ANNUAL REPORT

Year ended 30 June 2025

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Letter of Transmittal

The Governor

Bank of Mauritius
Port Louis

31 October 2025

Dr the Honourable Navinchandra Ramgoolam, G.C.S.K., F.R.C.P.
Prime Minister
Minister of Defence, Home Affairs and External Communications
Minister of Finance
Minister for Rodrigues and Outer Islands
Prime Minister's Office
New Treasury Building
Intendance Street
Port Louis

Dear Prime Minister

Annual Report and Audited Accounts 2024-25

In accordance with the provision of Section 32(3) of the Bank of Mauritius Act 2004, I transmit herewith the fifty-eighth Annual Report of the Bank, which also contains the audited Consolidated and Separate Financial Statements of the Bank for the year ended 30 June 2025.

Yours sincerely

Dr Priscilla S. Muthoora Thakoor

Dr Priscilla S. Muthoora Thakoor
Governor, Bank of Mauritius

I am very pleased to address you on the presentation of the Bank of Mauritius fifty-eighth's Annual Report. I assumed office on 29 September 2025, honoured and humbled by the responsibility of leading the institution at a critical juncture in its history and in our collective future.

My immediate priorities are ensuring continuous delivery of the statutory mandates diligently, upholding the institutional integrity, shoring up the credibility of the Bank and steering the Bank to meet current and emerging challenges.

The Bank as a guardian of price stability

The Bank remains steadfast in fulfilling its mandate of ensuring price stability. Headline inflation maintained a downward trend, declining sharply from 10.5 per cent in June 2023 to 4.5 per cent in June 2024 and further to 2.9 per cent in June 2025, supported by normalisation of global supply chains, declining commodity prices and the Bank's monetary policy actions in terms of raising the policy rates and adopting the flexible inflation targeting framework.

However, core inflation remained elevated, reflecting services inflation and wage adjustments in certain sectors. We must, therefore, remain vigilant to the risks of renewed upward price pressures, particularly from geopolitical developments affecting global prices, especially commodity prices. The Bank projects headline inflation to close the year 2025 at around 3.8 per cent, barring any unforeseen circumstances. This is well within the target range of 2-5 per cent.

The domestic economy remained resilient, with real GDP growth of 4.9 per cent in 2024, fuelled by positive contributions from the *'Construction'*, *'Financial and insurance activities'* and *'Accommodation and food service activities'* sectors. The tourism sector maintained its momentum, with around 1.4 million tourists visiting the island in FY2024-25, representing an increase of 3.8 per cent compared to the previous financial year. Concurrently, tourism earnings rose by 8.9 per cent to reach Rs96.6 billion. On the demand side, growth was primarily supported by consumption and investment spending. Labour market conditions continued to improve, with the unemployment rate easing to 6.0 per cent in 2024.

On the external front, the current account deficit as a ratio to GDP widened to 6.4 per cent in 2024, from 4.2 per cent in 2023. This deterioration largely reflected a wider trade deficit, led by higher growth of imports of goods relative to exports. The services account surplus continued to benefit from the robust performance of the tourism sector, although higher freights on imports mitigated those gains.

The primary income account, which is another major source of inflows for the country, benefited from elevated global interest rates. The financial account registered net financial inflows of Rs46.4 billion, with banks and Global Business Companies remaining the principal contributors of financial flows. Overall, the Mauritius International Financial Centre maintained its resilience against several headwinds facing the global economy. The net financing from the financial account contributed to an overall balance of payments surplus of Rs50.6 billion for the country in 2024.

The global economy grew steadily during the year under review but remained exposed to persistent headwinds. The global economic landscape turned out to be quite disruptive in the first half of 2025, with the US trade policy and heightened tensions in the Middle East raising global uncertainty and weighing considerably on business and investor sentiment.

Despite these headwinds, the Bank, on current trends, forecasts the current account deficit to widen slightly to 6.5 per cent in 2025, mainly on account of higher deficits in the goods and secondary income accounts. The services account is expected to benefit from renewed healthy performance of the tourism sector, with gross tourism earnings in 2025 attaining new records after the recent all-time high of Rs93.6 billion registered in 2024. In addition, measures announced in the National Budget 2025-26 to buttress the resilience of the economy could also help contain, to some extent, the country's rising import bill.

Uncertainty, nevertheless, continues to shroud the global economic horizon with tariffs remaining a dominant concern. The existing profound uncertainty is compounded by the current US Government shutdown.

The current challenging economic environment calls for innovative thinking and a greater focus on both future proofing and resilience. Against this backdrop, the Bank actively collaborates with other central banks and international organisations to embed the best practices in its operations. Our staff regularly attend and benefit from training and other learning opportunities from these entities in several critical areas, including payment systems, monetary policy, financial stability, supervision and climate change.

Activating levers to improve financial flows and manage excess liquidity

Foreign exchange flows improved in FY2024-25. The turnover recorded by banks and foreign exchange dealers increased by 17 per cent over the previous financial year to reach US$14.4 billion. The higher flows resulted from policy measures to tackle market distortions which were generated by unlicensed activities of foreign forex brokers, company-to-company transactions and companies licensed by the Financial Services Commission (FSC) conducting foreign exchange transactions outside the remit of their licence, thereby leading to a parallel market.

Some entities were also imposing high forward premia, due to speculative trading instead of adhering to market and economic fundamentals. Additionally, there was a negative interest rate differential between the rupee and US dollar which contributed to a depreciation of the rupee.

The Government also amended the regulations on Integrated Resort Scheme, Real Estate Scheme, Invest Hotel Scheme, Property Development Scheme and Smart City Scheme. Under the new regulations, at least 85 per cent of the proceeds from sales of residential properties are required to be converted into rupees. In May 2025, the FSC enacted new Rules under the Financial Services Act to provide a framework for holders of Treasury Management licences so that that there is no regulatory arbitrage in foreign exchange dealings being conducted by the holders of these licences.

Along with international currency movements, domestic factors continued to influence the exchange rate of the rupee, which appreciated by 5.0 per cent against the US dollar during FY2024-25. In its 2025 Article IV Report, the IMF maintained the exchange rate regime of the rupee as floating. The interventions by the Bank amounted to US$415 million in FY2024-25, with the majority of interventions (i.e., US$365 million) being conducted in 2024H2.

The Bank continued to conduct open market operations in line with its Monetary Policy Framework. The rupee excess prevailing in the banking system remained a major challenge impacting on yields across all tenors. The Bank issued securities for a total amount of Rs56.7 billion to absorb the excess liquidity, alongside the weekly issuance of the 7-Day Bills up to mid-March 2025.

The Bank also maintained the Standing Facility within a corridor of 300 basis points, operated at the discretion of banks. Surplus liquidity remaining in the banking system at the end of the day was placed with the Bank and remunerated at 150 basis points below the Key Rate. A daily average of Rs29 billion was placed with the Bank at rates ranging between 2.50 per cent and 3.00 per cent. Around Rs4.4 billion was spent by the Bank to conduct open market operations during FY2024-25.

During the second half of FY2024-25, yields adjusted upwards following the increase of 50 basis points in the Key Rate. The increase in yields restored confidence in the domestic market. There was a notable increase in investment in Government securities by retail savers, from Rs7.5 billion as at end-June 2024 to Rs12.3 billion as at end-June 2025, of which Rs550 million by foreign investors. Pension Funds and Insurance Companies held Rs85 billion and Rs56 billion of Government securities, respectively, as at end-June 2025, representing around 76 per cent of total holdings by the non-banking sector.

Furthering a stable financial environment

Banks maintained robust capital and liquidity buffers, which translated into a moderate financial stability risk. The stress test exercise concluded that the banking sector had the capacity to absorb a range of hypothetical but plausible shocks.

Risks from the external sector eased in the first half of 2025 as the foreign exchange reserves increased, accompanied by positive interest rate differential, despite an elevated current account deficit. Sectoral vulnerabilities were broadly contained by sound financial conditions in the household sector and subdued indebtedness of the corporate sector.

The Bank continued to broaden its financial stability surveillance toolkits. The coverage of macroprudential indicators is being progressively extended to the entire financial system through close collaboration with the FSC. An upgrade of the indicators for household sector is upcoming. This will enhance monitoring and response to systemic financial stability risk.

The Bank is concurrently expanding the coverage of the Financial Soundness Indicators to include the household sector, the non-financial corporate segment, and the other financial corporation sector. Significant progress has been made in closing data gaps, following the technical assistance obtained from the IMF in March 2024.

Official reserves as a buffer to withstand shocks

The Gross Official International Reserves (GOIR) reached a historic peak of US$9.7 billion in June 2025, equivalent to 13.2 months of import cover. This level is considered adequate even when assessed against the most stringent reserve adequacy benchmarks used by the IMF. The GOIR for June 2025 provides a robust buffer against external shocks.

The reserve portfolio performed strongly during the financial year, driven by high returns across various asset classes. Fixed income investments benefited from elevated yields and notable mark-to-market gains. The sharp rise in gold and equity prices contributed to the overall return performance.

Since December 2024, the investment strategy has shifted towards de-risking the reserve portfolio with a focus on returns rather than income. This strategy is strictly aligned with the Bank's core mandate of security, liquidity, and return - in that order of priority. This is expected to strengthen the balance sheet of the Bank over time. The focus on returns also fosters sound growth of the reserve portfolio compared to income. Concurrently, the Bank has repaid part of its external borrowings that were incurred in recent years and will continue to reduce these liabilities in FY2025-26.

Modernising the regulatory and supervisory framework

There was tangible improvement in the regulatory and supervisory framework. The Risk-Based Supervision framework became fully operational during the year under review. In addition, the Bank finetuned the supervisory toolkit in the areas of cyber security/ technology risks, risks with activities related to virtual assets and climate-related risks.

The Bank of Mauritius Innovation Hub, which was launched in September 2024, hosted several activities, including workshops, organisation of a Cybersecurity Hackathon, launch of proof of concepts and engagement with other central banks. The hub brings together a wide range of stakeholders, including entrepreneurs and startups, industry experts and technology providers, regulators and policymakers, academia and students.

Our innovation hub has furthered partnerships with seven central banks. Other central banks in the region have expressed interest in joining this initiative, making it a landmark project for the central banking community in Africa.

A National Fintech Committee comprising relevant external stakeholders was also set up at the level of the Bank with a view to contribute to the National Fintech Strategy through, *inter alia*, a regulatory and supervisory framework and a financial markets infrastructure which remains conducive to fintech innovation.

In my capacity as Chairperson of the Interagency Coordination Committee (ICC), I shall ensure sustainable and continuous collaboration among AML/CFT regulatory bodies. The ICC has collaborated with competent authorities in Mauritius to conduct outreach and training sessions for the industry, laying emphasis on the changes brought to the FATF Recommendations as well as the domestic legal AML/CFT framework. The ICC has also coordinated with the authorities to identify and address any residual gaps and ensure the preparedness of its members ahead of the forthcoming mutual evaluation exercise to be conducted by the ESAAMLG.

The Bank is also working on an overhaul of the banking legislations that will reflect latest developments and international best practices. The updated legislations will ensure robust checks and balances and further safeguard and increase the Bank's independence. The reinforcement of our legislative framework will ensure that the Mauritian jurisdiction remains a beacon of stability and trust in our financial system.

The shift towards a greener financial system

Climate change continues to pose an existential threat. With such dark clouds hanging on the horizon, it is essential to accelerate the transition to a greener financial system. The Bank has enhanced its climate macroeconomic model to empirically assess the ramifications of climate shocks on the Mauritian economy, in particular on real GDP growth and inflation. It has also initiated an exploratory climate-related scenario analysis exercise for the banking sector aimed at identifying potential credit losses that could arise from pertinent scenarios.

The Bank is receiving technical assistance from Banque de France under the *"SUNREF - Cap sur la Finance Durable"* programme to further strengthen its climate modelling capabilities and effectively integrate climate-related risks into the monetary policy and financial stability frameworks.

We are further collaborating with the Climate Finance Unit of the Ministry of Finance, the Mauritius Bankers Association and banks to explore and implement innovative financing mechanisms such as blended finance to enhance bankability of green projects and encourage broader adoption of sustainable business models.

The Climate Change Centre will continue its engagement with stakeholders to strengthen the climate ecosystem, which is key to facilitate more accurate market pricing of risks, promote investor confidence and catalyse climate investments in Mauritius and the African region. I am pleased to report that the National Green Taxonomy is being finalised and that a multistakeholder Steering Committee has been set up by the Financial Reporting Council to work on a roadmap for the adoption of the IFRS Sustainability Disclosure Standards (S1 and S2) in Mauritius. While adhering to disclosure requirements may be complex, it will improve businesses' ability to identify, manage and monitor their climate-related risks.

I am committed to transforming the Bank into a greener and more sustainable organisation. As part of its strategic initiative to modernise its operations and transition towards a paperless organisation, the Bank has already rolled out digital workflows. Looking ahead, the Bank intends to measure its internal carbon footprint and to continue to seek new opportunities to reduce carbon emissions from its physical operations.

The payment and innovation landscape

Payment systems remain the linchpin for the effective functioning of the economy. In the face of digitalisation, it is of paramount importance to keep abreast of the latest developments by promoting the use of innovative technologies for better operational efficiency, cost savings and ease and convenience of transactions.

This strategic shift in our focus calls for growing emphasis on innovation which is a driving force for reshaping the financial ecosystem. However, we need to carefully navigate the trinity of costs, compliance and innovation. The Bank will continue to support innovation while ensuring that adequate risk management processes are embedded.

The Bank has set up a payment oversight unit. This initiative is a pivotal step toward strengthening the regulatory framework for payment systems, ensuring they function with enhanced efficiency, security and resilience. The creation of this unit underscores the Bank's commitment to safeguarding the integrity and reliability of the national payments' infrastructure- an essential component for maintaining economic stability and fostering sustainable growth.

The Central Know Your Customer (CKYC) system, which recently went live, will provide a fillip to the digital transformation of the country's financial services sector. This initiative is designed to streamline and centralise the KYC process across financial institutions, with the first phase focusing on the onboarding of commercial banks. The CKYC system will eliminate duplication of efforts, enhance operational efficiency and significantly improve the customer onboarding experience by providing a single, secure source of verified customer data.

With the system now operational, banks will gradually begin using the CKYC platform for customer due diligence, onboarding and periodic KYC updates. This development positions Mauritius as a regional leader in digital financial infrastructure, reinforcing its commitment to financial inclusion, innovation and regulatory modernisation.

In alignment with SWIFT's global transition to the ISO 20022 messaging standard - officially deployed in March 2023 and set to fully replace the existing MT messaging format by November 2025 - the Bank has proactively initiated the migration process for its key payment and settlement systems. This includes both the Mauritius Automated Clearing and Settlement System and RTSX Light, the settlement module for the Regional Payment and Settlement System.

The migration to ISO 20022 represents a significant modernisation of the Bank's financial messaging infrastructure. The new standard offers richer, more structured and more granular data, which enhances interoperability, compliance and efficiency across domestic and cross-border payment systems.

The Bank remains committed to maintaining a high level of engagement with all stakeholders throughout the migration process. This initiative is a critical step in reinforcing the resilience, transparency and future-readiness of the national payment infrastructure.

Concluding thoughts

My previous stint at the Bank has been immeasurable in helping me transition into my new role. By accepting this position, I have pledged to serve the country to the best of my ability. Our actions influence the lives of our countrymen and we shall always act in the best interest of the population.

I wish to place on record the support of Dr the Honourable Navinchandra Ramgoolam, G.C.S.K., F.R.C.P., Prime Minister and Minister of Finance, who has entrusted me with the responsibility of leading the Bank and pursuing necessary reforms.

I would also like to place on record the valuable contributions of my two Deputy Governors, the members of the Board of Directors and members of the Monetary Policy Committee. They have a commendable role in the delivery of the Bank's mandates.

The Bank cannot be strong without the commitment of its staff. Our human capital is our most valuable asset. I would like to extend my appreciation to all staff. I have no doubt that I can continue to rely on them in our future endeavours.

Dr Priscilla S. Muthoora Thakoor
Governor
31 October 2025

01
ABOUT BANK OF MAURITIUS

OUR MANDATE

The Bank of Mauritius was established in September 1967, under the Bank of Mauritius Ordinance 1966, to act as the central bank of the Republic of Mauritius and is currently governed by the Bank of Mauritius Act 2004.

Primary Object

Maintain price stability and promote orderly and balanced economic development

Other Objects

- Regulate credit and currency in the best interests of the economic development of Mauritius
- Ensure the stability and soundness of the financial system of Mauritius
- Act as the central bank for Mauritius

Price Stability

Safeguard the value of the domestic currency by keeping inflation under control and anchoring inflation expectations

Economic Development

Promote sustainable and inclusive economic growth that ensures fair distribution of resources, stability and long-term prosperity across all sectors of the economy

Financial Stability

Prevent the occurrence of systemic risks and allow the financial system to fulfill its key intermediation goals, whilst preserving the resilience of the country's underlying financial infrastructure, including the payment systems

Key Functions of the Bank

1. *Conduct **monetary policy** and manage the **exchange rate** of the rupee*
2. ***Regulate and supervise** financial institutions*
3. *Manage the **clearing, payment and settlement systems** of Mauritius*
4. *Manage the **foreign exchange reserves** of Mauritius*
5. *Collect, compile and disseminate **monetary and related financial statistics***
6. *Investigate and suppress malpractices, market abuse and **any potential breach of the banking laws***
7. *Promote **public understanding** of the financial system*
8. *Monitor **system-wide factors** affecting financial institutions*
9. *Adopt policies to safeguard the **rights and interests of depositors and creditors of financial institutions***
10. *Act as the **macroprudential authority** of Mauritius*

Board of Directors

The Board of Directors comprises the Governor, the two Deputy Governors and between five to seven Directors appointed by the Minister of Finance. The Board of Directors is entrusted with the general policy of the affairs and business of the Bank, other than the formulation and determination of monetary policy which is vested on the Monetary Policy Committee. The Board meets at the seat of the Bank at least once every two months under the Chairmanship of the Governor. At any meeting, six members constitute a quorum and decisions are taken by simple majority. In the event of an equality of votes, the Chairperson has a casting vote.

Change in Leadership

FY2024-25 saw a change in leadership at the Bank. Dr Rama Krishna Sithanen, G.C.S.K., was appointed Governor on 16 November 2024. Mr Rajeev Hasnah and Mr Gérard Sanspeur were, respectively, appointed First Deputy Governor and Second Deputy Governor on 2 December 2024. On 29 August 2025, Mr Gérard Sanspeur tendered his resignation, with immediate effect, as Second Deputy Governor. Dr Rama Krishna Sithanen, G.C.S.K., served as Governor until 28 September 2025. On 29 September 2025, Dr Priscilla S. Muthoora Thakoor was appointed as Governor and Mr Ramsamy Chinniah as Second Deputy Governor.

During FY2024-25, the Board met on ten occasions, of which four meetings were chaired by the former Governor Harvesh Seegolam, G.C.S.K., one meeting was chaired by Mr Kona Yerukunondu, the former First Deputy Governor, and five meetings were chaired by the former Governor Dr Rama Krishna Sithanen, G.C.S.K.

Composition of the Board of Directors from 30 June 2024 until 15 November 2024	
Harvesh Kumar Seegolam, G.C.S.K. Governor and Chairperson (1 March 2020)	[4/5]
Mardayah Kona Yerukunondu First Deputy Governor (24 February 2020)	[5/5]
Hemlata Sadhna Sewraj-Gopal Second Deputy Governor (1 March 2020)	[4/5]
Antoine Seeyave (4 March 2015)	[2/5]
Saïd Toorbuth (20 March 2018)	[3/5]
Ishwar Anoopum Gaya (4 March 2020)	[4/5]
Christine Marie Isabelle Sauzier (4 March 2020)	[3/5]
Piragalathan Chinnapen (4 March 2020)	[3/5]
Melissa Prishni Ramsahye (13 March 2020)	[5/5]

Reconstitution of the Board of Directors in January 2025	
Dr Rama Krishna Sithanen, G.C.S.K. Governor and Chairperson (16 November 2024)	[5/5]
Rajeev Hasnah First Deputy Governor (2 December 2024)	[4/4]
Gérard Sanspeur Second Deputy Governor (2 December 2024)	[3/4]
Sharmilla Bhima (15 January 2025)	[3/5]
Shalini Jugessur-Sumputh (15 January 2025)	[5/5]
Matthew John Lamport (15 January 2025)	[5/5]
Mehzabine Pirbhai (15 January 2025)	[5/5]
Jennifer Webb De Comarmond (15 January 2025)	[5/5]

Note: (i) Figures in brackets refer to date of first appointment.
(ii) Figures in square brackets represent number of board meetings attended.

Composition of the Board of Directors as at 30 June 2025

Dr Rama Krishna Sithanen, G.C.S.K.
Governor, Chairperson

Rajeev Hasnah
First Deputy Governor

Gérard Sanspeur
Second Deputy Governor

Sharmilla Bhima
Director

Shalini Jugessur-Sumputh
Director

Matthew John Lamport
Director

Mehzabine Pirbhai
Director

Jennifer Webb De Comarmond
Director

Audit and Risk Committee

The Audit and Risk Committee has been established by the Board to provide oversight over the adequacy of the Bank's internal controls and compliance with legal requirements. The Committee comprises three Board Directors.

The Committee held two meetings during FY2024-25. The Officer in Charge of the Internal Audit Section is in attendance at the meetings of the Audit and Risk Committee.

Composition of the Audit and Risk Committee until 15 November 2024
Saïd Toorbuth Chairperson (Non-executive Director)
Ishwar Anoopum Gaya Member (Non-executive Director)
Piragalathan Chinnapen Member (Non-executive Director)

Reconstitution of the Audit and Risk Committee in 2025
Matthew John Lamport Chairperson (Non-executive Director)
Sharmilla Bhima Member (Non-executive Director)
Mehzabine Pirbhai Member (Non-executive Director)

Committee on Technology, Digitalisation and Innovation

The Committee on Technology, Digitalisation and Innovation is a newly established sub-committee of the Board. It was set up in January 2025 to provide strategic oversight, guidance and assurance on matters related to technological advancement, digital transformation and innovation. The Committee met twice since its creation.

The Committee comprises the following Board Directors:

Chairperson	Shalini Jugessur-Sumputh
Member	Matthew John Lamport
Member	Jennifer Webb De Comarmond
Member	Sharmilla Bhima
Member	Rajeev Hasnah
Member	Gérard Sanspeur (until 29 August 2025)

Human Resource Committee

The Human Resource Committee, also a new sub-committee of the Board, has been established in March 2025 to provide guidance to the Board on the human resources strategy and policies.

The composition of the Committee is as follows:

Chairperson	Jennifer Webb De Comarmond
Member	Shalini Jugessur-Sumputh
Member	Sharmilla Bhima
Member	Rajeev Hasnah
Member	Gérard Sanspeur (until 29 August 2025)

Monetary Policy Committee

The Monetary Policy Committee (MPC) is responsible for formulating and determining the monetary policy to be implemented by the Bank. The MPC is composed of the Governor, who serves as the Chairperson, the two Deputy Governors and five external members, of whom two are appointed by the Prime Minister and three by the Minister of Finance. Five members, including at least four of the members appointed by the Prime Minister and the Minister of Finance, constitute the quorum. The MPC is governed by a Code of Conduct and reports its adherence to the Code once a year to the Board of Directors.

The MPC generally meets four times a year, although it may convene additional meetings, should the need arise. Salient features of the MPC decision-making process pertain to the assessment of the latest economic and financial developments, both globally and domestically, forecasts for inflation and real GDP growth, as well as the balance of risks to the economic outlook. The MPC signals its monetary policy stance through changes in the Bank's policy rate, which is the Key Rate.

Following each MPC meeting, the Governor holds a press conference to communicate the monetary policy decision to the public and explain the underlying rationale. The press statement of the Governor and a media release are also published on the Bank's website on the same day. Additionally, the minutes of the MPC meeting are published two weeks after each meeting and include the voting pattern of MPC members.

To further enhance transparency, effective 2025, dates of MPC meetings were made public a year in advance in line with international best practice. Publication of the calendar of meetings lowers uncertainty and speculation in the market, reinforcing the Bank's communication strategy and upholding public confidence in the conduct of monetary policy.

