6,625,260	(3,537,969)

*Non-maturity bucket includes ECL provisions, investment in shares having no maturity, non-performing loans whose maturity date have been exceeded, derivatives, other assets and liabilities with undetermined maturity dates.

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38. Risk management (cont'd)

(d) Market risk

Market risk is the risk of loss resulting from adverse movement in market rates or prices such as interest rates, foreign exchange rates and equity prices. The Group's market risks are monitored by the Market Risk Team and reported to the Market Risk Forum and Board Risk Committee on a regular basis.

(i) Interest rate risk

The Group's interest rate risk arises mostly from mismatches in the repricing of its assets and liabilities. The Group uses an interest rate gap analysis to measure and monitor the interest rate risk. Prudential limits for currency wise gaps, expressed as a percentage of assets, have been set for specific time buckets and earnings at risk is calculated based on different shock scenarios across major currencies.

The table below analyses the Group's interest rate risk exposure in terms of the remaining period to the next contractual repricing date or to the maturity date, whichever is the earlier. The 'up to 3 months' column include the financial assets and liabilities which have floating rates of interest that do not reprice at set dates, but rather reprice whenever the underlying interest rate index changes.

The Group	Up to 3 months	3-6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Non-interest sensitive	Total
2025	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Financial assets								
Cash and cash equivalents	12,151,444	-	-	-	-	-	40,457,459	52,608,903
Loans to and placements with banks	12,031,900	2,038,946	-	-	-	-	(32,565)	14,038,281
Derivative financial instruments	625,512	405,455	80,966	47,522	110,420	-	542,531	1,812,406
Loans and advances to non-bank customers	158,365,294	9,009,151	10,256,457	7,301,958	7,184,500	6,618,985	(13,438,427)	185,297,918
Investment securities	13,803,101	15,331,236	9,163,906	14,914,345	43,772,735	50,954,001	8,892,371	156,831,695
Other assets	6,193	1,045	49,217	54,820	1,004	-	4,359,668	4,471,947
Total assets	196,983,444	26,785,833	19,550,546	22,318,645	51,068,659	57,572,986	40,781,037	415,061,150
Financial liabilities								
Deposits from banks	2,702,321	461,821	772,699	68,599	31,891	-	1,462,462	5,499,793
Deposits from non-bank customers	195,923,220	15,134,907	22,032,291	11,776,941	7,593,503	141,785	94,841,696	347,444,343
Other borrowed funds	7,255,147	1,592,687	155,250	155,250	-	-	7,919	9,166,253
Derivative financial instruments	604,634	254,828	52,178	341	28,307	-	515,506	1,455,794
Lease liabilities	-	-	-	-	-	-	956,031	956,031
Subordinated debts	-	-	-	-	401,839	7,011,640	3,903,107	11,316,586
Other liabilities	63,299	-	134,646	-	35,819	-	6,344,281	6,578,045
Total liabilities	206,548,621	17,444,243	23,147,064	12,001,131	8,091,359	7,153,425	108,031,002	382,416,845
On balance sheet interest rate sensitivity gap	(9,565,177)	9,341,590	(3,596,518)	10,317,514	42,977,300	50,419,561	(67,249,965)	32,644,305
Off balance sheet interest rate sensitivity gap	(6,693,571)	24,603	145,069	2,267,510	4,103,845	(230,164)	-	(382,708)
	(16,258,748)	9,366,193	(3,451,449)	12,585,024	47,081,145	50,189,397	(67,249,965)	32,261,597

38. Risk management (cont'd)

(d) Market risk (cont'd)

(i) Interest rate risk (cont'd)

The Group	Up to 3 months	3-6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Non-interest sensitive	Total
2024	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Financial assets	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
Cash and cash equivalents	34,593,271	-	-	-	-	-	27,694,346	62,287,617
Loans to and placements with banks	5,695,342	1,941,986	-	-	-	-	(42,039)	7,595,289
Derivative financial instruments	186,624	348,544	255,914	92,328	73,569	-	507,967	1,464,946
Loans and advances to non-bank customers	138,552,213	6,508,310	7,570,912	5,715,884	9,436,928	7,420,191	(2,517,060)	172,687,378
Investment securities	14,398,480	24,043,600	13,299,283	23,036,078	42,171,246	50,585,266	8,570,438	176,104,391
Other assets	786	-	-	3,755	995	-	3,351,845	3,357,381
Total assets	193,426,716	32,842,440	21,126,109	28,848,045	51,682,738	58,005,457	37,565,497	423,497,002
Financial liabilities								
Deposits from banks	1,578,043	178,239	371,615	357,275	19,905	-	1,458,374	3,963,451
Deposits from non-bank customers	208,167,343	20,979,386	14,703,336	9,115,368	8,093,995	196,262	98,240,338	359,496,028
Other borrowed funds	8,151,396	259,687	1,098,710	322,392	161,196	-	530,176	10,523,557
Derivative financial instruments	181,510	332,584	380,367	60,086	10,176	-	465,004	1,429,727
Lease liabilities	-	-	-	-	-	-	856,681	856,681
Subordinated debts	49,254	48,620	3,579,225	-	-	6,301,049	-	9,978,148
Other liabilities	74,801	-	-	-	39,000	-	8,250,849	8,364,650
Total liabilities	218,202,347	21,798,516	20,133,253	9,855,121	8,324,272	6,497,311	109,801,422	394,612,242
On balance sheet interest rate sensitivity gap	(24,775,631)	11,043,924	992,856	18,992,924	43,358,466	51,508,146	(72,235,925)	28,884,760
Off balance sheet interest rate sensitivity gap	359,016	(987,150)	85	454	1,015,972	(336,475)	-	51,902
	(24,416,615)	10,056,774	992,941	18,993,378	44,374,438	51,171,671	(72,235,925)	28,936,662

