

Fincorp

Investment Limited

Annual Report

Year ended 30 June 2025

FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY

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Corporate Governance Report

COMPLIANCE STATEMENT

It is the policy of Fincorp Investment Limited (“the Company” or “Fincorp”) to ensure the highest standard of business integrity, transparency and professionalism in all its activities and to ensure that the activities within the Company are managed ethically and responsibly to enhance business value for all stakeholders. As an essential part of this commitment, the Board subscribes to and is fully committed to comply with the National Code of Corporate Governance for Mauritius (“the Code”).

Throughout the year ended 30 June 2025, to the best of the Board’s knowledge, the Company has applied the principles set out in the Code and has explained how these have been applied in this Corporate Governance Report.

The Company is a public interest entity, as defined under the first schedule of the Financial Reporting Act 2004.

1. GOVERNANCE STRUCTURE

1.1. Conduct of affairs

The objective of the Board is to define the Company’s purpose, strategy and values and determine all matters relating to the direction, policies, practices, management and operations of the Company.

The Board has adopted a Charter which sets out the objectives, roles and responsibilities and composition of the Board. The Board reviews the Charter on a regular basis. The Board Charter is available for consultation on the Company’s website, fincorp.mu.

1.2. Code of Ethics

The Company is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. The MCB Group Limited (the “MCB Group” or “MCBG”), the ultimate holding company, has adopted a Code of Ethics which is applicable to all its subsidiaries, its employees and directors. The Code has been approved by the Board of Directors and is published on the website of the Company. The Group encourages a corporate culture that promotes ethical and responsible decision-making throughout the organisation by way of group-wide awareness of its operating beliefs and principles.

The Code of Ethics is regularly reviewed at MCB Group level and compliance thereto is monitored at both Company and MCB Group levels.

1.3. Statement of Accountabilities

The Directors have approved the following Statement of Accountabilities:

- The Board assumes the responsibility for leading and controlling the Company and meeting all legal and regulatory requirements. Directors are aware of their legal duties.
- The Board is accountable for the performance and affairs of the Company and for achieving sustainable growth.
- The Board is responsible for ensuring that the Company adheres to high standards of ethical behavior and acts in the best interest of shareholders.
- The Board has the responsibility of reviewing and approving the results and announcements of the Company.

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The roles and responsibilities of the Chairperson, the Directors, the Chief Executive Officer and the Company Secretary are clearly defined in the Board Charter and the Position Statements adopted by the Company.

Key roles and responsibilities

Chairperson	<ul style="list-style-type: none">• Provides overall leadership to the Board;• Ensures that the Board is effective in its tasks of setting and implementing the company's direction and strategy;• Presides and conducts meetings effectively;• Ensures that Directors receive accurate, timely and clear information;• Ensures that development needs of the Directors are identified and that appropriate training is provided to continuously update the skills and knowledge of the Directors; and• Maintains sound relations with shareholders.
Directors	<ul style="list-style-type: none">• Contribute to the development of strategy;• Ensure that financial information released to the market and shareholders is accurate;• Ensure that the Company has adequate and proper financial controls and systems of risk management;• Actively participate in Board decision-making;• Provide specialist knowledge and experience to the Board; and• Remain permanently bound by fiduciary duties of care and skill.
Chief Executive Officer	<ul style="list-style-type: none">• Sets the Strategy and Direction;• Supports and assists the Board;• Manages the day-to-day affairs of the company;• Assesses the principal risks and ensure that these risks are monitored and managed;• Ensures compliance;• Monitors that the Company is abiding to specific internally established control systems, to procedures set by relevant authorities and to legal framework and ensures that good governance principles are adhered;• Acts as a direct liaison between the Board and the employees and communicates to the Board on behalf of the employees.
Company Secretary	<ul style="list-style-type: none">• Ensures compliance with all relevant statutory and regulatory requirements;• Provides the Board as a whole and Directors individually with guidance as to their roles and responsibilities;• Assists the Chairperson in governance processes such as Board and Committee evaluation;• Develops and circulates agendas for meetings and drafts minutes and ensures follow ups; and• Ensures that the shareholder's interests are taken care of and acts as primary point of contact.

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1.4. Organisation Chart

Mr. Frederic Tyack has been appointed as Chief Executive Officer of the company since 16th January 2025. Other administrative tasks are carried out by the staff of the subsidiaries of MCB Group Limited.

2. THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

2.1. Board Structure

The Board is unitary and currently comprises 2 independent, 3 non-executive Directors and 1 executive Director including 2 female Directors, as shown below:

NAME	GENDER	COUNTRY OF RESIDENCE	BOARD APPOINTMENT
Jean-Pierre Montocchio	M	Mauritius	Non-Executive director and Chairperson
Jean-Philippe Coulier	M	Mauritius	Non-Executive director
Navin Hooloomann	M	Mauritius	Independent director
Marivonne Oxenham	F	Mauritius	Non-Executive director
Frederic Tyack	M	Mauritius	Executive director
Margaret Wong Ping Lun	F	Mauritius	Independent director

2.2. Board Size and Composition

The Board regularly reviews its size and composition to ensure that there is an appropriate balance of expertise, skills and experience amongst its members. All members of the Board possess the necessary knowledge, skills, objectivity, intellectual honesty, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the Company and to protect the interests of shareholders, clients and other stakeholders.

Taking into consideration the size of the Company and the scope and nature of its operations, the Board considers that the current number of 6 Directors is appropriate for enabling effective decision-making. The Board also considers gender diversity, with female representation on the Board currently standing at 33% in line with the minimum prescribed by the Mauritius Companies Act 2001.

2.3. Directors' Profile

Jean-Pierre Montocchio (Non-Executive Director and Chairperson)

Born in 1963, he was appointed notary public in Mauritius in 1990. He participated in the National Committee on Corporate Governance as a member of the Board of Directors' Sub-Committee. He is a Director of a number of listed companies in Mauritius.

Directorships in other listed Companies:

New Mauritius Hotels Ltd
Almarys Limited
ER Group Limited
Happy World Property Ltd
The General Construction Company Limited

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Jean-Philippe Coulier (Non-Executive Director)

Mr Jean-Philippe Coulier holds a 'Diplôme d'Études Supérieures en Droit' and 'Diplôme de l'Institut d'Études Politiques de Paris' (France). During his career, Jean-Philippe has accumulated extensive experience in the banking sector, having worked for the Société Générale Group for some 40 years. Over this period, he has assumed a range of high-level responsibilities within the group, acting as Director, Chief Operating Officer and Chief Executive Officer in its various offices based worldwide. Before his retirement from Société Générale in early 2013, he was the Vice Chairman and Managing Director of the National Société Générale Bank in Cairo, Egypt. He was a Board member of The Mauritius Commercial Bank Limited from 2012 to 2018 and was appointed Chairperson thereof as from 2014. In 2018, he was appointed director and Chairperson of Promotion and Development Ltd and Caudan Development Ltd. He is also a director of Fincorp Investment Ltd, Constance Hotel Services Ltd, MCB Microfinance Ltd and MCB Factors Ltd.

Directorship in other listed companies:

Promotion and Development Limited

Constance Hotels Services Limited

Caudan Development Ltd (delisted on the 7th February 2025)

Navin Hooloomann (Independent Director)

Mr Navin Hooloomann holds a BSc (Honours) in Quantity Surveying and is a Fellow of the Royal Institution of Chartered Surveyors, UK (FRICS). After working in the UK for 5 years, Navin returned to Mauritius and is the Chief Executive Officer of Rider Levett Bucknall (Mauritius) Ltd, which is part of a Global Construction and Cost Management Consultancy firm operating in 120 countries worldwide, and runs the regional offices of Seychelles, Maldives and Sub-Saharan Africa. Navin has a track record of over 35 years in the construction/ real estate industry in the regional and international scene, having been involved on some of the largest construction projects in the Indian Ocean.

Marivonne Oxenham (Non-Executive Director)

Marivonne is the Managing Director of MCB Group Corporate Services Ltd, ("MCBGCS"). She is a fellow Member of The Chartered Governance Institute (previously known as The Institute of Chartered Secretaries and Administrators) and has over 25 years of work experience within the MCB Group. She was the Managing Director of MCB Registry & Securities Ltd which offered both Secretarial and Registrar and Transfer Agent services prior to a restructuring whereby the Secretarial services are now being offered by MCBGCS. She fulfils the Company Secretarial function for MCB Group Limited and The Mauritius Commercial Bank Limited and oversees the company secretarial services of various other subsidiaries of the Group.

Frederic Tyack (Executive Director)

Mr Frederic Tyack was appointed as Chief Executive Officer of Fincorp Investment Ltd on 16th January 2025. He is a qualified and experienced professional Chartered Accountant and holder of a BSc in Accounting and Finance from the London School of Economics and Political Science. Frederic is a seasoned professional specialising in strategic management, business alliances, and operational excellence and he has extensive international and local experience across various industries, namely real estate, logistics, ground handling and manufacturing.

Directorships in other listed Companies:

Promotion and Development Ltd

Medine Limited

MFD Group Limited

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Margaret Wong Ping Lun (Independent Director)

Mrs Margaret Wong Ping Lun holds a BA (Hons) in Business Studies (UK) and is a Fellow of the Institute of Chartered Accountants in England and Wales. Prior to her retirement as lecturer in Accounting and Finance at the University of Mauritius, she was a Senior Manager at De Chazal Du Mée's Consultancy Department. She was a former member of the Listing Executive Committee of the Stock Exchange of Mauritius Ltd. She was appointed to the Board of MCB Ltd in 2004 and was a Director thereof until March 2014, after which she joined the Board of MCB Group Ltd, following the restructuring of the MCB Group, until November 2019. She is a Board member of several companies within the MCB Group.

Directorship in other listed companies:

Compagnie des villages de vacances de l'Isle de France Limitee (COVIFRA)

2.4. Attendance at Board and Board Committee meetings during financial year 2024/2025

	Board	Audit Committee
Number of meetings held	5	4
	Meetings attended	Meetings attended
Jean-Pierre MONTOCCHIO	4/5	N/A
Jean-Philippe COULIER	4/5	3/4
Navin HOOLOOMANN	5/5	4/4
Marivonne OXENHAM	5/5	N/A
Frederic TYACK – from December 2024	2/2	2/2
Margaret WONG PING LUN	5/5	4/4

2.5. Company Secretary

MCB Group Corporate Services Ltd acts as Company Secretary to the Company. The Company Secretary has 4 qualified Chartered Secretaries with more than 20 years of experience each. The Company Secretary also acts as Secretary to the Committee/s of the Board. Profiles of the representatives of the Company Secretary may be viewed on the website of the Company.

2.6. Committees of the Board

There is currently one sub-committee of the Board, namely the Audit Committee.

The Audit Committee currently consists of 3 members, namely Mrs Margaret Wong Ping Lun, Chairperson, Mr Jean-Philippe Coulier and Mr Navin Hooloomann. The Audit Committee operates under a Charter that is approved by the Board of Directors and periodically reviewed. The Charter of the Audit Committee is available on the website of the Company.

The main roles and responsibilities of the Audit Committee include regular reviews and monitoring of the following:

- Effectiveness of the internal financial control systems.
- Independence of the external audit process and assessment of the external auditor's performance.
- Compliance with accounting standards, local and international, and with legal requirements.
- Annual financial statements to be submitted to the Board.

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3. DIRECTOR APPOINTMENT PROCEDURES

3.1. Appointment Process

The Board of Directors may at any time appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors up to a maximum number permitted by the Memorandum and Articles of Association of the Company. The appointed Director remains in office until the next Annual Meeting of Shareholders where the Director shall then be eligible for re-election.

The nomination and appointment processes are carried out by the Remuneration, Corporate Governance and Ethics and Sustainability Committee (RCGES) of MCB Group Limited (MCBG), the ultimate holding company of Fincorp.

The RCGESC identifies suitable candidates after determining whether the potential candidates have the required criteria established by the RCGESC and whether the potential new Director/s is/are fit and proper and are not disqualified from being Director/s. The RCGESC then proposes the selected candidate/s to the Board of the Company. Once the Board has reviewed and is satisfied with the profile of the candidate/s, the Board shall appoint the Director/s either to fill a casual vacancy or as an addition to the existing Directors until the next Annual Meeting of Shareholders where the Director/s shall then be eligible for re-election.

Mr Frederic Tyack was appointed as Chief Executive Officer of the company in January 2025. He also serves as Executive Director.

3.2. Time commitment

Each Director is expected to devote sufficient time and attention to the affairs of the Company. The Board of Directors does not believe that its members should be prohibited from serving on Boards of other organisations unless the number of directorships limits the amount of time they are able to dedicate to being a Director of the Company. The Company anticipates a time commitment of around 10 days per year. This will include attendance at Board and Committee meetings, the Annual Meeting of Shareholders, meetings as part of the Board evaluation process, trainings and development programmes. There is always the possibility of additional time commitment in respect of ad hoc matters that may arise from time to time, and particularly when the Company is undergoing a period of increased activity.

The external obligations of the Chairperson have not changed materially during the Financial Year 2024/2025, and those obligations have in no way hindered the discharge of his duties and responsibilities.

3.3. Induction of new Directors

New Directors are given an induction pack, which comprises the constitutive documents and the minutes of the last Board proceedings of the Company. An introductory meeting is organised with the Chief Executive of the MCB Group to explain the business activities and strategy of the Company.

The Chairperson and the Company Secretary are readily available to answer any further queries that the newly appointed Director may have with respect to the Company.

The induction programme meets the specific needs of both the Company and the newly appointed Directors and enables the latter to participate actively in Board's discussion.

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3.4. Professional Development

Directors are encouraged to keep themselves up to date with the professional practices and industry-related developments. The Chairperson regularly reviews and comes to an agreement with each Director, if necessary, on his or her training and development needs. Upon request from the Directors, the Company shall provide the necessary resources for developing and updating the skills and knowledge of the Directors so that they fulfill their role on the Board and its Committees.

The Directors attended a training organized by the MCB Group Limited, on “Navigating Geopolitics and its impact on Trade and Corporate Governance” on 24 June 2025.

3.5. Succession planning

MCBG is one of Mauritius’ largest group of companies with more than 4,000 staff with different skills, academic and professional qualifications, and expertise in various fields of business. The MCB Group strategy includes the recognition and fostering of talents within executive and management levels across the Group thus ensuring that the Group creates opportunities to develop current and future leaders.

Succession planning of the Board is carried out by the Chairperson in collaboration with the Remuneration, Corporate Governance, Ethics and Sustainability Committee (RCGESC) of MCB Group Limited.

4. DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

4.1. Legal duties of Directors

The Directors are aware of their legal duties and are responsible for ensuring that the activities of the Company are managed ethically and responsibly, in line with relevant laws and regulations. The Directors exercise the required standard degree of care, skill and diligence which a reasonable prudent and competent Director in his or her position would exercise.

4.2. Register of Interests

The Company Secretary maintains a Register of Interests that is regularly updated with the information submitted by the Directors. The Register is available for consultation by shareholders upon written request to the Company Secretary.

4.3. Whistleblowing Policy

The MCB Group Limited has adopted a Whistleblowing Policy which is applicable to all its subsidiaries, its employees and directors. This policy aims at providing an avenue for issues to be raised in good faith, concerns of potential breaches of laws, rules, regulations or compliance. The whistle-blowing mechanism is designed to motivate responsible actions to uphold the Group’s reputation.

This policy, which has been approved by the Board, is published on the website of the company.

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4.4. Conflicts of Interest & Related Party Transactions Policy

The MCB Group Ltd has adopted a Conflicts of Interest & Related Party Transactions Policy which is applicable to all its subsidiaries. The objective of this policy is to define the scope of conflicts of interest and related party transactions and to set out prudent rules and limits for granting credit to related parties.

This policy, which has been approved by the Board, is published on the website of the Company.