Composition of the Monetary Policy Committee as at 30 June 2025

Dr Rama Krishna Sithanen, G.C.S.K.
[2/2]

Rajeev Hasnah
[2/2]

Gérard Sanspeur
[1/2]

Martine Ip
[2/2]

Dr Myriam Blin
[2/2]

Dr Jeevita Matadeen
[2/2]

Sharmila Banymadhub-Chakowa
[2/2]

Dr Ahmad Jameel Khadaroo
[2/2]

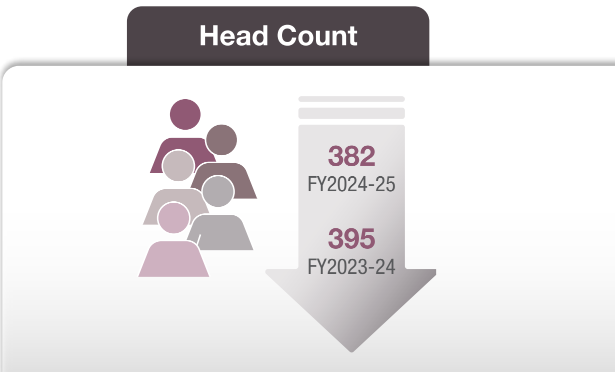
Note: Figures in square brackets represent number of MPC meetings attended.

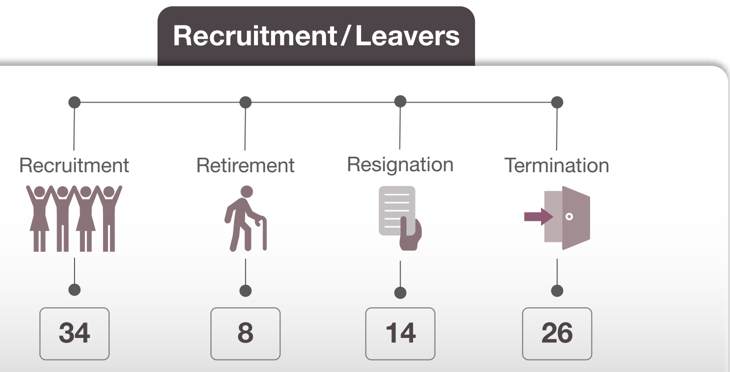
02
OUR ORGANISATION

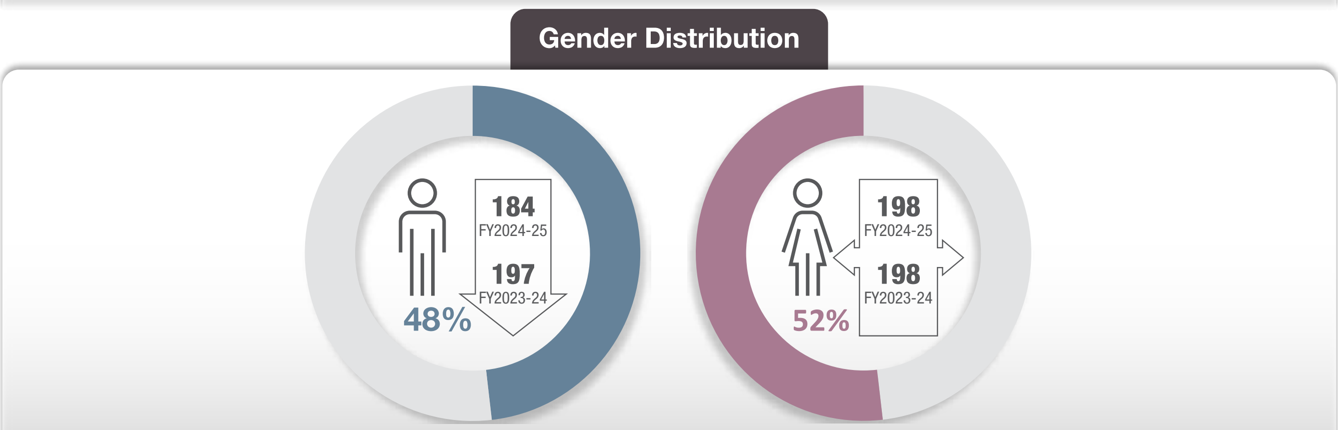
Human Resources

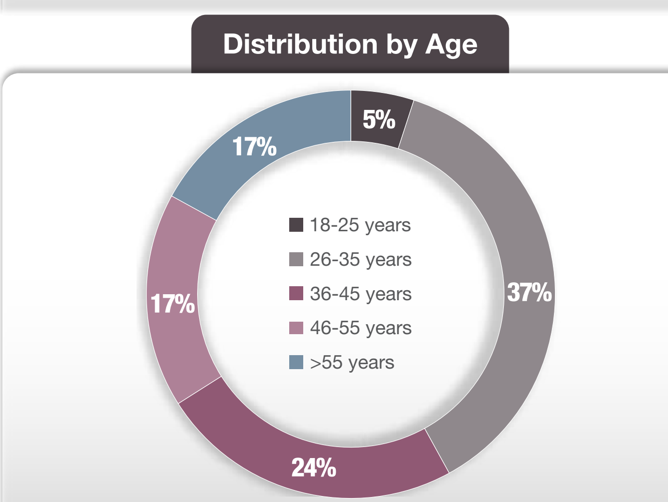
The Bank recognises its employees as its most valuable asset in fulfilling its statutory mandate. As a knowledge-driven institution, the Bank remains committed to investing in the development of its human capital, with the aim to cultivate a culture of excellence and continuous improvement across all departments. This strategic focus is directed towards fostering a high-performance environment that empowers staff to deliver effectively on the Bank's mandate, while simultaneously safeguarding their wellbeing.

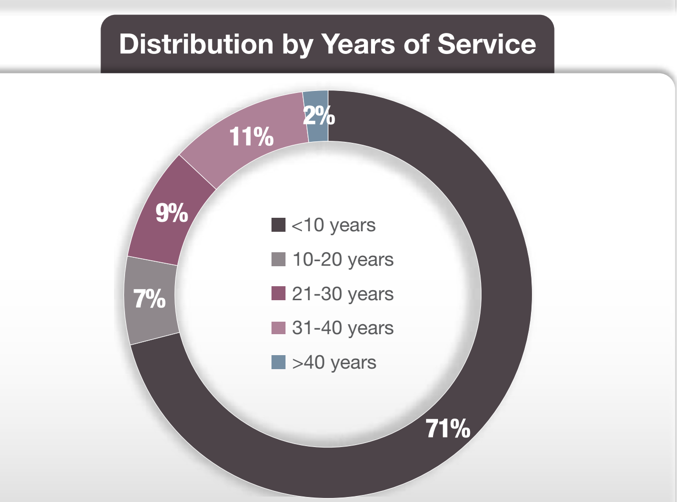
Our Employee Demographics

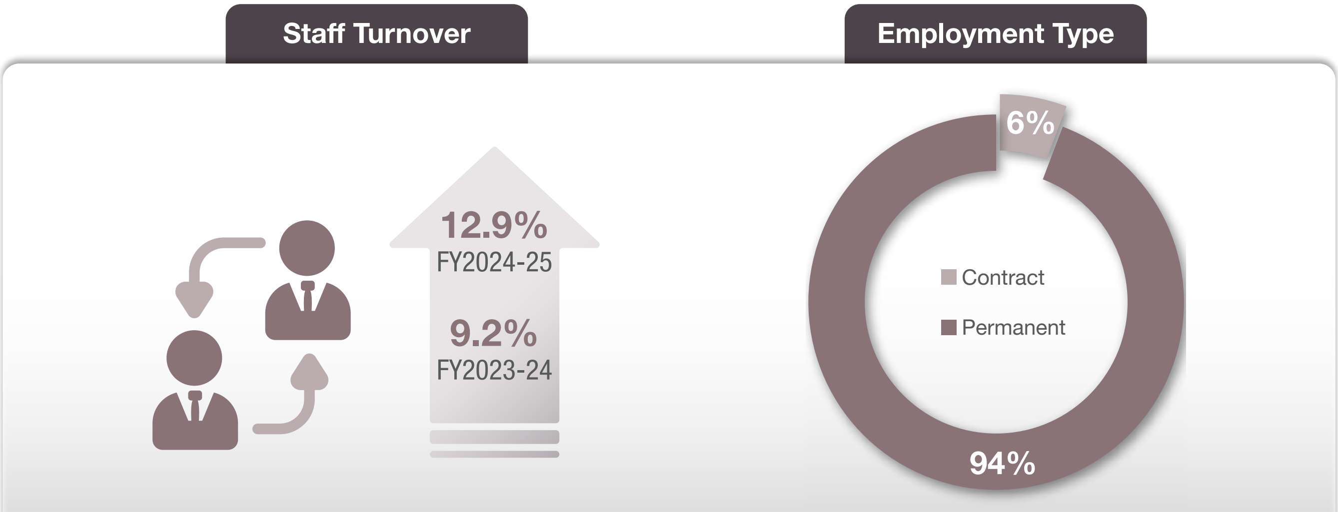






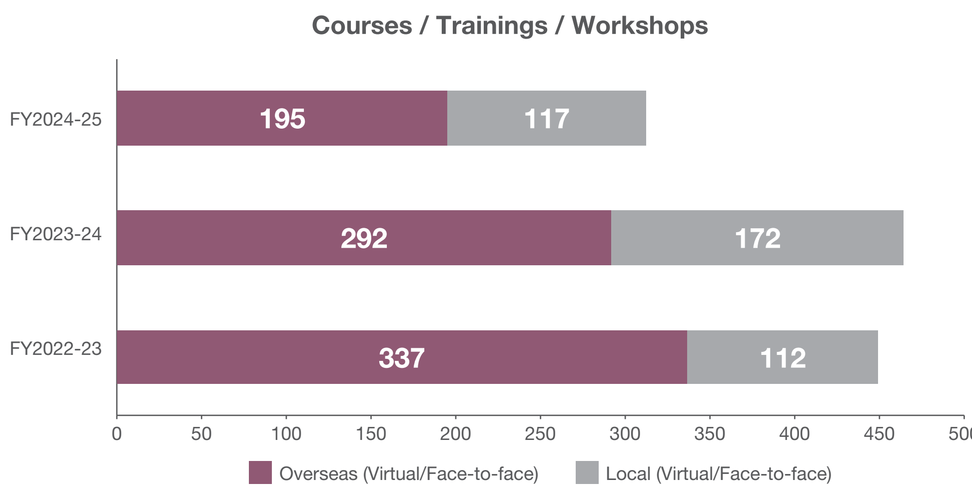






Capacity Building

During FY2024-25, the Bank continued to invest in building a highly skilled, motivated and capable workforce aligned with its strategic objectives. The Bank promoted staff development through a series of targeted training programmes, both face-to-face and virtual as well as locally and internationally. Staff had the opportunity to participate in training programmes in key areas of central banking, namely monetary policy, financial stability, supervision and payment systems, amongst others.



Employee Wellbeing

The Bank remains committed to safeguard and promote the health, safety and overall wellbeing of its staff by fostering an inclusive and growth-oriented work environment. This dedication not only supports employee engagement and productivity but also reinforces the Bank's ambition to be recognised as an employer of choice by nurturing a professional, secure and socially supportive workplace. In this context, several programmes were renewed during the year:

1. The Bank continued to arrange football sessions for the staff on a weekly basis at MUGA, Phoenix, encouraging them to engage in sports activities. The annual football tournament took place in October 2024, with the participation of additional teams from the Bank. This event served as a vibrant platform to strengthen bonds among staff members and celebrate the spirit of sportsmanship.

2. The Bank renewed its staff Gym Membership Programme in June 2025. This initiative saw a high participation rate, with a significant number of employees enrolling in the programme.

3. The Bank organised a Health Week in partnership with the Ministry of Health and Wellness in June 2025. The Health Week comprised a full-day health screening exercise, such as check-ups, breast and cervical cancer screening and the annual blood donation, amongst others. The event was a resounding success, with more than 160 staff members screened and 85 blood pints collected.

4. The Green Bank of Mauritius Project Team, together with the Employee Welfare Committee, organised two ecological activities at Île aux Aigrettes in November 2024 and March 2025. Bank staff participated in guided educational tours and endemic plant restoration efforts aimed at protecting the island's fragile ecosystem. This initiative aimed to raise awareness on climate change and environmental issues.

Workplace Safety

To promote a safe and healthy workplace, the Bank undertook the following actions during the year:

i. Safety and Health Committee Meeting

The Safety and Health Committee continued to serve as the Bank's principal forum for addressing occupational safety and health matters. The Committee convened six times during the year, providing a structured platform to discuss workplace safety concerns, review health initiatives and ensure compliance with the Occupational Safety and Health Act 2005.

ii. Fire Safety Training

In September 2024, the Bank, in collaboration with the Mauritius Fire and Rescue Service, conducted a series of fire safety training sessions aimed at strengthening workplace safety and emergency preparedness. These sessions were designed to sensitise staff members on potential fire hazards, methods of extinguishing fires, proper use of fire extinguishers and educate them on precautionary measures to safeguard life and property.

iii. Annual Fire Drill

In January 2025, the Bank conducted its annual fire drill to ensure that all staff members are familiar with the Bank's fire evacuation procedures and to reinforce emergency preparedness. This proactive measure contributes to a safer working environment and enhances staff confidence in responding effectively during emergencies.

iv. Safety and Health Inspection – Rodrigues Office

A comprehensive inspection of safety and health arrangements was carried out at the Rodrigues Office in June 2025. As part of this initiative, a fire drill was also conducted to assess and enhance emergency response protocols.

Fire Safety Training

Health Week

Annual Blood Donation

Ecological Activity at
Île aux Aigrettes

Communication and Public Outreach

Financial Literacy

Considering the importance of fostering early financial awareness, the Bank has, during FY2024-25, reaffirmed its commitment to strengthen financial literacy and empower Mauritians with the knowledge to make informed financial decisions. The Bank seeks to expand financial education through digital innovation to enhance outreach, strategic partnerships with educators and industry leaders and the integration of financial literacy into the national education framework. By contributing to equip Mauritians with the right knowledge and tools, the Bank is paving the way for a more secure financial future for all.

As the national coordinator of the Global Money Week, the Bank tailored its initiatives to inspire and educate young Mauritians in the 13th edition of this event. These initiatives were aligned with the Bank's broader goal of fostering economic stability through an informed public. The theme for this year was *"Protect Your Money, Secure Your Future"*, highlighting the growing need for sustained financial education in building a financially savvy and forward-thinking society.

The Bank engaged with students, young professionals and members of the public through a dynamic mix of in-person workshops, digital outreach and interactive learning sessions. Secondary school students participated in immersive financial literacy workshops, which explored fundamental economic and financial concepts, such as saving, budgeting, digital banking and other essential skills for achieving long-term financial independence.

One of the highlights of the Global Money Week was the visit to the Bank of Mauritius Museum, whereby students gained insights into the evolution of money, the power of savings and how to mitigate risks of financial fraud. Interactive sessions led by the Bank's staff further enriched the visitor experience through practical guidance on responsible money management.

To amplify its reach, the campaign leveraged social media, with engaging content shared on the Museum's Facebook page (@TheBankOfMauritiusMuseum) and the Bank's Instagram (@BankOfMauritius) channel. This digital strategy extended the impact of the Global Money Week and fostered broader participation.

In line with its mission to promote inclusive finance, the Bank also teamed up with local NGO Junior Achievement Mascareignes to bring financial literacy programmes to underserved communities. This collaboration reflects the Bank's commitment to expand access to financial empowerment tools to all Mauritians.

Essay Writing Competition

The Bank held an award ceremony on 7 March 2025 to celebrate the winners of its inaugural Essay Writing Competition 2024. This initiative was designed to encourage young minds to share views on the critical role of digital financial inclusion and literacy in driving Mauritius' economic development. The competition, open to both university and secondary school students, attracted an impressive number of participants who showcased insightful analyses and forward-thinking perspectives on how financial technology and education can drive sustainable economic progress.

The Bank awarded cash prizes and exclusive internship placements to the top performers to reward outstanding analytical and research skills.

Award-Remitting Ceremony for Winners of the Bank of Mauritius Essay Writing Competition

The Bank of Mauritius Museum

The Bank of Mauritius Museum continued to play an active role as a vital cultural and educational hub by welcoming around 1,000 visitors per month during FY2024-25. The Museum attracted significant interest from the public and institutions alike, hosting senior citizens' associations and educational institutions at the pre-primary, primary, secondary and tertiary levels.

A milestone this year was the introduction of the Museum-Based Learning concept, endorsed by the Ministry of Education and Human Resource that helped students understand the real-life relevance of their studies through immersive learning. The Museum further broadened its outreach through active participation in workshops organised by the University of Mauritius, UNESCO and the Ministry of Arts and Culture. These collaborations underscore the Museum's growing role as a trusted partner in cultural and academic exchange.

In May 2025, as part of the International Museum Day celebrations, the Museum organised a series of talks around the theme *"The Future of Museums in Rapidly Changing Communities"*. The Museum also endeavoured to offer assistance to researchers and cultural centres, thus reaffirming its expertise in historical and numismatic matters. The Museum also welcomed eminent personalities, including Members of Parliament from Eswatini and the United States Ambassador to Mauritius.

To extend its reach beyond national borders, the Museum enhanced its visibility through partnerships with international tour operators, promoting cultural tourism and positioning Mauritius as a destination rich in heritage and history. The Museum recorded a 20 per cent increase in visibility and engagement across its social media platforms to promote educational content, highlight events and reach a wider audience, both locally and internationally.

International and Institutional Relations

Cooperation with International Organisations

The Bank places significant emphasis on cooperative ties with local and international organisations and foreign central banks. With the growing economic interdependence and common challenges facing central banks globally, cooperation with international organisations and central banks is useful in devising a coordinated approach to management of external shocks and systemic risks. These become even more pertinent as Mauritius is also host to the operations of the branches/subsidiaries of a few Global-Systemically Important Banks.

Our close collaboration with international financial institutions and sharing of experience and expertise with other central banks act as a facilitator for promoting financial innovations and efficient and robust payment systems, adoption of international best practices and fine-tuning of existing policies. Dissemination of information about the strength and health of the Mauritian financial sector also contributes to attracting foreign capital. On 22 October 2024, the Bank became a member of the International Forum of the Total Official Support for Sustainable Development.

The Bank actively participated in a number of high-level meetings, conferences, trainings, technical workshops and capacity building initiatives organised by local, regional and international economic and financial organisations, including the Committee of Central Bank Governors in Southern African Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA), Bank for International Settlements (BIS), the Organisation for Economic Co-operation and Development (OECD), Financial Action Task Force (FATF), International Monetary Fund (IMF) and the World Bank.

These events provided a platform for the Bank to share experience and expertise, discuss and collaborate with other parties on existing and emerging topics of interest, including digitalisation, changing roles of central banks, artificial intelligence, climate change, monetary policy and financial stability, amongst others. The Bank was privileged to welcome the Governor of Banque de France, Mr François Villeroy de Galhau, who is also the Chairperson of the BIS, in August 2024 for a talk on monetary policy and economic growth. Mr Matthias Cormann, Secretary-General of the OECD, also visited Mauritius in September 2024 for, amongst others, the launch of the Investment Policy Review for Mauritius and the inaugural OECD-Africa Roundtable on Banking and Financial Markets.

International Recognition

In recognition of his distinguished leadership and the remarkable impact he made on Mauritius' economic and monetary landscape within a short span of time, the Governor of the Bank, Dr Rama Krishna Sithanen, G.C.S.K., was designated as co-winner of the 2025 edition of the coveted "Central Bank Governor of the Year 2025" Award bestowed by the highly respected African Leadership Magazine.

Representation of the Bank in Regional/International Organisations

International cooperation remains an important mechanism for the Bank to interact with other central banks and supra-national organisations and benefit from their expertise in different areas. The Bank is a member of several regional and international organisations, including, the Association of African Central Banks (AACB), Islamic Financial Services Board, International Islamic Liquidity Management Corporation (IILM), Financial Stability Board – Regional Consultative Group for Sub-Saharan Africa and the Groupe des Superviseurs Bancaires Francophones.

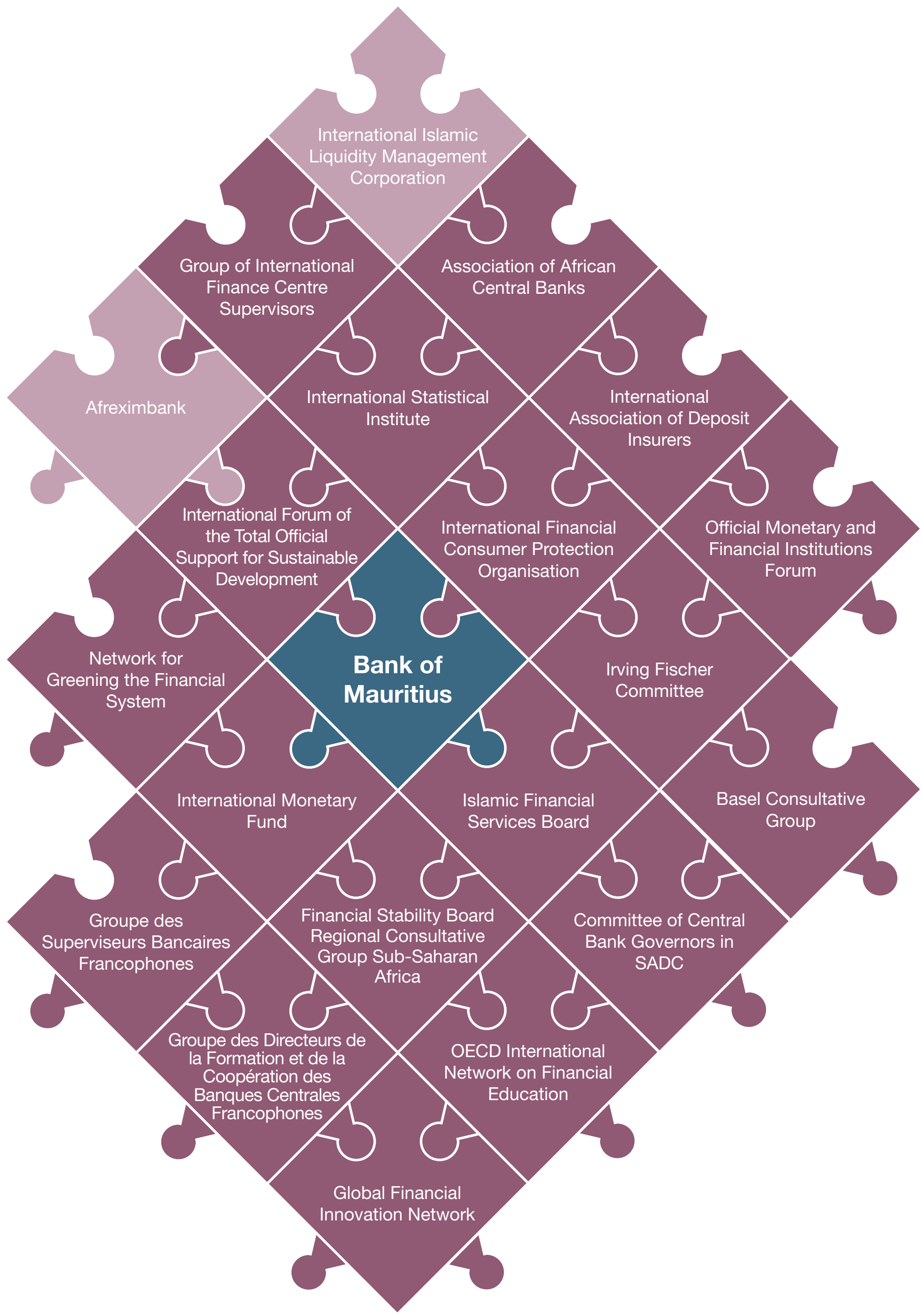
The Governor of the Bank was unanimously appointed as Chairperson of the AACB for a period of one year during the 46th Ordinary Meeting of the Assembly of Governors held in September 2024, in Mauritius. The Bank is also a founding member of the IILM, which was established to issue Shari'ah-compliant financial instruments and to enable effective cross-border Islamic liquidity management. At the Governing Board meeting that was held on 30 October 2024, the Governor of the Bank was appointed as Deputy Chairman of the IILM.

The Bank continued to engage actively with its counterparts on the African continent to advance regulatory harmonisation and promote systemic stability. A key development in this endeavour is the establishment by the AACB in September 2024 of the African Financial Stability Committee (AFSC) with a comprehensive mandate to enhance country-level collaboration and strengthen financial stability on the continent. This major initiative supports peer learning and partnership, technical standard alignment and the development of joint methodologies for financial stability monitoring and macroprudential oversight. The Bank has chaired the AFSC during FY2024-25 and contributed to enrich regional dialogues on financial system stability assessment frameworks and the development of an African Financial Stability Report. These initiatives reinforce the commitment to coordinated regulatory advancement and building cross-border financial sector resilience.