38. Risk management (cont'd)

(d) Market risk (cont'd)

(i) Interest rate risk (cont'd)

The Company	Up to 3 months	3-6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Non-interest sensitive	Total
2025	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Financial assets								
Cash and cash equivalents	-	-	-	-	-	-	36,062	36,062
Loans to and placements with banks	1,350,000	1,844,248	-	-	-	-	(6,686)	3,187,562
Investment securities	860,645	246,924	-	-	-	-	7,326,656	8,434,225
Other assets	-	-	47,284	-	-	-	-	47,284
Total assets	2,210,645	2,091,172	47,284	-	-	-	7,356,032	11,705,133
Financial liabilities								
Other borrowed funds	2,058,691	-	-	-	-	-	-	2,058,691
Subordinated debts	-	-	-	-	3,060,520	7,011,640	-	10,072,160
Other liabilities	-	-	132,922	-	-	-	-	132,922
Total liabilities	2,058,691	-	132,922	-	3,060,520	7,011,640	-	12,263,773
On balance sheet interest rate sensitivity gap	151,954	2,091,172	(85,638)	-	(3,060,520)	-	7,356,032	(558,640)
Off balance sheet interest rate sensitivity gap	-	-	-	-	-	-	-	-
	151,954	2,091,172	(85,638)	-	(3,060,520)	-	7,356,032	(558,640)
2024								
Financial assets								
Cash and cash equivalents	-	-	-	-	-	-	2,517	2,517
Investment securities	-	-	-	-	-	-	6,662,340	6,662,340
Other assets	-	-	-	-	-	-	80,163	80,163
Total assets	-	-	-	-	-	-	6,745,020	6,745,020
Financial liabilities								
Other borrowed funds	-	-	114,394	-	-	-	7,552	121,946
Subordinated debts	-	-	3,579,225	-	-	5,069,310	-	8,648,535
Other liabilities	-	-	-	-	-	-	117,243	117,243
Total liabilities	-	-	3,693,619	-	-	5,069,310	124,795	8,887,724
On balance sheet interest rate sensitivity gap	-	-	(3,693,619)	-	-	(5,069,310)	6,620,225	(2,142,704)
Off balance sheet interest rate sensitivity gap	-	-	-	-	-	-	-	-
	-	-	(3,693,619)	-	-	(5,069,310)	6,620,225	(2,142,704)

38. Risk management (cont'd)

(d) Market risk (cont'd)

(i) Interest rate risk (cont'd)

Various scenarios are used to measure the effect of the changing interest rates on net interest income including the standardised approach of 200bp parallel shock over a 12-month period assuming a static balance sheet, as shown below.

	2025	2024
	MUR'000	MUR'000
Increase in profit	**(184,708)**	(296,459)

Interest rate sensitivity

The following table demonstrates the sensitivity of a 2% change in interest rates in the different countries:

	2025	2024
	MUR'000	MUR'000
Mauritius	**288,008**	60,743
India	**(179,302)**	2,993
Madagascar	**(5,211)**	12,189
Kenya	**(306,438)**	(339,671)
Others	**18,235**	(32,713)
	(184,708)	(296,459)

(ii) Fair value hedges

	2025				2024			
	Carrying amount of hedged items		**Accumulated amount of fair value adjustments on the hedged items**		Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items	
Micro fair value hedges	**Assets**	**Liabilities**	**Assets**	**Liabilities**	Assets	Liabilities	Assets	Liabilities
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	MUR'000	MUR'000	MUR'000	MUR'000
Fixed rate corporate loans	**273,261**	**-**	**-**	**2,641**	303,924	-	-	10,242

The following table provides information about the hedging instruments included in the derivative financial instruments line items of the Bank's statement of financial position:

	2025			2024		
	Notional Amount	**Carrying Amount**		Notional Amount	Carrying Amount	
Micro fair value hedges		**Assets**	**Liabilities**		Assets	Liabilities
	MUR'000	**MUR'000**	**MUR'000**	MUR'000	MUR'000	MUR'000
Interest rate swaps	**228,547**	**3,028**	**-**	254,645	10,716	-

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38. Risk management (cont'd)

(d) Market risk (cont'd)

(ii) Fair value hedges (cont'd)

The below table sets out the outcome of the Bank's hedging strategy, set out in Notes 8 and 9, in particular, to changes in the fair value of the hedged items and hedging instruments in the current year and the comparative year, used as the basis for recognising ineffectiveness:

		2025			2024		
		Gain / (loss) attributable to the hedged risk			Gain / (loss) attributable to the hedged risk		
Hedged items	**Hedging instruments**	**Hedged items**	**Hedging instruments**	**Hedge ineffectiveness**	Hedged items	Hedging instruments	Hedge ineffectiveness
		MUR'000	**MUR'000**	**MUR'000**	MUR'000	MUR'000	MUR'000
Micro fair value hedge relationships hedging assets							
Fixed rate corporate loans	Interest rate swaps	**(2,641)**	**3,028**	**387**	(10,242)	10,716	474
Total micro fair value hedge relationship		**(2,641)**	**3,028**	**387**	(10,242)	10,716	474