4.5. Related Party Transactions

For Related Party Transactions, please refer to note 32 of the financial statements.

4.6. Information, Information Technology and Information Security Governance Policy

The Board oversees information governance within the organisation. The Information, Information Technology and Information Security Governance Policy of the MCB Group applies to all the subsidiaries of the Group. All policies relating to information security are made accessible to all the employees of the Group without restriction via its intranet system. Appropriate governance arrangements are in place whereby the IT function and function responsible for monitoring adherence to Information Risk and IT are kept separate.

This Information, Information Technology and Information Security Governance Policy, which has been approved by the Board, is published on the website of the Company.

4.7. Board Evaluation

The Board acknowledges the need to regularly review its performance and effectiveness. A Board evaluation exercise was carried out for the financial year 2023/2024 by means of a questionnaire filled in by each Director and covering the following areas:

- Structure of the Board
- Board Efficiency and Effectiveness
- Strategy and Performance
- Risk Management and Governance
- Audit Committee evaluation
- Board Members self-evaluation
- Chairperson's evaluation by Board Members

The assessment results indicate that governance practices are well-established, and the Board and its Committee are functioning effectively. Although a few areas for improvement were identified to further enhance performance, no significant concerns were found.

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4.8. Statement of Remuneration Philosophy

The RCGESC of MCB Group Limited is responsible for the setting up and developing of the Group's general policy concerning the remuneration of Directors. MCBG lays significant emphasis on appointing the right people with the right skills and behaviours whilst rewarding them adequately, in line with market practices.

The Company applies the same remuneration philosophy as MCBG which consist of:

- a monthly basic retainer for membership of the Board and/or Committee
- an attendance fee per sitting of the Board and/or Committee
- a fee for attending the Annual Meeting of Shareholders
- higher remuneration of the Chairperson of the Board, having wider responsibilities;
- ineligibility to share option or bonus to non-executive or independent Directors.

4.9. Directors' Remuneration

The following table highlights the remuneration and benefits received by the directors during FY24/25:

Name of Directors	From the Company Rs
Jean-Pierre MONTOCCHIO	370,573
Jean-Philippe COULIER	281,265
Marivonne OXENHAM	-
Margaret WONG PING LUN	293,865
Navin HOOLOOMANN	293,865
Total Non-Executive	1,239,568
Frederic TYACK	4,171,345
Total Executive	4,171,345
Total (Non-Executive and Executive)	5,410,913

Non-executive Directors having an executive role within the entities of MCB Group are not remunerated.

Non-executive Directors have not received remuneration in the form of share options or bonuses associated with organisational performance.

The Directors did not receive any remuneration from the Subsidiary.

Remuneration of the Directors is reviewed on an annual basis and the Board is of the opinion that the level and form of remuneration are adequate.

The Company's remuneration policy has been designed to reward the long-term performance objective while attracting and retaining talent.

4.10. Share Option Plan

No such scheme currently exists within the Company.

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5. RISK GOVERNANCE AND INTERNAL CONTROL

5.1. Risk Management

The Board of Directors is ultimately responsible for risk management, the organisation's systems of internal control, procedures in place within the organisation and for the definition of the overall strategy for risk tolerance. The Company's policy on risk management encompasses all significant business risks including physical, operational, business continuity, financial, compliance and reputational which could influence the achievement of the Company's objectives.

The risk management mechanisms in place include:

- a system for the ongoing identification and assessment of risk;
- development of strategies in respect of risk mitigation and definition of acceptable and non-acceptable levels of risk;
- reviewing the effectiveness of the system of internal control; and
- processes to reduce or mitigate identified risks and contain them within the levels of tolerance defined by the Board.

The Company's subsidiary, MCB Leasing Limited has its own:

- Risk Management Committee, a Board sub-committee comprising 3 independent Directors and the Managing Director;
- Audit Committee comprising 3 independent Directors.

Any material issues arising out of these committees are reported to the Board of MCB Leasing Limited and subsequently to the Board of Fincorp Investment Limited.

The key risks for the Company are legal, regulatory, operational, reputational, performance and financial risks and the Board is directly responsible for the design, implementation and monitoring of all risks, including compliance with policies and procedures of the Company.

- Legal risk is managed by the Board, taking advice from the Company's legal advisor where appropriate. The Board also takes out appropriate insurance cover.
- Regulatory risk is managed by the Board and involves the setting out of proper processes and procedures in order to comply with all relevant legislations in force to safeguard the assets of the Company.
- Operational risk is managed by the Board and involves the identification of proper operational and administrative procedures to mitigate the risk of losses through errors or omissions.
- Reputational and performance risks are also managed by the Board.
- Financial risks relate to:
 - equity investment risks comprising of the risks of gains or losses arising from adverse changes in the fair value of the investments of the Company. The Board regularly reviews the financial performance and share performance of the Company's underlying investments; and
 - credit, foreign currency, interest rate and liquidity which are further described in note 5 of the financial statements.

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5.2. Internal Control

The Board of Directors has delegated the responsibility to ensure the effectiveness of the internal control systems to the Audit Committee of the Company which has set adequate policies to provide reasonable assurance that risks are identified and managed appropriately. Any serious issue arising is taken at Board level.

5.3. Integration of internal control and risk management

The system of internal control, which is embedded in all key operations, provides reasonable rather than absolute assurance that the Company's business objectives will be achieved within the risk tolerance levels defined by the Board. The effectiveness of the internal control systems (including financial, operational, compliance and risk management) are reviewed by the Audit Committee and the review covers all internal control systems.

6. REPORTING WITH INTEGRITY

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable laws and regulations.

The Directors are also responsible for ensuring that the accounts present a fair statement of the affairs of the Company and have been prepared in compliance with IFRS Accounting Standards and the requirements of the Mauritius Companies Act 2001 and Financial Reporting Act 2004.

Additional information regarding the Company's financial and performance outlook is set out in the Report of the Directors.

6.1. Material Clauses of the Constitution

There are no clauses of the constitution deemed material enough for special disclosure.

6.2. Company Structure and Common Directors

Fincorp Investment Limited is a subsidiary of MCB Group Limited, which has a 57.73% stake in the Company. There are no common directors of Fincorp Investment Limited and MCB Group Limited.

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6.3. Directors' interest and dealings in shares

With regard to Directors' dealings in the shares of the Company, the Directors confirm that they have followed the absolute prohibition principles and notification requirements of the model code on securities transactions by Directors as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

The following table gives the interests of the Directors in the shares of the Company as at 30th June 2025.

DIRECTORS	Number of shares in Fincorp	
	Direct	Indirect
Jean Pierre Montocchio	1,481	-
Navin Hooloomann	-	-
Jean Philippe Coulier	-	972
Marivonne Oxenham	-	-
Frederic Tyack	-	-
Margaret Wong Ping Lun	-	10,000

6.4. Directors of the Subsidiary

MCB Leasing Limited

Simon Pierre REY (Chairperson)
Mulk Raj GUNGAH
Johanne HAGUE
Yan Chong Ng Cheng HIN
Pierre Dominic PROVENCAL

The Directors of MCB Leasing Limited do not hold any interest in the subsidiary.

6.5. Directors' service contracts

There are no service contracts between the Company and its Directors.

6.6. Shareholder agreement affecting the governance of the Company by the Board

There is currently no such agreement.

6.7. Contract of significance

The Directors have no contract of significance with the Company and its subsidiary.

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6.8. Third party management agreement

At the subsidiary level, there are service level agreements for the provision of technical assistance and other services between sister companies within the MCB Group.

6.9. Political Donations

No political donation was made by the Company and its subsidiary.

6.10. Charitable Donations

No charitable donation was made by the Company and its subsidiary during the year

6.11. Corporate Social Responsibility

Total contributions with respect to Corporate Social Responsibility (“CSR”) made during the year amounted to Rs 16,081 were transferred to the MCB Forward Foundation, the entity set up within the MCB Group for CSR purposes.

Contributions applicable for the year for its subsidiary MCB Leasing Limited amounted to Rs. 113,162 which was remitted to the MCB Forward Foundation.

6.12. Health and environment safety

The Company and its subsidiary have applied social, safety, health and environmental policies and practices of the MCB Group that in all material respects comply with existing legislative and regulatory frameworks.

6.13. Documents available on the website

The Board of Directors is pleased to announce that the following documents which have been approved by the Board can be viewed on the website of the Company:

- The Annual Report of the Company including the financial statements
- The Constitution
- The Board Charter
- The Audit Committee Charter
- The Statement of main accountabilities
- The Position Statements
- The Appointment process of Non-Executive Directors
- The terms and conditions of appointment of Non-Executive Directors
- The Conflicts of Interest & Related Party Transactions Policy
- The Code of Ethics
- The Whistle Blowing Policy
- The Information, Information Technology and Information Security Governance Policy

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7. AUDIT

7.1. Internal Audit

The Board has outsourced the function to the Internal Audit Business Unit of The Mauritius Commercial Bank Limited (IA), through a Service Level Agreement. The Head of IA is independent of the Executive Management of the Company and reports to the Audit Committee of the Company as well as to the Audit Committee of the Group.

IA ensures that the quality of internal audit services provided to Fincorp is aligned with recognised best practices. It leverages on a systematic and disciplined approach, notably through the use of well-focused audit work programs and computer aided audit techniques to evaluate the effectiveness of the internal control systems of the Company. The Institute of Internal Auditors requires each internal audit function to have an external quality assessment conducted at least once every five years. Further to the last internal audit exercise carried out in FY25, covering the period from 1 July 2023 to 31 January 2025, areas, systems and processes covered by internal audit including non-financial matters were as follows:

- Governance: Corporate Governance structure, Review of applicable laws and regulations;
- Accounting and financial reporting: Investments, Close the books processes, Preparation of management accounts, SEM Reporting and statutory returns; and
- Other areas: Investee governance, activities surrounding the Bondholders' representative mandate.

There are no restrictions placed on the internal auditors in conducting their audit exercises.

7.2. External Auditor

With a view to ensuring the overall adequacy of the Group's internal control framework, the Audit Committee evaluates the independence, effectiveness and eligibility of the external auditor on an ongoing basis before making a recommendation to the Board on their appointment and retention. As regards to the timeframe, the duration of the audit assignment is for a period of one year with the possibility of reappointing the selected firm annually, subject to regulatory provisions and approval at the Annual Meeting of Shareholders of MCB Group Ltd. In this respect, the appointment of Deloitte as external auditor was approved at the Annual Meeting of Shareholders of MCB Group Ltd, held in November 2024. As such, Deloitte has been in office for 5 years, having been appointed as external auditor following a tender exercise by the Bank in September 2019. The appointment of the external auditors is passed as an ordinary resolution at the Annual Meeting of Shareholders of the Company for approval by shareholders. Deloitte was first appointed as external auditor of the Company at the Annual Meeting of Shareholders in December 2019.

The Audit Committee of the Company also reviews the audit plan and meets the External Auditor to discuss the accounting principles applied to the Company, the scope and timeline of the audit, risks that have been identified and tested as well as to review the financial statements of the Company on a yearly basis. The Audit Committee facilitates two-way communication between Management and external auditors to ensure feedback is provided and all matters are addressed, thus ensuring the effective performance of external auditors.

The Audit Committee of the Company evaluates the performance of the External Auditor against set criteria and reviews the integrity, independence and objectivity of the External Auditor by:

- Confirming that the External Auditor is independent from the Company
- Considering whether the relationships that may exist between the Company and the External Auditor impair the External Auditor's judgement.

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Although the External Auditor may provide non-audit services to the Company, the objectivity and independence of the External Auditor is safeguarded through restrictions on the provisions of these services such as:

- where the External Auditor may be required to audit its own work, or
- where the External Auditor participates in activities that should normally be undertaken by the Company.

7.3. Auditor's Fees

The fees paid to the auditors for audit and other services were:

	2025		2024	
	Audit Rs'000	Other services Rs'000	Audit Rs'000	Other services Rs'000
Fincorp Investment Limited Deloitte	347	-	290	-
MCB Leasing Limited Deloitte	1,401	186	1,361	525

Fees for other services incurred by MCB Leasing Limited include assurance engagements performed for dividend declaration and AML/CFT review.

The above fees exclude VAT.

8. RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

8.1. Shareholding profile

Ownership of ordinary share capital by size of shareholding as at 30 June 2025 is given in the table below.

Share Ownership Spread and Major Shareholders as at 30 JUNE 2025

Spread	Number of shareholders	Number of shares held	% Holding
1 - 500 shares	1,039	206,049	0.1994%
501 - 1,000 shares	276	217,150	0.2101%
1,001 - 5,000 shares	673	1,693,210	1.6382%
5,001 - 10,000 shares	202	1,520,171	1.4708%
10,001 - 50,000 shares	290	6,325,086	6.1197%
50,001 - 100,000 shares	49	3,420,936	3.3099%
100,001 - 250,000 shares	27	4,159,716	4.0247%
250,001 - 500,000 shares	15	5,236,695	5.0667%
>= 500001 shares	14	80,576,327	77.9605%
Total	2,585	103,355,340	100.0000%

N.B The above number of shareholders is indicative, due to consolidation of multi portfolios for reporting purposes.

The total number of active shareholders as at 30 JUNE 2025 was 2,600

Substantial Shareholders				
Security Holder Full name	Holder ID	Mailing address	Number of shares held	% Holding
MCB GROUP LIMITED	BRN: C13117853 CN: 117853	SIR WILLIAM NEWTON STREET PORT LOUIS	59,667,245	57.7302

Corporate Governance Report

8.2. Shareholders' rights

The Board is committed to promoting open and transparent communication in relation to its engagement with shareholders with a view to building trust and maintaining a relationship with them. The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to the Company's business.

The Shareholders are entitled to receive the Annual Report of the Company and the notice of Annual Meeting within six months of the end of the financial year and at least 21 days before the Annual Meeting in accordance with the Companies Act 2001.

During the meeting of shareholders, the Shareholders are encouraged to communicate their views and to discuss the activities and performance of the Company with the Board.

8.3. Dividend Policy

The Company aims to supply its shareholders with ongoing returns in the form of stable dividends. A final dividend of Rs. 0.70 per share for financial year 2023/2024 was paid in November 2024.

8.4. Share price information

The Company's share price started the year at Rs 15.00. It closed at Rs 16.95 on 30 June 2025.

8.5. Calendar of events

September 2025	Declaration of dividends
November 2025	Release of quarterly results to 30 September 2025
December 2025	Annual Meeting of shareholders
December 2025	Payment of dividends
February 2026	Release of half yearly results to 31 December 2025
May 2026	Release of results for the 9 months to 31 March 2026
September 2026	Release of full year results to 30 June 2026

8.6. Stakeholder's relations and communication

The Board aims to properly understand the information needs of all stakeholders and places great importance on an open and meaningful dialogue including outlook and performance with all those involved with the Company. The main stakeholders of the Company are its shareholders, the regulatory authorities and the population at large. The Company's website is used to provide relevant information. Open lines of communication are maintained to ensure transparency and optimal disclosure. All Board members are requested to attend the Annual Meeting, to which shareholders are invited.

FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY

Corporate Governance Report

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of Fincorp Investment Limited ("the Company") and its subsidiary (collectively "the Group").

In preparing those financial statements, the Directors are required to:

- ensure that adequate accounting records and an effective system of internal controls and risk management have been maintained;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been adhered to, subject to any material departures disclosed, explained and quantified in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business;
- keep proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Group and the Company while ensuring that the financial statements fairly present the state of affairs of the Group and the Company, as at the financial year end, and the results of their operations and cash flows for that period; and
- ensure that the Financial Statements have been prepared in accordance with and comply with IFRS Accounting Standards and the requirements of the Mauritius Companies Act 2001 and Financial Reporting Act 2004.