In April 2025, the Governor participated in the IMF/World Bank Spring meetings and had productive discussions with key stakeholders in a number of areas of direct relevance to the Bank, including the revamp of the existing banking legislations. The Bank hosted the AACB 2025 Community of African Banking Supervisors (CABS) Conference and Meeting in June 2025. The event was attended by delegates from 30 African central banks as well as representatives from four international institutions. The CABS is a platform for African supervisors to exchange views on the latest developments and challenges in the field of banking supervision. The Bank also chairs the Technical Committee, the CABS and the Payment Systems Task Force at the level of the AACB.

Our Organisation

Representation of the Bank in Regional/International Organisations



The Bank is a member/is represented in

The Bank is a shareholder

Cooperation Agreements

The Bank continued to rely on a strong network of cooperation agreements with both local and international institutions for the effective discharge of its mandate. As at 30 June 2025, the Bank had entered into 68 cooperation agreements, in the form of Memoranda of Understanding, Memoranda of Cooperation, Partnership Agreements and Exchange of Letters – including 47 agreements reached with international institutions and 22 with local institutions (see Appendices VII and VIII).

The Bank also entered into a Memorandum of Understanding (MoU) with the People's Bank of China in November 2024 to facilitate Renminbi clearing in Mauritius.

In March 2025, the Bank and the Deutsche Bundesbank renewed their MoU to promote technical central bank cooperation in various areas. The renewed cooperation re-affirms the mutual commitment to institutional capacity building through structured training and advisory assistance. Under this cooperation framework, the Bank's staff benefit from tailored seminars and expert-led discussions. Furthermore, the Deutsche Bundesbank will organise study visits and obtain assessments of specific training or advisory assistance needs from the Bank.

On the occasion of the visit of the Honourable Prime Minister of the Republic of India, Mr. Narendra Modi, in March 2025, the Bank and the Reserve Bank of India entered into an MoU for the establishment of a framework to promote the use of local currencies for cross-border transactions. The objective of this MoU is to strengthen bilateral ties and establish an effective framework for cooperation in promoting the use of local currencies for cross-border transactions between Mauritius and India. This cooperation is geared towards developing the exchange market and facilitating bilateral trade and settlement, direct investment, remittance settlement, financial market development and economic growth and stability.

In April 2025, the Bank, together with the Agence Française de Développement, the Delegation of the European Union, the Mauritius Bankers Association Limited and Business Mauritius, formalised its engagement in the "SUNREF - Cap sur la Finance Durable" Programme to accelerate the transition to sustainable finance. The technical assistance will be provided principally by the Banque de France and Expertise France.

Climate Change Centre

The Climate Change Centre (CCC) remained focused on consolidating its climate-related modelling infrastructure to identify and assess risks posed by climate change to the Bank's statutory objectives of price and financial stability. In this regard, the Bank is receiving technical assistance from Banque de France, under the "SUNREF - Cap sur la Finance Durable" Programme, in four key areas, namely: (i) macroeconomic modelling to evaluate climate impacts on the economy; (ii) integration of climate-related risks into its regulatory, supervisory and macroprudential frameworks; (iii) bridging climate data gaps; and (iv) measuring the Bank's internal carbon footprint.

The CCC is also committed to continue deepening its engagement with stakeholders to strengthen the domestic climate ecosystem and unlock climate finance opportunities. The key achievements of the CCC during FY2024-25 are outlined below.

Climate-Macro Modelling

The Taskforce on Monetary Policy conducted a country-specific study on the 'Macroeconomic Impact of Climate Change and the Role of Central Banks' to empirically assess the ramifications of climate shocks on the Mauritian economy, in particular on real GDP growth and inflation, as well as the ensuing policy responses. The findings of the study were presented at a COMESA Monetary Institute Validation workshop in September 2024. The Bank is also engaging with the IMF for technical assistance to integrate climate shocks into its current analytical framework to assess the diverse impacts of climate change on price and overall macroeconomic stability.

Supervision of Climate-Related Risks

During FY2024-25, the Bank continued to engage with financial institutions to provide the necessary support for implementing the "Guideline on Climate-related and Environmental Financial Risk Management". The Bank also carried out an assessment of climate-related disclosures published by banks in their annual reports. It was observed that climate-related risks were being overseen by Board of Directors of banks and supported by their risk committees. In terms of strategy, banks have committed funding for climate finance and have set sectoral targets to phase out or reduce lending to some high-emission sectors. With regard to risk management, most banks have already integrated climate-related risks into their overall risk management frameworks.

In parallel, the Bank initiated a climate-related scenario analysis exercise for the banking sector in January 2025 to support banks in addressing challenges arising from their climate-related risk identification and assessment framework. The exercise sought to identify potential credit losses that could arise from two scenarios, notably: (i) A sudden wake-up call scenario where the country faces acute physical risks from extreme weather events and abruptly implements environmental policies, leading to heightened transition risks; and (ii) the impact of the EU Green Deal on banks' exposures. The findings from the scenario analysis will support the development of a robust sectoral risk assessment framework.

The Bank is also integrating climate-related scenarios into its banking sector stress testing framework, based on macroeconomic projections from its Climate-Macro modelling framework. In addition, it is expanding its financial stability surveillance toolkits to proactively identify emerging risks from climate change. A workshop on Climate Change and Financial Stability was hosted by the Bank in collaboration with the IMF Africa Training Institute in November 2024 to provide hands-on training to our staff on the integration of climate shocks in a simplified stress testing framework.

Supporting the Development of Sustainable Finance

The Bank continued to collaborate with key stakeholders to strengthen the domestic climate finance ecosystem, which is key to unlock climate finance opportunities in Mauritius and the region. Work on the development of the National Green Taxonomy has progressed and the final taxonomy framework is expected to be published in the coming months.

Alignment with globally harmonised sustainability standards is key to position Mauritius as a sustainable finance hub in Africa. The Financial Reporting Council has established a Steering Committee, comprising representatives from the Ministry of Finance, Ministry of Environment, Solid Waste Management and Climate Change, the Bank, the Financial Services Commission (FSC) and other concerned stakeholders, to support the development of a national framework for the future implementation of the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2).

Recent data compiled by the Bank have indicated positive momentum towards a greener banking system. The total exposures of the banking sector towards sustainable projects rose by 48 per cent, from Rs6.9 billion as at end-June 2023 to Rs10.2 billion as at end-June 2024. Likewise, the number of loan applications surged by 107 per cent over the same period.

Transforming the Bank into a Greener and more Sustainable Organisation

As part of the Green Bank of Mauritius Project, the Bank implemented a number of initiatives aimed at integrating sustainable practices into its operations, underscoring its commitment to environmental stewardship. The gradual replacement of conventional lighting fixtures by LED types and the upgrading of high-rise passenger lifts in the Bank are expected to improve energy efficiency. With a view to reducing food wastage, a digital booking system has been launched to allow Bank staff to order their meals from the canteen in advance. As part of its strategic initiative to modernise its operations and transition towards a paperless organisation, the Bank rolled out digital workflows whereby internal document creation, review and approval processes have been migrated into digital formats.

Regional and International Collaboration on Climate-Related Policies

As part of its commitment to promote peer-to-peer learning in the area of climate change, the Bank hosted officers from the Bank of Ghana and the Reserve Bank of Malawi in October 2024 and June 2025, respectively, to share its experience regarding the integration of climate risks and opportunities into its frameworks and operations. The CCC also contributed to climate-related reports and surveys led by the IMF, the International Sustainability Institute, the Groupe des Superviseurs Bancaires Francophones and FinCoNet.

Enterprise Risk Management

Risk Management

The central bank is committed to enhance risk-based practices and to foster a robust risk culture within the organisation. Risk management has become an essential component of governance given the escalating complexities and uncertainties of the global and domestic financial sector. It is necessary to evaluate and mitigate potential threats to the Bank's strategies and functions, as well as to its reputation, assets and financial soundness.

The Bank is working towards the introduction of a comprehensive risk framework aligned with international best practices during FY2025-26. The framework will support the central bank in making risk-informed decisions by facilitating a comprehensive understanding of the current and emerging risk landscape and responding proactively to changes in the business environment.

Risk Policy and Framework

The Risk Policy and Framework, planned for implementation during FY2025-26, will serve as the fundamental building blocks for effective risk management and decision-making at all levels of the Bank. The aim is to consolidate and ensure:

i. A strong risk culture, by embedding risk management into the Bank's structures, roles and responsibilities;

ii. Better awareness of risk to understand, detect, assess, mitigate and report cross risks;

iii. Establishment of adequate controls to manage risk within the Bank's risk appetite; and

iv. Continuous evaluation and monitoring of risks for informed decision-making and resource allocation.

Governance

Risk management is the collective responsibility of all staff of the central bank and is intrinsically linked with effective governance. A well-defined governance structure along with the Risk Policy will support the creation of a sound risk culture. The Bank is reinforcing the "Three Lines of Defence" model as an effective and appropriate approach to identify and manage risks whilst fostering a robust risk culture, as depicted below.

Three Lines of Defence Approach

First line of defence	Second line of defence	Third line of defence
Responsible for complying with policies, standards and guidelines whilst adhering to the established Risk Policy and Framework.	Sets the standards, provides guidance and supports the first line of defence. Its role is to oversee how staff are managing risks with respect to the approved Risk Policy and Framework.	It assesses risk management, control and governance processes. It provides independent assurance that the Risk Framework is adequate and effectively applied across the Bank.

The Bank recognises the importance of identifying the root causes of risk and assessing and managing their potential impacts on its strategies, functions, stakeholders and the banking environment. By adopting a formalised risk framework, the Bank embraces accountability, continuous improvement in risk management practice and transparency.

Cyber Security at the Bank and for the Banking System

Consolidating Banking Sector Resilience

In an increasingly digitalised financial landscape, the Bank continues to place significant emphasis on enhancing the robustness and resilience of its information security framework, as well as that of the banking system. The IT Security function plays a critical role in safeguarding the integrity of the digital infrastructure, ensuring confidentiality and availability of critical information assets. The Bank further enhanced its IT security governance during the year to address evolving cyber threats and align with international best practices. Regular assessments were conducted to identify vulnerabilities, mitigate risks and ensure continued resilience of the Bank's systems and operations. The IT Security Unit monitored and responded to emerging threats, while implementing preventive and detective controls across the Bank's IT environment.

The IT Security Unit also conducted onsite IT supervision for the banking sector and provided cyber security-related recommendations to the Payment Systems Division of the Bank, as well as to payment system licensees. This collaborative engagement helps to sustain secure operation of financial markets infrastructures and services. It also guarantees alignment with prudential requirements in respect of operational and cyber resilience.

Promoting Cyber Security Awareness

Security awareness remains a cornerstone of the Bank's cyber security strategy. Staff-centric initiatives, including training sessions and awareness campaigns, were carried out to sensitise staff members on the importance of cyber hygiene, phishing detection and safe digital practices. These efforts contribute to build a strong culture of cyber security consciousness across the institution.

Policy Development and Strategic Guidance

The IT Security Unit continued to assist stakeholders on IT security matters, supporting informed decision-making in areas such as technology investments and incident response planning. It contributed actively to the development of forward-looking policies to ensure sound governance of emerging technologies. Notably, work is underway on the formulation of an AI Policy to guide the responsible and secure adoption of AI solutions across the Bank's operations. These initiatives reflect the Bank's proactive stance in embedding security considerations into its digital transformation journey.

Cyber Threat Intelligence

The Bank is currently in the process of procuring a Threat Intelligence Sharing (TIS) platform which, once deployed, will serve both the Bank and operators in the Mauritian financial system. It will enable timely and common access to intelligence on cyber threats. The TIS tool will empower stakeholders to identify, analyse, prioritise and respond effectively to emerging threats, thereby enhancing the collective cyber resilience of the financial sector.

Commitment to Resilience

The Bank is committed to strengthen cyber resilience and promote a secure and stable financial ecosystem, in line with its mandate to maintain financial stability and public confidence in the banking system. As part of this commitment, the Bank has embarked on the journey to become ISO 27001 certified, reinforcing its dedication to internationally-recognised cyber security standards.

As cyber threats transcend the banking system, the Bank has been collaborating with the FSC through the Working Group on Cyber Security, established in May 2024, to monitor and mitigate cyber risks from the non-bank financial institutions. Work on this initiative is progressing favourably.

Innovation Hub

The Innovation Hub, known as Innov8, was launched on 4 September 2024 to foster innovation and the use of emerging technologies for the banking and other related financial services falling under the purview of the Bank. The Innov8, located at the Docks, Caudan, features a state-of-the-art physical set-up, with a co-working space that encourages collaboration and promotes creative thinking and innovative ideas. In terms of IT infrastructure, the Innov8 has put at the disposal of its participants dedicated and secure virtual environments for the development and experimentation of solutions.

The launch of the Innov8 was marked by an inaugural Hackathon, the Hacktiv8, which focused on cyber security and cyber resilience. Nine teams from six universities competed in a hacking challenge for a grand prize of Rs250,000. The event was supported by mentors comprising Chief Information Security Officers and Heads of Information Technology departments from the banking sector.

The Innov8 aspires to become a regional innovation hub. Seven central banks have already joined the hub, namely the Central Bank of Eswatini, Banky Foiben'i Madagasikara, Banque Centrale de Mauritanie, Banco de Moçambique, Bank of Namibia, Bank of Uganda and Bank of Zambia.

In 2024, the Innov8 launched its first call for Proofs of Concept, attracting over 70 applications worldwide. Two workshops were held to provide more information on the themes and possible use cases based on inputs received internally at the Bank and from other stakeholders. Sixteen projects were selected across various fintech-related themes, with several nearing completion.

The Innov8 regularly engages with its stakeholders through workshops, on critical issues underpinning innovation in the financial sector, as provided below:

- Workshop on cyber security with Chief Information Security Officers of banks on 5 September 2024 organised by NEC;
- Workshop on cyber security and cloud computing for students and academia on 6 September 2024 in collaboration with NEC and Mauritius Telecom;
- Workshop for African central banks on 6 September 2024;
- Hacktiv8 (Hackathon) on 27 September 2024;
- Workshops with participants on 4 October 2024 on the themes and problem statements of the Innovation Hub; and
- Study visit by The Global Exec and the Duke Corporate Education for Absa Group (South Africa) on 24 June 2025.

As the Innov8 enters its second year, it continues to gather momentum, reinforcing its role as a catalyst for fintech innovation in Mauritius and the region.

Business Transformation Project

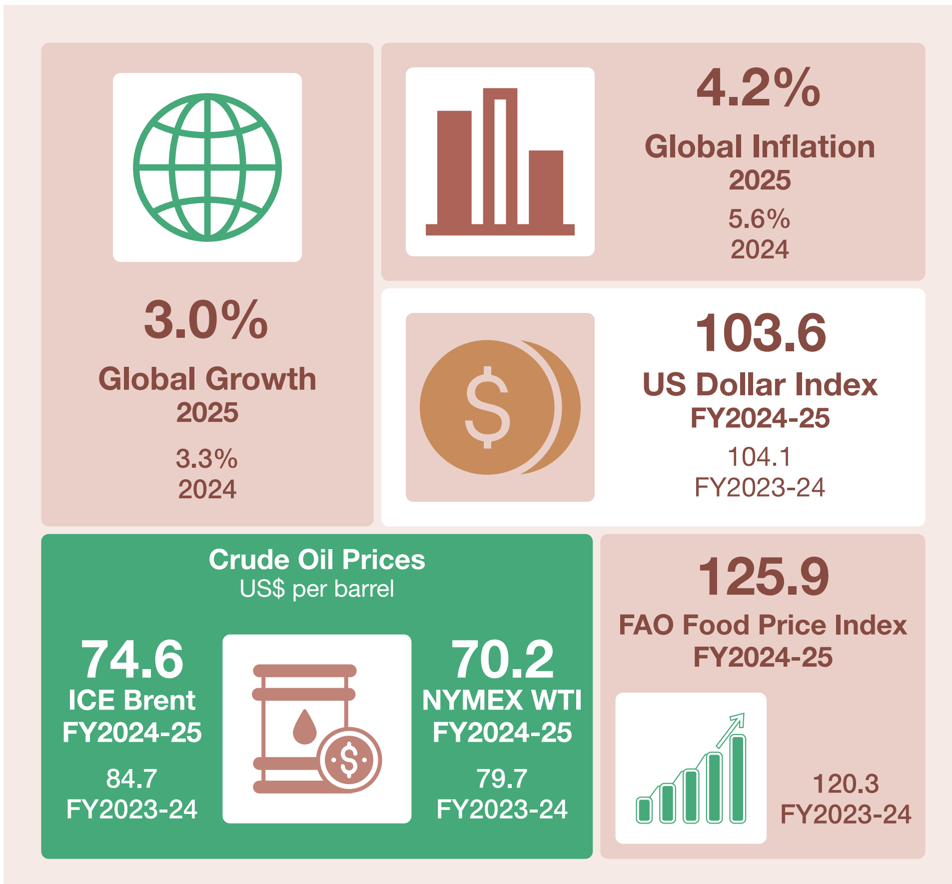
The IT Transformation Project, renamed as a Business Transformation project, is progressing. The project will bring major changes to workflow processes in the Accounting and Budgeting, Financial Markets Operations, Banking and Currency Office Departments, as well as in the Rodrigues Office. Straight-through-processing will be implemented, thus reducing manual procedures. Portals will allow external parties, namely the Ministry of Finance, banks and the Mauritius Revenue Authority (MRA), to use the system in real time.

New Interactive Intranet – Vault.Net

The IT Business Unit has revamped the Bank's Intranet. New features, like social media platform (VivaEngage) and other interactive tools for communication have been introduced. Each Department can now take ownership of its content on the Intranet, thus increasing visibility. The new Intranet allows feedback and community building, as well as real-time collaboration through full Microsoft 365 integration. It also incorporates enhanced security, with Multi-Factor Authentication, role-based access and audit trails. The Cloud-based architecture eliminates delays and reduces maintenance overhead.

03
MACROECONOMIC AND FINANCIAL OVERVIEW

The Global Economy



Sources: IMF, Refinitiv and FAO.

The global economy was marked by heightened uncertainties and evolving geopolitical and trade dynamics during FY2024-25. The first half of the financial year demonstrated some degree of resilience, with global growth regaining momentum, normalisation of labour market conditions and inflation at or converging towards their targets in a large number of countries. However, the tariff measures announced by the US at the beginning of 2025, retaliatory tariffs on the US by affected countries, as well as frequent revisions to the announced tariff rates, introduced renewed volatility into the global trade ecosystem, clouding the financial and economic outlook. Investor sentiment weakened as concerns over the trajectory of global growth and inflation resurfaced. Nonetheless, the announcement of a 90-day pause on reciprocal US tariffs, de-escalation of the US-China stand-off and bilateral trade agreements between the US and several countries helped alleviate some of the prevailing concerns, offering a cautiously optimistic growth outlook.

The IMF, in its July 2025 World Economic Outlook (WEO) Update, projected global growth at 3.0 per cent in 2025 and 3.1 per cent in 2026, representing upward revisions of 0.2 percentage point (pp) and 0.1 pp, respectively, from the April 2025 forecasts. The IMF attributed the relatively more optimistic outlook to progress in bilateral trade negotiations between the US and its trading partners, as well as stronger-than-expected front-loading activities by US importers ahead of the imposition of new tariffs. However, these growth projections for 2025 remained approximately 0.2 pp below the pre-April 2 forecast in the previous report, indicating that trade tensions would hurt the global economy.

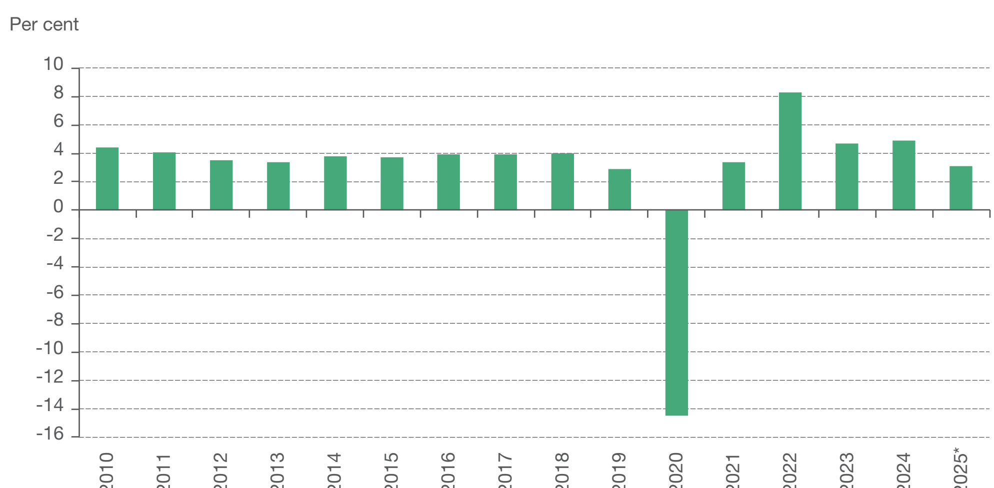
Global inflation moderated during FY2024-25, as easing supply chain pressures, favourable developments in oil prices and cautious monetary policy stance helped stabilise prices across major economies. However, progress on inflation was somewhat thwarted by trade frictions, especially in some advanced economies like the US and UK, where signs of trade tariffs feeding into prices of consumer goods became apparent by end-June 2025. The IMF, in its July 2025 WEO Update, forecast global inflation to decline from 5.6 per cent in 2024 to 4.2 per cent in 2025 and further to 3.6 per cent in 2026.

The global monetary policy landscape underwent significant shifts during FY2024-25. Central banks first transitioned from aggressive tightening to a rate-cutting cycle, driven by a gradual moderation in inflation. However, as policy trade-offs between inflation and growth became more challenging amidst trade policy uncertainties, most central banks paused their monetary easing cycle. After cutting the policy rate by a cumulative 100 basis points (bps) in 2024H2, the US Fed opted to keep interest rates unchanged in the range of 4.25 to 4.50 per cent in 2025H1. The European Central Bank pursued its easing cycle, lowering its key policy rate at seven consecutive meetings by a cumulative amount of 175 bps. The Bank of England was also dovish during the period under review, reducing interest rates by a cumulative 100 bps to 4.25 per cent, but maintaining the status quo at its June 2025 meeting due to mounting inflation risks.

Domestic Economic Performance

The domestic economy gathered momentum during FY2024-25, driven by key sectors of activity. Real GDP expanded by 4.9 per cent in 2024, with the *'Construction'* and *'Financial and insurance activities'* sectors making the largest contributions to growth. The economy maintained a positive growth performance of 3.9 per cent in 2025H1, supported by the *'Agriculture, forestry and fishing'*, *'Financial and insurance activities'* and the *'Wholesale and retail trade'* sectors. Real GDP growth for 2025 is projected at 3.1 per cent, with the domestic growth outlook being clouded by heightened uncertainty surrounding the global trade landscape and risks to growth remaining tilted to the downside (Chart 3.1).

Chart 3.1: Real GDP Growth



**Forecast.*

Source: Statistics Mauritius.

The *'Accommodation and food service activities'* sector expanded by 5.6 per cent in 2024, contributing 0.4 pp to real GDP growth. In 2024, tourist arrivals stood at 1,382,177, up by 6.7 per cent compared to 2023 and marking a return to pre-pandemic levels (Chart 3.2). Tourism earnings attained a new record high of Rs93.6 billion in 2024, bolstering the country's external performance and contributing positively to the services account of the balance of payments.

Mauritius welcomed 658,909 tourists in 2025H1, representing an increase of 2.1 per cent compared to 2024H1. France and Germany, our main source markets, recorded declines of around 13,000 arrivals while an exceptional number of arrivals was noted from India and other European destinations, such as Poland and Czech Republic. The challenging economic situation prevailing in Europe could be one of the main factors impacting tourist arrivals. Tourism earnings totalled Rs47.4 billion in 2025H1, higher by nearly 7 per cent compared to 2024H1 (Chart 3.3). The average length of stay stood at 11.3 nights, slightly down from 11.6 nights in 2024H1. For the year 2025, Statistics Mauritius expects the sector to grow by 3.0 per cent, based on expected tourist arrivals of around 1,425,000.