The maturity profile of the hedging instruments used in micro fair value hedge relationships is as follows:

	Up to 1 month	**1-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
At 31 December 2025	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Fixed rate corporate loans						
Interest rate swap (Notional amount)	**-**	**-**	**-**	**-**	**228,547**	**228,547**
At 31 December 2024						
Fixed rate corporate loans						
Interest rate swap (Notional amount)	-	-	-	-	254,645	254,645

38. Risk management (cont'd)

(d) Market risk (cont'd)

(iii) Currency risk

Foreign exchange risk arises from open and imperfectly offset or hedged positions. Imperfect correlations across currencies and international interest rate markets pose particular challenges to the effectiveness of foreign currency hedging strategies. The Group exercises strict control over its foreign currency exposures. The Group reports on foreign currency positions to the Central Bank and has set up conservative internal limits in order to mitigate foreign exchange risk. To manage their foreign currency exposures, dealers operate within prudential limits approved by the Board including intraday/overnight open exposures, stop loss and authorised currencies. These trading limits are reviewed at least once annually by the Board / Board Risk Management Committee. The Middle Office closely monitors the Front Office and reports any excesses and deviations from approved limits to the Market Risk Forum and to the Board Risk Management Committee.

The tables below show the carrying amounts of the monetary assets and liabilities:

The Group	MUR	USD	GBP	EURO	INR	KES	OTHER	TOTAL
2025	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Financial assets								
Cash and cash equivalents	**18,461,074**	**16,006,944**	**714,373**	**2,522,114**	**11,139,594**	**1,197,147**	**2,567,657**	**52,608,903**
Loans to and placements with banks	**862,175**	**11,982,658**	**-**	**1,193,448**	**-**	**-**	**-**	**14,038,281**
Derivative financial instruments	**118,957**	**415,585**	**-**	**-**	**1,269,875**	**-**	**7,989**	**1,812,406**
Loans and advances to non-bank customers	**94,294,479**	**32,448,743**	**807,831**	**15,751,970**	**29,702,696**	**11,071,798**	**1,220,401**	**185,297,918**
Investment securities	**93,606,111**	**37,622,902**	**-**	**1,695,053**	**10,797,878**	**12,490,034**	**619,717**	**156,831,695**
Other assets	**1,815,800**	**1,199,675**	**1,957**	**81,321**	**845,339**	**519,148**	**8,707**	**4,471,947**
Total monetary financial assets	**209,158,596**	**99,676,507**	**1,524,161**	**21,243,906**	**53,755,382**	**25,278,127**	**4,424,471**	**415,061,150**
Financial liabilities								
Deposits from banks	**547,315**	**1,284,053**	**16,654**	**275,122**	**3,365,859**	**9,300**	**1,490**	**5,499,793**
Deposits from non-bank customers	**167,028,264**	**98,071,451**	**4,183,670**	**14,317,373**	**35,261,632**	**22,532,270**	**6,049,683**	**347,444,343**
Other borrowed funds	**301,878**	**5,579,730**	**-**	**1,139,336**	**729,055**	**1,416,254**	**-**	**9,166,253**
Derivative financial instruments	**414,880**	**65,775**	**-**	**-**	**940,946**	**-**	**34,193**	**1,455,794**
Subordinated debts	**10,072,160**	**-**	**-**	**-**	**1,244,426**	**-**	**-**	**11,316,586**
Lease liabilities	**175,548**	**-**	**-**	**-**	**422,901**	**308,608**	**48,974**	**956,031**
Other liabilities	**3,266,566**	**1,781,554**	**51,865**	**111,459**	**1,096,902**	**144,161**	**125,538**	**6,578,045**
Total monetary financial liabilities	**181,806,611**	**106,782,563**	**4,252,189**	**15,843,290**	**43,061,721**	**24,410,593**	**6,259,878**	**382,416,845**
On balance sheet position	**27,351,985**	**(7,106,056)**	**(2,728,028)**	**5,400,616**	**10,693,661**	**867,534**	**(1,835,407)**	**32,644,305**
Off balance sheet position	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net currency position	**27,351,985**	**(7,106,056)**	**(2,728,028)**	**5,400,616**	**10,693,661**	**867,534**	**(1,835,407)**	**32,644,305**

38. Risk management (cont'd)

(d) Market risk (cont'd)

(iii) Currency risk (cont'd)