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

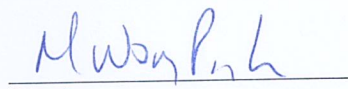
The external auditors are responsible for reporting on whether the financial statements are fairly presented. The Directors are also responsible for safeguarding the assets of the Group and the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities. Other main responsibilities of the Directors include the assessment of the Management's performance relative to corporate objectives; overseeing the implementation and upholding of the Code of Corporate Governance; and ensuring timely and comprehensive communication to all stakeholders on events significant to the Group and the Company.

The Directors report that:

- adequate accounting records and an effective system of internal controls and risk management have been maintained;
- the financial statements fairly present the state of affairs of the Group and the Company, as at the financial year end, and the results of their operations and cash flows for that period;
- appropriate accounting policies supported by reasonable and prudent judgements and estimates have been consistently used;
- IFRS Accounting Standards and the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 have been adhered to; and
- the financial statements have been prepared on the going concern basis.

For and on behalf of the Board of Directors:


Director
Name: Jean Philippe Coulier


Director
Name: Margaret Wong Ping Lun

Date: 25 September 2025

FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY

Statement of Compliance

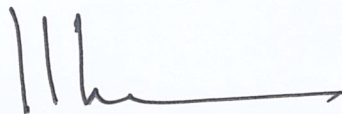
Statement of Compliance

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

Name of Public Interest Entity (the 'PIE'): Fincorp Investment Limited

Reporting Period: 1 July 2024 to 30 June 2025

We, the Directors of Fincorp Investment Limited, confirm that to the best of our knowledge, Fincorp Investment Limited has complied with all of its obligations and requirements under the National Code of Corporate Governance (2016).



Chairperson
Name: Jean Philippe Coulier

Date: 25 September 2025



Director
Name: Margaret Wong Ping Lun

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Report of the Directors

MACRO-ECONOMIC ENVIRONMENT

During the year under review, global economic growth remained modest, marked by geopolitical tensions and heightened volatility amidst the trade war. The Mauritian economy maintained resilient growth, primarily supported by tourism and construction while sugarcane agriculture was impacted by the prolonged drought period. Inflation eased during the financial year in line with softening oil prices.

REVIEW OF GROUP PERFORMANCE

(a) MCB Leasing Limited (“MCBL”)

As part of a year marked by sustained growth, the lease portfolio of MCB Leasing significantly increased by 32.4%, across both the finance and operating leases portfolios, to reach Rs 5,857 million (2024: Rs 4,423 million) whilst the deposit base expanded by 38.2% to Rs 5,875 million (2024: Rs 4,251 million) in order to fund the growth of the lease portfolio.

Correspondingly, net interest income increased by 38.8% year on year to reach Rs 103 million (2024: Rs 74 million) on the back of the strong growth experienced on the finance lease book. This increase was also supported by a steady rise in the average investment held in securities.

In parallel, other operating income totaling Rs 381 million (2024: Rs 323 million) improved year on year driven principally by the increase in the operating lease income resulting from the growth of the operating leases portfolio.

Total operating income improved by 22.0% year on year to reach Rs 484 million (2024: Rs 396 million).

On the operating expense side, expenditure showed an increment of 17.1% mainly on account of further investments made in human capital, information technology and additional depreciation charges relating to the increasing operating lease portfolio.

Overall, with impairment charges of Rs 8 million (2024: impairment credit of Rs 20 million) booked on the growing performing book and additional income tax charges of Rs 22 million (2024: Rs 13 million) following the application of the Corporate Climate Responsibility levy, the Company achieved a net profit after tax of Rs 55 million for the year ended 30 June 2025 (2024: Rs 62 million).

(b) Associated Companies

Fincorp held investments in Promotion and Development Ltd (“PAD”) and Caudan Development Ltd (“Caudan”) classified as equity instruments designated at FVOCI in separate financial statements.

On 31 January 2025, a Scheme of Arrangement was sanctioned by the Supreme Court of Mauritius, whereby PAD issued new ordinary shares to the minority shareholders of Caudan in exchange for the shares of Caudan held by the minority shareholders of Caudan. Following the exchange, Caudan was delisted from the Stock Exchange of Mauritius as it became a wholly owned subsidiary of PAD. Subsequently, PAD implemented a 4-for-1 share split.

The Scheme of Arrangement became effective in January 2025. The shareholding of Fincorp in PAD and Caudan was at 46.34% and 5.34% respectively prior to the scheme. After the scheme, PAD now holds 44.07 % in PAD.

FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY

Report of the Directors

PAD is an investment company with strategic assets that include:

- A 100% stake in Caudan Development Ltd (“Caudan”), a quoted company which owns and manages a large waterfront property in Port Louis; *and*
- a non-controlling interest of 35.1% in Medine Ltd (“Medine”), a sugar-based entity with substantial real estate interests.
- A non-controlling interest in MFD (30.55%) and Eudcos (26.57%)

The yielding assets of Caudan Development Ltd performed well during the year with good rental growth and lower vacancy. However, Cyclone Bilal caused damage to the quays, necessitating remedial works. As a result, the value of the land impacted by these repairs has been written down. The impact of the write down on Fincorp is a drop in profits of Rs 299 million compared to last year.

Medine has had a challenging year with headwinds on both property and agricultural activities. The Agriculture sector was hit by lower sugar prices and reduced cane yield, due to drought. The property cluster was impacted by delays in obtaining permits for its land parcelling projects as well as a fair value loss on some development. The impact on Fincorp is a drop in profits of Rs 170 million compared to last year.

Consequently, Fincorp Group’s share of PAD’s losses amounted to Rs 251 million, representing a swing of Rs 512 million compared to last year’s share of profit of Rs 261 million.

(c) Other investments

The other two major investments of Fincorp, namely MFD and Le Refuge du Pêcheur, performed well during the year. Dividends from these two companies increased by Rs 24 million year on year. Overall, and after taking into consideration head office costs and interest expense, the loss on this segment reduced from Rs 24.2 million in FY 24 to Rs 7.8 million this year.

Overall, Fincorp Investment Limited (“Fincorp”) posted a consolidated loss after tax amounting to Rs 202 million for the financial year ended 30 June 2025, compared to a profit of Rs 299 million last year.

FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY

Report of the Directors

REVIEW OF COMPANY PERFORMANCE

At Company level, Fincorp's portfolio of investments decreased marginally by 2.6%, to reach Rs 2,555 million as at 30 June 2025. The market values of PAD and MFD Group Limited on the Stock Exchange of Mauritius decreased by 3.1% and 17.3% respectively. However, these decreases in value were partly offset by a 14.3% increase in the fair value of its investment in Le Refuge du Pêcheur.


At Group level, Fincorp's net assets per share amounted to Rs 74.91 at 30 June 2025, a decrease of 1.6% from last year's value of Rs 76.14. Fincorp's share continues to trade at a substantial discount to net asset value of 77.4% (2024: 80.3%) based on the market value of Rs 16.95 on the Stock Exchange of Mauritius as at 30 June 2025 (2024: Rs 15.00).

	Value of Investments			
	30-Jun-25		30-Jun-24	
	Rs'm	%	Rs'm	%
Subsidiary Company				
Shares in MCB Leasing Limited	200	7.8	200	7.6
Associated Companies				
Shares in Promotion and Development Ltd	1,687	66.0	1,741	66.4
Shares in Caudan Development Ltd	-	0.0	42	1.6
	1,687	66.0	1,783	68.0
Other Investments				
Shares in Le Refuge du Pêcheur Ltd	400	15.7	350	13.3
Shares in MFD Group Ltd	210	8.2	254	9.7
Other Investments	58	2.3	37	1.4
	668	26.2	641	24.4
Total value of investments	2,555	100.0	2,624	100.0

Profit after tax improved by 30% on account of higher dividend income from PAD, MFD and Le Refuge du Pêcheur and lower interest payments.

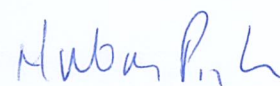
OUTLOOK

Looking ahead, economic growth in Mauritius is projected to moderate, reflecting weaker external demand. Nonetheless, the range of strategic initiatives underway should help support a more stable performance across our key investments over the medium term.


Chairperson

Name: Jean Philippe Coulier

Date: 25 September 2025

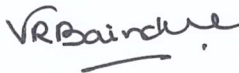

Director

Name: Margaret Wong Ping Lun

FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY

Company Secretary's Certificate

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001 in terms of section 166(d).



MCB Group Corporate Services Ltd
Company Secretary



Date: 25 September 2025

Independent auditor's report to the Shareholders of Fincorp Investment Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **Fincorp Investment Limited** (the "Company" and the "Public Interest Entity") and its subsidiary (the "Group") set out on pages 29 to 83, which comprise the consolidated and separate statements of financial position as at 30 June 2025, the consolidated and separate statements of profit or loss, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and Company as at 30 June 2025, and of their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters described below relate to the consolidated financial statements and no key audit matter was identified on the separate financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of Investment in Associate</p> <p>The Group holds a material investment in an associate, which is accounted for using the equity method in accordance with IAS 28 <i>Investments in Associates and Joint Ventures</i>.</p> <p>The associate holds a material investment in a sub-associate, whose financial performance and position significantly impact the Group's share of results. Both the associate and sub-associate own substantial parcels of land and investment property, the fair values of which materially affect their net assets and results. The valuation of these assets involves significant judgements and estimates, including the use of external valuation experts and market-based assumptions. Furthermore, during the year, the associate underwent a significant restructuring under a Scheme of Arrangement, which had accounting implications at both the associate and Group levels.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> Assessment of the Group's accounting treatment of the investment in the associate, including the impact of the Scheme of Arrangement on the Group's share of results, ownership interest, and any remeasurement under the applicable accounting standards. Evaluation of the competence and independence of the component auditor responsible for auditing the associate and its sub-associate, in accordance with ISA 600 (Revised).

Independent auditor's report to the Shareholders of Fincorp Investment Limited (Cont'd)

Key audit matters (Cont'd)

Key audit matter	How our audit addressed the key audit matter
Valuation of Investment in Associate (cont'd)	
The valuation of investment in associate has thus been considered as a key audit matter.	<ul style="list-style-type: none"> Review of the component auditor's work, with a focus on the valuation of land and investment property held by both the associate and sub-associate, including the appropriateness of valuation methodologies and critical accounting estimates and key assumptions (e.g. market comparables and discount rates). Evaluation of the adequacy of disclosures in the Group's financial statements relating to the investment in the associate and the restructuring.

Other information

The directors are responsible for the other information. The other information comprises the corporate governance report, the statement of compliance, the report of the directors, the company secretary's certificate and the five-year financial summary, but, does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the consolidated and separate financial statements

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

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 the 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.

Independent auditor's report to the Shareholders of Fincorp Investment Limited (Cont'd)

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 the 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, 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 those matters in our auditor's report unless laws 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
Fincorp Investment Limited (Cont'd)**

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company and its subsidiary other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Financial Reporting Act 2004

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance (the "Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Public Interest Entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Use of this report

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



Deloitte

Chartered Accountants

25 September 2025



Rajeev Tatiah, FCCA

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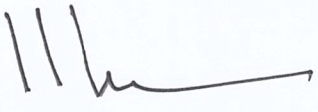
**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Consolidated and Separate Statements of Financial Position


As at 30 June 2025

		GROUP		COMPANY	
	Notes	2025	2024	2025	2024
		Rs' 000	Rs' 000	Rs' 000	Rs' 000
ASSETS					
Cash and cash equivalents	7	90,461	69,922	38	26,546
Net investment in lease receivables	8	4,363,876	3,213,376	-	-
Investment securities	9	1,446,239	1,158,785	667,938	640,956
Investments in associates	10	7,010,434	7,219,286	1,687,251	1,782,924
Investment in subsidiary	11	-	-	200,000	200,000
Equipment	12	1,447,852	1,168,411	-	-
Intangible assets	13	42,945	45,234	-	-
Current tax assets	17	1,771	11,065	-	-
Other assets	14	135,904	142,222	43,865	19,549
Total assets		14,539,482	13,028,301	2,599,092	2,669,975
LIABILITIES					
Deposits from customers	15	5,874,969	4,250,506	-	-
Borrowings	16	530,792	601,574	527,528	593,640
Current tax liabilities	17	-	-	1,318	440
Deferred tax liabilities	18	68,053	46,266	-	-
Other liabilities	19	123,726	60,717	6,461	2,908
Total liabilities		6,597,540	4,959,063	535,307	596,988
SHAREHOLDERS' EQUITY					
Share capital	20	103,355	103,355	103,355	103,355
Retained earnings		3,033,142	3,216,438	222,356	168,290
Other components of equity		4,805,445	4,749,445	1,738,074	1,801,342
Total equity		7,941,942	8,069,238	2,063,785	2,072,987
Total equity and liabilities		14,539,482	13,028,301	2,599,092	2,669,975

These financial statements were authorised and approved for issue by the Board of Directors on 25 September 2025.



Director
Jean Philippe Coulier



Director
Margaret Wong Ping Lun

The notes on pages 35 to 83 form part of these consolidated and separate financial statements.
Auditor's report on pages 25 to 28.

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Consolidated and Separate Statements of Profit or Loss

For the year ended 30 June 2025

	Notes	GROUP		COMPANY	
		2025	2024	2025	2024
		Rs' 000	Rs' 000	Rs' 000	Rs' 000
Interest income	21(a)	283,937	225,176	-	-
Interest expense	21(b)	(216,784)	(191,153)	(35,416)	(39,881)
Net interest income/(expense)		67,153	34,023	(35,416)	(39,881)
Fee and commission income		24,563	12,997	2,021	985
Other income					
Gain arising from dealing in foreign currencies		504	931	504	931
Net loss from financial instruments at fair value through profit or loss		(5,423)	-	(5,423)	-
Operating lease income		350,443	302,954	-	-
Dividend income		41,793	17,779	174,983	138,978
Other operating income	22	8,764	7,574	550	-
		396,081	329,238	170,614	139,909
Operating income		487,797	376,258	137,219	101,013
Non-interest expense					
Salaries and human resource costs	23	(88,381)	(65,462)	(5,221)	-
Depreciation and amortisation	12, 13	(268,606)	(243,085)	-	-
Loss on disposal of assets		(1,983)	(2,100)	-	-
Other expenses	24	(49,171)	(33,694)	(4,385)	(3,731)
		(408,141)	(344,341)	(9,606)	(3,731)
Operating profit before impairment		79,656	31,917	127,613	97,282
Net impairment (loss)/gain on financial assets	25	(7,818)	19,781	-	-
Operating profit		71,838	51,698	127,613	97,282
Share of (losses)/profits of associates	10	(250,608)	260,653	-	-
(Loss)/Profit before tax		(178,770)	312,351	127,613	97,282
Income tax expense	26	(23,244)	(13,639)	(1,198)	(348)
(Loss)/Profit attributable to equity holders of the parent		(202,014)	298,712	126,415	96,934
(Losses)/Earnings per share (Rs)	28	(1.95)	2.89	1.22	0.94

The notes on pages 35 to 83 form part of these consolidated and separate financial statements.
Auditor's report on pages 25 to 28.

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Consolidated and Separate Statements of Other Comprehensive Income

For the year ended 30 June 2025

	Note	GROUP		COMPANY	
		2025	2024	2025	2024
		Rs' 000	Rs' 000	Rs' 000	Rs' 000
(Loss)/Profit attributable to equity holders of the parent		(202,014)	298,712	126,415	96,934
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss:</i>					
Net fair value loss on investments in associates	10	-	-	(95,673)	(47,596)
Net fair value gain on equity investments		32,405	1,262	32,405	1,262
Share of other comprehensive income of associates	10	131,388	325,471	-	-
Other comprehensive income for the year		163,793	326,733	(63,268)	(46,334)
Total comprehensive income attributable to equity holders of the parent		(38,221)	625,445	63,147	50,600

The notes on pages 35 to 83 form part of these consolidated and separate financial statements.
Auditor's report on pages 25 to 28.