Chart 3.2: Tourist Arrivals

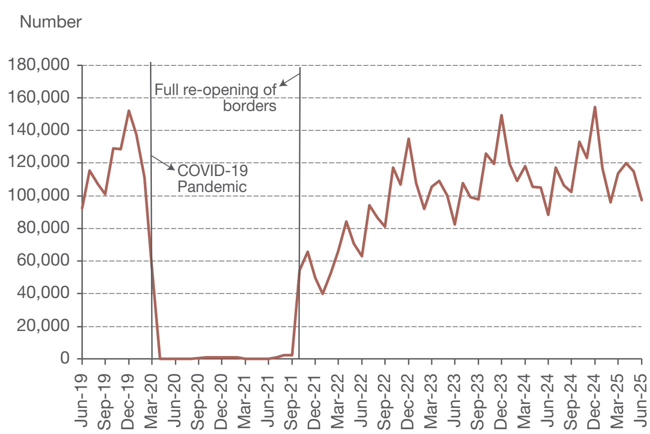
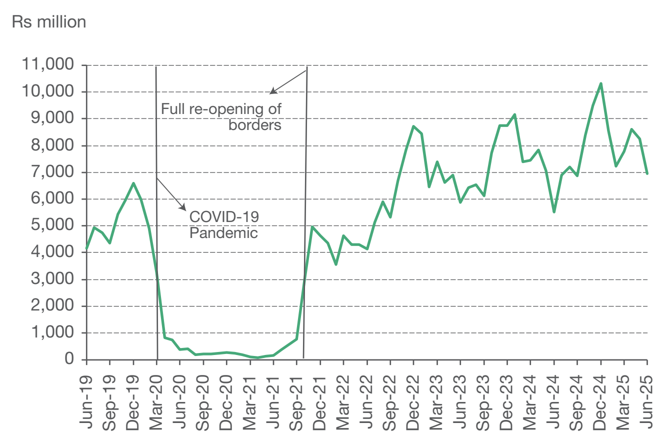


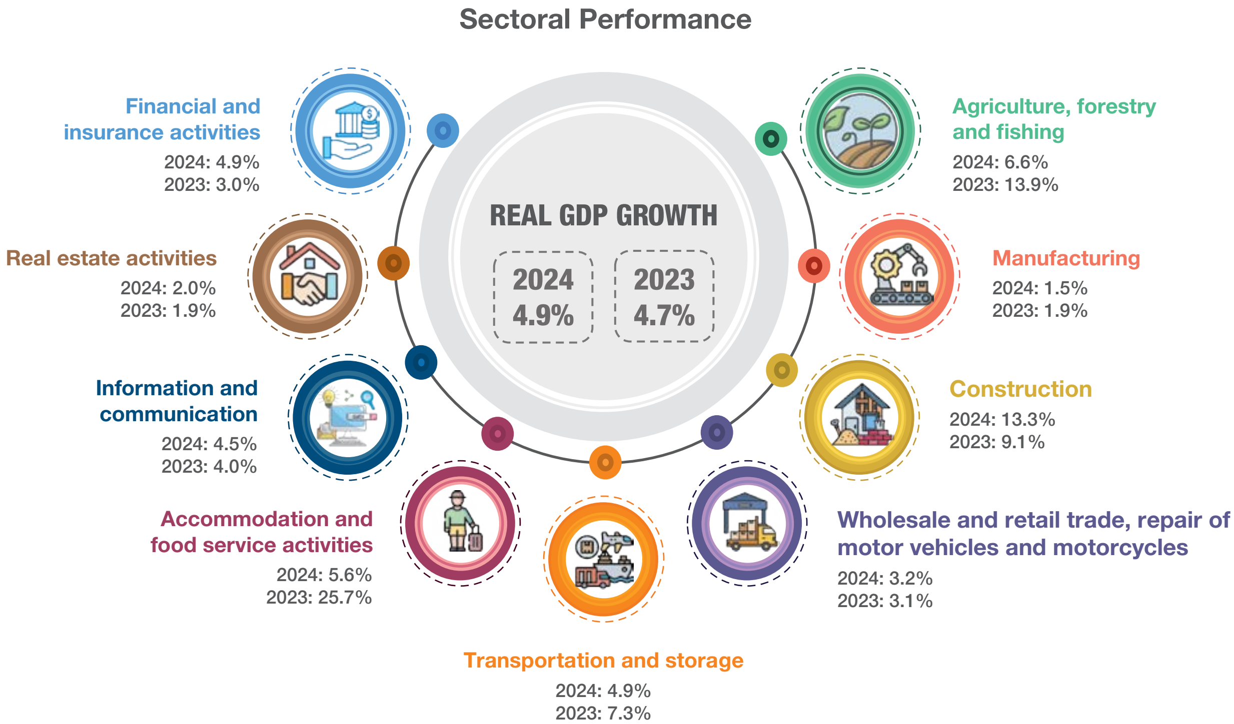
Chart 3.3: Tourism Earnings



Sources: Statistics Mauritius and Bank of Mauritius.

The *'Construction'* sector recorded robust growth of 13.3 per cent in 2024, driven largely by the completion of major infrastructure projects and an accelerated public investment programme in the lead-up to the general elections. This robust performance underscored the sector's pivotal role in supporting domestic economic activity during the year. However, the growth momentum eased in 2025H1, with the sector registering a contraction of 4.5 per cent, reflecting a post-project completion slowdown and a more moderate pace of new project initiation.

Other economic pillars maintained appreciable growth performances during the period under review. The *'Financial and insurance activities'* and the *'Information and communication'* sectors expanded by 4.9 per cent and 4.5 per cent, respectively, in 2024, and by 4.7 per cent and 4.9 per cent, respectively, in 2025H1. These growth performances reflected the continued confidence in the global business environment and the supportive impact of ongoing technological advancements. The *'Transportation and storage'* sector grew by 4.9 per cent in 2024 and further by 5.0 per cent in 2025H1, driven by ongoing improvement in logistics infrastructure and the steady recovery in passenger movement. The *'Agriculture, forestry and fishing'* sector expanded by 6.6 per cent in 2024 and posted double-digit growth of 15.5 per cent in 2025H1. Growth in the *'Manufacturing'* sector remained subdued at 1.5 per cent and 1.6 per cent in 2024 and 2025H1, respectively. The sector was mostly driven by *'food'* while the *'sugar'* and *'textile'* sub-sectors continued to be plagued by labour shortage and other structural concerns.



Source: Statistics Mauritius.

On the demand side, growth was largely supported by the resilience of consumption expenditure. Final consumption expenditure rose by 3.9 per cent in 2024 and further by 4.9 per cent in 2025H1, underpinned by both household and government expenditure. Investment spending, measured by Gross Fixed Capital Formation (GFCF), posted strong growth of 8.3 per cent in 2024, buoyed by private sector investment growth exceeding 10 per cent. However, GFCF contracted by 4.4 per cent in 2025H1, dragged down by both sub-components, namely, *'Building & construction work'* and *'Machinery & equipment'*.

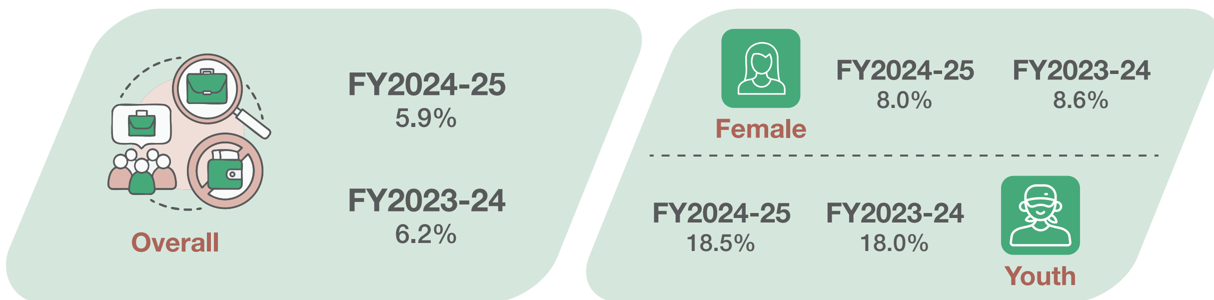
On the external front, net exports of goods and services continued to weigh on economic activity. Exports of goods and services expanded by 2.2 per cent in 2024, on the back of favourable performance of the tourism sector, but contracted by 2.7 per cent in 2025H1 given lower exports of services. Imports of goods and services registered growth of 7.3 per cent in 2024, reflecting strong domestic consumption amidst higher spending on capital projects and motor vehicles, while contracting by 0.3 per cent in 2025H1 due to a drop in imports of services.

Labour Market

Labour market conditions continued to improve in FY2024-25, marked by a decline in unemployment and encouraging gains in female workforce participation. The overall unemployment rate fell from an average of 6.2 per cent in FY2023-24 to 5.9 per cent in FY2024-25. Progress was noted in the female participation rate from 48.2 per cent to 49.0 per cent over the same period, underpinned by the *"Prime à l'emploi"* scheme. The female unemployment rate reached a historic low of 8.0 per cent, while the youth unemployment rate stood at 18.5 per cent, reflecting ongoing challenges in integrating young people into the labour market.

The Government has announced a series of targeted measures to address structural rigidities in the domestic labour market, particularly to tackle the shortage of skilled labour. Alongside efforts to enhance female workforce participation, the recruitment of foreign workers is expected to play a crucial role in meeting labour demand in key sectors of the economy, such as manufacturing, construction and distributive trade. Additionally, targeted training programmes are being implemented to support the reskilling and upskilling of the existing labour force.

Key Unemployment Rates

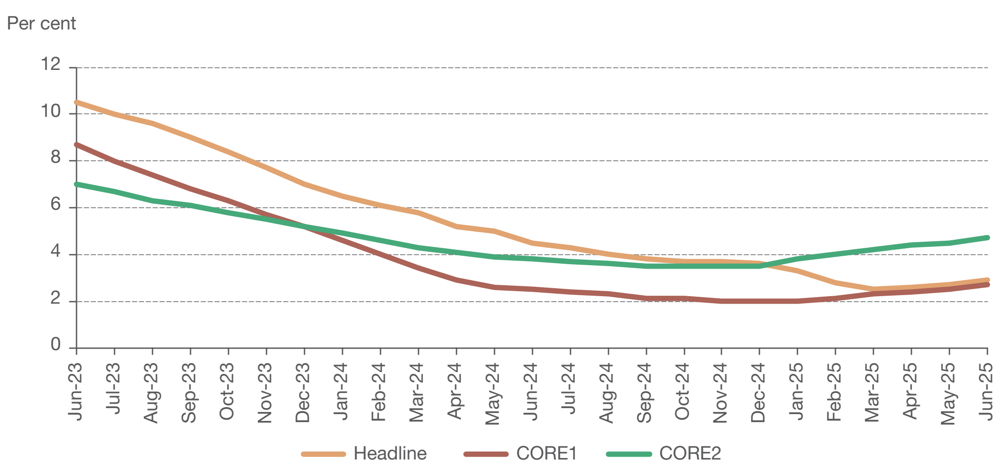


Sources: Statistics Mauritius and Bank of Mauritius calculations.

Inflation

During FY2024-25, domestic inflation sustained a broadly downward trajectory, supported by a combination of both global and domestic factors and remained well within the medium-term target range of 2-5 per cent. Headline inflation, as measured by the percentage change in the yearly average Consumer Price Index (CPI), dropped from 4.5 per cent in June 2024 to 2.5 per cent in March 2025, its lowest reading since June 2021 (Chart 3.4). The decline was mainly driven by the normalisation of global oil prices, restoration of global supply chains, adjustment in domestic fuel prices and, to some extent, statistical base effects. Thereafter, headline inflation embarked on a slightly upward path, rising to 2.9 per cent in June 2025, largely reflecting the impact of budgetary measures aimed at consolidating government finances.

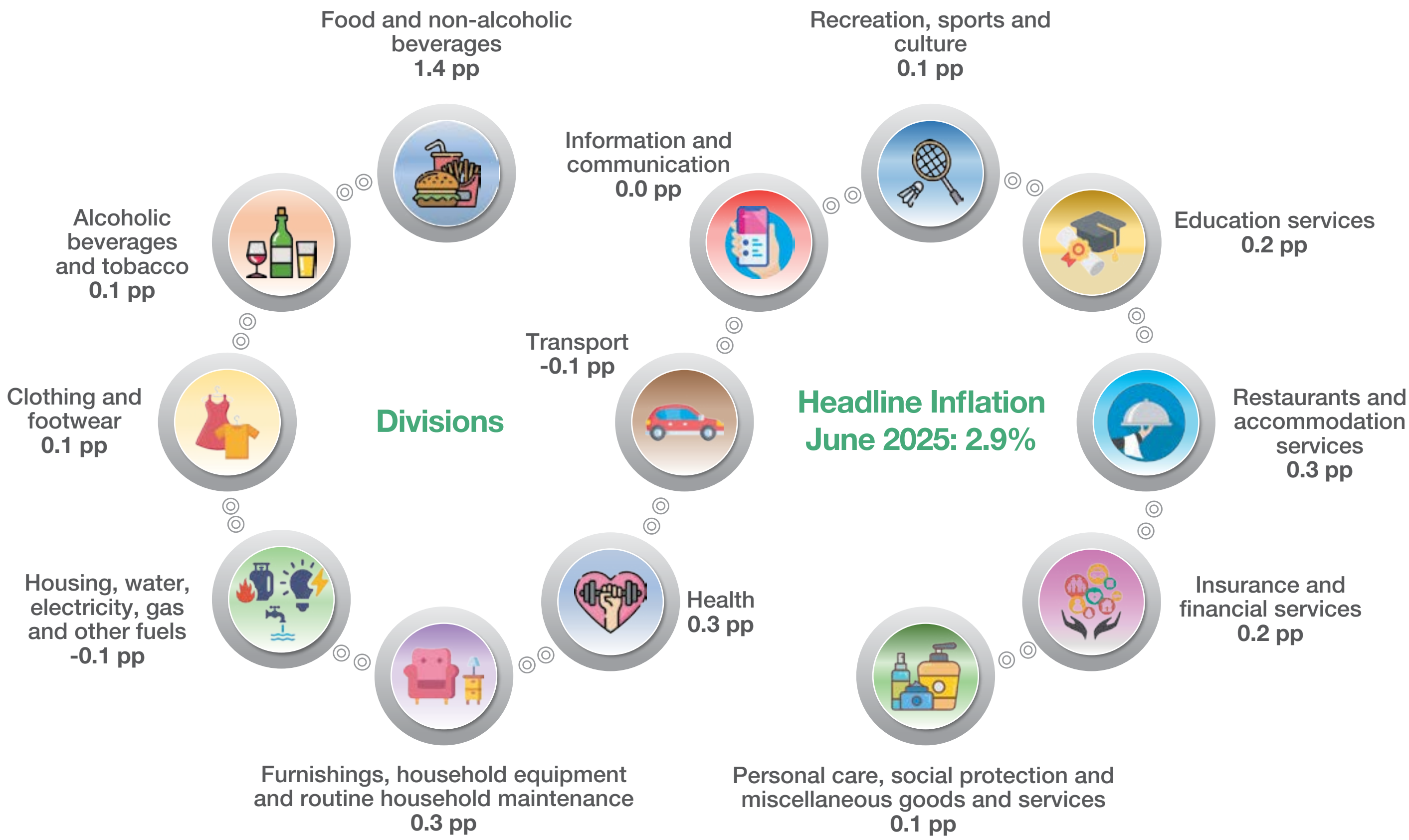
Chart 3.4: Headline and Core Inflation (12-month average)



Source: Statistics Mauritius.

The main contributors to headline inflation were *'Food and non-alcoholic beverages'* (1.4 pp), followed by *'Restaurants and accommodation services'*, *'Furnishings, household equipment and routine household maintenance'* and *'Health'* divisions, which accounted for 0.3 pp each. Food items, which make up around 25 per cent of the CPI basket, were subject to significant increases in prices in June 2025, given the budgetary measures. However, annualised month-on-month dynamics point towards a deceleration in food inflation, going forward, suggesting that food inflation could eventually contribute less to future overall inflation. Fuel, on the other hand, remained deflationary following the lingering effects of the reduction in prices of domestic petroleum products, namely mogas and diesel oil, in December 2024.

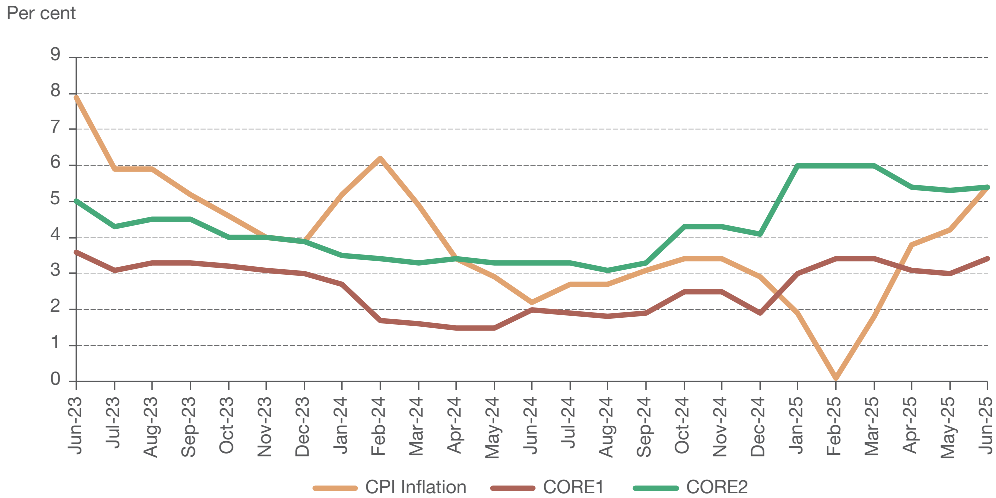
Contributors to Headline Inflation



Sources: Statistics Mauritius and Bank of Mauritius calculations.

Year-on-year (y-o-y) inflation, defined as the percentage change in CPI of a given month compared to the same month of the preceding year, decelerated to a low of 0.1 per cent in February 2025, from 2.2 per cent in June 2024 and 2.9 per cent in December 2024 (Chart 3.5). This was primarily attributable to the pronounced base effects stemming from the surge in food prices due to unfavourable weather conditions a year earlier. Y-o-y inflation thereafter accelerated to 5.4 per cent in June 2025 as a result of the gradual easing of base effects and budgetary measures.

Chart 3.5: CPI and Core Inflation (Y-o-y)



Source: Statistics Mauritius.

Core measures of inflation, which essentially provide an assessment of underlying demand pressures, remained somewhat sticky in FY2024-25. This inertia in core inflation measures mirrored the relatively high prices of services and wage increases. Headline CORE1 inflation, which excludes the price effects of food items, ticked up from 2.5 per cent in June 2024 to 2.7 per cent in June 2025. Headline CORE2 inflation, which further adjusts for movements in energy and administered prices, rose from 3.8 per cent to 4.7 per cent over the same period. On a y-o-y basis, CORE1 and CORE2 inflation accelerated from 2.0 per cent and 3.3 per cent in June 2024 to 3.4 per cent and 5.4 in June 2025, respectively.

The outlook for inflation in Mauritius remains exposed to significant upside risks, mainly stemming from abroad. While favourable external developments helped contain inflation in 2024 and early 2025, increased uncertainty in the global environment may alter this trajectory. Tariff-related price hikes, geopolitical tensions and climatic conditions may result in broader price pressures as they feed through global value supply chains. Given Mauritius' relatively high openness and high propensity to consume, these developments may inevitably feed into domestic cost pressures.

Bank Loans to the Private Sector

The annual growth in bank loans[1] to the private sector[2] accelerated from 6.6 per cent in June 2024 to 12.9 per cent in June 2025, mainly driven by a surge in corporate loans (Chart 3.6). Bank loans to corporates[3] expanded by 13.5 per cent in June 2025, compared to 2.0 per cent in June 2024, while growth in bank loans to households rose from 11.7 per cent in June 2024 to 12.2 per cent in June 2025.

As at end-June 2025, the household sector contributed 6.0 pp to the y-o-y growth in bank loans to the private sector, largely because of housing loans. Household loans extended for *'other purposes'*, representing around one-third of total loans to households, contributed around 3.8 pp to the annual growth in household loans. The corporate sector contributed around 6.9 pp to the growth in total bank loans to the private sector in June 2025, led by the *'Wholesale and retail trade'* and *'Manufacturing'* sectors.

[1] *Loans include only facilities extended by banks in the form of loans, overdrafts and finance leases.*

[2] *Comprises Other Nonfinancial Corporations ('ONFCs'), households and Non-Profit Institutions Serving Households.*

[3] *Corporates refer to ONFCs.*

Chart 3.6: Contribution to Private Sector Loan Growth

Source: Bank of Mauritius.

External Sector Developments

The current account deficit widened to Rs44.5 billion in 2024 (6.4 per cent of GDP), from Rs26.6 billion in 2023 (4.2 per cent of GDP), driven mostly by a widening trade deficit. The goods account deficit worsened to Rs184.7 billion in 2024, from Rs162.9 billion in 2023, reflecting a higher increase in imports relative to exports. Total exports of goods rose by 5.8 per cent to Rs110.0 billion in 2024, mostly on account of a significant rise of 45.7 per cent in *'Ship stores and bunkers'*. Imports of goods (f.o.b.) went up by 10.5 per cent to Rs294.7 billion, mostly on account of higher imports of *'Mineral fuels, lubricants & related products'* and *'Machinery and transport equipment'*.

The services account, inclusive of Global Business Companies (GBCs), recorded a higher surplus of Rs107.1 billion in 2024 compared to Rs104.0 billion in 2023. Excluding GBCs, the services account surplus improved by 2.3 per cent to Rs63.8 billion, as gains in tourism earnings were partly eroded by higher freight on imports. Gross tourism earnings grew by 8.8 per cent to Rs93.6 billion in 2024, while freight on imports rose by 31.2 per cent to Rs23.6 billion. The primary income account surplus was estimated at Rs71.0 billion in 2024, benefiting from prevailing high global interest rate. The secondary income account posted a lower deficit at Rs37.9 billion in 2024, reflecting mostly taxes paid by GBCs to foreign governments.

The country recorded an overall balance of payments surplus of Rs50.6 billion as against a deficit of Rs31.3 billion a year ago. Net inflows in the financial account were estimated at Rs46.4 billion, mainly driven by net inflows in the portfolio investment account. Net inflows in the portfolio investment account aggregated Rs148.2 billion, largely reflecting repatriation of banks' foreign debt securities investments and non-residents' investments in GBCs. The direct investment account posted net outflows of Rs44.5 billion, reflecting mostly GBC investments abroad. The other investment account registered net outflows of Rs4.8 billion.

The current account deficit is forecast to widen slightly to 6.5 per cent of GDP in 2025, mainly on account of higher deficits in the goods and secondary income accounts. The Mauritius International Financial Centre is projected to continue to attract adequate financial flows in 2025 as global cross-border investment activities remain resilient in spite of uncertainty surrounding the international trade landscape.

Reserves

The Gross Official International Reserves (GOIR) of the country, principally comprising the gross foreign assets of the Bank and reserve position in the IMF, attained a historical high of US$9.7 billion (Rs440.2 billion) as at end-June 2025, relative to US$8.2 billion (Rs389.6 billion) as at end-June 2024. This level of foreign exchange (FX) reserves satisfied the conventional as well as the more stringent IMF reserve adequacy metrics. The import cover reached 13.1 months as at end-June 2025, based on the value of imports of goods (f.o.b.) and non-factor services (excluding GBCs) for the calendar year 2024. In terms of the Assessing Reserve Adequacy metric, the GOIR was estimated at around 114 per cent.

The investment of the FX reserves generated commendable gains during FY2024-25, reflecting the positive sentiment across a wide range of asset classes. The fixed income portfolio benefitted from relatively high interest income alongside significant mark-to-market gains from interest rate cuts, the gold rally and rising global equities – particularly in the US market. Financial market volatility, however, remained elevated.

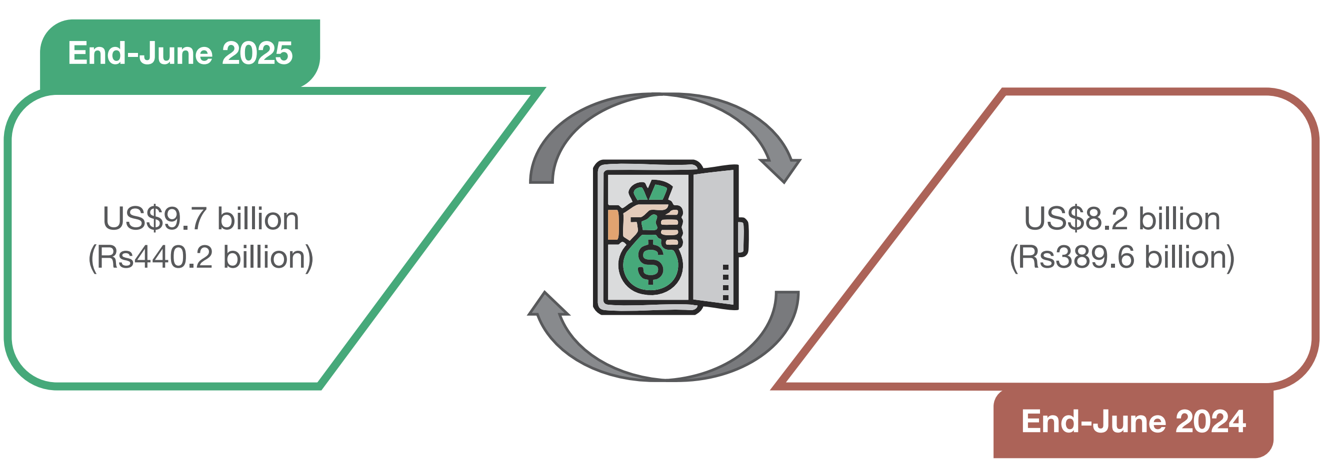
The Board of the Bank approved a new Strategic Asset Allocation framework and the Investment Policy Statement for the management of the reserve portfolio in June 2025. This new investment approach is rigorous and strictly aligned with the Bank's mandate for achieving security, liquidity and return in that order of priority. Concurrently, the Bank adopted an asset-liability management approach to strengthen its balance sheet and ensure policy solvency over time.