The Group	MUR	USD	GBP	EURO	INR	KES	OTHER	TOTAL
2024	MUR'000 (Restated)	MUR'000 (Restated)	MUR'000 (Restated)	MUR'000 (Restated)	MUR'000 (Restated)	MUR'000 (Restated)	MUR'000 (Restated)	MUR'000 (Restated)
Financial assets								
Cash and cash equivalents	18,438,298	33,631,020	486,680	914,108	6,243,959	1,129,438	1,444,114	62,287,617
Loans to and placements with banks	(75,110)	5,740,672	-	1,929,727	-	-	-	7,595,289
Derivative financial instruments	200,753	271,520	5,090	24	984,727	-	2,832	1,464,946
Loans and advances to non-bank customers	89,684,318	29,495,571	818,729	15,037,035	25,696,122	10,710,409	1,245,194	172,687,378
Investment securities	90,751,889	56,938,771	-	1,532,608	14,624,963	11,685,919	570,241	176,104,391
Other assets	709,851	979,034	1,666	342,341	481,939	840,381	2,169	3,357,381
Total monetary financial assets	199,709,999	127,056,588	1,312,165	19,755,843	48,031,710	24,366,147	3,264,550	423,497,002
Financial liabilities								
Deposits from banks	550,211	822,256	12,717	147,972	2,419,606	4,175	6,514	3,963,451
Deposits from non-bank customers	162,599,796	127,196,905	3,021,510	14,053,935	29,378,039	17,909,312	5,336,531	359,496,028
Other borrowed funds	427,982	358,457	-	637,190	2,179,516	6,920,412	-	10,523,557
Derivative financial instruments	193,278	240,750	-	-	993,405	-	2,294	1,429,727
Subordinated debts	5,069,310	3,579,225	-	-	1,329,613	-	-	9,978,148
Lease liabilities	227,207	-	-	-	273,958	295,734	59,782	856,681
Other liabilities	3,946,422	4,206,885	(325,883)	238,906	910,657	511,023	(1,123,360)	8,364,650
Total monetary financial liabilities	173,014,206	136,404,478	2,708,344	15,078,003	37,484,794	25,640,656	4,281,761	394,612,242
On balance sheet position	26,695,793	(9,347,890)	(1,396,179)	4,677,840	10,546,916	(1,274,509)	(1,017,211)	28,884,760
Off balance sheet position	-	-	-	-	-	-	-	-
Net currency position	26,695,793	(9,347,890)	(1,396,179)	4,677,840	10,546,916	(1,274,509)	(1,017,211)	28,884,760

The Company

The Company is exposed to currency risk only in its USD balances in relation to cash and cash equivalents (Financial assets) amounting to MUR 15 million (2024 : MUR 2.5 million) and other borrowed funds (financial liabilities) amounting to MUR 2,058.7 million (2024: MUR Nil).

Currency risk sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, and the impact on the Group's profit and Equity.

	Impact on Group's profit after tax and equity					
	USD	GBP	EURO	INR	KES	OTHER
2025	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
5%	**(355,303)**	**(136,401)**	**270,031**	**534,683**	**43,377**	**(91,770)**
-5%	**355,303**	**136,401**	**(270,031)**	**(534,683)**	**(43,377)**	**91,770**
2024						
5%	(467,395)	(69,809)	233,892	527,346	(63,725)	(50,861)
-5%	467,395	69,809	(233,892)	(527,346)	63,725	50,861

38. Risk management (cont'd)

(d) Market risk (cont'd)

(iii) Currency risk (cont'd)

Value-at-Risk Analysis

The Group uses Value-at-Risk (VAR) to estimate the potential foreign exchange loss arising from adverse movements in an ordinary market environment. To calculate VAR, the Group uses the historical method which assumes that historical changes in market values are representative of future changes. The VAR is based on the previous 12 months data. The Group calculates VAR using 10 days holding period and an expected tail-loss methodology, which approximates a 99% confidence level. This would mean that only once in every 100 trading days, The group would expect to incur losses greater than the VAR estimates, or about two to three times a year. The use of 10 days holding period and a one-year historical observation period are in line with the Basel II recommendation.

The Group's VAR amounted to:

	2025	2024
	MUR'000	MUR'000
Minimum for the year		
SBM Bank (Mauritius) Ltd	**2,941**	2,875
SBM Bank (India) Limited	**1,184**	12,825
Banque SBM Madagascar S.A	**2**	47
SBM Bank (Kenya) Limited	**102,583**	234,179
Maximum for the year		
SBM Bank (Mauritius) Ltd	**14,475**	20,747
SBM Bank (India) Limited	**6,654**	2,513,025
Banque SBM Madagascar S.A	**393**	3,934
SBM Bank (Kenya) Limited	**3,569,099**	3,273,178
Year end		
SBM Bank (Mauritius) Ltd	**4,696**	4,187
SBM Bank (India) Limited	**3,349**	2,513,025
Banque SBM Madagascar S.A	**197**	1,383
SBM Bank (Kenya) Limited	**354,992**	801,141

(iv) Equity price sentivity analysis

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than for trading purposes and the Group does not actively trade in these investments. Changes in prices/valuation of these investments are reflected in the statement of comprehensive income, except for impairment losses which are reported in the statements of profit or loss. Changes in prices of held-for-trading investments are reflected in the statements of profit or loss. The valuation of equity investments is performed on a periodic basis by the management and reviewed by the Board of Directors. Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents and market information

A 5% increase in the price of equities held at the reporting date would have resulted in an unrealised gain to the statement of comprehensive income or statements of profit or loss as reflected below. A 5% decrease would have resulted in an equivalent loss being booked.

	The Group		**The Company**	
	2025	2024	**2025**	2024
	MUR'000	MUR'000	**MUR'000**	MUR'000
Statements of comprehensive income	**251,575**	284,537	**240,155**	249,637
	251,575	284,537	**240,155**	249,637

(e) Accounting policies

Details of the accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability and equity instruments are disclosed in Note 3 to the financial statements (material accounting policies).

39. Segment information

The Group

Accounting policy

Segmental reporting is based on the internal reports regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess their performance. The operating segments are the banking, the non-bank financial institution, the non-financial institutions and the other institutions segments. Only the banking segment is a reportable segment.

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker i.e the Group Chief Executive Officer in order to allocate resources to the segments and to assess their performance.