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

THE GROUP	Note	Share capital	Capital contribution	Retained earnings	Capital reserve	Revaluation & other reserve	Statutory reserve	Total equity
		Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
At 1 July 2023		103,355	200,000	2,872,688	1,182,778	3,013,310	149,157	7,521,288
Profit for the year		-	-	298,712	-	-	-	298,712
Other comprehensive income for the year		-	-	(1,412)	293,866	34,279	-	326,733
Total comprehensive income for the year		-	-	297,300	293,866	34,279	-	625,445
Dividends to ordinary shareholders		-	-	(67,181)	-	-	-	(67,181)
Dividends to non-cumulative preference shareholder	27	-	-	(11,000)	-	-	-	(11,000)
Transactions with owners		-	-	(78,181)	-	-	-	(78,181)
Share of other movements in reserves of associate		-	-	133,980	(145,548)	12,254	-	686
Transfer to statutory reserve		-	-	(9,349)	-	-	9,349	-
At 30 June 2024		103,355	200,000	3,216,438	1,331,096	3,059,843	158,506	8,069,238
Loss for the year		-	-	(202,014)	-	-	-	(202,014)
Other comprehensive income for the year		-	-	(6,276)	(4,840)	174,909	-	163,793
Total comprehensive income for the year		-	-	(208,290)	(4,840)	174,909	-	(38,221)
Dividends to ordinary shareholders		-	-	(72,349)	-	-	-	(72,349)
Dividends to non-cumulative preference shareholder	27	-	-	(11,000)	-	-	-	(11,000)
Transactions with owners		-	-	(83,349)	-	-	-	(83,349)
Share of other movements in reserves of associate		-	-	116,648	(143,693)	21,319	-	(5,726)
Transfer to statutory reserve		-	-	(8,305)	-	-	8,305	-
At 30 June 2025		103,355	200,000	3,033,142	1,182,563	3,256,071	166,811	7,941,942

The notes on pages 35 to 83 form part of these consolidated and separate financial statements.
Auditor's report on pages 25 to 28.

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Separate Statement of Changes in Equity

For the year ended 30 June 2025

		Share capital	Retained earnings	Capital reserve	Revaluation & other reserve	Total equity
THE COMPANY	Note	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
At 1 July 2023		103,355	138,537	100,596	1,747,080	2,089,568
Profit for the year		-	96,934	-	-	96,934
Other comprehensive income for the year		-	-	-	(46,334)	(46,334)
Total comprehensive income for the year		-	96,934	-	(46,334)	50,600
Dividends to ordinary shareholders	27	-	(67,181)	-	-	(67,181)
At 30 June 2024		103,355	168,290	100,596	1,700,746	2,072,987
Profit for the year		-	126,415	-	-	126,415
Other comprehensive income for the year		-	-	-	(63,268)	(63,268)
Total comprehensive income for the year		-	126,415	-	(63,268)	63,147
Dividends to ordinary shareholders	27	-	(72,349)	-	-	(72,349)
At 30 June 2025		103,355	222,356	100,596	1,637,478	2,063,785

The notes on pages 35 to 83 form part of these consolidated and separate financial statements.
Auditor's report on pages 25 to 28.

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Consolidated and Separate Statements of Cash Flows

For the year ended 30 June 2025

	Notes	GROUP		COMPANY	
		2025	2024	2025	2024
		Rs' 000	Rs' 000	Rs' 000	Rs' 000
Operating activities					
Loss/(Profit) before tax		(178,770)	312,351	127,613	97,282
Adjustments for:					
Share of (losses)/profits of associates		250,608	(260,653)	-	-
Loss on disposal of equipment		-	869	-	-
Profit on disposal of assets on operating lease		(814)	-	-	-
Loss on disposal of repossessed leased assets		2,797	1,231	-	-
Amortisation of intangible assets		5,042	4,875	-	-
Depreciation of equipment		263,564	238,210	-	-
Interest income		(283,937)	(225,176)	-	-
Interest expense		216,784	191,153	35,416	39,881
Net decrease in investment at fair value through profit or loss		5,423	-	5,423	-
Net impairment loss/(gain) on financial assets		7,818	(19,781)	-	-
Operating profit		288,515	243,079	168,452	137,163
Changes in:					
Other assets		(4,257)	(25,752)	(24,316)	(127)
Other liabilities		61,074	(13,889)	3,553	59
Net investment in lease receivables		(1,197,705)	19,615	-	-
Deposits		1,610,742	222,993	-	-
		469,854	202,967	(20,763)	(68)
Proceeds from sale of equipment under operating lease		107,904	132,369	-	-
Purchase of equipment under operating lease		(649,391)	(381,990)	-	-
Interest received		325,341	164,414	-	-
Interest paid		(201,412)	(115,708)	(35,416)	(39,881)
Income tax refund/(paid)	17	7,837	1,543	(320)	(251)
Net cash flows from operating activities		348,648	246,674	111,953	96,963
Cash flows from investing activities					
Purchase of investment securities		(903,904)	(689,724)	-	-
Proceeds from sale and maturity of investment securities		643,368	553,650	-	-
Proceeds from sale of repossessed leased assets		7,774	691	-	-
Purchase of intangible assets		(2,753)	(25,695)	-	-
Purchase of equipment		(704)	-	-	-
Dividends received from associate		83,906	81,199	-	-
Net cash flows from investing activities		(172,313)	(79,879)	-	-
Cash flows from financing activities					
Dividends paid		(83,349)	(78,181)	(72,349)	(67,181)
Repayment of bank loan		-	(81,257)	-	-
Repayment of borrowings		(6,320)	-	-	-
Net cash flows from financing activities		(89,669)	(159,438)	(72,349)	(67,181)
Increase in cash and cash equivalents		86,666	7,357	39,604	29,782
Movement in cash and cash equivalents					
At 1 July		(523,715)	(531,072)	(567,094)	(596,876)
Increase		86,666	7,357	39,604	29,782
At 30 June	7	(437,049)	(523,715)	(527,490)	(567,094)

The notes on pages 35 to 83 form part of these consolidated and separate financial statements.

Auditor's report on pages 25 to 28.

FINCORP INVESTMENT LIMITED AND ITS SUBSIDIARY

Notes to the Consolidated and Separate Financial Statements

For the year ended 30 June 2025

1. INCORPORATION AND ACTIVITIES

Fincorp Investment Limited ("the Company") is a public company incorporated in Mauritius and listed on the Stock Exchange of Mauritius. Its registered office is situated at 9-15, Sir William Newton Street, Port Louis, Mauritius.

The main activities of the Company is to hold investments in priority in the financial services sector, whilst the main activities of its subsidiary, MCB Leasing Limited ("the Subsidiary"), is to provide both finance and operating leases for equipment and motor vehicles.

The Subsidiary holds a leasing licence from the Financial Services Commission and a deposit-taking licence from the Bank of Mauritius.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of shareholders of the Company.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") ISSUED BY IASB

(a) New and amended standards applicable for 30 June 2025

A number of amendments to standards and interpretations are effective for annual periods beginning on 1 July 2024, and have not been applied in preparing these financial statements. None of these is expected to have a significant and material effect on the financial statements of the Group and Company in the current reporting period. For this financial year, the following has been adopted:

Amendments to IFRS 16 sale and leaseback transaction with variable payments that do not depend on an index or rate	The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that related to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments are effective for reporting periods beginning on or after 1 January 2024.
Amendments to IAS 1 - Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The amendments are effective for reporting periods beginning on or after 1 January 2024.
Amendments to IAS 7 and IFRS 7 - Supplier finance	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The amendments are effective for reporting periods beginning on or after 1 January 2024.

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) ISSUED BY IASB (CONTINUED)

(b) New and revised standards in issue but not yet effective

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

Amendments to IAS 21 - Lack of exchangeability	These amendments will apply when an entity has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The amendments are effective for reporting periods beginning on or after 1 January 2025.
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	Following the post-implementation review of the classification and measurement requirements, IFRS 9 includes guidance on the classification of financial assets, including those with contingent features. Additional disclosures in terms of IFRS 7 will also need to be provided on financial assets and financial liabilities that have certain contingent features. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.
IFRS 18 – Presentation and Disclosure in Financial Statements	IFRS 18 promotes a more structured income statement, introduces a newly defined “operating profit” subtotal, and a requirement for all income and expenses to be classified into three new distinct categories based on an entity’s business activities. The new standard requires an entity to analyse their operating expenses directly on the face of the income statement - either by nature, by function or on a mixed basis. In addition, the standard defines “management-defined performance measures” (MPMs) and requires that an entity provide disclosures regarding its MPMs in order to enhance transparency. The standard further provides enhanced guidance on aggregation and disaggregation of information, which will apply to both the primary financial statements and the notes. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and applies retrospectively with early adoption permitted. The impact of this standard on the Bank is currently being assessed.

These amendments will be applied in the financial statements for the annual periods beginning on the respective dates. The Directors have not yet assessed the potential impact of the application of these amendments.

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The Group's and Company's financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

The financial statements have been prepared on a historical cost basis, except where otherwise stated. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements include the consolidated financial statements of the parent company and its subsidiary company ("the Group") and the separate financial statements of the parent company ("the Company"). The financial statements are presented in Mauritian Rupees, which is the Group's and the Company's presentation and functional currency, and all values are rounded to the nearest thousand (Rs 000), except when otherwise indicated.

Where necessary, comparative figures have been amended to conform with change in presentation in the current year.

Going concern

The Board at the time of approving the financial statements has a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. The Directors are not aware of any uncertainties that may cast significant doubt upon the Company's and the Group's ability to continue as a going concern. The financial statements are thus prepared on a going concern basis.

(b) Basis of consolidation

Investment in subsidiary

Separate financial statements of the Company

In the separate financial statements of the Company, investment in subsidiary company is carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

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

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

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Basis of consolidation (Continued)

Investment in subsidiary (Continued)

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

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

Transactions and non-controlling interests

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

(c) Investments in associates

Separate financial statements of the Company

In the separate financial statements of the Company, investments in associated companies are carried at fair value through other comprehensive income.

Consolidated financial statements

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

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted using the equity method of accounting except when classified as held-for-sale. On acquisition of the investment in the associates, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 impairment of Assets are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment is tested for impairment, in accordance with IAS 36 as a single asset by comparing the recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Investments in associates (Continued)

Consolidated financial statements (Continued)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9.

The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group profit or loss reflects the Group's share of post-tax profits of associates.

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

(d) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(e) Financial instruments

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

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Financial instruments (Continued)

At initial recognition, the Group and Company measure a financial asset or financial liability at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

If the transaction price differs from fair value at initial recognition, the Group and Company 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.

(f) Financial assets

The Group and Company have the option to classify its financial assets in the following measurement categories:

- Fair value through profit or loss ("FVPL");
- Fair value through other comprehensive income ("FVOCI") or
- Amortised cost.

A description of each of the measurement category is given below:

(i) Amortised cost

Under the amortised cost model, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate.

When the Group and Company revise the estimates of future cash flows, the carrying amount of the respective financial assets is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Financial assets (Continued)

(ii) FVOCI

Financial assets held for a business model that is achieved by both collecting contractual cash flows and selling and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. They are recognised on the trade date when the Group and Company enter into contractual arrangements to purchase and are normally derecognised when they are either sold or redeemed. They are subsequently remeasured at fair value and changes therein (except for those relating to impairment, interest income and foreign currency exchange gains and losses) are recognised in other comprehensive income until the assets are sold. Upon disposal, the cumulative gains or losses in other comprehensive income are recognised in the statement of profit or loss and other comprehensive income as 'Other operating income'.

(iii) FVPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in profit or loss and presented within 'Other operating income' in the period in which it arises.

In order to determine the classification and subsequent measurement of its financial assets, IFRS 9 introduces the concept of SPPI and business model.

Business model

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group and Company determine the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's and Company's business models do 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 and Company have more than one business model for managing its financial instruments which reflect how the Group and Company manage its financial assets in order to generate cash flows. The Group's and Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group and Company consider all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Group and Company do not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios.

The Group and Company take 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;
- 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); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's and Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Financial assets (Continued)

Business model (Continued)

At initial recognition of a financial asset, the Group and Company determine 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 and Company reassesses their business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Group and Company have not identified a change in its business models.

SPPI

Where the business model is to hold assets to collect contractual cash flows, or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows, represent solely payments of principal and interest (the 'SPPI test').

In making this assessment, the Group and Company consider whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk and other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL.

As per the Group's and Company's own assessment for the classification of financial assets under IFRS 9 under the SPPI test, the classification of the financial assets has been determined as follows:

Financial instrument	SPPI met	Business model	Classification
Cash and cash equivalents	Yes	Hold to collect	At amortised cost
Deposits with financial institutions	Yes	Hold to collect	At amortised cost
Investment securities –T-Bills and Government bonds	Yes	Hold to collect	At amortised cost
Investment securities –Corporate bonds	Yes	Hold to collect and sell	At FVOCI
Investment securities –Equity Shares	No	Hold to collect and sell	At FVOCI
Investment securities –Equity Shares	No	Other business model	At FVPL
Other assets (excluding non-financial assets)	Yes	Hold to collect	At amortised cost

The Group, as a lessor recognises and measures the rights and obligations under a lease as per the general requirements of IFRS 16 Leases. Consequently those rights and obligations are not subject to the general recognition and measurement requirements of IFRS 9. However, the lease receivables recognised by the Group are subject to the derecognition and impairment requirements of IFRS 9.

(g) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with financial assets at amortised cost and with exposures arising from lease commitments. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability- weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

This note further provides details about how ECL is computed, along with the 'three-stage' model for impairment adopted by the Group.

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Impairment of financial assets (Continued)

(i) ECL methodology

The key inputs used for measuring ECL are:

- probability of default ("PD")
- loss given default ("LGD")
- exposure at default ("EAD")

These figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. The calculation is 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 market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates. The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. The LGD models for secured assets consider forecasts of future collateral valuation taking into account sale discounts, time to realisation of collateral, cross collateralisation and seniority of claim, cost of realisation of collateral and cure rates (i.e. exit from non-performing status). LGD models for unsecured assets consider time of recovery, recovery rates and seniority of claims. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original effective interest rate of the credit exposure.

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, and expected drawdowns on committed facilities. The Company's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the credit exposure that are permitted by the current contractual terms, such as amortisation profiles, early repayment or overpayment, changes in utilisation of undrawn commitments and credit mitigation actions taken before default.

(ii) Credit-impaired

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. It is credit impaired when contractual payments or accounts in excess are past due by more than 90 days and/or other quantitative and qualitative factors indicate that the obligor is unlikely to honour its credit obligations.

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.

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Impairment of financial assets (Continued)

(ii) Credit-impaired (Continued)

It may not be possible to identify a single discrete event - instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group and Company assess whether debt instruments that are financial assets measured at amortised cost or FVOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Group and Company consider factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A credit exposure 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.

(iii) Default

The Group considers a financial instrument or lease defaulted for ECL computations when the borrower becomes 90 days or more past due on its contractual payments.

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 in full to the Group.

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators such as breach of covenants and financial performance.

The Group uses a variety of sources of information to assess default which are either developed internally by its internal specialist team or obtained from external sources.

(iv) Three-stage model

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group;
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Details of SICR is further described below.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

**FINCORP INVESTMENT LIMITED
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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Impairment of financial assets (Continued)

(iv) Three-stage model (continued)

The following diagram summarises the impairment requirements under IFRS 9:

Stage 1	Stage 2	Stage 3
Performing	Under Performing	Default
Financial assets for which credit risk has not significantly increased since initial recognition	Financial assets for which credit risk has significantly increased/deteriorated since initial recognition. However, there is still no objective evidence of impairment.	Financial assets which have defaulted but have not yet reached write-off.
12-month ECL	Lifetime ECL	Incurred loss

(v) Significant increase in credit risk ("SICR")

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria have been met:

Quantitative criteria:

A financial instrument is considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments, i.e. would move from Stage 1 to Stage 2.