International Investment Position

Preliminary estimates of the International Investment Position (IIP) of Mauritius indicate a net foreign asset position of US$32.4 billion as at end-March 2025. Total foreign assets of residents stood at US$546.2 billion while the stock of residents' external liabilities amounted to US$513.8 billion.

The net foreign asset position of the GBC sector stood at US$19.5 billion, with claims on non-residents amounting to US$503.5 billion and liabilities to non-residents totalling US$484.0 billion. The net foreign asset position of the non-GBC sector stood at US$12.9 billion, with claims on non-residents of US$42.7 billion offsetting liabilities to non-residents of US$29.8 billion. Within the non-GBC sector, banks and Non-Bank Deposit Taking Institutions (NBDTIs) posted a net IIP of US$12.0 billion while the Bank's reserve assets amounted to US$8.8 billion.

Gross Official International Reserves



Box 1: Monetary Policy Decisions

The MPC held four meetings – in July and September 2024 and February and May 2025 – to determine the appropriate monetary policy stance, considering global and domestic economic and financial developments. The MPC assessed the evolving economic landscape while evaluating the balance of risks to real GDP growth and inflation outlook.

Main considerations underlying the MPC's decisions

At the July 2024 meeting, the MPC kept the Key Rate unchanged at 4.50 per cent per annum. The global economy was viewed to remain resilient, with growth holding rather steady in an environment nonetheless characterised by lingering geopolitical tensions. Global inflation was well saddled on a downward trajectory, with inflation in advanced economies converging towards their central banks' targets, reflecting favourable commodity price developments and the effects of past monetary policy tightening.

On the domestic front, growth developments were seen to be encouraging across all major economic sectors, in particular tourism and construction. Inflationary pressures were assessed to be rapidly easing, supported by both domestic and external factors and were expected to continue declining through 2024. The MPC noted that despite these positive macroeconomic developments, the materialisation of risk factors to the economic outlook might derail both growth and inflation from their respective trajectories. In view of these developments, the MPC considered that the Bank's decision to raise policy rates during 2022 still needed time to work through the economy, solidly anchor inflation expectations and ensure attainment of the inflation target in 2024.

At the September 2024 meeting, the MPC lowered the Key Rate by 50 bps to 4.00 per cent per annum. Global growth was rather uneven, with advanced economies showcasing solid performances but Emerging Market and Developing Economies, like China and India, experiencing a slowdown. Global inflation had continued to recede as a result of past monetary policy tightening and easing of commodity prices. With inflation at or near target, major central banks, including the US Fed, European Central Bank and the Bank of England, had embarked on a monetary policy easing cycle.

The domestic economy was assessed to be resilient, led by robust performances of main economic sectors, notably, tourism, construction and financial services. Domestic inflation had continued to decline in line with the benign global food and energy price environment, easing of shipping costs and the fading out of domestic price shocks associated with vegetables prices. The MPC deliberated that, while growth remained resilient, the ongoing disinflationary process was well entrenched and looked set to achieve the medium-term target of 3.5 per cent, with upside risks to the inflation outlook subsiding. The MPC viewed that this environment created space for a lower policy rate, without compromising on other macroeconomic objectives.

At the February 2025 meeting, the MPC raised the Key Rate by 50 bps to 4.50 per cent per annum. Global growth had remained steady, although divergences persisted across countries. Global inflation had been on a downtrend but developments taking place in the geopolitical arena, with likely tariff imposition by the US on imports from several trading partners could reverse that trend and rekindle global inflation, resulting in pernicious effects on countries heavily reliant on imported commodities.

On the domestic front, GDP growth was broad-based, driven by the construction, financial services, tourism and trade sectors. Notwithstanding the downtrend in inflation, risks to the inflation outlook were tilted to the upside, both externally and domestically. These included expected renewed supply shocks amidst ongoing conflicts and supply disruptions following the imposition of future US tariffs and retaliating ones, as well as sticky domestically-generated services inflation due to wage increases. In addition, the negative yield differential between rupee-denominated and US dollar-denominated instruments were exerting depreciating pressures on the Mauritian rupee, further amplifying imported inflation risks. The MPC considered that pro-active policy was necessary to ward off the risks of inflation intensifying by sustainably addressing the underlying contributory factors, namely: containing excess liquidity, reversing negative interest rate differential with the US dollar and mitigating exchange rate pressures.

At the May 2025 meeting, the MPC kept the Key Rate unchanged at 4.50 per cent per annum. Global growth had slowed, with leading indicators pointing towards weaker momentum going forward on the back of elevated global uncertainties. Although global inflation had continued to decline, the imposition of tariffs and uncertainty surrounding the pace, timing and magnitude of future potential tariffs were expected to have contrasting effects on inflation in 2025. While tariffs and supply chain disruptions could feed into higher import prices and trigger inflationary pressures for importing economies, slower growth could compress demand and lower inflation for importing economies, with the net impact largely dependent on country-specific circumstances.

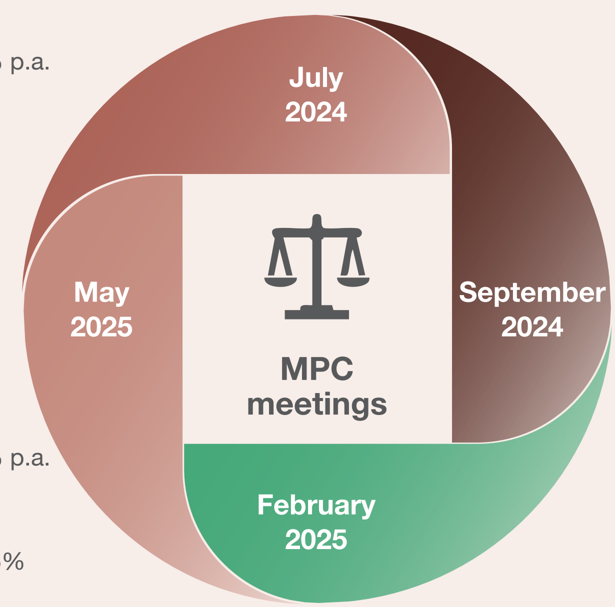
Domestic growth was estimated to have slowed in 2025Q1, partly reflecting a decline in tourist arrivals, especially from Europe. Risks to the domestic growth outlook had shifted from a relatively balanced state to one that was more tilted to the downside as the negative effects of further developments in global trade policies and the impact of fiscal consolidation measures were expected to have non-negligible ramifications on key sectors of the economy. Headline inflation continued to subside, with the March 2025 figure being the lowest since June 2021. However, inflation was expected to rise in 2025, given the tariff-induced imported price increases and sticky services inflation. The MPC deliberated that, considering the prevailing global and domestic economic uncertainties, it was better to maintain the status quo and wait for further information about the likely evolution of the global environment.

July 2024
Key Rate: ⟷ at 4.50% p.a.

2024 projections
- GDP growth: 6.5%
- Inflation: 4.9%

September 2024
Key Rate: ↓ 50 bps to 4.00% p.a.

2024 projections
- GDP growth: 6.5%
- Inflation: 4.0%



May 2025
Key Rate: ⟷ at 4.50% p.a.

2025 projections
- GDP growth: 3.0%-3.5%
- Inflation: 3.5%

February 2025
Key Rate: ↑ 50 bps to 4.50% p.a.

2025 projections
- GDP growth: 3.5%-4.0%
- Inflation: 3.7%

Financial Markets

Implementation of Monetary Policy

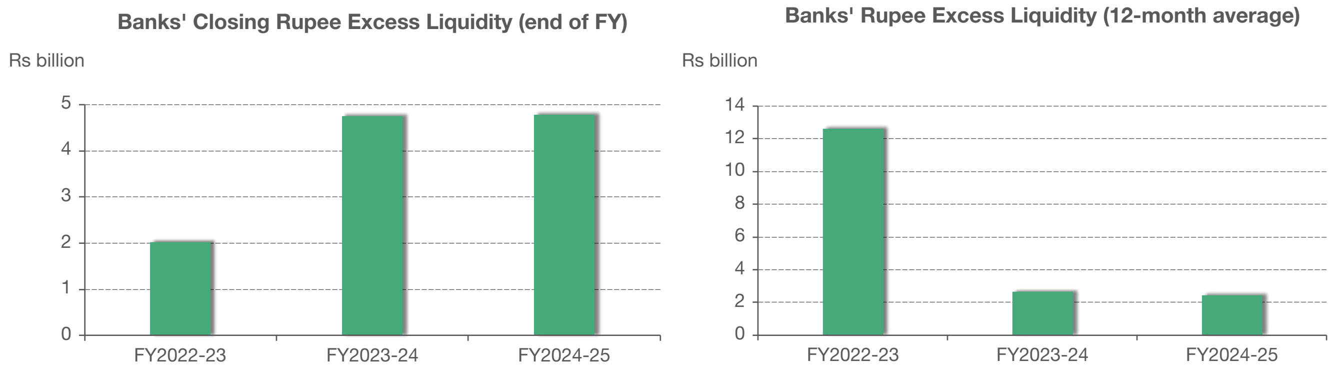
Rupee excess liquidity in the banking system remained a key issue that the Bank sought to address through its open market operations (OMOs). In line with the Bank's Monetary Policy Framework (MPF), OMOs aimed to steer the overnight interbank rate close to the Key Rate and enhance the monetary policy transmission mechanism. The main instrument for monetary operations, the 7-Day Bank of Mauritius (BoM) Bills, was issued on tender basis at a fixed rate equal to the Key Rate during most of the financial year, and was complemented by the issuances of short-term and medium-term securities. The Overnight Deposit and Lending Facilities were operated within a symmetric corridor of ±150 bps around the Key Rate. The overnight interbank rate, which is the Bank's operating target, remained within the interest rate corridor during the period under review.

An aggregate amount of Rs50.7 billion of BoM Bills was issued in the 91-Day, 182-Day and 364-Day tenors during FY2024-25. Weekly issuances of Rs1.0 billion of the 7-Day BoM Bills on tender basis at the fixed rate of 4.50 per cent were conducted until mid-March 2025. In addition, Two-Year BoM Notes for a total amount of Rs6.0 billion were issued to absorb the structural excess rupee liquidity.

Banks deposited an average amount of Rs29 billion in the Overnight Deposit Facility at the Key Rate minus 150 bps during the year, with a peak of Rs57.7 billion attained on 30 June 2025. The Overnight Lending Facility remained untapped, with the market operating with surplus liquidity and the interbank market working to compensate the short-term liquidity shortages of some banks.

In addition, an aggregate amount of Rs19.2 billion was removed through the sale of US dollars on the domestic FX market in FY2024-25. Following the OMOs and FX interventions by the Bank, rupee excess liquidity dropped from an average of Rs2.7 billion in FY2023-24 to an average of Rs2.4 billion in FY2024-25 (Chart 3.7). The level of outstanding BoM instruments declined from Rs150.3 billion as at end-June 2024 to Rs126.0 billion as at end-June 2025, following a reduction in OMOs.

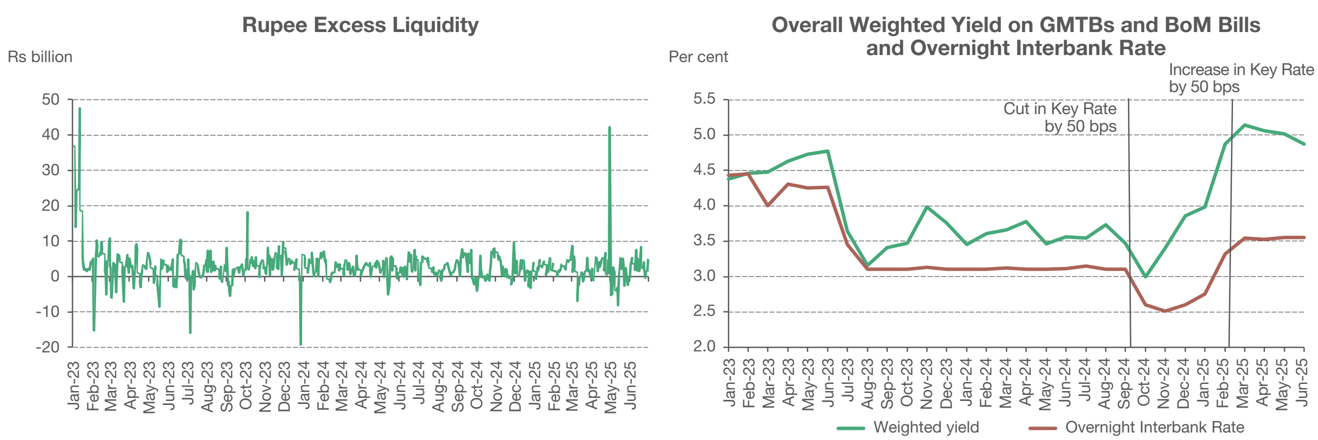
Chart 3.7: Banks' Rupee Excess Liquidity



Money market interest rates broadly reflected liquidity in the banking system. The overnight interbank rate hovered within a range of 2.50-3.60 per cent while the overall weighted average overnight interbank rate rose from 3.11 per cent in June 2024 to 3.55 per cent in June 2025 (Chart 3.8). Turnover on the interbank market increased by around 58 per cent, from Rs309.2 billion in FY2023-24 to Rs487.2 billion in FY2024-25.

The 91-Day, 182-Day and 364-Day Bills yields increased by 125 bps, 137 bps and 130 bps during the year to reach 4.39 per cent, 4.82 per cent and 5.00 per cent, respectively, as at end-June 2025.

Chart 3.8: Excess Liquidity and Money Market Rates



Issue of Government Securities

During FY2024-25, the Bank issued Treasury Bills in the 91-Day, 182-Day and 364-Day tenors, on behalf of Government for an aggregate amount of Rs108.1 billion, while maturing Treasury Bills totalled Rs69.9 billion. All auctions were oversubscribed, with aggregate bids received totalling Rs238.5 billion against a total tender amount of Rs109.0 billion.

Government maintained the issuance of Treasury Certificates to Non-Financial Public Sector Bodies on tap for an aggregate amount of Rs19.0 billion at rates ranging between 3.16 per cent and 5.29 per cent. In line with the Government Issuance Plan for FY2024-25, benchmark issues were conducted in the Three-Year, Five-Year and Seven-Year tenors. Benchmark securities for an aggregate amount of Rs65.7 billion were issued during the financial year. Concomitantly, longer-term Government Bonds for a total amount of Rs24.8 billion were issued in the Ten-Year, Fifteen-Year and Twenty-Year maturities.

Auctions of Government of Mauritius Securities (Rs million)

01 Three-Year Treasury Notes

	FY2023-24	FY2024-25
• Amount of Notes put on tender	20,000	26,400
• Value of bids received	51,250	64,790
• Value of bids accepted	24,650	28,770
• Weighted average yield of bids accepted (% p.a)	3.63 - 5.02	3.74 - 5.53

02 Five-Year Government of Mauritius Bonds

	FY2023-24	FY2024-25
• Amount of Bonds put on tender	10,000	14,700
• Value of bids received	29,360	38,950
• Value of bids accepted	12,600	15,700
• Weighted average yield of bids accepted (% p.a)	3.79 - 5.25	4.04 - 5.75

03 Seven-Year Government of Mauritius Bonds

	FY2023-24	FY2024-25
• Amount of Bonds put on tender	6,000	19,900
• Value of bids received	14,200	51,570
• Value of bids accepted	6,200	21,200
• Weighted average yield of bids accepted (% p.a)	4.73 - 5.29	4.90 - 5.66

04 Ten-Year Goverment of Mauritius Bonds

	FY2023-24	FY2024-25
• Amount of Bonds put on tender	4,600	7,400
• Value of bids received	10,990	17,290
• Value of bids accepted	6,290	7,400
• Weighted average yield of bids accepted (% p.a)	4.41 - 5.68	5.08 - 5.82

05 Fifteen-Year Government of Mauritius Bonds

	FY2023-24	FY2024-25
• Amount of Bonds put on tender	4,600	7,800
• Value of bids received	12,280	18,740
• Value of bids accepted	4,600	9,400
• Weighted average yield of bids accepted (% p.a)	4.46 - 5.20	5.29 - 6.04

06 Twenty-Year Government of Mauritius Bonds

	FY2023-24	FY2024-25
• Amount of Bonds put on tender	4,800	7,000
• Value of bids received	13,040	18,870
• Value of bids accepted	5,300	8,000
• Weighted average yield of bids accepted (% p.a)	5.61 - 5.69	5.27 - 6.16

Lines of Credit

The Bank maintained the Lines of Credit established with the Development Bank of Mauritius Ltd (DBM) and the Industrial Finance Corporation of Mauritius (IFCM) during the COVID-19 pandemic to support economic operators experiencing financial difficulties. During FY2024-25, a total amount of Rs400 million was disbursed to DBM for on-lending, mainly to Small and Medium Enterprises, while an amount of Rs300 million was disbursed to IFCM to finance eligible beneficiaries under the Modernisation and Transformation Fund.

Secondary Market Development

A well-functioning secondary market for Government securities plays a critical role in ensuring liquidity and efficient price discovery. Turnover on the secondary market increased from Rs123 billion in FY2023-24 to Rs166 billion in FY2024-25, of which Rs59.1 billion, or 36 per cent, were transactions conducted among primary dealers. A significant increase of Rs6.3 billion was also noted in transactions conducted by individuals, which rose to Rs10.6 billion. Transactions by pension funds increased by Rs13.5 billion to reach Rs31.7 billion. This rise in transactions indicates the relatively more favourable rates obtained on rupee-denominated instruments.

Money Market Instruments

Money Market Instruments (MMIs), which may be alternative sources of funding in the short-term segment, also contributed to activity in the domestic market. A new MMI licence was granted for raising an aggregate amount of Rs2.0 billion under a Multicurrency Medium-Term Note Programme through private placement. Since the introduction of the Guideline on the Issue of Money Market Instruments in 2019, six licences were granted for a total amount of Rs9.6 billion. Currently, four Issuing and Paying Agents are duly registered with the Bank to operate on the domestic market and facilitate the process of MMI issuances.

Foreign Exchange Market

Since December 2024, the Bank has implemented several measures aimed at eliminating distortions that have been prevailing for some time in the domestic foreign exchange market, in order to improve market liquidity and mitigate pressures on the rupee exchange rate.

(i) The Bank issued instructions to banks to ensure that all dealings in FX, including swaps and other derivatives, be conducted through financial institutions duly licensed by the Bank so as to avoid any short-circuiting of the system. Banks were also requested to enhance due diligence on intercompany buying and selling of foreign currencies, as well as on swaps and other derivatives. These measures were targeted at preventing a parallel market, which cause distortions in pricing and drive FX inflows away from the official market.

(ii) Banks were additionally called upon to ensure that forward transactions be priced in a fair manner and in accordance with market fundamentals, as some market participants were imposing excessively high forward premia, against market conventions.

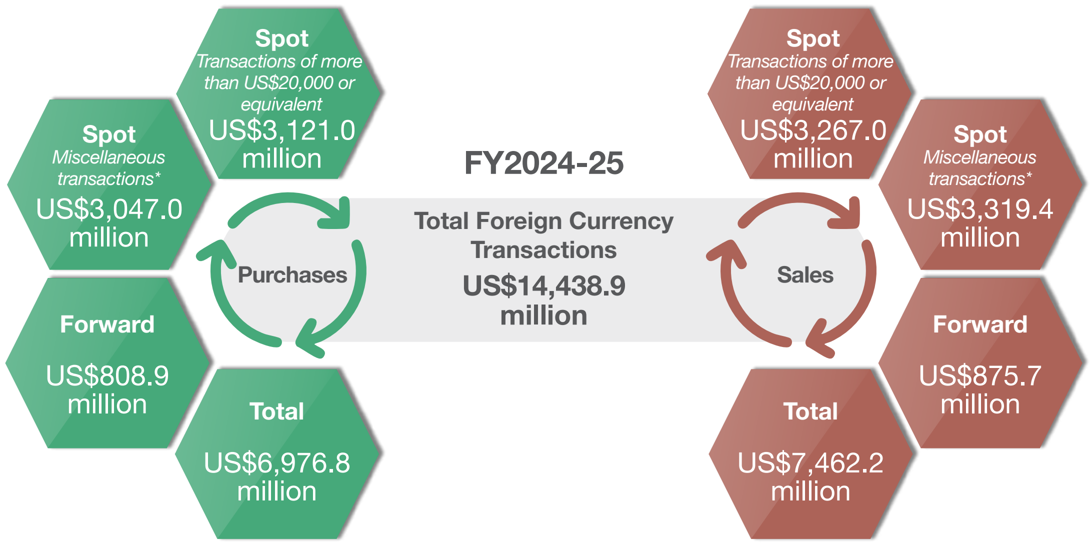
(iii) At the February 2025 MPC meeting, the Key Rate was increased by 50 bps in a bid to, amongst others, reverse the negative interest rate differential with the US dollar and mitigate exchange rate pressures. This resulted in the immediate upward shift of the rupee yield curve, rendering rupee-denominated investments more attractive.

The above measures resulted in a significant increase in the volume of FX flows into the market, surpassing pre-COVID levels. Activity in the domestic FX market was driven by key economic sectors, such as financial services, accommodation and wholesale and retail trade. Total FX turnover, including spot and forward transactions but excluding interbank and swap transactions, grew by 17 per cent to US$14.4 billion in FY2024-25. The increase in turnover occurred mostly in the spot market where turnover increased by 24 per cent. Forward turnover fell by 18 per cent compared to the previous financial year.

FX purchases by banks and foreign exchange dealers rose by 15 per cent, while sales increased by 19 per cent over the year. Activity in the domestic FX market was buoyed by the traditional economic sectors. FX purchases were predominantly driven by *'Financial and insurance activities'* (US$937 million or 24 per cent) and *'Accommodation and food service activities'* (US$709 million or 18 per cent). Nearly 60 per cent of FX sales, or US$2,417 million, were directed to the *'Wholesale and retail trade'* sector, which includes the sales of motor vehicles.

There was a change in the currency composition of FX transactions, with an increase in FX purchases and sales denominated in currencies other than the US dollar. The share of FX purchases denominated in US dollar declined from 46 per cent in FY2023-24 to 39 per cent in FY2024-25, whereas the share of FX purchases denominated in currencies such as the South African rand, Swiss franc and Japanese yen rose from 3 per cent to 11 per cent. A comparable pattern was observed regarding FX sales, with the share of US dollar transactions shrinking from 61 per cent in FY2023-24 to 43 per cent in FY2024-25 as the share of Japanese yen, United Arab Emirates dirham and Australian dollar rose.

Foreign Currency Transactions[4]



* *Include transactions below US$20,000 or equivalent.*

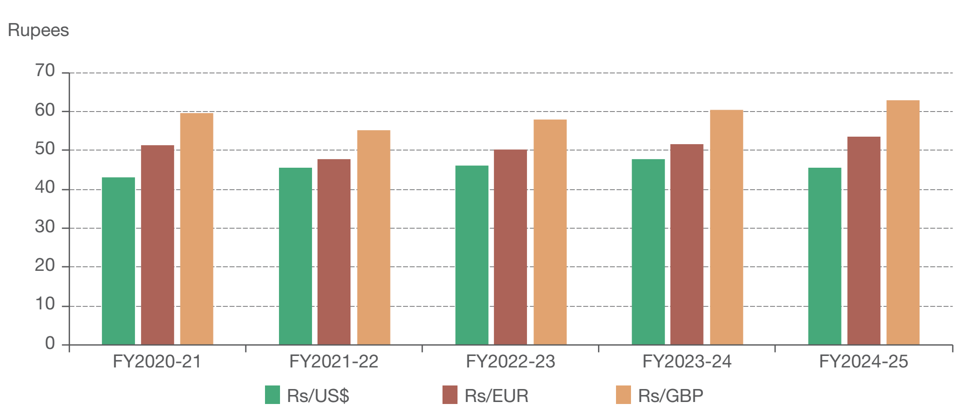
[4] *Transactions conducted by banks and foreign exchange dealers, excluding interbank and swap transactions.*

FX swap transactions have increasingly been utilised against the rupee as a tool to meet short-term funding requirements amid volatile market conditions. FX swap sales by banks surged by 146.1 per cent to US$4,860.5 million, led by the *'Financial and insurance activities'* sector which accounted for around 75 per cent of total FX swap sales. FX swap purchases by banks increased marginally by 1.2 per cent, from US$5,233.0 million in FY2023-24 to US$5,296.6 million in FY2024-25.