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

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

(a) Information about the reportable segment profit, assets and liabilities

Information about the reportable segment and the reconciliation of the reportable segment information to Group total is shown below:

	Banking	**Non-bank financial institutions**	**Non financial institutions**	**Other institutions**	**Intersegment adjustments**	**Total**
2025	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Interest income from external customers	**25,580,477**	**66,812**	**-**	**83,925**	**-**	**25,731,214**
Non-interest income from external customers	**5,233,785**	**369,391**	**3,114**	**1,359,842**	**(26)**	**6,966,106**
Revenue from external customers	**30,814,262**	**436,203**	**3,114**	**1,443,767**	**(26)**	**32,697,320**
Interest income from internal customers	**143,200**	**-**	**-**	**-**	**(143,200)**	**-**
Non interest income from internal customers	**2,497,000**	**350,402**	**-**	**2,550,000**	**(5,397,402)**	**-**
Revenue from other segments of the entity	**2,640,200**	**350,402**	**-**	**2,550,000**	**(5,540,602)**	**-**
Total gross revenue	**33,454,462**	**786,605**	**3,114**	**3,993,767**	**(5,540,628)**	**32,697,320**
Interest and fee and commission expense to external customers	**(13,218,906)**	**(45,887)**	**-**	**(545,860)**	**142,817**	**(13,667,836)**
	(13,218,906)	**(45,887)**	**-**	**(545,860)**	**142,817**	**(13,667,836)**
Operating income	**20,235,556**	**740,718**	**3,114**	**3,447,907**	**(5,397,811)**	**19,029,484**
Depreciation and amortisation	**(1,508,142)**	**(15,212)**	**-**	**(716)**	**-**	**(1,524,070)**
Other non-interest expenses	**(8,415,394)**	**(305,380)**	**(1,031)**	**(285,986)**	**165,999**	**(8,841,792)**
Net impairment loss on financial assets	**(3,545,681)**	**(1,515)**	**-**	**(7,365)**	**20,420**	**(3,534,141)**
Profit before income tax	**6,766,339**	**418,611**	**2,083**	**3,153,840**	**(5,211,392)**	**5,129,481**
Tax expense	**(849,238)**	**(64,028)**	**-**	**(2,705)**	**-**	**(915,971)**
Profit for the year	**5,917,101**	**354,583**	**2,083**	**3,151,135**	**(5,211,392)**	**4,213,510**
Segment assets	**449,859,076**	**2,330,370**	**156,378**	**43,665,180**	**(70,682,911)**	**425,328,093**
Segment liabilities	**378,325,638**	**1,053,746**	**328**	**12,289,261**	**(6,793,361)**	**384,875,612**
Additions to tangible and intangible assets	**913,712**	**2,785**	**-**	**1,617**	**-**	**918,114**

39. Segment information (cont'd)

The Group (cont'd)

(a) Information about the reportable segment profit, assets and liabilities (cont'd)

2024	Banking MUR'000	Non-bank financial institutions MUR'000	Non financial institutions MUR'000	Other institutions MUR'000	Intersegment adjustments MUR'000	Total MUR'000
Interest income from external customers	23,248,466	82,036	-	12,370	-	23,342,872
Non-interest income from external customers	4,908,938	382,049	2,040	292,043	(5)	5,585,065
Revenue from external customers	28,157,404	464,085	2,040	304,413	(5)	28,927,937
Interest income from internal customers	49,506	-	-	-	(49,506)	-
Non interest income from internal customers	2,497,000	242,096	-	2,550,000	(5,289,096)	-
Revenue from other segments of the entity	2,546,506	242,096	-	2,550,000	(5,338,602)	-
Total gross revenue	30,703,910	706,181	2,040	2,854,413	(5,338,607)	28,927,937
Interest and fee and commission expense to external customers	(11,820,955)	(57,818)	-	(464,252)	49,506	(12,293,519)
	(11,820,955)	(57,818)	-	(464,252)	49,506	(12,293,519)
Operating income	18,882,955	648,363	2,040	2,390,161	(5,289,101)	16,634,418
Depreciation and amortisation	(1,313,073)	(16,349)	-	(619)	-	(1,330,041)
Other non-interest expenses	(8,536,799)	(300,201)	(1,828)	(594,249)	144,090	(9,288,987)
Net impairment loss on financial assets	(415,058)	(53,194)	-	(739)	37,702	(431,289)
Profit before income tax	8,618,025	278,619	212	1,794,554	(5,107,309)	5,584,101
Tax expense	(1,209,212)	(34,759)	437	(1,897)	-	(1,245,431)
Profit for the year	7,408,813	243,860	649	1,792,657	(5,107,309)	4,338,670
Segment assets	457,143,944	2,844,901	139,762	38,683,896	(65,170,118)	433,642,385
Segment liabilities	388,996,599	1,153,960	147	8,921,664	(2,066,586)	397,005,784
Additions to tangible and intangible assets	1,170,406	6,789	-	1,171	-	1,178,366

39. Segment information (cont'd)

(b) Information about the reportable segment revenue from products and services

	Banking	
	2025	2024
	MUR'000	MUR'000
Revenue from external customers arising from the following products and services:		
Loans and advances to non-bank customers	**632,872**	632,872
Loans to and placements with banks	**533,099**	1,049,298
Net trading income	**1,689,844**	1,689,844
Card income	**439,060**	439,060
Trade finance services	**3,144,490**	3,144,490
Deposit and other products /services	**279,626**	280,262
	6,718,991	7,235,826

(c) Information about revenue of the reportable segment by geographical areas

	Banking		
	Mauritius	**Other countries**	**Total**
	MUR'000	MUR'000	MUR'000
2025			
Revenue from external customers	**14,428,037**	**11,152,440**	**25,580,477**
Tangible and intangible assets	**4,124,378**	**649,609**	**4,773,987**
2024			
Revenue from external customers	11,872,303	11,376,163	23,248,466
Tangible and intangible assets	4,424,919	787,769	5,212,688

40. Subsequent events

No other events have occurred after the reporting period, 31 December 2025 that would require adjustment to, or disclosure in, the audited financial statement in accordance with IAS 10 Events After the Reporting Period.