Qualitative criteria:

For retail customers, if the borrower meets one of more of the following criteria:

- Short term forbearance;
- Extension to terms granted;

For corporate customers, if the borrower is on the watchlist or if the instrument meets one or more of the below criteria:

- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates.
- Actual or expected forbearance or restructuring.
- Actual or expected significant adverse change in operating results of the borrower.
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default.
- Early signs of cash flow/liquidity problems such as delay in servicing of trade creditors/leases.

The Group monitors all financial assets and undrawn lease commitments 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 and Company's accounting policy are 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 and Company monitor all financial assets and undrawn lease commitments 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 and Company compare 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 a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised.

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Impairment of financial assets (Continued)

(v) Significant increase in credit risk ("SICR") (Continued)

In making this assessment, the Group and Company consider both quantitative and qualitative information, as outlined earlier, 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 and Company's historical experience and expert credit assessment including forward-looking information.

The Group relies on the specialist team who uses external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

(vi) Forward economic information

The Group uses multiple scenarios to model the non-linear impact of assumptions about macroeconomic factors on ECL. The Group applies probabilities to the forecast scenarios identified. The Group has identified key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. A year-on-year GDP growth with a 1-quarter lead has been used as macroeconomic variable for forward-looking PD estimates. A simple linear regression model has been employed to estimate the relationship between the macroeconomic variable and PDs. The forecast of the macroeconomic variable is based on in-house generated projections for the Mauritian economy.

(vii) Movement between stages

Financial assets can be transferred between the different categories depending on their relative increase in credit risk since initial recognition. Financial instruments are transferred out of stage 2 if their credit risk is no longer considered to be significantly increased since initial recognition based on the assessments described above. Except for restructured leases, financial instruments are transferred out of stage 3 when they no longer exhibit any evidence of credit impairment as described above.

(viii) Write-off

Financial assets are written off either partially or in its entirety when the Group has no reasonable expectations of recovering them. This occurs when the Group determines that the customer does not have the capacity to repay the amount due or the collateral given by the customer is not sufficient to cover the exposure. The write off does not mean that the Group has forfeited its legal right to claim the sums due.

The Group retains the right to proceed with enforcement actions under the Group's recovery procedure and any recovery will be recognised in profit or loss under "Other income" as recoveries of advances written off.

(h) Modification of lease receivables

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of finance leases to customers. When this happens, the Group assesses whether or not the new terms are substantially different from the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced.
- Significant extension of the lease term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the lease is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the lease.

**FINCORP INVESTMENT LIMITED
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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Modification of lease receivables (Continued)

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the assets. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss in net impairment loss/gain of financial assets.

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 lease is considered to be originated-credit impaired. This applies only in the case where the fair value of the new lease 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, such as if the borrower is in past due status under the new terms.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's 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 lease is credit impaired due to the existence of evidence of credit impairment, the Group performs an ongoing assessment to ascertain if the problems of the exposure are cured, to determine if the lease is no longer credit-impaired. The loss allowance on forborne leases will generally only be measured based on 12-month ECL when there is evidence of the borrower's reversal of the previous significant increase in credit risk.

(i) Derecognition of financial assets (other than on a modification)

The Group and Company derecognise a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group and Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and Company recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and Company continue to recognise the financial asset and also recognises 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 FVOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) 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 and Company or a contract that will or may be settled in the Group's and Company's own equity instruments and is a non-derivative contract for which the Group and Company are or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's and Company's own equity instruments.

Financial liabilities carried at amortised cost consist mainly of deposits from customers, borrowings, and other liabilities. All financial liabilities are recognised initially at fair value and in the case of borrowings, net of transaction costs incurred.

They are subsequently stated at amortised cost using the effective interest method.

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

The exchange between the Group and Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

(k) Leases

The Group as a Lessee

For short-term leases (lease term of 12 months or less), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within other expenses in profit or loss.

Operating leases - Group acting as the Lessor

Assets leased out under operating leases are included in equipment in the statement of financial position. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Assets classified as operating leases are depreciated over their useful lives on a basis consistent with similar fixed assets.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(k) Leases (Continued)

Finance leases - Group acting as the Lessor

The Group is engaged in the provision of leases to both individuals and corporates. The Group's portfolio is made up of principally motor vehicles and equipment. As part of the wider risk management principles of the Group, the risks associated with the lease portfolio was monitored through rigorous credit assessment, determining the financed amount as part of the cost of the asset based on the customers' credit risk profile, setting up buy back agreements with suppliers for assets with high residual values, amongst others.

(i) Recognition and initial measurement

Under a finance lease, substantially all the risks and rewards incidental to legal ownership are transferred by the Group, and thus the lease payment receivable is treated by the Group as repayment of principal and interest income to reimburse and reward the lessor for its investment and services.

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

(ii) Subsequent measurement

The recognition of interest income shall be based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease. The Group aims to allocate interest income over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the Group's finance lease receivable.

Lease repayments relating to the period, excluding cost for services, are applied against the gross investment in the lease to reduce both the principal and the unearned finance income. Estimated unguaranteed residual values used in computing the Group's gross investment in a lease are reviewed regularly. If there has been a reduction in the estimated unguaranteed residual value, the income allocation over the lease is revised and any reduction in respect of amounts accrued is recognised immediately.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in finance lease receivables.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the leases.

Impairment of lease receivables has been disclosed in Note 8(d).

(l) Equipment

Items of equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

If significant parts of an item of equipment have different useful lives, then they are accounted for as separate items (major components) of equipment.

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AND ITS SUBSIDIARY**

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION(CONTINUED)

(l) Equipment (Continued)

Any gain or loss on disposal of an item of equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

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

Depreciation is calculated to write off the cost of items of equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of significant equipment are as follows:

Office equipment	5 years
Computer equipment	3 years
Motor vehicles	5 years
Furniture & Fittings	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

Assets under operating leases are depreciated over their expected useful lives net of any residual value.

(m) Intangible assets

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

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 10 years.

Expenditure that enhances or extends the benefits of computer software programmes beyond their original specifications and lives is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives, but not exceeding a period of ten years.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss.

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(n) Impairment of non-financial assets

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

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash balances with banks. For the purpose of the presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of less than three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(p) Repossessed assets

The Group classifies its repossessed assets as current assets held for sale under "Other Assets" since their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and other selling costs.

(q) Deposits from customers

Deposits are received from individual and corporate clients. Deposits are repayable and derecognised on demand or when the deposits come to maturity.

Deposits are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

(r) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs are recognised in profit or loss in the period in which they occur.

(s) Provisions

Provisions, including legal claims are recognised when the Group and Company have a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(s) Provisions (Continued)

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

(t) Income tax

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and Company's liability for current tax are calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

The assessment is based on the judgement of tax professionals within the Group and Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

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

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

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

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

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

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

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(t) Income tax (Continued)

Other tax exposures

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility ("CSR") is regarded as a tax and is therefore subsumed with the income tax shown within profit or loss and the income tax liability on the statement of financial position.

The CSR charge for the current period is measured at the amount expected to be paid to the Mauritius Revenue Authority. The Group is subject to the Advanced Payment System ("APS") whereby it pays income tax on a quarterly basis.

Corporate Climate Responsibility (CCR) Levy

Corporate Climate Responsibility (CCR) Levy was introduced by the Government of Mauritius, effective July 2024, following the enactment of the Finance (Miscellaneous Provisions) Act 2024. The CCR Levy is computed at the rate of 2% of the company's chargeable income, and applies to companies having an annual gross income exceeding MUR 50 million.

(u) Share capital and equity reserves

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from proceeds.

Capital contribution

The subsidiary of the Group has on the 28 June 2018 issued 20,000,000 5.5% Non-Cumulative Preference Shares of Rs 10 each to MCB Group Limited.

The reserves recorded in equity in the Group's statement of financial position include:

- Capital reserve - Capital reserve comprise mainly of movements arising in the reserves of associates.
- Revaluation and other reserve - Fair value adjustments, which comprise of the cumulative net change in the fair value of financial assets that has been recognised in other comprehensive income until the investments are derecognised or impaired. Other reserve comprises all the movements arising in the reserves of associates.
- Statutory reserve which represents 15% of the profit for the year of the subsidiary which is transferred in accordance with Section 21 (1) of the Mauritian Banking Act 2004; until the General Risk Reserve is equal to the stated capital.
- General risk reserve relates to amount set aside by the subsidiary in respect of impairment in the lease portfolio, in addition to provisions for expected credit losses computed under IFRS 9 to comply with regulatory requirements.

(v) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board to make decisions about resources to be allocated to the segment and assesses its performance, and for which discrete financial information is available.

Detailed analysis of operating segments are shown in Note 31 to the financial statements.

(w) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are declared.

(x) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and Company have a legal right to set off the amounts and intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions.

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(y) Revenue recognition

Finance lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return on the net investment amount outstanding on the finance leases.

Operating lease income is recognised over the term of the lease using the straight-line method.

(z) Interest income and expense

Interest income and expense for all financial instruments except for those classified as held for trading or those measured or designated as at FVPL are recognised as 'Interest income' and 'Interest expense' in profit or loss using the effective interest method.

(aa) Fee and commission income

Fee and commission income are mainly processing fees on leases which are generally recognised on an accrual basis when the service has been provided. Lease commitment fees for leases that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the lease.

(ab) Pension benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other employee benefits

A provision for retirement gratuity is recorded for employees who are not covered (or who are insufficiently covered by the above pension plans) and are above a specific age band. The Group provides retirement benefits for its employees through a defined contribution plan which is funded by contributions from its subsidiary through its participation in the multi-employer pension scheme of The Mauritius Commercial Bank Limited.

Under the defined contribution plan, the Group has no legal or constructive obligation to contribute further to what has been contributed into the fund as defined in the rules of the scheme. Pension contributions are charged in the year to which they relate. The Group has an obligation under the current labour laws to pay a gratuity on retirement of its employees and is allowed to deduct from this retirement gratuity up to five times the amount of any annual pension granted at retirement age from the said fund. Following the implementation of the Portable Retirement Gratuity Fund ("PRGF"), the Group is contributing for employees who are not part of any pension plan.

The present value of the gratuity payable under the Workers Rights Act 2019 is calculated annually by independent actuaries using the projected unit credit method. The present value of the gratuity is determined by the estimated future cash outflows using a discount rate by reference to current interest rates and the yield on bonds and treasury bills and recent corporate debenture issues. Where the present value of the gratuity payable on retirement is greater than five years of pension payable under the pension plan, the additional gratuity payable is recognised as a liability and disclosed as unfunded obligations under retirement benefits obligations.

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(ab) Pension benefits (Continued)

State pension plan

Contributions to the Contribution Sociale Generalisée (CSG) are recognised in profit or loss in the period in which they fall due.

(ac) Vacation Leave

The vacation leave as per Section 47 of the Workers' Rights Act benefit qualifies as "other long-term benefit" as per IAS 19 and has to be accounted for by the companies in respect of all employees who will be eligible for this upon completion of the 5-year period. An estimate of the value of the benefit is made and accounted for at the reporting date irrespective of whether the Group settles the vacation pay in cash or grants leave to its employees.

(ad) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Where IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors applies, comparative figures have been adjusted to conform with changes in presentation in the current year.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's material accounting policies, which are described in note 3, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's material accounting policy information

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Group's material accounting policy information and that have the most significant effect on the amounts recognised in financial statements.

(i) Lease classification

In preparing the financial statements, management had to consider whether the significant risks and rewards of ownership are transferred to the lessees in determining whether the leases should be classified as finance or operating lease. Management makes use of the guidance as set out in IFRS 16 *Leases* to classify leases between finance and operating leases.

(ii) Significant increase in credit risk

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying the Group's material accounting policy information (Continued)

(iii) 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 monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

(iv) Models and assumptions used

The Group uses various models and assumptions 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.

(v) Sale and leaseback arrangements

The Group exercises significant judgement in determining whether a transaction qualifies as a sale in accordance with IFRS 15 Revenue from Contracts with Customers, which is a prerequisite for applying the sale and leaseback accounting model under IFRS 16 Leases. This assessment involves evaluating whether control of the asset has transferred to the buyer-lessee, considering indicators such as the transfer of legal title, physical possession, risks and rewards of ownership, and the buyer's ability to direct the use of and obtain substantially all the remaining benefits from the asset.

(vi) Business model assessment

The classification and measurement of financial assets depend on the results of the SPPI and the business model tests. 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.

Judgement is required in assessing the relevant evidence including how the performance of the assets is evaluated, and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Group monitors the derecognition of financial assets measured at amortised cost or FVOCI prior to their maturity to understand the reason for their disposal, including whether the disposal is consistent with the objective of the business model in which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model in which financial assets are held continues to be appropriate

Key sources of estimation uncertainty

The following are key estimations that the Directors have used in the process of applying the Group's material accounting policy information and that have the most significant effect on the amounts recognised in financial statements:

(i) Establishing the number and relative weightings of forward-looking scenarios and determining the forward-looking information relevant to each scenario:

When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

(ii) Determining PD and LGD

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account expected cash flows from collateral and integral credit enhancements.

The Directors estimate that a 1% change in lease loss rate will lead to a change in impairment of Rs 0.5m (2024: Rs 0.4m). Management believes that a 1% shift in loss rate is adequate to determine the sensitivity of impairment as a result of a change in loss rate.

5. FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks, including:

- Credit risk;
- Liquidity risk;
- Market rate risk (including interest rate risk & currency risk);

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

5. FINANCIAL RISK FACTORS (CONTINUED)

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee also regularly receives reports from the different lines of defence, including internal audit, on the reviews performed of the risk management controls and procedures.

The Risk Management Committee at the level of MCB Leasing Limited, the subsidiary, oversees the implementation of sound risk management procedures and reports to the Board of the subsidiary.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from lease receivables. The credit risk management and control are centralized in a credit risk management team which provides regular update to the Risk Management Committee and other governance forums at the level of the subsidiary.

Credit risk management

The Group's credit risk is mostly arising from the activities of its subsidiary for which the risk is managed through:

- Establishing credit policies, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements;
- Establishing the authorisation structure for the approval and renewal of credit facilities;
- Authorisation limits are allocated to Senior Officers. Larger facilities require approval by Managing Director, Members of the Credit Committee, or the Board of Directors at the subsidiary level;
- Renewals and reviews of facilities are subject to the same review process;
- Limiting concentrations of exposure to counterparties and sectors, in line with regulatory requirements and the subsidiary's internal policies;
- Developing and maintaining the subsidiary's risk gradings to categorise exposures according to the degree of risk of default;
- Developing and maintaining the subsidiary's processes for measuring ECL. This includes processes for reviewing and approving ECL figures, including determining SICR and any management overlays;
- Reviewing compliance with agreed exposure limits, including receiving regular reports on the credit quality of significant exposures, and monitoring of impaired exposures and the recovery actions.

Collateral management

A range of policies and practices are employed to mitigate credit risk. The most common of these is ensuring right from the offset that the customer's profile fits into the Group's risk appetite and has the right profile to service the borrowing without distress. In the case of finance leases, the ownership of the vehicles and equipment financed remain the property of the Group until full settlement of the lease and after which the title is transferred to the lessee. Collaterals for impaired leases are reviewed regularly by obtaining the fair value of the collaterals through independent qualified surveyors. Where the collateral values have decreased, an additional ECL is booked.

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5. FINANCIAL RISK FACTORS (CONTINUED)

(a) Credit risk (Continued)

Collateral management (Continued)

Fixed and floating charges on assets are held for exposures. For the vast majority of leases, the underlying collateral is the leased asset itself, i.e. the leased equipment and vehicles. The lease facilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are updated every year when a lease is individually assessed as impaired. The table below shows the gross amount of individually impaired assets and the allowance for credit impairment.