Exchange Rate Movements

The exchange rate of the rupee was influenced by several factors in FY2024-25. These included the evolution of major currencies on international markets, domestic demand and supply conditions, more favourable interest rate differentials, as well as measures taken by the Bank to remove distortions on the domestic foreign exchange market. The rupee appreciated by 5.0 per cent against the US dollar but depreciated by 3.5 per cent against the euro and 3.9 per cent against the Pound sterling in FY2024-25 (Chart 3.9).

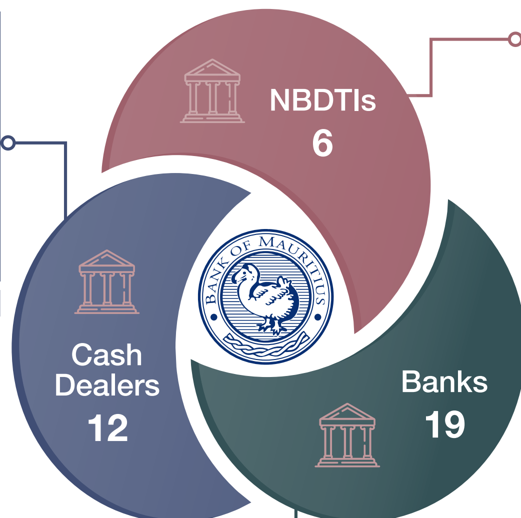
Chart 3.9: Rupee Exchange Rate



04
REGULATION, SUPERVISION AND FINANCIAL STABILITY

Mauritius has a well-established and diversified banking system comprising 19 banks. In addition to banks, the Bank oversees six NBDTIs and 12 cash dealers.

Licensees of the Bank of Mauritius



Cash Dealers

	June 2024	June 2025
	67	66
	294	299
	Rs982.8 million	Rs1,146.6 million

NBDTIs

	June 2024	June 2025
	16	16
	463	493
	Rs73.7 billion	Rs79.5 billion

Banks

	June 2024	June 2025
Domestic-owned banks	6	6
Foreign-owned banks	11	11
Branches of foreign banks	3	2
ATMs	445	432
Representative offices	7	8
	153	152
	9,042	9,818
	Rs2.6 trillion	Rs2.7 trillion

Key

- Number of institutions
- Number of branches
- Number of employees
- Total assets

Note:

(i) A Banking Licence was issued under section 7 of the Banking Act 2004 on 27 February 2024 to Banque Patronus Limitée. Effective 31 August 2024, the Bank granted an authorisation to Habib Bank Limited to transfer its undertaking to Banque Patronus Limitée. On the same date, Habib Bank Limited surrendered its licence.

(ii) The Bank had, under section 32A(6) of the Banking Act 2004, granted an authorisation to The Hongkong and Shanghai Banking Corporation Limited to transfer part of its undertaking to Absa Bank (Mauritius) Limited, effective 6 July 2024.

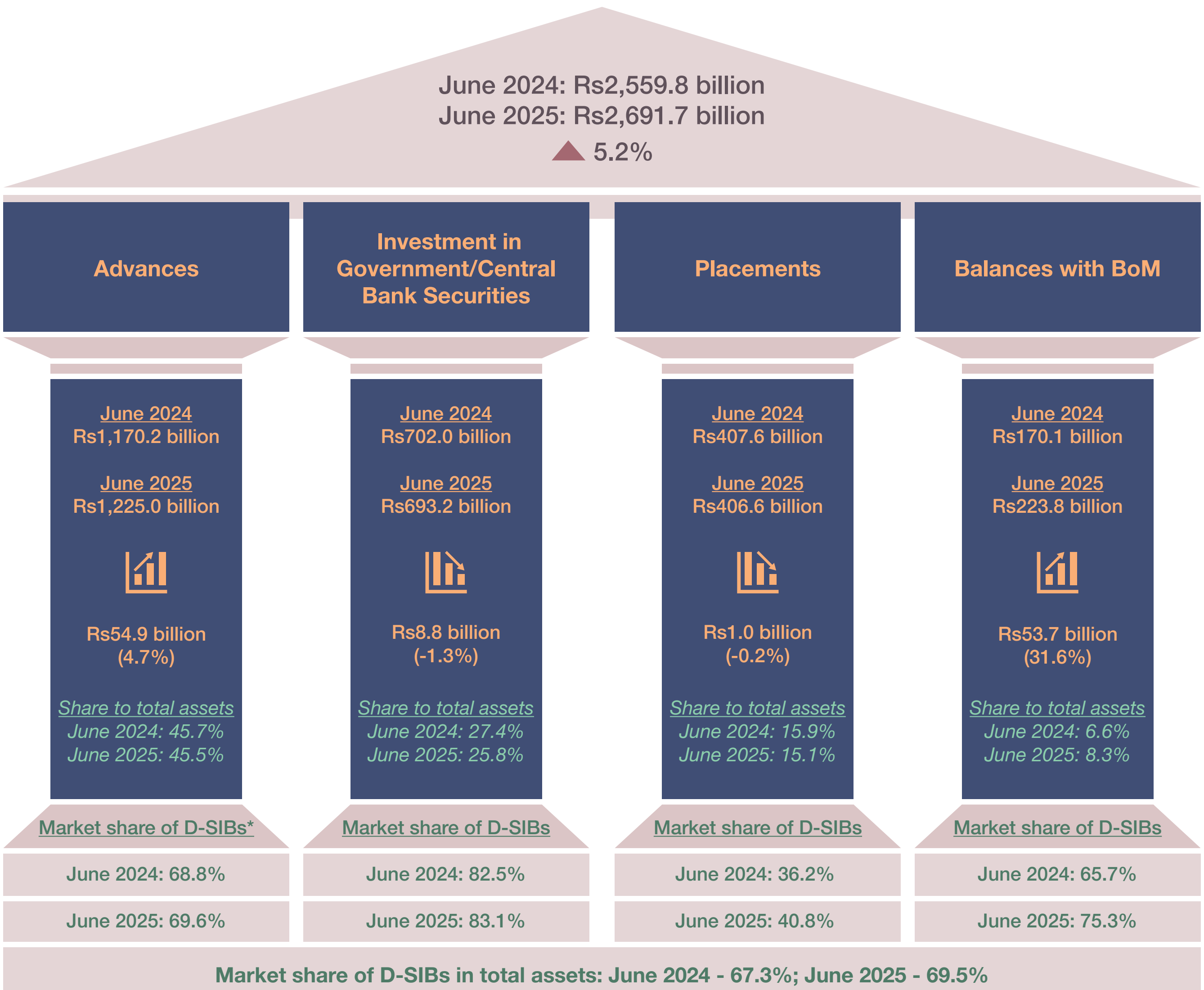
(iii) The number of cash dealers and NBDTIs remained unchanged during FY2024-25.

(iv) Banks include locally-owned financial institutions, as well as branches and subsidiaries of foreign banks.

Banking Sector Developments

The banking system remained sound and resilient during FY2024-25 as banks consolidated their capital and liquidity buffers. They also maintained their profitability amidst prudent asset management and satisfactory asset quality.

Banking Sector Assets



** Domestic-Systemically Important Banks.*

Note: Figures may not add up due to rounding.

As at end-June 2025, total assets of banks recorded a y-o-y growth of 5.2 per cent to Rs2,691.7 billion. This expansion was mainly driven by a rise of 14.2 per cent in assets held by residents, inclusive of GBCs, partially offset by a drop of 2.3 per cent in assets held by non-residents. The share of total assets held by domestically-owned banks increased to 65.6 per cent as at end-June 2025, from 62.9 per cent as at end-June 2024.

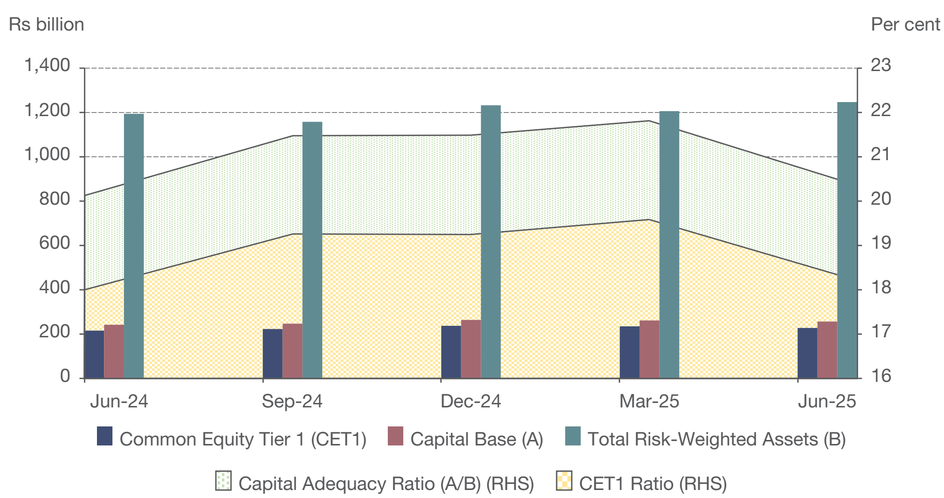
Capital Adequacy

The Capital Adequacy Ratio (CAR) measures the adequacy of a bank's capital resources in relation to its risk-weighted assets. A strong capital base enhances the resilience of a bank and reduces the risk of bank failure by providing a buffer against potential unexpected losses.

Mauritius enforces a capital adequacy framework in line with international standards to safeguard its banking sector against systemic risks and external shocks. All banks are required to maintain, at all times, a minimum CAR of 12.5 per cent, inclusive of the capital conservation buffer. The four Domestic-Systemically Important Banks (D-SIBs) are subject to an additional capital buffer ranging from 1.0 per cent to 2.5 per cent to enhance their loss absorption capacity and resilience to potential shocks.

The high interest rate environment allowed banks to sustain high earnings, further reinforcing their capital base. Between end-June 2024 and end-June 2025, the capital base of banks (net of adjustment and capital deductions) increased by 13.9 per cent to Rs256.4 billion (Chart 4.1). Tier 1 capital, which represented 91.0 per cent of banks' capital base, rose by 12.3 per cent to Rs233.2 billion, owing to profits retained by banks. Tier 2 capital, making up the remaining 9.0 per cent of the capital base, increased by 1.6 per cent to Rs23.2 billion. Consequently, the CAR of banks edged up from 20.3 per cent as at end-June 2024 to 20.6 per cent as at end-June 2025.

Chart 4.1: Risk-Weighted Capital Adequacy Ratio



Risk Profile of On-Balance Sheet Assets

In terms of the risk composition of banks' balance sheet, 32.8 per cent of total assets were allocated in the 100 per cent risk-weight bucket while 47.0 per cent were concentrated in the 0 and 20 per cent risk-weight buckets (Table 4.1).

Table 4.1: Risk-Weights of On-Balance Sheet Assets

Risk-Weights (%)	On-balance sheet assets *(Rs million)*		Percentage to total on-balance sheet assets *(Per cent)*	
	June 2024	**June 2025**	**June 2024**	**June 2025**
0	1,018,965	1,072,061	41.7	37.1
20	333,000	285,951	13.6	9.9
30	18,781	31,242	0.8	1.1
35	107,873	106,411	4.4	3.7
50	178,373	229,704	7.3	7.9
75	58,539	79,518	2.4	2.8
100	650,631	947,829	26.6	32.8
125	25,509	29,914	1.0	1.0
150	46,529	103,307	1.9	3.6
250	5,720	5,081	0.2	0.2
1250	0	0	0.0	0.0
	2,443,921	**2,891,019**	**100.0**	**100.0**

Figures may not add up due to rounding.

The Risk-Weight Density of banks, which provides a measure of the riskiness of banks, declined from 33.9 per cent as at end-June 2024 to 30.1 per cent as at end-June 2025 (Table 4.2). The improvement reflected lower growth of Risk-Weighted Assets relative to banks' assets.

Table 4.2: Combined Risk-Weights of Banks' Assets

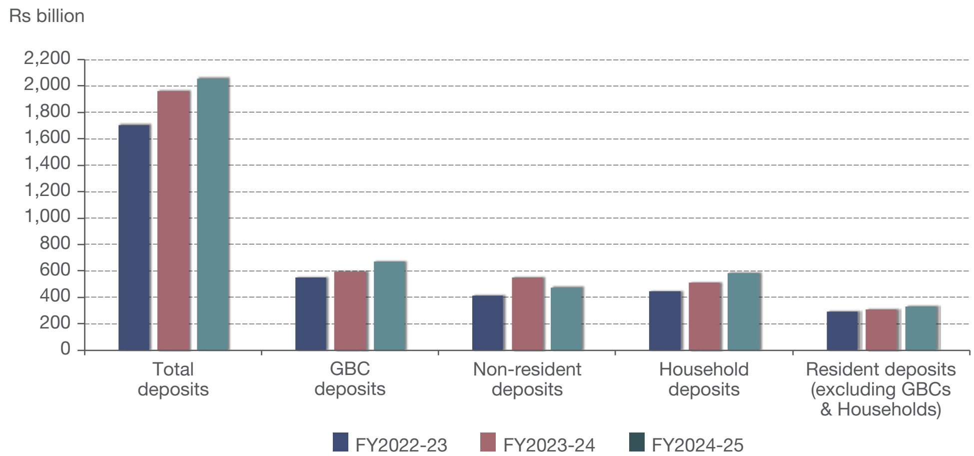
		June 2024*	**June 2025**
	Total On-Balance Sheet Assets (Rs million)	2,443,921	2,891,019
	Total Off-Balance Sheet Assets (Rs million)	792,054	852,968
A	Total On and Off-Balance Sheet Assets (Rs million)	3,235,975	3,743,987
B	Total Risk-Weighted Assets (Rs million)	1,098,550	1,127,112
C	Risk-Weight Density (B/A) (Per cent)	33.9	30.1

** Revised figures.*

Deposits

The banking sector's main source of funding emanated from deposits, which represented more than 76 per cent of banks' total liabilities. Total deposits of the banking sector increased by 4.8 per cent to Rs2,056.9 billion (Chart 4.2). Deposits from residents excluding GBCs increased by 11.6 per cent while deposits from GBCs and non-residents, which together accounted for 55.6 per cent of the sector's total deposits, edged down by 0.1 per cent.

Chart 4.2: Breakdown of Deposits



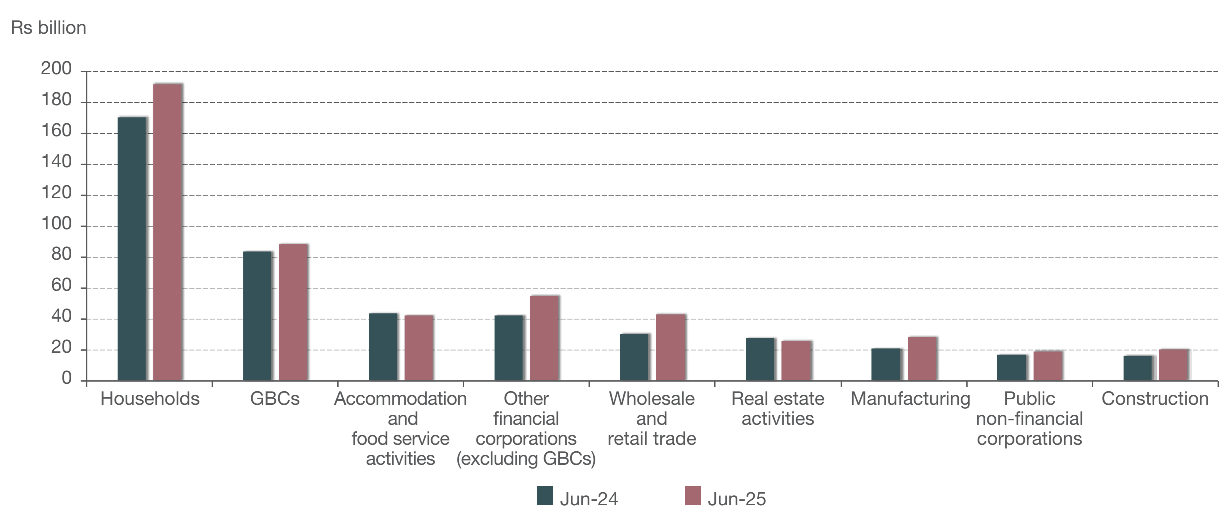
Advances

Total advances, including debentures and fixed-dated securities, rose by 4.7 per cent to Rs1,225.0 billion as at end-June 2025. This growth was led by increases of 12.4 per cent and 11.7 per cent in advances to residents and to GBCs, respectively. In contrast, advances to non-residents declined by 2.9 per cent. As at end-June 2025, cross-border lending, inclusive of GBCs, accounted for 54.3 per cent of total advances compared to 57.4 per cent as at end-June 2024.

Sectors registering the highest increase in credit facilities to residents were *'Wholesale and retail trade'* (42.2 per cent), *'Manufacturing'* (35.4 per cent), *'Other financial corporations (excluding GBCs)'* (28.8 per cent), *'Construction'* (22.8 per cent), *'Households'* (12.4 per cent) and *'Public non-financial corporations'* (11.8 per cent) (Chart 4.3). As at end-June 2025, the household sector continued to account for more than one-third of the credit facilities to residents.

MUR-denominated advances expanded by 12.9 per cent to Rs451.2 billion as at end-June 2025, making up 36.8 per cent of total banking sector advances, from 34.1 per cent as at end-June 2024. Foreign currency (FCY) advances, which constituted 63.2 per cent of total advances, rose by 0.4 per cent, reaching Rs774.0 billion, during the period under review.

Chart 4.3: Loans (Advances Excluding Debt Securities) to the Private Sector in Mauritius



Credit Concentration Risks

Non-exempt large exposures in the banking sector - defined as exposures above 10 per cent of a bank's Tier 1 capital - totalled Rs668.6 billion, constituting 46.1 per cent of total fund based and non-fund based facilities extended as at end-June 2025. The aggregate large exposures to borrowers represented 282.9 per cent of banks' Tier 1 capital as at end-June 2025 compared to 305.5 per cent of Tier 1 capital as at end-June 2024 and remained well below the required regulatory limit.

Asset Quality

The overall asset quality of banks remained sound. Excluding one bank under conservatorship, banks' Non-Performing Loan (NPL) ratio ticked up from 3.5 per cent as at end-June 2024 to 3.9 per cent as at end-June 2025, primarily due to an increase in NPLs extended in Mauritius. This was mainly attributable to the *'Accommodation and food service activities'* and *'Real estate'* sectors. The NPL ratio for the household sector remained unchanged at 1.8 per cent as at end-June 2025.

Non-Performing Advances of Banks

Total Non-Performing Advances

	Amount	Ratio
June 2024	Rs37.4 billion	3.5%
June 2025	Rs44.4 billion	3.9%

Non-Performing Advances in Mauritius

	Amount	Ratio
June 2024	Rs20.6 billion	3.9%
June 2025	Rs28.7 billion	4.8%

Non-Performing Advances outside Mauritius

	Amount	Ratio
June 2024	Rs16.8 billion	3.0%
June 2025	Rs15.7 billion	3.0%

The Coverage Ratio, that is, the ratio of specific provisions (including prudential provisioning requirements) to non-performing advances, increased from 57.9 per cent as at end-June 2024 to 61.7 per cent as at end-June 2025, reflecting a higher increase in specific provisions (26.3 per cent) relative to that of impaired credit (18.6 per cent). As at end-June 2025, the aggregate level of general provisions represented around 0.7 per cent of total exposure compared to 0.8 per cent of total exposure as at end-June 2024.

Standard Provision

June 2024
Rs11,214 million

June 2025
Rs10,628 million

Non-Performing Provision

June 2024
Rs21,685 million

June 2025
Rs27,396 million

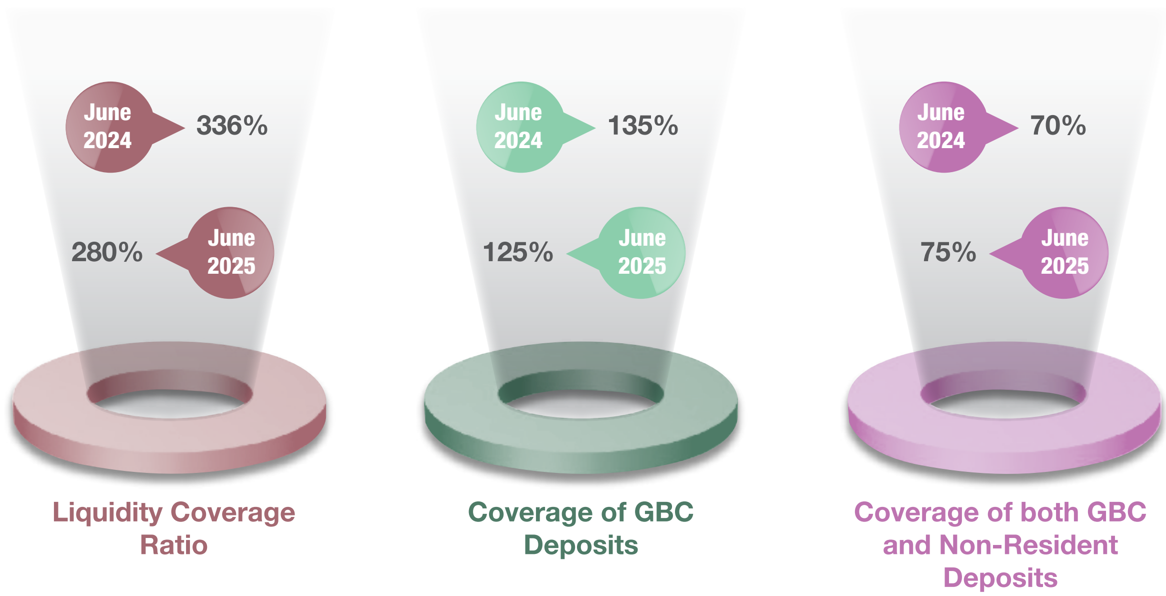
Liquidity

The Liquidity Coverage Ratio (LCR) was introduced in the Guideline on Liquidity Risk Management in October 2017. The LCR helps to increase short-term resilience of a bank's liquidity risk profile, by ensuring that a bank has enough unencumbered, High-Quality Liquid Assets (HQLAs) to withstand a substantial stress scenario that lasts for 30 calendar days. The Bank has imposed a regulatory threshold of 100 per cent for the LCR, which is also applicable in each significant currency.

The Bank issued the Guideline on Net Stable Funding Ratio (NSFR) in June 2024. The NSFR is designed to mitigate funding risks and enhance long-term financial resilience by encouraging banks to rely on more stable funding sources over a one-year horizon. This approach aims to reduce the likelihood of financial distress and consequently minimise the potential for broader systemic disruptions.

During FY2024-25, prudent liquidity management practices were observed across the banking sector. The consolidated LCR, which stood at 280 per cent as at end-June 2025, significantly exceeded the regulatory threshold of 100 per cent. HQLAs and placements represented 75 per cent of deposits held by non-residents and GBCs. As at end-June 2025, the consolidated NSFR for the banking sector stood at 131 per cent.

Coverage for GBC/Non-Resident Deposits in terms of FCY HQLAs and Placements



Profitability

Eleven banks close their accounts on 31 December, four on 30 June and four on 31 March. Consequently, the consolidated profit and loss account of banks is based on the combined audited data available as at these three financial year-ends and is referred to as the FY2024-25 position.

Post-tax level of profits increased by 5.8 per cent in FY2024-25, primarily on account of the growth in net interest income, despite the narrowing in interest rate spread from Rs3.78 to Rs3.63 (Chart 4.4).

Return on Equity remained strong at 18.4 per cent while Return on Average Assets stabilised at 2.2 per cent (Chart 4.5). These profitability ratios were higher than pre-pandemic levels. The cost to income ratio increased from 33.7 per cent to 34.2 per cent as operating expenses rose faster than operating income (14.0 per cent compared to 12.1 per cent).