Additional Information

Directors of SBM Holdings Ltd and its Subsidiaries

Holding Entity

SBM Holdings Ltd

Mr Mahendra V. Punchoo *(Chairman)*
Mr M. Javed Aboobakar
Mr Pramod K. Bissessur
Mr Raoul Gufflet *(Group CEO)*
Mr Mooneesing J. Naikeny *(Deputy Group CEO)*
Mr Deobruthsingh Jaypaul
Mr Aakash K. Kalachand
Mrs Danisha Sornum
Mrs Belinda Vacher

Bank Holding Entity

SBM (Bank) Holdings Ltd

Mr Mahendra V. Punchoo *(Chairman)*
Mr Pramod K. Bissessur
Mr Raoul Gufflet
Mr Mooneesing J. Naikeny
Mr Deobruthsingh Jaypaul

Bank Operating Entities

SBM Bank (Mauritius) Ltd

Mr Rundheersing Bheenick *(Chairman)*
Mrs Kalindee Bhanji
Mr Yajnik Bhujan
Mr Thierry Chellen
Mr Avinash Goburdhun
Mr Louis Gervais Franco Gua *(Officer-in-Charge)*
Mr Raoul Gufflet
Mr Mooneesing J. Naikeny
Mr Aakash K. Kalachand
Mr Jean Li Wan Po
Mr Veenay Rambarassah
Ms Lavalina Devi Sawmy
Mr Sachin Kumar Sumputh

SBM Bank (India) Limited

Mr Mahendra V. Punchoo *(Part-time Chairman)*
Mr Abizer Diwanji
Mr Raoul Gufflet
Mr Mooneesing J. Naikeny
Mr Umesh Jain
Mr Amit Jagdhari
Ms Pallavi Kanchan
Mr Sanjeev Lall
Mr Anantha Subrahmanya Dhananjaya
Mr Ashish Vijayakar (MD & CEO)

SBM Bank (Kenya) Limited

Mr Pramod K. Bissessur
Ms Deborah Bubi
Mr Raoul Gufflet
Mr Deobruthsingh Jaypaul
Ms Shakilla Bibi Jhungeer
Dr James Boyd McFie
Ms Brenda Mbathi
Mr Jack Mugo Ngare
Mr Bhartesh Shah *(CEO)*

Banque SBM Madagascar SA

Mr Mahendra V. Punchoo *(Chairman)*
Mr Leckram Dawonauth
Mr Raoul Gufflet
Mr Jean Marc Ulcoq

Bank Non-Operating Entities

SBM Overseas One Ltd | SBM Overseas Two Ltd | SBM Overseas Three Ltd | SBM Overseas Four Ltd | SBM Overseas Five Ltd | SBM Overseas Six Ltd

Mr Jaswant Rao Balloo
Mr Sivakrisna Goinden
Mr Raoul Gufflet

SBM Africa Holdings Ltd

Mr Sivakrisna Goinden
Mr Raoul Gufflet

Non-Bank Holding Entity

SBM (NBFC) Holdings Ltd

Mr Mahendra V. Punchoo *(Chairman)*
Mr M. Javed Aboobakar
Mr Luvee Toolsysingh Cheekhooree
Ms Yakshmi Jhordy Ellapen
Mr Sivakrisna Goinden
Mr Raoul Gufflet
Mr Mooneesing J. Naikeny
Mr Shailendrasingh Sreekeessoon *(CEO)*

Non-Bank Operating Entities

SBM Capital Markets Ltd

Mr Mahendra V. Punchoo *(Chairman)*
Mr Raoul Gufflet
Mr Sivakrisna Goinden
Mr Dharmeshsingh Mohadewo
Mr Mooneesing J. Naikeny
Mr Kamalsing Nemchand
Mrs Yasna Sunkur

SBM Mauritius Asset Managers Ltd

Mrs Nooreenah Bibi Mungur *(Chairperson)*
Mr Shunmoogum Coopoosamy
Mr Raoul Gufflet
Mr Deobruthsingh Jaypaul
Mr Aakash K. Kalachand
Mr Mooneesing J. Naikeny
Mr Jayvash Nundoo

SBM Fund Services Ltd

Mr Shunmoogum Coopoosamy *(Chairman)*
Mr Akshay Faugoo
Mr Ansley Ittea
Mr Parmesh Pallanee

SBM Insurance Agency Ltd

Mr Pramod K. Bissessur *(Chairman)*
Mr Sivakrisna Goinden
Mr Mohammad Salim Mohammad Ismael Peer
Mrs Danisha Sornum
Mrs Belinda Vacher

SBM Factors Ltd

Mr Parmesh Pallanee *(Chairman)*
Mr Shunmoogum Coopoosamy
Ms Yakshmi Jhordy Ellapen
Mr Sivakrisna Goinden