	2025	2024	Collaterals held
	Rs' 000	Rs' 000	
Leases			
Gross amount	29,587	47,167	Vehicles and
Stage 3 - Allowance for credit impairment	19,229	22,767	other equipment

The fair value of collateral for the impaired facilities amounts to Rs 11 m (2024: Rs 24 m). A provision of Rs 30 m (2024: Rs 23m) has been made on the impaired receivables.

There was no change in the collateral policy of the Group during the year.

Reposessed assets

As a last resort, management would consider reposessing the leased asset for impaired exposures.

Collaterals on finance leases reposessed in the books of the subsidiary as at 30 June were as follows:

	2025	2024
	Rs' 000	Rs' 000
Vehicles	1,568	2,026

These reposessed collaterals are sold to third parties to recover the investment in the leases.

Write-off policy

The Group writes off a lease balance (and any related allowances for impairment losses) when the Group's management determines that the leases are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller leases, charge off decisions generally are based on a product specific past due status.

At 30 June 2025, amount written off was Rs 6.7 m (2024: Rs 1.6 m).

Credit risk concentration

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower. Limits on the level of credit risk are approved by the Board of Directors of the subsidiary company in line with regulatory requirements.

Concentrations of credit risk arise when several distinct counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in the same industry sectors so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

5. FINANCIAL RISK FACTORS (CONTINUED)

(a) Credit Risk (Continued)

Credit risk concentration (Continued)

In order to avoid excessive concentrations of risk, a number of controls and measures to minimise undue concentration of exposure in the Group's portfolio have been implemented as per regulatory requirements. The Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Any identified concentrations of credit risks are controlled and managed in line with the Risk Appetite Framework of the Group.

The Group does not have any overseas exposures.

The Group monitors the credit quality of its different portfolios into 2 grades: performing and non-performing.

The performing portfolio relates to all credits which are less than 90 days overdue.

Credit quality analysis

GROUP	Net investment in lease receivables		Other assets	
	2025 Rs' 000	2024 Rs' 000	2025 Rs' 000	2024 Rs' 000
Performing	4,380,076	3,208,811	104,705	106,275
Non-performing	29,587	47,167	1,820	5,891
Gross	4,409,663	3,255,978	106,525	112,166
<i>Less: Allowance for impairment</i>				
Stage 1	(24,459)	(14,983)	(14)	-
Stage 2	(2,099)	(4,852)	(18)	-
Stage 3	(19,229)	(22,767)	(1,818)	(6,031)
	(45,787)	(42,602)	(1,850)	(6,031)
	4,363,876	3,213,376	104,675	106,135

All other financial assets are performing.

Maximum exposure to credit risk before collateral and other credit enhancements

The following table presents the maximum exposure at 30 June 2025 and 2024 to credit risk on financial instruments in the statement of financial position, before taking account of any collateral held or other credit enhancements after allowance for impairment and netting where appropriate.

Category of financial instruments		GROUP		COMPANY	
		Maximum exposure		Maximum exposure	
		2025 Rs' 000	2024 Rs' 000	2025 Rs' 000	2024 Rs' 000
Cash and cash equivalents	Amortised cost	90,461	69,922	38	26,546
Investment in debt securities	Amortised cost	778,301	469,728	-	-
Investment in debt securities	FVOCI	-	48,101	-	-
Net investment in lease receivables	Amortised cost	4,363,876	3,213,376	-	-
Other assets	Amortised cost	104,675	106,135	43,865	19,549
		5,337,313	3,907,262	43,903	46,095

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

5. FINANCIAL RISK FACTORS (CONTINUED)

(a) Credit Risk (Continued)

Maximum exposure to credit risk before collateral and other credit enhancements (Continued)

For financial assets recognised in the statement of financial position, the exposure to credit risk equals their carrying amount. Other assets exclude VAT receivable of Rs67.0 m (2024: 37.9 m) and assets repossessed pending disposals of Rs 1.6 m (2024: Rs 2.0 m).

Credit risk from balances with banks and financial institutions is considered negligible, since the counterparty is The Mauritius Commercial Bank Limited, which is a reputable bank with high quality external credit rating. Likewise, for the Government Bonds and T-bills being held with the Government of Mauritius, credit risk is deemed as negligible.

Summary of credit risk

The disclosure below presents the gross carrying/nominal amount of financial instruments to which the impairment requirements in IFRS 9 are applied and the associated allowance for expected credit losses ('ECL').

GROUP

FY 2025

Net investment in lease receivables
Other financial assets measured at amortised cost
- cash and cash equivalents
- investment securities
- other assets

Total gross carrying amount on the statement of financial position
Off balance sheet lease commitments

At 30 June 2025

Gross carrying / nominal amount	Allowance for ECL	Net carrying amount
Rs' 000	Rs' 000	Rs' 000
4,409,663	(45,787)	4,363,876
90,479	(18)	90,461
778,757	(456)	778,301
106,525	(1,850)	104,675
5,385,424	(48,111)	5,337,313
2,249,581	(2,519)	2,247,062
7,635,005	(50,630)	7,584,375

FY 2024

Net investment in lease receivables
Other financial assets measured at amortised cost
- cash and cash equivalents
- investment securities
- other assets

Total gross carrying amount on the statement of financial position
Off balance sheet lease commitments

At 30 June 2024

Gross carrying / nominal amount	Allowance for ECL	Net carrying amount
Rs' 000	Rs' 000	Rs' 000
3,255,978	(42,602)	3,213,376
69,925	(3)	69,922
518,097	(268)	517,829
112,166	(6,031)	106,135
3,956,166	(48,904)	3,907,262
616,716	(580)	616,136
4,572,882	(49,484)	4,523,398

COMPANY

The ECL at Company level has been assessed as immaterial for both the current and prior years

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

5. FINANCIAL RISK FACTORS (CONTINUED)

(b) Market Risk - price risk

The Company and the Group are exposed to equity securities price risk because of investments held. This risk is managed by having a diversified portfolio.

A 5% change in the fair value of the quoted investments would impact the equity by Rs 96.5 m (2024: Rs 103.7 m).

(c) Interest rate risk

Interest rate risk is the risk that a movement in interest rates will have a significant adverse effect on the financial condition of the Group. This is controlled by ensuring that there are no mismatches or gaps in amounts of financial assets and financial liabilities.

The principal source of funding of the Group is from fixed deposits by the public, whereby the majority of same bears fixed interest rate. On the other hand, the majority of leases granted by the Group are also at fixed rate hence ensuring a constant differential. Very few contracts are on variable terms. Therefore, the Group is not significantly exposed to interest rate risk.

At year end, the impact of any fluctuation in interest rate was not significant to the Group and to the Company on a standalone basis.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding and the ability to close out market positions.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow and does not foresee any major liquidity risk over the next two years. The objective of liquidity management is to ensure that funds are available or there is assurance of the availability of funds, to honour the Group's cash flow commitments as they fall due, including off-balance sheet outflow commitments in a timely and cost effective manner. The Company's subsidiary has in place liquidity contingency plan and performs regular stress tests with respect to liquidity.

Liquid assets equivalent to not less than 10% of deposit liabilities are maintained at all times by the subsidiary. This is monitored continually and a weekly return of liquid assets and deposits is submitted to the Bank of Mauritius. The subsidiary of the Group has complied with this requirement as at 30 June 2025.

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

5. FINANCIAL RISK FACTORS (CONTINUED)

(d) Liquidity risk (Continued)

Maturities of assets and liabilities At 30 June 2025	GROUP				
	Up to 1 year	1 to 5 years	Over 5 years	Non-maturity items	Total
	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Financial assets					
Cash and cash equivalents	90,479	-	-	-	90,479
Investment in lease receivables	1,143,748	2,963,722	302,193	-	4,409,663
Investment securities	-	-	778,757	667,938	1,446,695
Other assets	106,525	-	-	-	106,525
Total assets	1,340,752	2,963,722	1,080,950	667,938	6,053,362
Financial liabilities					
Deposits from customers	3,107,638	2,767,331	-	-	5,874,969
Borrowings	529,899	893	-	-	530,792
Other liabilities	115,752	-	-	-	115,752
Total liabilities	3,753,289	2,768,224	-	-	6,521,513
Net liquidity gap	(2,412,537)	195,498	1,080,950	667,938	(468,151)
Undrawn commitments	1,773,975	475,606	-	-	2,249,581

Other assets exclude VAT receivable, inventories and assets held for sale.

Other liabilities exclude accruals and provision for ECLs on undrawn commitments.

Maturities of assets and liabilities At 30 June 2024	GROUP				
	Up to 1 year	1 to 5 years	Over 5 years	Non-maturity items	Total
	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Financial assets					
Cash and cash equivalents	69,925	-	-	-	69,925
Investment in lease receivables	942,334	2,169,316	144,328	-	3,255,978
Investment securities	418,567	99,530	-	640,956	1,159,053
Other assets	112,166	-	-	-	112,166
Total assets	1,542,992	2,268,846	144,328	640,956	4,597,122
Financial liabilities					
Deposits from customers	937,027	3,313,479	-	-	4,250,506
Borrowings	598,252	3,322	-	-	601,574
Other liabilities	56,927	-	-	-	56,927
Total liabilities	1,592,206	3,316,801	-	-	4,909,007
Net liquidity gap	(49,214)	(1,047,955)	144,328	640,956	(311,885)
Undrawn commitments	616,716	-	-	-	616,716

The tables above present a maturity analysis of the Group's financial assets and liabilities. The above maturity analysis for net leases receivables and deposits from customers have not incorporated future payments as management considers that these amounts would not significantly alter the liquidity gap analysis.

Hence, the liquidity analysis is not shown on an undiscounted basis. The amounts shown are also gross of ECL. The amount for undrawn commitments is the maximum amount that may be drawn down under the lease commitments.

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For the year ended 30 June 2025

5. FINANCIAL RISK FACTORS (CONTINUED)

(d) Liquidity risk (Continued)

**Maturities of assets and liabilities
At 30 June 2025**

Financial assets

Cash and cash equivalents

Investment securities

Other assets

Total assets

Financial liabilities

Borrowings

Other liabilities

Total liabilities

Net liquidity gap

COMPANY		
Up to 1 year	Non-maturity items	Total
Rs' 000	Rs' 000	Rs' 000
38	-	38
-	667,938	667,938
43,865	-	43,865
43,903	667,938	711,841
527,528	-	527,528
6,461	-	6,461
533,989	-	533,989
(490,086)	667,938	177,852

**Maturities of assets and liabilities
At 30 June 2024**

Financial assets

Cash and cash equivalents

Investment securities

Other assets

Total assets

Financial liabilities

Borrowings

Other liabilities

Total liabilities

Net liquidity gap

COMPANY		
Up to 1 year	Non-maturity items	Total
Rs' 000	Rs' 000	Rs' 000
26,546	-	26,546
-	640,956	640,956
19,549	-	19,549
46,095	640,956	687,051
593,640	-	593,640
2,908	-	2,908
596,548	-	596,548
(550,453)	640,956	90,503

(e) Fair values of financial assets and liabilities

The fair values of those financial assets and liabilities not presented on the Group's and the Company's statements of financial position at fair values are not materially different from their carrying amounts. These assets and liabilities would be classified under level 2 of the fair value hierarchy.

Cash and cash equivalents comprise balances with The Mauritius Commercial Bank Limited. The estimated fair value of fixed interest bearing balances is based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and remaining maturity.

Net investment in lease receivables are leases which are net of impairment losses. The estimated fair values of leases to customers represent the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

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5. FINANCIAL RISK FACTORS (CONTINUED)

(e) Fair values of financial assets and liabilities (Continued)

Deposits from customers are grouped by remaining contractual maturity for the purpose of estimating fair value. Fair values are estimated using discounted cash flows, applying current rates offered for deposits of similar remaining maturities. The fair value of a deposit repayable on demand is approximated by its carrying value.

Other assets and other liabilities are repayable on demand. Their fair values are therefore considered as being equal to their carrying value.

(f) Fair value hierarchy

The Group uses a hierarchy of valuation techniques based on whether the inputs to these valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions.

These two types of inputs have created the following fair value hierarchy:

Level 1 : Quoted prices (unadjusted) for identical assets. This level includes listed equity securities.

Level 2 : Inputs other than quoted prices that are observable for the assets.

Level 3 : Inputs for the assets that are not based on observable market data.

Valuation techniques used to estimate the fair values of unquoted equity securities include models based on earnings/dividend growth, discounted cash flows and net asset values, whichever is considered to be appropriate. The Group has made certain assumptions for inputs in the models, including earnings before interest, depreciation, tax and amortisation (EBIDTA), risk free rate, risk premium, dividend growth rate, weighted average cost of capital, appropriate discounts for lack of liquidity and expected cash flows which may be different from actual.

<u>Financial asset</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>
Investment in equity securities at FVOCI (Unquoted equity shares)	Income approach	Discount for lack of control and marketability, Discount rate within WACC

The higher the discount rate for lack of control and marketability, the lower the carrying amount of the investment.

If the discount rate was +/- 5%, whilst all other other variables were held constant, the carrying amount of the investment would have been +/- Rs 3m.

(g) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. It is the Group's policy to ensure that it is not significantly exposed to currency risk by ensuring that borrowings denominated in foreign currencies are contracted in order to grant leases in the same currency. The Group is not exposed to fluctuations in exchange rates and any fluctuation in the exchange rate of EURO/USD against the rupee will have an immaterial impact.

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5. FINANCIAL RISK FACTORS (CONTINUED)

(g) Currency risk (Continued)

The foreign currency profile is as follows:

	2025		2024	
	EURO	USD	EURO	USD
Group	Rs' 000	Rs' 000	Rs' 000	Rs' 000
<u>Assets</u>				
Bank balances	2,267	287	30,006	139
Net investment in lease receivables	-	-	8,409	-
	2,267	287	38,415	139
<u>Liabilities</u>				
Borrowings	-	-	891	-
	-	-	891	-
Company				
<u>Assets</u>				
Bank balances	38	-	26,546	-

6. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are:

- to comply with the capital requirements set by the Bank of Mauritius for its leasing activities through its subsidiary
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for its shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support the development of its business.

There has been no change in the capital risk management policies of the Company from the prior year.

Quantitative data about what the Group manages as capital:

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Debt	530,792	601,574	527,528	593,640
Less cash and cash equivalents	(90,461)	(69,922)	(38)	(26,546)
Net cash	440,331	531,652	527,490	567,094
Total Equity	7,941,942	8,069,238	2,063,785	2,072,987
Adjustments	(4,438,634)	(4,386,577)	-	-
Adjusted Equity	3,503,308	3,682,661	2,063,785	2,072,987

The adjustments include capital reserves and revaluation and other reserves.

The Subsidiary has complied with the minimum capital adequacy ratio requirement as set out by the Bank of Mauritius as at 30 June 2025.