Chart 4.4: Interest Rate Spread of Banks

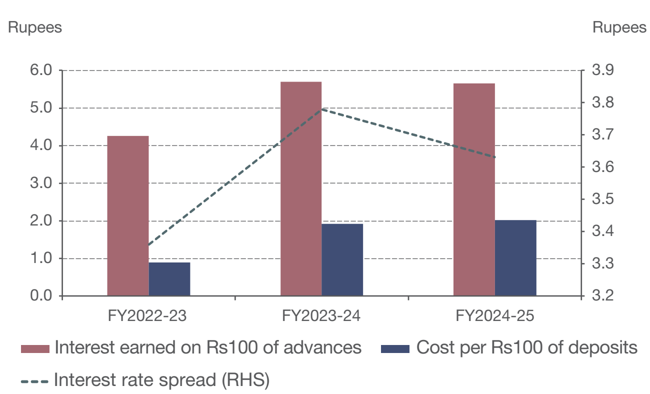
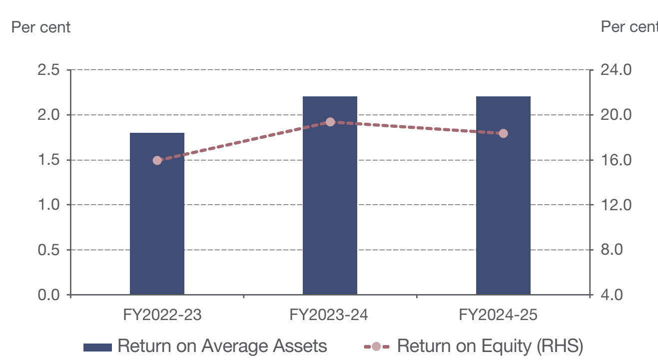
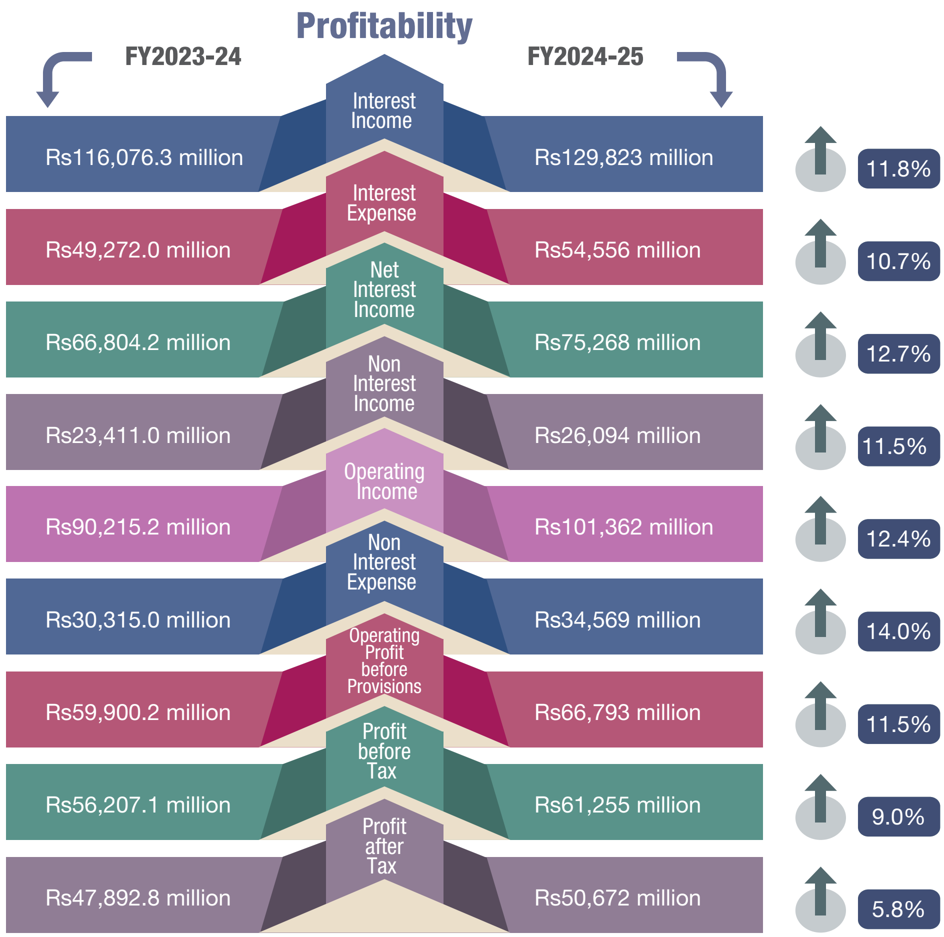


Chart 4.5: Return on Average Assets and Equity of Banks



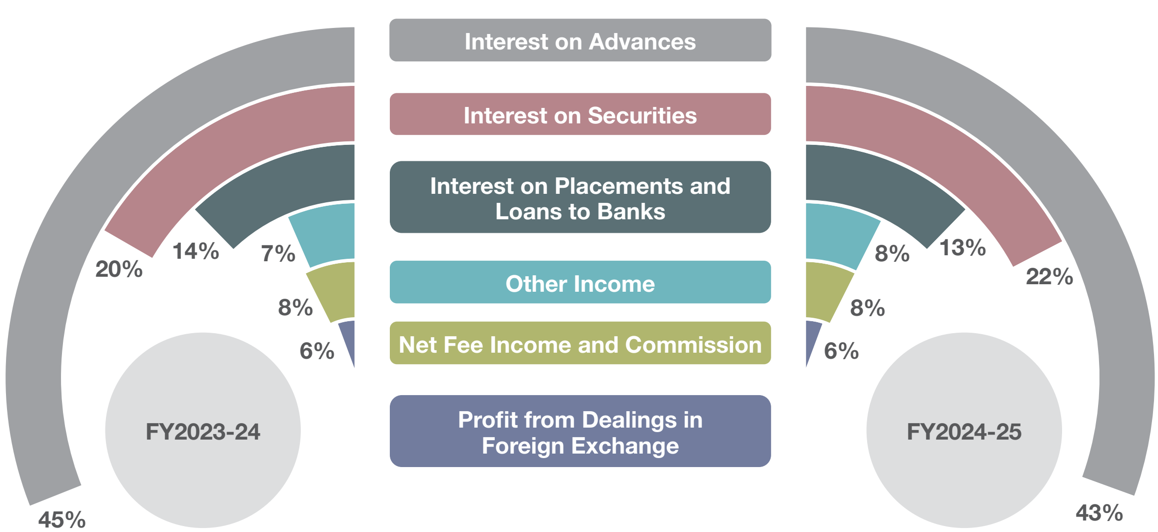
Based on combined audited data for financial years ended 30 June, 31 December and 31 March. All figures are for the period.

Consolidated Income Statements of Banks



Note: (i) FY refers to the 12-month period for which the accounts were audited, which are different for some banks.
(ii) Figures may not add up due to rounding.

Components of Income of Banks



Cross-Border Exposures

Total cross-border exposure of the banking sector contracted by 3.3 per cent between end-June 2024 and end-June 2025, mainly due to a reduction in credit facilities and investment securities. The deployment of cross-border funds remained well diversified by country and region. As at end-June 2025, about 59 per cent of cross-border funds were deployed in advanced economies and the rest were distributed to Africa, Asia and the Middle East.

The majority of investment funds and placements with banks were directed towards the US and UK, respectively, reflecting banks' preference to hold such assets in investment grade countries.

Cross-Border Funding

Between end-June 2024 and end-June 2025, cross-border funding by banks increased by 2.3 per cent. As at end-June 2025, most of cross-border funding originated from Africa, followed by advanced economies and the Middle East.

Cross-border funding accounted for 26.5 per cent of banks' total funding as at end-June 2025. A higher proportion of cross-border funding (65.3 per cent) was in the form of non-resident deposits (GBC deposits are excluded from cross-border funding as these companies are incorporated locally). Diversified funding sources in terms of jurisdiction and region mitigate the associated country risk.

Electronic Banking Transactions

Electronic banking transactions continued to be dominated by internet banking in terms of value. However, a marked acceleration was observed for mobile banking transactions, which grew by 95.9 per cent and 111.3 per cent in terms of number and value, respectively, over the two-year period from June 2023 to June 2025.

Mobile Banking

37.1%
Number of transactions
June 2024: 91.0 million
June 2025: 124.8 million

49.2%
Value of transactions
June 2024: Rs196.2 billion
June 2025: Rs292.7 billion

14.5%
Number of subscribers
June 2024: 1,666,124
June 2025: 1,907,147

Internet Banking

5.9%
Number of transactions
June 2024: 6.4 million
June 2025: 6.8 million

3.2%
Value of transactions
June 2024: Rs8,254.9 billion
June 2025: Rs8,517.4 billion

10.7%
Number of customers
June 2024: 705,010
June 2025: 780,589

ATMs

3.1%
Number of transactions
June 2024: 140.7 million
June 2025: 145.1 million

5.1%
Value of transactions
June 2024: Rs350.2 billion
June 2025: Rs368.0 billion

3.7%
Number of cards in circulation
June 2024: 2,053,952
June 2025: 2,129,948

Non-Bank Deposit Taking Institutions

As at end-June 2025, NBDTIs collectively held assets amounting to Rs79.5 billion. This represented a mere 3.0 per cent of banks' total assets. Three NBDTIs were exclusively engaged in leasing activities, two were solely involved in lending and one carried out both leasing and lending activities.

All NBDTIs met the minimum regulatory capital requirement of Rs200 million, with the CAR for the sector reaching 50.9 per cent. This was well above the regulatory threshold of 10 per cent, thus indicating sufficient loss-absorption capacity to withstand shocks.

Profit before tax of NBDTIs increased by 54.7 per cent during the year to Rs2,851 million, largely driven by exceptional income of one major institution. NBDTIs are required to maintain liquid assets representing a minimum of 10 per cent of their deposit liabilities. As at end-June 2025, liquid assets held by NBDTIs constituted 23.2 per cent of their deposits compared to 18.7 per cent as at end-June 2024.

Deposits remained the primary source of funding for all six NBDTIs, amounting to Rs40.7 billion and accounting for 51.2 per cent of total liabilities as at end-June 2025. The advances-to-deposits ratio of the NBDTIs rose from 155.9 per cent as at end-June 2024 to 159.5 per cent as at end-June 2025, while the lease-to-deposits ratio remained steady at around 94.5 per cent for the four NBDTIs engaged in leasing activities. The high advances-to-deposits ratio pertained to two non-banks, which also placed reliance on their strong capital base to fund their lending business. Gross non-performing advances improved by 10.8 per cent, primarily due to a reduction in NPLs of one entity. Meanwhile, outstanding credit facilities expanded at a comparatively modest rate of 5.9 per cent. As a result, the NPL ratio declined to 4.0 per cent as at end-June 2025, from 4.7 per cent as at end-June 2024.

Cash Dealers

As at end-June 2025, there were five money changers and seven foreign exchange dealers in business. Money changers mainly handle the exchange of foreign currency notes, while foreign exchange dealers are also authorised to carry out spot and forward currency transactions and offer remittance services, in addition to engaging in money-changing activities.

Total assets of cash dealers increased by 16.7 per cent to Rs1.1 billion as at end-June 2025, led by 17.7 per cent growth in the assets base of foreign exchange dealers. The total assets of foreign exchange dealers accounted for 94.4 per cent of the aggregate assets held by cash dealers.

The bulk of cash dealers' assets consisted of cash in hand (23.0 per cent), balances held with financial institutions (38.2 per cent) and Government/BoM securities (14.8 per cent). Cash dealers posted profit after tax of Rs237.7 million in FY2024-25, marking a 88.7 per cent increase compared to profit of Rs126.0 million in FY2023-24. This growth was mainly driven by a rise in net fees and commission income and net trading income.

Financial Stability

Risks to financial stability in Mauritius were at moderate level during FY2024-25. Favourable developments in the macrofinancial environment, strong banking sector resilience and lower corporate sector and external risks alleviated systemic risk. In contrast, the dynamics in the domestic financial markets and household sector vulnerabilities exerted countervailing pressures, especially in 2025H1. These trends translated into a gradual easing of the Systemic Risk Indicator (SRI) as from 2024Q3.

Macrofinancial risks receded as inflation declined and the output gap narrowed, despite elevated public debt that strained on the ability of the fiscal authority to respond to potential economic shocks. External vulnerabilities eased as the interest rate differential between the rupee and the US dollar contracted and the rupee appreciated against the US dollar. Vulnerabilities from the household sector edged up as household indebtedness continued to grow at a faster pace than economic growth, reflective of cyclical pressures. Corporate sector vulnerabilities were contained by the relatively low level of financial leverage of the business sector. The banking sector was resilient and in a strong position to support the economy, underpinned by the robust solvency and liquidity buffers.

Resilience of Deposit Taking Institutions

The deposit taking institutional sector – banks and NBDTIs – was broadly stable, supported by sound capital buffers and resilient liquidity positions. The sector maintained prudent risk management amid evolving macrofinancial conditions, while sustaining the flow of credit to the corporate and household sectors, despite the moderation of domestic economic activity. The core financial soundness indicators (FSIs) continued to reflect structural robustness. Although divergences were noted in profitability, funding composition and cross-border exposures highlighting some potential vulnerabilities, these were mitigated through well calibrated macroprudential measures.

Capital Adequacy

The deposit taking institutions demonstrated financial resilience, underpinned by strong capital adequacy and liquidity buffers during FY2024-25. The CAR stood at 21.5 per cent in June 2025 compared to 22.2 per cent in June 2024, well above the regulatory minimum threshold. The Tier 1 capital ratio was 19.7 per cent in June 2025, indicating robust shock-absorption capacity. The CET1 capital remained at elevated levels. The increase in the size of risk-weighted assets signalled higher risk-taking behaviour, which was well supported by robust solvency buffers.

Asset Quality

The asset quality of deposit taking institutions was maintained at healthy levels, with sound provisions. The NPL represented 4.1 per cent of gross loans in June 2025 compared to 4.0 per cent in June 2024. The coverage ratio improved to 61.5 per cent in June 2025, a 4.0 pp increase from June 2024. This rise strengthened banks' loss-absorption capacity and reflected prudent risk management and provisioning practices. The NPL net of provisions measured against regulatory capital was at 6.5 per cent in June 2025, indicating residual credit risk remained well contained relative to capital.

Earnings and Profitability

Earnings and profitability indicators moderated during the year ended June 2025. Return on Assets declined to 2.2 per cent in June 2025, from 2.6 per cent in June 2024. Return on Equity fell by 3.5 pp to 17.2 per cent in June 2025 relative to June 2024. While net interest income to gross income was at 74.3 per cent during FY2024-25, down from 76.0 per cent a year earlier, the growth of gross income was propelled by the expansion of non-interest income.

Liquidity Buffer Strength

Liquidity indicators were robust. The LCR stayed comfortably above the prudential minimum, at 281.8 per cent in June 2025. Liquid assets as a share of total assets were stable as well, with deposit taking institutions strengthening their liquid assets to Rs1.4 trillion in June 2025. The full implementation of the NSFR in December 2024 indicated that banks had the capacity to sustain liquidity needs.

Cross-Border Lending and FX Exposures

The geographical distribution of loan exposures revealed a repositioning of credit allocation in favour of the domestic market. Domestic credit expanded markedly, while exposures to Emerging Asia and Sub-Saharan Africa contracted – likely in response to global monetary conditions, regional risk recalibrations and strategic deleveraging.

The FX net open position rose to 1.8 per cent of Tier 1 Capital in June 2025, from 1.6 per cent in June 2024, well below the regulatory threshold of 15 per cent, indicating effective FX risk mitigation. Foreign currency-denominated loans and liabilities continued to represent a large share of total exposures, at 60.2 per cent and 66.7 per cent in June 2025, respectively. While these ratios were stable, they reflected the exposure of the financial institutions to FX risks, particularly if unhedged or concentrated by counterparty type.

Real Estate and Market Sentiment

Credit exposures to real estate remained relatively stable, although commercial real estate lending as a ratio to total loans dropped to 2.9 per cent in June 2025, from 3.9 per cent in June 2024. This decline may reflect either subdued demand or portfolio rebalancing. The value of residential property loans went up, suggesting steady household demand for credit for residential purposes.

Stress Testing Banking Sector Resilience

Macroeconomic and Sensitivity Stress Test

The latest stress test results – based on June 2025 data – confirmed the resilience of the banking sector to plausible hypothetical shocks to the economy, credit portfolios, interest rate, exchange rate and liquidity. All banks displayed robustness to the macroeconomic shocks in June 2025. The sectoral credit sensitivity analysis under different macroeconomic scenarios showed all banks had adequate capital buffers and were able to withstand the shocks. The credit concentration sensitivity analysis indicated that two non-systemic banks were vulnerable under the severe shock scenario. These findings emphasised the resilience of the banking sector, demonstrating its capacity to absorb shocks under various scenarios.

The forward-looking stress test, which evaluates the capacity of the banking sector to withstand exogenous macroeconomic and credit portfolio shocks over future time horizons, also showed that the banking sector remained resilient. Despite anticipated vulnerabilities for a few smaller banks in the most severe scenarios by end-2025, these risks were projected to be mitigated through proactive measures.

The macroeconomic scenarios were based on three levels of severity. For the baseline scenario, real economic growth was assumed at 3 per cent in 2025. Under the moderate scenario, the economy was expected to register zero growth. The scenarios also assumed a 200 bps increase in the policy rate and a cut of the same magnitude. The exchange rate was assumed to depreciate, even under the interest rate hike scenario.

Cross-Border Credit Stress Test

Cross-border assets of the banking sector – mainly in the form of credit facilities, investment in shares and deposits – represented around 50 per cent of the total assets of the banking sector. The cross-border stress test was designed to evaluate the impact of potential default by foreign counterparties on the capital of the banking sector. For the stress test exercise, credit risk was evaluated based on the NPL ratios of selected jurisdictions in which funds are deployed. Three scenarios were constructed, with the severity of shocks to NPL ratios increasing in each. The banking sector showed notable resilience to the three shocks.

The cross-border credit risk stress test results underscored the robustness of the capital buffers of the banking sector. This resilience reflected effective risk management, solid capital buffers and prudent regulatory framework in place. Such outcomes are vital, especially in the context of interconnected global financial systems, where cross-border credit risks can amplify threats to financial stability.

Liquidity Stress Test

The liquidity stress test complemented the current prudential framework in assessing the resilience of the banking sector to an exodus of deposits held by households, corporates, GBCs and non-resident depositors. The run-off rates were derived from historical trend analysis in net deposit outflows for these sectors. Three scenarios with increasing levels of severity were constructed to reflect potential run-offs and the likely sources of liquidity risk.

The liquidity stress test results based on June 2025 data depicted the resilience of the banking sector to liquidity shocks. From a bank-wise perspective, three non-systemic banks exhibited weaknesses under severe scenarios but they hold a small share of aggregate banking assets.

Upgrade of the Financial Stability Surveillance Toolkit

Monitoring and addressing risks to financial stability is one of the core functions of the Bank. To remain abreast of emerging risks, the Bank strives to continuously upgrade its financial stability surveillance and policy toolkits to proactively identify incipient risks to financial stability in Mauritius.

As part of this process, the Bank has extended the coverage of the FSIs, following technical assistance received from the IMF. Since December 2024, the FSIs cover the household sector, the non-financial corporations and the financial sector.

Financial Stress Index

The Bank is currently developing a Financial Stress Index (FStI). This composite indicator aims to aggregate market-based signals across key financial segments to assess systemic stress levels. Complementing existing tools like the SRI, the FStI will enhance early warning capabilities, support timely macroprudential interventions and strengthen financial system resilience. It will also contribute to informed policymaking and reinforce confidence through transparent monitoring of risks in the financial system.

Extension of Corporate Sector Macroprudential Indicators

The Bank, in collaboration with the FSC, is extending the coverage of macroprudential indicators for the corporate sector. This initiative aims to capture emerging vulnerabilities beyond the banking sector, including non-bank financial institutions and corporate balance sheets. Enhanced data granularity and coverage will support effective risk assessments, inform policy formulation and execution and improve the ability of the Bank to detect and mitigate sector-specific shocks that could threaten financial stability. In addition, the construction of macroprudential indicators for the household sector has been completed and already forms an integral part of the Bank's surveillance toolkit.

A Forward-Looking Model for the SRI

The extension of the SRI to embed forward-looking systemic risk scenarios is progressing well. The upgraded model requires projections of key variables to anticipate systemic vulnerabilities before they emerge, taking into consideration expected developments in the macroeconomic and financial environment. It will strengthen the early warning mechanism, support effective surveillance and guide timely macroprudential policy responses. The SRI is currently projected for two quarters ahead and the aim is to cover four quarters. Overall, the new SRI will improve the ability of the Bank to sustain financial stability through proactive policy response.

Continuous Upgrade of the Stress Test Framework

The ongoing enhancement of the macroprudential stress testing framework, by incorporating sector-specific modules, aims to deepen forward-looking risk assessments. The development of the modules for stress tests on non-financial corporations and households have reached an advanced stage to capture sectoral vulnerabilities and transmission channels. Leveraging top-down scenario analysis and dynamic sensitivity modelling, the modules will enhance the capability of the Bank to calibrate macroprudential measures. The stress test framework complements existing surveillance mechanisms, reflecting the Bank's commitment to be proactive in maintaining financial stability.

Regulatory Developments

During FY2024-25, the Bank continued to strengthen its regulatory and supervisory toolkit. A milestone was achieved with respect to the implementation of the Risk-Based Supervision (RBS) framework. The project, which was developed with technical assistance from the World Bank, was handed over to the Bank in April 2025 and is now fully managed and operated internally. The Bank also released two new guidelines, namely, a Guideline on Compliance Risk Management and Governance Framework and a Guideline for Virtual Asset related Activities. In addition, the Bank revised the Guideline on Classification, Provisioning and Write-Off of Credit Exposures. Reporting frameworks for cyber, technology and fraud-related incidents were implemented to enhance oversight of the evolving threat landscape in light of increasing digitalisation of the financial system. With respect to climate-related risks, the Bank kicked off the first climate-related explanatory scenario analysis exercise for the banking sector in January 2025. These initiatives, which are expected to strengthen the resilience of the banking sector against current and emerging risks, are elaborated below.

Risk-Based Supervision

After successful completion of trial runs, the RBS Framework was handed over by the World Bank to the Bank in April 2025. The framework provides the Bank with a comprehensive and structured approach to assess current and emerging risks faced by banks. It is expected to enable a more efficient allocation of supervisory resources going forward. A workshop was held at the Bank in April 2025 wherein the World Bank Consultant shared key considerations and expectations with regard to the implementation of the framework with the banking sector.

Guideline on Compliance Risk Management and Governance Framework

The Bank issued a new Guideline on Compliance Risk Management and Governance Framework in November 2024. The Guideline sets out the minimum requirements to assist financial institutions in implementing a strong compliance culture and an effective governance and risk management framework for compliance risk. Financial institutions are required to ensure that compliance forms part of the culture of the organisation and is not only the responsibility of compliance staff. They are recommended to establish frameworks which are commensurate with the size, nature and complexity of their business operations.

Guideline for Virtual Asset related Activities

Virtual assets related activities expose banks to a number of risks, including liquidity risk, credit risk, market risk, operational risk (namely fraud risk and cyber risks), money laundering, terrorist financing and proliferation risks, legal risks and reputational risks. The Guideline for Virtual Asset related Activities was issued by the Bank in November 2024 and sets out the principles to be followed by banks involved in activities related to virtual assets. It is based on the standards of the Basel Committee on Banking Supervision on crypto assets exposures.

Guideline on Classification, Provisioning and Write-Off of Credit Exposures

A revised Guideline on Classification, Provisioning and Write-off of Credit Exposures was issued in August 2024 and came into effect in September 2024. The guideline outlines the minimum prudential requirements with regard to asset classification, provisioning and write-off of credit exposures with a view to ensuring comparability across financial institutions and enhancing the resilience of the banking sector. The guideline stipulates the following with respect to the classification category of non-performing exposures and their corresponding level of provisioning (Table 4.3).

Table 4.3: Guideline on Classification, Provisioning and Write-off of Credit Exposures

Classification Category	Description and Main Criteria	Prudential Provisions *(Applicable on credit exposures less the net realisable value of the security)*
Sub-Standard	• A credit exposure where there are well-defined credit weaknesses in respect of the business, cash flow or financial position of the counterparty which may lead to the financial institution sustaining losses thereon, if the deficiencies are not corrected. • Past due by more than 90 days but not more than 180 days.	25 per cent
Doubtful	• A credit exposure where there are weaknesses inherent in a sub-standard credit exposure as well as supplementary weaknesses that make the prospect of full recovery of the credit exposure questionable without having recourse to the collateral and loss thereon highly likely. • Past due by more than 180 days but not more than 360 days.	50 per cent
Loss	• A credit exposure is considered uncollectible and of such little value that maintaining it as a bankable asset is not warranted although there may be some salvage or recovery value from the security available (i.e. recoverable value of security is less than 10 per cent of total credit exposure). • Past due by more than 360 days.	• 75 per cent (if classified as a non-performing exposure for less than 4 years) or • 100 per cent (if classified as a non-performing exposure for more than 4 years)

Cyber and Technology Risk

The RBS Framework includes a separate module for Cyber and Technology Risk. During FY2024-25, seven onsite inspections were conducted jointly by the Supervision Department and the IT Security Unit to assess the effectiveness and adequacy of controls implemented by the financial institutions.