SBM eBusiness Ltd

Mr Sivakrisna Goinden
Mr Raoul Gufflet

Entities managed by SBM Mauritius Asset Managers Ltd

SBM India Opportunities Fund

Mr Sivakrisna Goinden
Mr Phalesh Sharma Jokhun
Mr Jayvash Nundoo

SBM Maharaja Fund
(in process of winding up)

Mr Jayvash Nundoo
Mr Shailendrasingh Sreekeessoon

SBM Africa Equity Fund Ltd

Mr M. Javed Aboobakar
Mr Raoul Gufflet
Mr Jayvash Nundoo
Mr Mahendra V. Punchoo

Entities managed by SBM Capital Markets Ltd

SBM Structured Solutions PCC
(In process of winding up)

Mr Jayvash Nundoo
Mr Shailendrasingh Sreekeessoon

SBM (Mauritius) Infrastructure Development Company Ltd

Mr Rajiv Kumar Beeharry *(Chairman)*
Mr Premsagar Bholah
Mr Ghaneshanlall Cheeneebash
Mr Shailendrasingh Sreekeessoon

Non-Financial Entity

SBM (NFC) Holdings Ltd

Mrs Danisha Sornum *(Chairperson)*
Mr Jaswant Rao Balloo
Mr Raoul Gufflet
Mr Sivakrisna Goinden
Mr Mooneesing J. Naikeny
Mr Mahendra V. Punchoo
Mrs Belinda Vacher

Others

SBM 3S Ltd

Mr Mahendra V. Punchoo *(Chairman)*
Mr Raoul Gufflet
Mr Sivakrisna Goinden
Mr Rundheersing Bheenick

Registered Office Addresses of SBM Holdings Ltd and its Subsidiaries

Holding Entity	Bank Holding Entity
SBM Holdings Ltd	**SBM (Bank) Holdings Ltd**
SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Republic of Mauritius Tel: (230) 202 1111/1000 Fax: (230) 202 1234 Website: www.sbmgroup.mu Email: sbm@sbmgroup.mu	SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Republic of Mauritius Tel: (230) 202 1111/1000 Fax: (230) 202 1234 Website: www.sbmgroup.mu Email: sbm@sbmgroup.mu

Bank Operating Entities	
SBM Bank (Mauritius) Ltd	**SBM Bank (India) Limited**
SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Republic of Mauritius Tel: (230) 202 1111 Fax: (230) 202 1234 Swift: STCBMUMU Website: www.sbmbank.com Email: sbm@sbmgroup.mu	101, Raheja Centre, 1st Floor, Free Press Journal Marg, Nariman Point, Mumbai - 400021, Maharashtra, India Tel: (91) (22) 4302 8888 Swift: STCBINBX Website: www.sbmbank.co.in Email: customercare@sbmbank.co.in
SBM Bank (Kenya) Limited	**Banque SBM Madagascar SA**
Riverside Mews Building, Riverside Drive, Nairobi, Kenya P.O. Box 34886 - 00100 Tel: (254) 709 800 000/ (254) 730 175 000 Swift: SBMKKENA Website: www.sbmbank.co.ke Email: atyourservice@sbmbank.co.ke	1, Rue Andrianary Ratianarivo Antsahavola, 101 Antananarivo, Madagascar Tel: (261) 20 22 666 07 / (261) 38 99 971 46 Swift: BSBMMGMG Website: www.sbmgroup.mu Email: HOTLINEMADA@sbmgroup.mu

Non-Bank Holding Entity
SBM (NBFC) Holdings Ltd
SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Republic of Mauritius Tel: (230) 260 1111 Website: www.sbmgroup.mu Email: nbfc.leads@sbmgroup.mu

Non-Bank Operating Entities		
SBM Mauritius Asset Managers Ltd	**SBM Fund Services Ltd**	**SBM eBusiness Ltd**
SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Republic of Mauritius Tel: (230) 202 1111 Fax: (230) 210 3369 Website: www.sbmgroup.mu Email: sbm.assetm@sbmgroup.mu	SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Republic of Mauritius Tel:(230) 202 1505/1445/1374/1447 Website: www.sbmgroup.mu Email: sbmfundservices@sbmgroup.mu	C/o Rogers Capital Corporate Services Limited, Level 3, Rogers Capital House, 5 President John Kennedy Street, Port Louis Mauritius Tel: (230) 203 1100 Fax: (230) 203 1150 Website: www.rogerscapital.mu
SBM Factors Ltd	**SBM Insurance Agency Ltd**	**SBM Capital Markets Ltd**
SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Republic of Mauritius Tel: (230) 202 4899 Fax: (230) 214 1305 Website: www.sbmgroup.mu Email: sbmfactors@sbmgroup.mu	SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Republic of Mauritius Tel: (230) 202 1210 Fax: (230) 202 1234 Website: www.sbmgroup.mu Email: SBMInsuranceleads@sbmgroup.mu	SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Republic of Mauritius Tel: (230) 202 1111 Fax: (230) 210 3369 Website: www.sbmgroup.mu Email (Investment): sbm. corporatefinance@sbmgroup.mu Email (Trading): scmltrading@sbmgroup.mu

Non-Financial Entity	Global Services
SBM (NFC) Holdings Ltd	**SBM 3S Ltd**
SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Republic of Mauritius Tel: (230) 202 1111 Fax: (230) 211 8838 Website: www.sbmgroup.mu Email: finance.holdings@sbmgroup.mu	SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Republic of Mauritius Tel: (230) 202 1111 Website: www.sbmgroup.mu Email: finance.holdings@sbmgroup.mu