Debt to equity ratio	13%	14%	26%	27%
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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

7. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Cash in hand	2	5	-	-
Balances and deposits with banks in Mauritius	90,477	69,920	38	26,546
	90,479	69,925	38	26,546
Less: Allowance for credit impairment	(18)	(3)	-	-
	90,461	69,922	38	26,546

	GROUP
	Stage 1
	Rs' 000
At 1 July 2023	61
Release for the year	(58)
At 30 June 2024	3
Provision for the year	15
At 30 June 2025	18

Cash and cash equivalents as shown in the statement of cash flows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Bank balances	90,479	69,925	38	26,546
Bank overdrafts (Note 16)	(527,528)	(593,640)	(527,528)	(593,640)
	(437,049)	(523,715)	(527,490)	(567,094)

8. NET INVESTMENT IN LEASE RECEIVABLES

	GROUP	
	2025	2024
	Rs' 000	Rs' 000
(a) Gross investment in finance leases:		
Up to 1 year	1,419,732	1,122,506
Over 1 year and up to 2 years	1,217,487	940,158
Over 2 years and up to 3 years	988,540	732,133
Over 3 years and up to 4 years	725,108	500,616
Over 4 years and up to 5 years	454,185	251,865
Over 5 years	320,456	153,289
	5,125,508	3,700,567
Unearned future finance income on finance leases	(738,902)	(502,883)
	4,386,606	3,197,684
(b) Rental receivables on finance leases and operating leases	23,057	58,294
Total gross investment in finance leases	4,409,663	3,255,978
Less: Allowances for credit impairment	(45,787)	(42,602)
Net investment in lease receivables	4,363,876	3,213,376

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

8. NET INVESTMENT IN LEASE RECEIVABLES (CONTINUED)

	GROUP	
	2025 Rs' 000	2024 Rs' 000
(b) Rental receivables on finance lease and operating lease (Continued)		
Finance lease receivables may be analysed as follows:		
Up to 3 months	291,766	245,706
Over 3 months and up to 6 months	291,708	239,683
Over 6 months and up to 1 year	560,274	456,945
Over 1 year and up to 5 years	2,963,722	2,169,316
Over 5 years	302,193	144,328
	4,409,663	3,255,978
Less: Allowances for credit impairment	(45,787)	(42,602)
Net investment in lease receivables	4,363,876	3,213,376
Analysed as follows:		
Current	1,143,748	942,334
Non-current	3,265,915	2,313,644
	4,409,663	3,255,978

(c) Movement in gross investment in lease receivables

	GROUP			
	Stage 1 Rs' 000	Stage 2 Rs' 000	Stage 3 Rs' 000	Total Rs' 000
At 1 July 2023	3,104,724	54,450	64,246	3,223,420
Transfer to Stage 1	44,633	(30,993)	(13,640)	-
Transfer to Stage 2	(38,036)	39,786	(1,750)	-
Transfer to Stage 3	(16,771)	(8,459)	25,230	-
Leases disbursement	1,128,033	8,083	1,488	1,137,604
Repayment of leases	(1,062,368)	(14,271)	(28,407)	(1,105,046)
At 30 June 2024	3,160,215	48,596	47,167	3,255,978
Transfer to Stage 1	40,534	(27,557)	(12,977)	-
Transfer to Stage 2	(13,176)	16,085	(2,909)	-
Transfer to Stage 3	(15,173)	(6,610)	21,783	-
Leases disbursement	2,247,407	4,144	3,339	2,254,890
Repayment of leases	(1,059,526)	(14,863)	(24,324)	(1,098,713)
Write off	-	-	(2,492)	(2,492)
At 30 June 2025	4,360,281	19,795	29,587	4,409,663

Sale and leaseback arrangements

As part of its leasing operations, the Group has entered into sale and leaseback transactions with customers whereby assets are purchased and leased back to the seller under finance leases. The resulting finance lease receivables are recognised at the net investment in the lease and presented within lease receivables. At 30 June 2025, finance lease receivables arising from sale and leaseback transactions amounted to Rs 0.4bn. Refer to note 4 (v) for the judgement exercised by management.

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

8. NET INVESTMENT IN LEASE RECEIVABLES (CONTINUED)

(d) Movement between ECL stages

	GROUP			
	Stage 1 Rs' 000	Stage 2 Rs' 000	Stage 3 Rs' 000	Total Rs' 000
At 1 July 2023	14,641	3,949	44,926	63,516
Transfer to Stage 1	11,153	(2,247)	(8,906)	-
Transfer to Stage 2	(182)	1,127	(945)	-
Transfer to Stage 3	(80)	(613)	693	-
Additional provision	5,316	3,745	10,082	19,143
Provision released	(15,865)	(1,109)	(22,020)	(38,994)
Write off	-	-	(1,063)	(1,063)
At 30 June 2024	14,983	4,852	22,767	42,602
Transfer to Stage 1	7,959	(2,750)	(5,209)	-
Transfer to Stage 2	(62)	1,168	(1,106)	-
Transfer to Stage 3	(71)	(660)	731	-
Additional provision	12,726	1,433	12,419	26,578
Provision released	(11,076)	(1,944)	(7,881)	(20,901)
Write off	-	-	(2,492)	(2,492)
At 30 June 2025	24,459	2,099	19,229	45,787

9. INVESTMENT SECURITIES

	GROUP		COMPANY	
	2025 Rs' 000	2024 Rs' 000	2025 Rs' 000	2024 Rs' 000
Investment in debt securities measured at amortised cost	778,757	469,996	-	-
Less: Allowance for credit impairment (Stage: 1)	(456)	(268)	-	-
	778,301	469,728	-	-
Investment in debt securities measured at fair value through other comprehensive income	-	48,101	-	-
Investment in equity securities measured at fair value through other comprehensive income	636,218	603,813	636,218	603,813
Investment in equity securities measured at fair value through profit or loss	31,720	37,143	31,720	37,143
	1,446,239	1,158,785	667,938	640,956
Analysed as follows:				
Current	-	418,567	-	-
Non-current	1,446,239	740,486	667,938	640,956
	1,446,239	1,159,053	667,938	640,956

Investment securities are denominated in rupees.

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9. INVESTMENT SECURITIES (CONTINUED)

The Company holds more than 10% interest in the following companies which are classified as fair value through other comprehensive income:

		2025	2024
	Nature	Percentage held	
		%	%
MFD Group Limited (Level 1)	Ordinary	15.00	15.00
Le Refuge du Pêcheur Ltd (Level 3)	Ordinary	8.87	8.87

(a) Investment in debt securities measured at amortised cost

	GROUP	
	2025	2024
	Rs' 000	Rs' 000
Government of Mauritius bonds	778,757	99,530
Government of Mauritius Treasury bills	-	370,466
	778,757	469,996
Less: Allowance for credit impairment (Stage: 1)	(456)	(268)
	778,301	469,728

Allowances for credit impairment:

	GROUP
	Stage 1
	ECL
	Rs'000
At 1 July 2023	324
Release for the year	(56)
At 30 June 2024	268
Addition for the year	188
At 30 June 2025	456

(b) Investment measured at fair value through other comprehensive income

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Quoted equity - Level 1	210,150	254,250	210,150	254,250
Unquoted debt - Level 2	-	48,101	-	-
Unquoted equity - Level 3	426,068	349,563	426,068	349,563
	636,218	651,914	636,218	603,813

The dividend recognised in profit or loss for the year ended 30 June 2025 was Rs 40 m (2024: Rs 16.4 m).

FINCORP INVESTMENT LIMITED AND ITS SUBSIDIARY

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

9. INVESTMENT SECURITIES (CONTINUED)

(b) Investment measured at fair value through other comprehensive income (Continued)

Reconciliation of Level 3 fair value measurement

	GROUP & COMPANY	
	2025	2024
	Rs' 000	Rs' 000
At 1 July	349,563	251,551
Movement in fair value	76,505	98,012
At 30 June	426,068	349,563

(c) Investment in equity shares measured at fair value through profit or loss

	GROUP & COMPANY	
	2025	2024
	Rs' 000	Rs' 000
Quoted equity- Level 1	31,720	37,143

10. INVESTMENTS IN ASSOCIATES

	GROUP	
	2025	2024
	Rs' 000	Rs' 000
At 1 July	7,219,286	6,713,675
Share of (losses)/profits	(250,608)	260,653
Share of other comprehensive income:		
- Revaluation and other reserve	131,388	325,471
Share of other movements in reserves of associates	(5,726)	686
Dividends	(83,906)	(81,199)
At 30 June	7,010,434	7,219,286

The following are associated companies of Fincorp Investment Limited.

	Nature of Business	Principal place of Business and Country of Incorporation	2025		2024	
			Percentage held Direct %	Percentage held Total %	Percentage held Direct %	Percentage held Total %
Promotion and Development Limited("PAD")	Investment and Property development	Mauritius	44.07	44.07	46.34	46.34
Caudan Development Limited("Caudan")	Property development, investment and provision of security services	Mauritius	-	-	5.34	38.06

The Company held investments in PAD and Caudan classified as equity instruments designated at FVOCI, in separate financial statement. The movement in fair value for the year, amounting to a loss of Rs 95.7m, has been recognised in Other Comprehensive Income and accumulated within the FVOCI reserve. In line with the Company's accounting policy, gains or losses on equity instruments designated at FVOCI are not recycled to profit or loss on disposal but are transferred within equity.

On 31 January 2025, a Scheme of Arrangement between PAD and Caudan was sanctioned by the Supreme Court of Mauritius, under which there was an issue of new ordinary shares by PAD in exchange for the shares held by the shareholders of Caudan (except PAD). Following the exchange, Caudan was delisted from the Stock Exchange of Mauritius, and the Company became holder of additional PAD shares. Subsequently, PAD implemented a 4-for-1 share split.

The Scheme of Arrangement became effective in January 2025, resulting in PAD holding 100% of the share capital of Caudan. The shareholding of Fincorp in PAD and Caudan of 46.34% and 5.34% respectively prior to the scheme, now stands at 44.07 % in PAD.

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

(i) Summarised financial information of the material associate, Promotion and Development Ltd, is set out below:

	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Non-controlling Interest	Revenue	(Loss)/ Profit	Other Comprehensive Income	Total Comprehensive Income	Dividend Received
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2025	359,887	17,327,752	298,782	1,562,597	3,049	890,271	(566,382)	298,135	(268,247)	83,906
2024	363,931	18,078,579	604,803	1,458,367	1,316,740	816,835	560,597	698,707	1,259,304	81,199

Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

	Opening Net assets	(Loss)/ Profit	Other Comprehensive Income	Other Movements in Reserves	Dividends	Closing Net assets	Ownership Interest	Adjustment*	Carrying Value
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	%	Rs'000	Rs'000
2025	15,062,600	(566,382)	298,135	1,339,987	(226,843)	15,907,497	44.07%	37,145	7,010,434
2024	13,977,140	560,597	698,707	1,394	(175,238)	15,062,600	46.34%	-	6,980,009

The above associate is accounted for using equity method in these financial statements as set out in the Group's accounting policy in Note 3(c).

Figures may differ from the financial statements of the associate due to consolidation adjustments.

*Adjustment refers to dividend payable

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For the year ended 30 June 2025

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

(ii) As at 30 June 2025, the fair value of the Company's interest in Promotion and Development Limited which is listed on the Stock Exchange of Mauritius Ltd was 1,687,250,731 (2024: Rs 1,741,275,626) based on the quoted market price available, and which is classified as a level 1 investment under IFRS 13.

	COMPANY	
	2025	2024
	Rs' 000	Rs' 000
At 1 July	1,782,924	1,830,520
Fair value adjustment	(95,673)	(47,596)
At 30 June	1,687,251	1,782,924

The Group has pledged 72,177,228 shares held in Promotion and Development Ltd for banking facilities.

The Directors are of the opinion that there is no indication of impairment to the carrying value of the investment in associates.

11. INVESTMENT IN SUBSIDIARY

						COMPANY
						Rs' 000
At 30 June 2024 and 30 June 2025 - cost						200,000
	Country of Incorporation and Operation	Class of Shares	Cost of Investment Rs' 000	Nominal Value of Investment Rs' 000	Percentage Held	Main Business
2024 & 2025						
MCB Leasing Limited	Mauritius	Ordinary	200,000	200,000	100%	Leasing

The Directors are of the opinion that there is no indication of impairment to the carrying value of the investment in the subsidiary.

**FINCORP INVESTMENT LIMITED
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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

12. EQUIPMENT

GROUP

GROUP	Assets under operating leases					Total Rs' 000
	Equipment	Motor Vehicles	Equipment	Computer Equipment	Motor Vehicle	
	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	
	COST					
At 1 July 2023	142,847	1,612,479	7,112	8,730	2,434	1,773,602
Additions	60,235	321,181	319	255	-	381,990
Disposals	(20,627)	(311,402)	-	-	-	(332,029)
Transfer to inventories	-	(51,552)	-	-	-	(51,552)
At 30 June 2024	182,455	1,570,706	7,431	8,985	2,434	1,772,011
Additions	96,894	552,497	-	704	-	650,095
Disposals	(42,804)	(187,592)	-	(51)	-	(230,447)
At 30 June 2025	236,545	1,935,611	7,431	9,638	2,434	2,191,659

DEPRECIATION

At 1 July 2023	67,504	519,474	6,861	7,807	1,823	603,469
Charge for the year	22,588	214,295	193	646	488	238,210
Disposal adjustment	(12,283)	(225,796)	-	-	-	(238,079)
At 30 June 2024	77,809	507,973	7,054	8,453	2,311	603,600
Charge for the year	39,381	223,249	212	599	123	263,564
Disposal adjustment	(36,214)	(87,092)	-	(51)	-	(123,357)
At 30 June 2025	80,976	644,130	7,266	9,001	2,434	743,807

NET BOOK VALUES

At 30 June 2025	155,569	1,291,481	165	637	-	1,447,852
At 30 June 2024	104,646	1,062,733	377	532	123	1,168,411

The Directors have reviewed the carrying value of the equipment of the Group and are of the opinion that at 30 June 2025 the carrying value has not suffered any impairment. (2024:Nil).

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

13. INTANGIBLE ASSETS

GROUP	Computer software Rs' 000	Work in progress Rs' 000	Total Rs' 000
COST			
At 1 July 2023	68,317	24,003	92,320
Additions	25,695	-	25,695
Transfer	24,003	(24,003)	-
At 30 June 2024	118,015	-	118,015
Additions	2,753	-	2,753
At 30 June 2025	120,768	-	120,768
AMORTISATION			
At 1 July 2023	67,906	-	67,906
Charge for the year	4,875	-	4,875
At 30 June 2024	72,781	-	72,781
Charge for the year	5,042	-	5,042
At 30 June 2025	77,823	-	77,823
NET BOOK VALUES			
At 30 June 2025	42,945	-	42,945
At 30 June 2024	45,234	-	45,234

The Directors have reviewed the carrying value of the intangible assets of the Group and are of the opinion that at 30 June 2025 the carrying value has not suffered any impairment (2024:Nil).

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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

14. OTHER ASSETS

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Rental accrued	-	478	-	-
Assets repossessed pending disposals	1,568	2,026	-	-
Fees and residual value receivable	1,451	3,604	-	-
VAT receivable	66,989	37,882	-	-
Assets under buyback agreements*	51,447	81,899	-	-
Inventories**	-	12,264	-	-
Others	16,299	10,100	43,865	19,549
	137,754	148,253	43,865	19,549
Less: Allowance for credit impairment	(1,850)	(6,031)	-	-
	135,904	142,222	43,865	19,549

The carrying amounts of other assets approximate their fair value. These receivables are short term and non-interest bearing.

	GROUP		
	Stage 1 & 2	Stage 3	Total
	ECL	ECL	
	Rs' 000	Rs' 000	Rs' 000
At 1 July 2023	154	6,351	6,505
(Release)/Provision for the year	(13)	89	76
Write off	-	(550)	(550)
At 30 June 2024	141	5,890	6,031
(Release)/Provision for the year	(110)	109	(1)
Write off	-	(4,180)	(4,180)
At 30 June 2025	31	1,819	1,850

*Assets under buyback agreements which have been invoiced and for which funds have not yet been received at year end.

**The Group's inventories comprise operating leases which have ceased to be rented and have reached maturity date. On the date, the contract ceases to be leased out, it is transferred to inventories at its carrying amount. At year end, the inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of the business, less estimated costs necessary to make the sales. Once the buyer is identified and the invoice raised, a receivable is recognised.