Compliance with Section 221 of the Mauritius Companies Act 2001

a. Total remuneration and benefits received or due and receivable by the Executive Directors from SBM Holdings Ltd and its Subsidiaries for the year ended 31 December 2025

Name of Director	SBM Holdings Ltd (MUR)	Other Subsidiaries (MUR)
Mr Raoul Gufflet	40,779,000	-
Mr Mooneesing J. Naikeny	4,481,000	-

b. Total remuneration and benefits received or due and receivable by the Directors from SBM Holdings Ltd and its Subsidiaries for the year ended 31 December 2025

Directors	SBM Holdings Ltd (MUR)	Other Subsidiaries (MUR)
Executive	45,260,000	-
Non-Executive	10,582,000	7,767,000

c. Auditors' remuneration paid by SBM Holdings Ltd and its Subsidiaries

	2025	2024
	MUR' 000	MUR' 000
SBM Holdings Ltd		
Statutory audit and quarterly reviews - PwC	1,502	-
Other services - PwC	43	-
Statutory audit and quarterly reviews - Deloitte	-	1,202
Other services - Deloitte	-	30
SBM (Bank) Holdings Ltd		
Statutory audit and quarterly reviews - PwC	988	-
Other services - PwC	43	-
Statutory audit and quarterly reviews - Deloitte	-	791
Other services - Deloitte	-	12
SBM Bank (Mauritius) Ltd		
Statutory audit and quarterly reviews - PwC	23,775	-
Other services - PwC	1,726	-
Statutory audit and quarterly reviews - Deloitte	-	20,033
Other services - Deloitte	-	437
SBM Bank (India) Limited		
Statutory audit and quarterly reviews - PwC	1,581	-
Other services - PwC	1,421	-
Statutory audit - Gokhale & Sathe	2,390	786
Statutory audit - K.S Aiyar & Co	-	488
Statutory audit and quarterly reviews - Deloitte	-	1,265
Other services - Gokhale & Sathe	374	865
Other services - K.S Aiyar & Co	-	673
Other services - Deloitte	1,326	3,314
Banque SBM Madagascar SA		
Statutory audit and quarterly reviews - PwC	805	-
Other services – PwC	-	-
Statutory audit - Delta Audit	-	454
Statutory audit – CGA	196	-
Statutory audit - Mazars Fivoarana	589	454
Statutory audit and quarterly reviews - Deloitte	-	495
Other services - Deloitte	-	-
SBM Bank (Kenya) Limited		
Statutory audit and quarterly reviews - PwC	12,745	-
Other services - PwC	3,922	-
Statutory audit and quarterly reviews - Deloitte	-	5,284
Other services - Deloitte	-	1,654
SBM Africa Holdings Ltd		
Statutory audit and quarterly reviews - PwC	317	-
Statutory audit – Deloitte	-	127
SBM (NFC) Holdings Ltd		
Statutory audit and quarterly reviews - PwC	288	-
Other services – PwC	40	-
Statutory audit and quarterly reviews - Deloitte	-	127
Other services - Deloitte	-	20
SBM Capital Markets Ltd		
Statutory audit and quarterly reviews - PwC	575	-
Other services – PwC	43	-
Statutory audit and quarterly reviews - Deloitte	-	443
Other services - Deloitte	-	32
SBM Insurance Agency Ltd		
Statutory audit and quarterly reviews - PwC	288	-
Other services – PwC	40	-
Statutory audit and quarterly reviews - Deloitte	-	127
Other services - Deloitte	-	27
SBM eBusiness Ltd		
Statutory audit and quarterly reviews - PwC	288	-
Other services – PwC	40	-
Statutory audit and quarterly reviews - Deloitte	-	127
Other services - Deloitte	-	26
SBM 3S Ltd		
Statutory audit and quarterly reviews - PwC	288	-
Other services – PwC	40	-
Statutory audit and quarterly reviews - Deloitte	-	127
Other services - Deloitte	-	26
SBM (NBFC) Holdings Ltd		
Statutory audit and quarterly reviews - PwC	687	-
Other services – PwC	40	-
Statutory audit and quarterly reviews - Deloitte	-	443
Other services - Deloitte	-	27
SBM Mauritius Asset Managers Ltd		
Statutory audit and quarterly reviews - PwC	288	-
Other services – PwC	43	-
Statutory audit and quarterly reviews - Deloitte	-	127
Other services - Deloitte	-	27
SBM Fund Services Ltd		
Statutory audit and quarterly reviews - PwC	288	-
Other services – PwC	43	-
Statutory audit and quarterly reviews - Deloitte	-	127
Other services - Deloitte	-	27

SBM Factors Ltd		
Statutory audit and quarterly reviews - PwC	575	-
Other services – PwC	43	-
Statutory audit and quarterly reviews - Deloitte	-	443
Other services - Deloitte	-	26
SBM Africa Equity Fund Ltd		
Statutory audit and quarterly reviews - PwC	575	-
Other services – PwC	39	-
Statutory audit and quarterly reviews - Deloitte	-	253
Other services - Deloitte	-	32



Registered Office
SBM Holdings Ltd
SBM Tower
1, Queen Elizabeth II Avenue,
Port Louis, Republic of Mauritius
T : (230) 202 1111
F : (230) 202 1234
E : sbm@sbmgroup.mu