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15. DEPOSITS FROM CUSTOMERS

	GROUP	
	2025	2024
	Rs' 000	Rs' 000
<u>Retail customers</u>		
Up to 3 months	320,032	413,921
Over 3 months and up to 6 months	272,087	150,955
Over 6 months and up to 12 months	326,714	233,313
Over 1 year and up to 5 years	2,126,251	2,643,630
	3,045,084	3,441,819
<u>Corporate customers</u>		
Up to 3 months	45,748	112,077
Over 3 months and up to 6 months	37,843	8,716
Over 6 months and up to 12 months	77,216	18,045
Over 1 year and up to 5 years	641,080	669,849
	801,887	808,687
<u>Bank</u>		
Up to 3 months	1,927,928	-
Over 3 months and up to 6 months	100,070	-
	5,874,969	4,250,506
Analysed as follows:		
Current	3,107,638	937,027
Non-current	2,767,331	3,313,479
	5,874,969	4,250,506

The above consists of deposits bearing interest at the rates of 0.65% - 5.6% per annum (2024: 0.65% - 5.6%).

The deposits are denominated in rupees.

16. BORROWINGS

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Bank overdrafts	527,528	593,640	527,528	593,640
Bank loans	893	-	-	-
Other loans	2,371	7,934	-	-
	530,792	601,574	527,528	593,640
Analysed as follows:				
Up to 1 year	529,899	598,252	527,528	593,640
Over 1 year and up to 2 years	-	2,429	-	-
Over 2 years and up to 5 years	893	893	-	-
Over 5 years	-	-	-	-
	530,792	601,574	527,528	593,640
Analysed as follows:				
Current	529,899	598,252	527,528	593,640
Non-current	893	3,322	-	-
	530,792	601,574	527,528	593,640

(a) The carrying amounts of borrowings are not materially different from their fair values.

(b) The rates of interest on borrowings range from 0.5% to 3.5% and 0.75% on the borrowings denominated in MUR and EURO respectively. (2024: 0.5% to 3.5% and 0.75%) The currency risk profile is provided in note 5(g).

(c) Other loans consists of loans from Industrial Finance Corporation of Mauritius obtained in order to finance leasing facilities granted under the different Leasing Equipment Modernisation Schemes.

(d) Borrowings at the level of MCB Leasing Limited with financial institutions are secured by a floating charge on its assets.

(e) The Group has complied with all covenants where applicable for both 2025 and 2024.

(f) The bank overdrafts are secured by a floating charge on the Company's assets for Rs 170 m and shares held in Promotion and Development Ltd. The rate of interest on the MUR bank overdrafts ranged from 6.65% to 6.75% during the year (2024: 6.75%).

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For the year ended 30 June 2025

17. CURRENT TAX (ASSETS)/LIABILITIES

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
At 1 July	(11,065)	(15,077)	440	343
Charge for the year	1,457	2,469	1,198	348
Income tax refund/(paid)	7,837	1,543	(320)	(251)
At 30 June*	(1,771)	(11,065)	1,318	440

*The figure of current tax assets at Group level at 30 June 2025 is net of current tax liabilities of Rs 1,318,000 (2024: Rs 440,000)

18. DEFERRED TAX LIABILITIES

Deferred income taxes are calculated on all temporary differences under the liability method at 19% (2024: 17%)

	GROUP	
	2025	2024
	Rs' 000	Rs' 000
At 1 July	46,266	35,096
Charge for the year	21,787	11,170
At 30 June	68,053	46,266
Temporary differences:		
Accelerated capital allowances	78,424	54,678
Allowance for expected credit losses	(9,620)	(8,412)
Allowance for tax losses carried forward	(751)	-
	68,053	46,266

There is a legally enforceable right to offset current tax assets and liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority and the Company intends to settle its current tax assets and liabilities on a net basis.

19. OTHER LIABILITIES

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Registration duty payable to government	7,472	850	-	-
Advances received from customers not yet allocated	24,667	14,717	-	-
Amounts payable to car distributors	47,009	8,238	-	-
Amount due to group companies	19,184	18,521	-	-
Accruals	5,398	3,210	-	-
Others	17,477	14,601	6,461	2,908
Allowance for credit impairment on undrawn commitments	2,519	580	-	-
	123,726	60,717	6,461	2,908

The carrying amounts of other liabilities approximate their fair value.

Other liabilities are expected to be settled within 12 months and are classified as 'current'.

	GROUP
	Stage 1 ECL
	Rs' 000
<u>Allowance for credit impairment on undrawn commitments</u>	
At 1 July 2023	472
Provision for the year	108
At 30 June 2024	580
Provision for the year	1,939
At 30 June 2025	2,519

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

20. SHARE CAPITAL

Authorised

250,000,000 ordinary shares of Re.1 each

Issued and fully paid

At 1 July 2024 and 30 June 2025

GROUP & COMPANY
2025 & 2024
Rs' 000
250,000
103,355

The issued share capital consists of 103,355,340 ordinary shares of Rs.1 each.

The ordinary shareholders are entitled to voting rights and dividends.

21. NET INTEREST INCOME/(EXPENSE)

(a) INTEREST INCOME

Financial assets at amortised cost:

Investment securities

Interest income on investment in debt securities at FVOCI

Interest income calculated using the effective interest method

Interest income on financial lease receivables

GROUP		COMPANY	
2025	2024	2025	2024
Rs' 000	Rs' 000	Rs' 000	Rs' 000
29,657	16,707	-	-
-	402	-	-
29,657	17,109	-	-
254,280	208,067	-	-
283,937	225,176	-	-

(b) INTEREST EXPENSE

Financial liabilities at amortised cost:

Borrowings

Deposits from customers

Net interest income/(expense)

37,066	40,049	35,416	39,881
179,718	151,104	-	-
216,784	191,153	35,416	39,881
67,153	34,023	(35,416)	(39,881)

22. OTHER OPERATING INCOME

Penalty fees on early encashment of fixed deposits

Penalty interest on leases

Miscellaneous Income*

GROUP		COMPANY	
2025	2024	2025	2024
Rs' 000	Rs' 000	Rs' 000	Rs' 000
1,401	3,158	-	-
1,168	2,540	-	-
6,195	1,876	550	-
8,764	7,574	550	-

*Miscellaneous income includes unrealised foreign gains.

23. SALARIES AND HUMAN RESOURCE COSTS

Wages and salaries

Social security obligations

Other personnel expenses

GROUP		COMPANY	
2025	2024	2025	2024
Rs' 000	Rs' 000	Rs' 000	Rs' 000
73,590	58,233	2,711	-
4,463	3,680	206	-
10,328	3,549	2,304	-
88,381	65,462	5,221	-

The Group has a multi-employer plan and contributions made have been accounted as a defined contribution plan.

**FINCORP INVESTMENT LIMITED
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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

24. OTHER EXPENSES

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Professional fees	5,794	2,812	430	326
Management fee	13,133	8,376	-	-
Licences and software cost	17,678	13,673	-	-
Marketing and advertising	885	267	6	-
Other operating expenses	11,681	8,566	3,949	3,405
	49,171	33,694	4,385	3,731

25. NET IMPAIRMENT LOSS/(GAIN) ON FINANCIAL ASSETS

	GROUP	
	2025	2024
	Rs' 000	Rs' 000
Lease receivables - Stage 3 - ECL	4,538	(21,096)
Lease receivables - Stages 1&2 - ECL	1,139	1,245
Cash and cash equivalents - Stage 1 - ECL	15	(58)
Other assets Stage 3 - ECL	109	89
Other assets Stages 1&2 - ECL	(110)	(13)
Investment securities - Stage 1 - ECL	188	(56)
Undrawn commitments - Stage 1 - ECL	1,939	108
Total impairment loss/(gain) to profit or loss	7,818	(19,781)

The above table includes transfers between stages.

**FINCORP INVESTMENT LIMITED
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Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

26. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Income tax charge on adjusted profits	199	915	950	273
Deferred tax charge	21,787	11,170	-	-
Corporate Social Responsibility contribution	511	1,511	252	32
Under/(over) provision in previous years	747	43	(4)	43
Charge for the year	23,244	13,639	1,198	348

The income tax on the Group and the Company's profit differs from the theoretical amount that would arise using the basic rate as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
(Loss)/profit before tax	(178,770)	312,351	127,613	97,282
Adjusted for share of losses/(profits) of associates	250,608	(260,653)	-	-
	71,838	51,698	127,613	97,282
Income tax calculated	13,649	7,755	19,142	14,592
Impact of:				
Income not subject to tax	(74,177)	(55,083)	(25,442)	(20,784)
Expenses not deductible for tax purposes	60,727	48,243	7,250	6,465
Deferred tax charge	21,787	11,170	-	-
Corporate Social Responsibility contribution	511	1,511	252	32
Under/(over) provision in previous years	747	43	(4)	43
Income tax charge	23,244	13,639	1,198	348

27. DIVIDENDS

On 26 September 2024, the Board of Directors of Fincorp Investment Limited declared final dividends of Re 0.70 per share at Company level for the year ended 30 June 2024 (2023: Re 0.65)

Dividends paid to the ultimate holding Company by MCB Leasing Limited on 5.5% non-cumulative preference shares amounted to Rs 11 m (2024: Rs 11 m, 2023: Rs 11 m).

28. (LOSSES)/EARNINGS PER SHARE

(Losses)/Earnings per share is calculated by dividing the loss or profit attributable to equity holders of the parent by the number of equity shares in issue and ranking for dividend.

	GROUP		COMPANY	
	2025	2024	2025	2024
(Loss)/profit attributable to equity holders of the parent (Rs'000)	(202,014)	298,712	126,415	96,934
Number of shares in issue and ranking for dividend (thousands)	103,355	103,355	103,355	103,355
(Losses)/earnings per share (Rs.)	(1.95)	2.89	1.22	0.94

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

29. CONTINGENT LIABILITIES

(a) Lease commitments

At 30 June 2025, the Group had commitments amounting to Rs 2,250 million in respect of undrawn lease commitments (2024: Rs 617 million).

30. OPERATING LEASES

	GROUP	
	2025	2024
	Rs' 000	Rs' 000
Future minimum leases receivable under non-cancellable operating leases may be analysed as follows:		
Up to 1 year	378,826	287,263
Over 1 year and up to 2 years	299,748	245,921
Over 2 years and up to 3 years	218,378	188,244
Over 3 years and up to 4 years	148,963	113,832
Over 4 years and up to 5 years	87,727	52,540
Over 5 years	50,261	27,376
	1,183,903	915,176

31. OPERATING SEGMENTS

Operating segments are reported in accordance with the internal reporting whose responsibility is to allocate capital and resources to the reportable segments and assessing their performance.

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

The Group's income, expenses, assets and liabilities are derived mainly through its Mauritian operations.

The following summary describes the operations of each reportable segment.

Reportable Segments	Operations
Leasing	Offering finance and operating leasing solutions and takes deposit
Investing	Investing in priority in the financial services sector

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

31. OPERATING SEGMENTS (CONTINUED)

Year ended 30 June 2025

	Group	Leasing	Investing	Eliminations
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Gross income	704,581	665,136	172,635	(133,190)
Expenses	(624,925)	(579,903)	(45,022)	-
Operating profit before impairment	79,656	85,233	127,613	(133,190)
Net impairment loss on financial assets	(7,818)	(7,818)	-	-
Operating profit	71,838	77,415	127,613	(133,190)
Share of losses of associates	(250,608)	-	(250,608)	-
(Loss)/Profit before tax	(178,770)	77,415	(122,995)	(133,190)
Income tax expense	(23,244)			
Loss attributable to equity holders of the parent	(202,014)			
Other segment items:				
Segment assets	7,529,048	6,854,536	911,841	(237,329)
Investments in associate	7,010,434	-	1,687,251	-
Total assets	14,539,482		2,599,092	
Segment liabilities	6,597,540	6,062,233	535,307	-
Total liabilities	6,597,540			
Capital expenditure	652,848	652,848		
Depreciation charge	263,564	263,564		
Amortisation	5,042	5,042		

Year ended 30 June 2024

	Group	Leasing	Investing	Eliminations
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Gross income	567,411	547,715	140,895	(121,199)
Expenses	(535,494)	(491,881)	(43,613)	-
Operating profit before impairment	31,917	55,834	97,282	(121,199)
Net impairment gain on financial assets	19,781	19,781	-	-
Operating profit	51,698	75,615	97,282	(121,199)
Share of profits of associates	260,653	-	260,653	-
Profit before tax	312,351	75,615	357,935	(121,199)
Income tax expense	(13,639)			
Profit attributable to equity holders of the parent	298,712			
Other segment items:				
Segment assets	5,809,015	5,140,008	887,051	(218,044)
Investments in associates	7,219,286	-	1,782,924	-
Total assets	13,028,301		2,669,975	
Segment liabilities	4,959,063	4,362,075	596,988	-
Total liabilities	4,959,063			
Capital expenditure	407,685	407,685		
Depreciation charge	238,210	238,210		
Amortisation	4,875	4,875		

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Notes to the Consolidated and Separate Financial Statements (Continued)

For the year ended 30 June 2025

32. RELATED PARTY TRANSACTIONS

(a) Group

The following transactions were carried out by the Group with related parties:

	Interest Income	Expenses/ financial charges	Loan/ amount due	Deposit/ bank balance	Net finance lease receivables
	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
2025					
Entity under common control	-	83,576	2,558,050	90,477	-
Directors and close family members	126	3,074	-	-	3,555
Enterprises in which directors/key management personnel have significant interest	575	-	-	-	7,784
	-	-	-	-	-
2024					
Entity under common control	-	48,257	600,649	43,374	-
Directors and close family members	79	632	1,509	7,350	1,487
Enterprises in which directors/key management personnel have significant interest	336	33	-	-	7,427

(b) Company

The following transactions were carried out by the Company with related parties:

	2025	2024
	Rs' 000	Rs' 000
Subsidiaries		
Dividend income	30,000	40,000
Entity under joint control		
Loan/amount due to	527,528	593,640
Expenses/financial charges	35,416	39,881
Associate		
Dividend income	103,190	81,199

The loans are unsecured and will be settled according to the terms of the loans.

The Group has not recorded any impairment of receivables relating to the amount owed by related parties.

Collaterals are held for the net finance lease receivables.

(c) Remuneration

Directors and key management personnel of the subsidiary: Salaries and short term employee benefits	12,087	7,553
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33. HOLDING COMPANY

The Directors regard MCB Group Limited as its holding company. MCB Group Limited is incorporated in Mauritius.

**FINCORP INVESTMENT LIMITED
AND ITS SUBSIDIARY**

Five-year Financial Summary

For the year ended 30 June 2025

		GROUP					COMPANY				
		2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
		Rs' m	Rs' m	Rs' m	Rs' m	Rs' m	Rs' m	Rs' m	Rs' m	Rs' m	Rs' m
<u>STATEMENTS OF FINANCIAL POSITION</u>											
Total assets		14,539	13,028	12,289	11,432	11,246	2,599	2,670	2,709	2,684	2,704
Share capital		103	103	103	103	103	103	103	103	103	103
Retained earnings		3,033	3,216	2,873	2,544	2,139	222	168	139	116	111
Other components of equity		4,805	4,750	4,545	4,444	4,344	1,738	1,801	1,848	1,815	1,441
Shareholders' interests		7,941	8,069	7,521	7,091	6,586	2,063	2,072	2,090	2,034	1,655
Total liabilities		6,598	4,959	4,768	4,341	4,660	536	598	619	650	1,049
Total equity and liabilities		14,539	13,028	12,289	11,432	11,246	2,599	2,670	2,709	2,684	2,704
<u>STATEMENTS OF PROFIT OR LOSS</u>											
Operating income		488	376	362	310	363	137	101	90	71	61
(Loss)/Profit before tax		(179)	312	381	340	177	128	97	85	67	57
(Loss)/Profit attributable to equity holders of the parent		(202)	299	360	327	164	126	97	85	67	57
<u>DATA PER SHARE</u>											
(Losses)/Earnings per share	Rs	(1.95)	2.89	3.48	3.16	1.59	1.22	0.94	0.82	0.65	0.55
Net assets per share*	Rs	74.91	76.14	70.84	66.67	61.79	18.97	18.43	20.22	19.68	16.01

* After adjusting for the non-cumulative irredeemable preference shares