Additionally, the Bank pursued its engagement with the banking industry through regular meetings with the Chief Information Security Officers of banks to promote information sharing, discuss emerging threats and exchange views on best practices in cyber security risk management.

A reporting framework for cyber incidents and critical technology-related incidents was introduced in October 2024. Financial institutions are thus required to: (i) immediately report any cyber incident, critical technology-related incidents and technology incidents which might become critical and impact the safety and stability of the financial system; and (ii) submit information on all cyber and technology-related events and incidents on a quarterly basis. This initiative is expected to improve the understanding of the threat landscape, hence enhancing the cyber resilience of the financial sector. Further, the roles and responsibilities of the Chief Information Security Officers were updated in November 2024.

Payment Fraud Prevention and Detection Measures

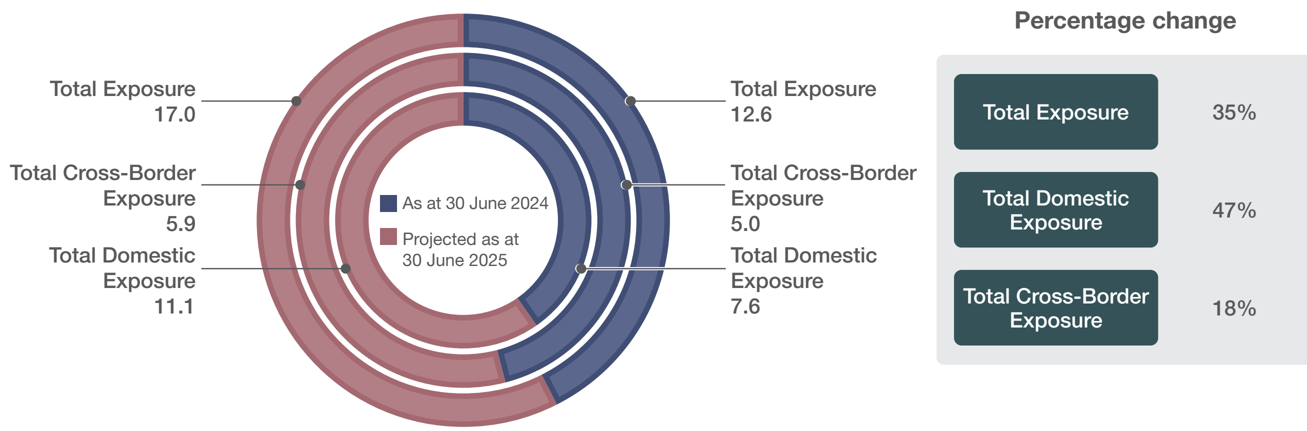
The Bank issued an instruction letter in July 2024 on measures to be taken by banks to prevent payment-related frauds. Subsequently, a comprehensive fraud reporting template was implemented in March 2025.

Climate-related and Environmental Financial Risk Management

The Guideline on Climate-related and Environmental Financial Risk Management became fully effective on 1 January 2024. In this respect, the Bank conducted a thematic review on climate-related and environmental risk management in the banking sector in the third quarter of 2024. The outcomes of the review were very encouraging. Banks were by large complying with the requirements of the Guideline.

Furthermore, the Bank conducted a survey on sustainable finance with banks in the third quarter of 2024. The results indicated that sustainable finance is quickly gaining a firm foothold in the local credit market. More importantly, banks in Mauritius are also exploring sustainable lending opportunities in cross-border markets.

Exposure of Banking Sector to Sustainable Projects (Rs million)



The Guideline on Climate-related and Environmental Financial Risk Management requires banks to regularly assess their resilience to climate-related risks by conducting relevant scenario analysis and stress testing. In this stride, the Bank launched the first climate-related scenario analysis exercise for the banking sector which is based on: (i) a composite extreme weather physical risk scenario with the interplay of policy-related risk factors; and (ii) a pure transition risk scenario which requires banks to deep-dive on possible financial impacts from the implementation of green policies by foreign economic partners.

Central Know-Your-Customer

The first phase of the Central Know-Your-Customer (CKYC) system, which went live on 7 April 2025, aims at streamlining KYC processes by institutions during customer onboarding and periodic client KYC refresh for resident individuals and companies. Key government and utility entities onboarded include the Civil Status Division, Licensing section of the Mauritius Police Force, Companies Business Registration Division and the Central Electricity Board. Twelve banks have already gone live, while the remaining banks are in the testing stage. The Bank has started the second phase of development of the system, extending the CKYC coverage to the Passport and Immigration Office database for expatriates and the FSC database for Global Business Companies.

Anti-Money Laundering/Combating the Financing of Terrorism and Proliferation

An effective Anti-Money Laundering/Combating the Financing of Terrorism and Proliferation (AML/CFT) regime is instrumental in mitigating the factors that facilitate financial abuse and safeguarding the integrity of the financial sector.

The Interagency Coordination Committee (ICC), chaired by the Governor of the Bank, was set up in August 2020 for the optimal implementation of the AML/CFT regime in Mauritius. The ICC regroups, amongst others, regulators and supervisors overseeing the financial services sector and the Designated Non-Financial Business and Professions (DNFBPs).

During FY2024-25, six outreach sessions and seven training sessions were organised under the aegis of the ICC covering a wide array of AML/CFT related topics such as the legislative changes brought through the AML/CFT Act 2024, Customer Risk Assessment, Business Risk Assessment, Suspicious Transaction Reporting and Transaction Monitoring, Scope of Independent Audit, Sharing of Experience on Supervision and Risk Matrix and the dissemination of the findings of the Second National Risk Assessment (NRA) Report issued in 2025 to both financial institutions and DNFBPs. The collaboration of all member agencies and law enforcement agencies, including the Mauritius Police Force and the Financial Crimes Commission, was instrumental in the conduct of these outreach and training sessions.

The ICC, with the continuous support from its Technical sub-committees, is proactively engaging with relevant stakeholders and the authorities for the independent assessment of the effectiveness of the national AML/CFT system of Mauritius currently underway. This engagement would help to identify and address any residual gaps and ensure the preparedness of its members ahead of the mutual evaluation exercise to be conducted by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) in 2027.

The Bank is dedicated in keeping its staff abreast of the latest developments in AML/CFT matters. To this effect, staff members attended a three-day workshop organised by the Ministry of Financial Services and Economic Planning, in collaboration with the British High Commission and the FSC and conducted by the Royal United Services Institute from 20 to 22 January 2025. The workshop focused on “Assessing the Risk of Proliferation Financing”, with in-depth discussions on the implementation of targeted financial sanctions and related supervisory challenges. Senior officers of the AML/CFT Unit of the Bank also attended the FATF Assessor’s training organised by the Ministry of Financial Services and Economic Planning in collaboration with the ESAAMLG from 23 to 27 June 2025.

Collaboration on AML/CFT

The Bank hosted a number of international delegations during FY2024-25 to share expertise in AML/CFT.

(a) A delegation comprising representatives from the Central Bank of Djibouti visited the Bank from 15 to 17 July 2024;

(b) The Bank also hosted a working session with a delegation from the Central Bank of Seychelles on 16 September 2024;

(c) A delegation from the Bank of Ghana came on a study visit at the Bank from 7 to 9 October 2024; and

(d) The Bank hosted a study visit on the regulatory and supervisory frameworks for representatives from the National Bank of Rwanda on 19 and 20 May 2025.

Participation in AML/CFT Risk Assessments

The Bank participated extensively in most of the AML/CFT Risk Assessments carried out at the national level and is also contributing to the following projects:

(a) Mauritius has undertaken a risk assessment of the non-profit organisations sector, led by the Mauritian government as part of its commitment as a member of the global FATF network to combat Terrorism Financing (TF);

(b) Mauritius has embarked on a Risk Assessment of "Legal Persons and Legal Arrangements" to assess the Money Laundering (ML) and TF risks associated with all types of legal persons/arrangements;

(c) The authorities are also conducting a National Risk Assessment on Proliferation Financing (PF) in line with the FATF PF risk assessment guidance;

(d) The Bank is currently participating in the AML/CFT Mid-Term Assessment Exercise commissioned by the authorities ahead of the ESAAMLG mutual evaluation in 2027; and

(e) The Bank will also participate and contribute to the review of the risk assessment on "Virtual Assets and Virtual Asset Service Providers" to be carried out shortly by the authorities.

Second National Money Laundering and Terrorism Financing Risk Assessment

A key element of the FATF Recommendations is the application of a risk-based approach. Recommendation 1 of the FATF Recommendations notably calls upon countries to, *inter alia*, identify, assess and understand their ML and TF risks and apply resources aimed at ensuring the risks are mitigated effectively.

In light thereof, Mauritius issued its first National ML and TF Risk Assessment Report on 29 August 2019. The second NRA exercise was launched with the primary objectives to deepen the national understanding of ML and TF risks, evaluate their evolution since 2019 and support the development of targeted AML/CFT strategies and measures. The exercise also aimed at assisting supervisors to conduct comprehensive risk evaluations and guide reporting persons in identifying and mitigating vulnerabilities.

The second NRA Report was unveiled on 7 May 2025, covering the period January 2018 to December 2024. It provides a detailed snapshot of ML/TF activity, at national and sectoral levels for the period January 2018 to June 2022 as well as major developments, including an updated assessment of emerging threats for the period July 2022 to December 2022.

The revised National Money Laundering and Terrorist Financing Risk Assessment Tool developed and provided by the World Bank was used for the second NRA. The tool included revised modules on National TF threat and vulnerability, along with a new module on TF sectoral risk. In accordance with the World Bank Tool, the following factors were assessed:

(a) the scale and characteristics of the proceeds of criminal activities from both internal and external sources;

(b) the scale and characteristics of TF in Mauritius;

(c) the weaknesses or gaps in the ability of Mauritius to combat ML and TF; and

(d) the ML and TF weaknesses or gaps arising from the financial services sector as well as DNFBPs in the country.

The key findings of the second NRA Report were as follows:

(a) The overall ML risk for Mauritius was Medium-High. This rating was based on both the National ML Threat and National ML Vulnerability, each assessed as Medium-High.

ML threats originated from both domestic and international predicate offences, with external threats primarily linked to fraud, corruption and tax evasion, posing a greater risk due to the open economy of Mauritius.

On the domestic front, the NRA Report identified drug trafficking, fraud and illegal bookmaking as the top three crimes generating illicit proceeds in the country.

(b) The National ML Vulnerability of Medium-High was informed by a combination of the National ML combatting ability which was rated Medium and the overall sectoral ML Vulnerability which was rated High.

(c) The overall TF risk for Mauritius was Medium-Low. This rating was derived from a combination of both the National TF Threat and the National TF Vulnerability, both of which were rated Medium-Low. While no active terrorist organisation or individual has been identified, there were indications that some individuals were influenced by extremist ideologies and propaganda and the number has slightly increased over the past years.

ML and TF Sectoral Risks

The risk assessment revealed a Medium-High to Low level of ML risk and a Medium to Low level of TF risk across the sectors falling under the purview of the Bank (Table 4.4). Mauritius is reviewing its National AML/CFT Strategy in light of the findings of the second NRA Report.

Table 4.4: ML and TF Sectoral Risks

Sector	ML Threat Rating	ML Vulnerability Rating	ML Risk Rating
ML Threat, Vulnerability and Risk Ratings			
Banking	High	Medium	Medium-High
Other Financial Institutions			
Cash Dealers	Medium	Medium	Medium
NBDTIs	Medium-Low	Medium-Low	Medium-Low
Payment Service Providers	Low	Low	Low
TF Threat, Vulnerability and Risk Ratings			
Banking	Medium	Medium-Low	Medium
Other Financial Institutions			
Cash Dealers	Medium-Low	Medium-Low	Medium-Low
NBDTIs	Low	Low	Low
Payment Service Providers	Low	Low	Low

05

PAYMENT SYSTEMS AND CURRENCY MANAGEMENT

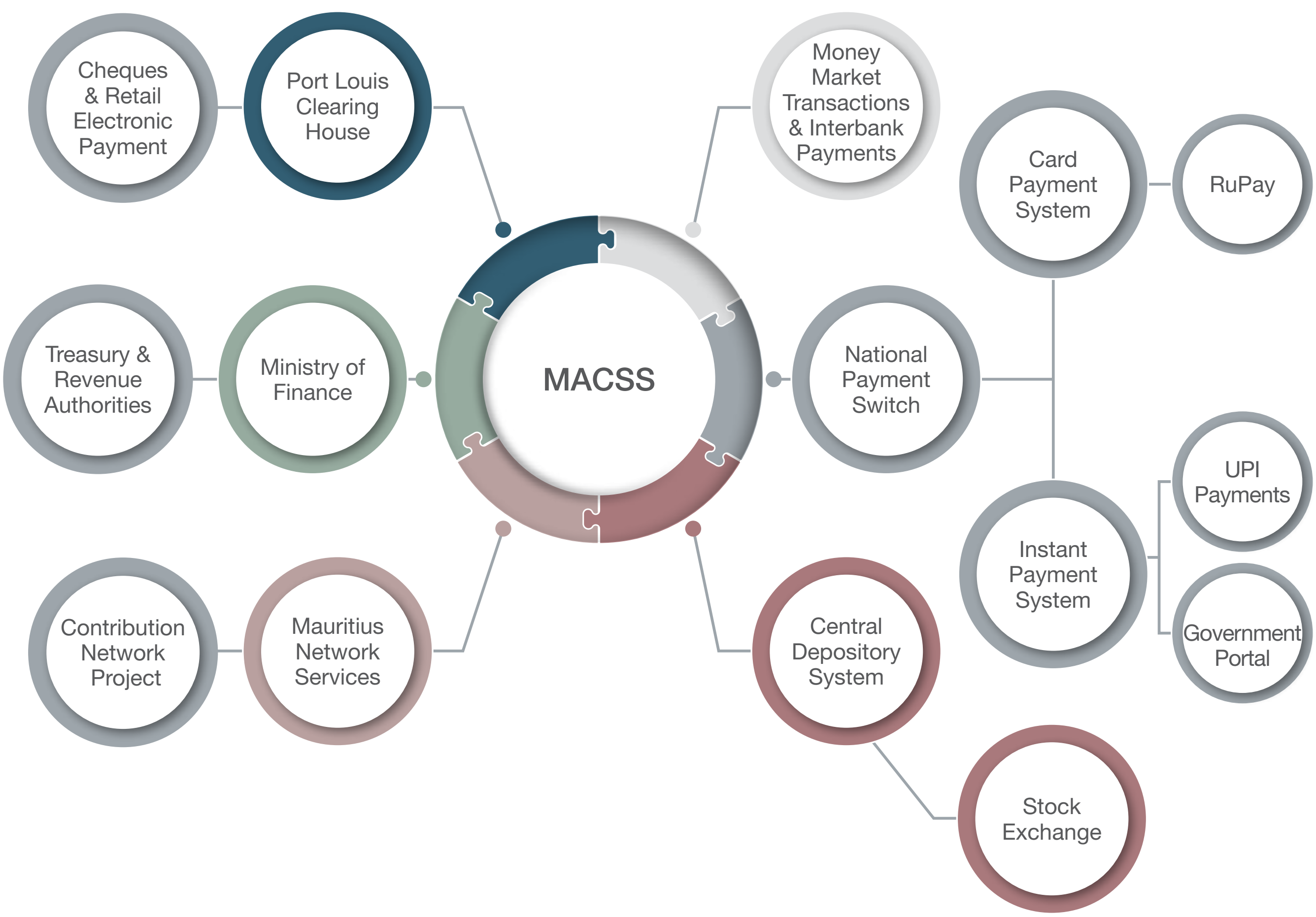
Payment Systems

A secure and efficient payment system is the cornerstone of a sound financial ecosystem. In this context, the Bank plays a pivotal role in providing payment mechanisms to agents undertaking monetary transactions, notably financial institutions, Government and the Stock Exchange and in overseeing Payment Service Providers (PSPs). All forms of transactions, whether dealt in cash, cheques, cards or through electronic platforms, are channelled through the national payment system, thus, ensuring trust, reliability and seamless transfers across the economy.

Mauritius Automated Clearing and Settlement System

The Mauritius Automated Clearing and Settlement System (MACSS) is the backbone of the Mauritian payment infrastructure. It is the sole system in the country for processing large-value payments and it is owned and managed by the Bank. MACSS has been designed to operate along the core principles of the BIS Systemically Important Payment Systems. Any disruption to its operations can have spillover effects across the whole financial system and economy at large.

Mauritius Automated Clearing and Settlement System



MACSS is a fully automated system. Transactions processed through MACSS are settled in real time on a gross basis using participants' accounts held with the Bank, thereby ensuring the immediate transfer of funds, with payments being final and irrevocable. MACSS supports eight different currencies, notably, Mauritian rupee, US dollar, Pound sterling, euro, Swiss franc, South African rand, Japanese yen and Singapore dollar. Apart from the Mauritian rupee, the US dollar and euro are the most used to settle transactions (Table 5.1).

Table 5.1: Value of Transactions Settled on MACSS by Currency (million)

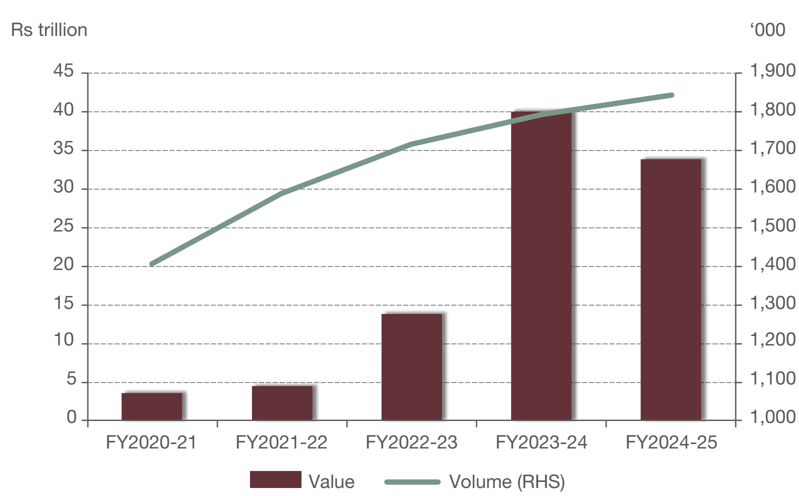
Currency	FY2023-24	FY2024-25
MUR	40,076,101	34,006,880
USD	5,521	4,681
GBP	143	127
EUR	2,105	1,033
CHF	3	3
ZAR	588	922
JPY	992	1,014
SGD	79	29

The MACSS also settles payments on a net deferred basis for the following:

1. Cheque clearing, direct debit and electronic transfers through the Port Louis Automated Clearing House (PLACH);
2. Transactions through the Central Depository & Settlement Co. Ltd in Mauritian rupee, US dollar, euro, Pound sterling and South African rand;
3. Contributions to the MRA through the Contribution Network Project; and
4. Payments made through the Mauritius Central Automated Switch (MauCAS) Card Payment System and Instant Payment System (IPS).

The volume of transactions on the MACSS increased by 2.8 per cent to 1,844,642 in FY2024-25, while the value of transactions declined by 15.1 per cent to Rs34,007 billion. This suggests that the system registered higher settlement of relatively lower value transactions (Chart 5.1).

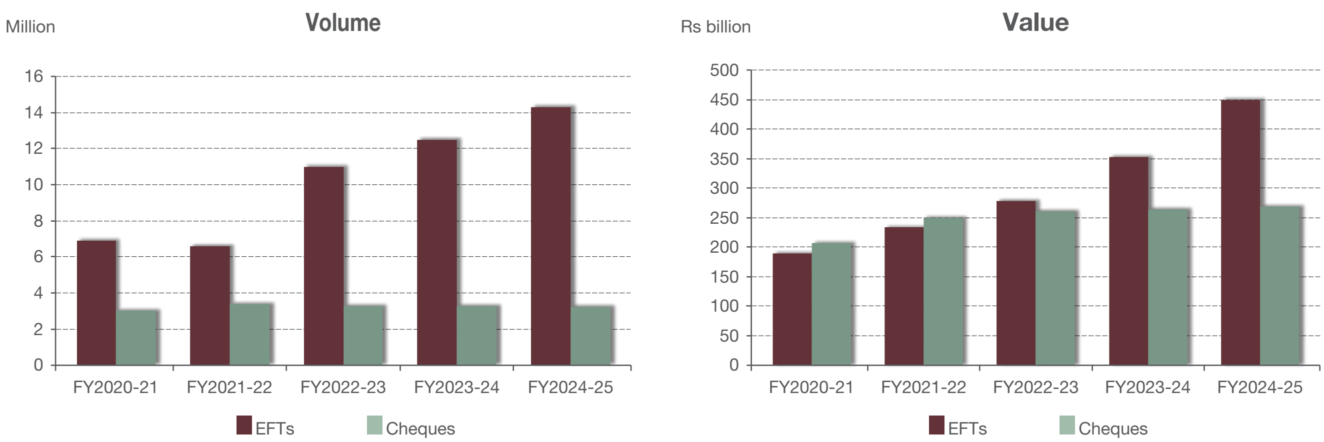
Chart 5.1: Transactions on MACSS



The Bulk Clearing System

Clearing and settlement in the PLACH are made through the Bulk Clearing System (BCS). In addition to cheques, the BCS processes direct debit instructions and low-value electronic interbank payments during four daily clearing cycles. Over the last five years, the number of cheques cleared and settled on the BCS has remained relatively stable, while the value of transactions has maintained an uptrend, pointing to an increase in the use of high-value cheques. Meanwhile, both the volume and value of Electronic Funds Transfers (EFTs) have been growing, reflecting a shift towards electronic payments. During FY2024-25, the volume of cheques cleared dropped to 3.2 million, from 3.3 million in FY2023-24, while the value of cheques processed rose by 1.6 per cent to Rs268 billion (Chart 5.2). The aggregate volume of EFTs in FY2024-25 stood at 14.3 million for a value of Rs450 billion, compared to an aggregate volume of 12.5 million for a value of Rs353.3 billion in FY2023-24.

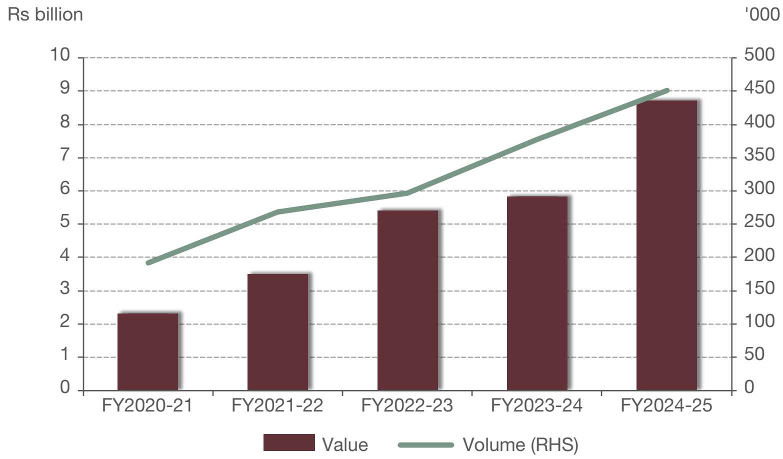
Chart 5.2: Volume and Value of Cheques and EFTs Cleared on BCS



The MRA makes extensive use of EFT payments for government schemes, including the Minimum Wage Assistance Scheme, CSG Income Allowance, and financial assistance for the payment of salary compensation, amongst others. Other frequent EFT users include the Mauritius Civil Service Mutual Aid Association Limited and the Registrar General.

The Direct Debit Scheme is a four-party arrangement for collection of money between a Payer and an Originator through their respective banks. The Originator refers to a person who holds a mandate signed by the Payer giving authorisation to send claims to debit a designated account in relation to a specific underlying contract. The scheme is widely used for recurring payments, such as utility bills, subscriptions and taxes. In recent years, commercial banks have increasingly availed of this facility to support a range of payment services. A total of 780,519 direct debit transactions were processed during FY2024-25, an increase of 7 per cent compared to the preceding year (Chart 5.3).

Chart 5.3: Direct Debit Transactions

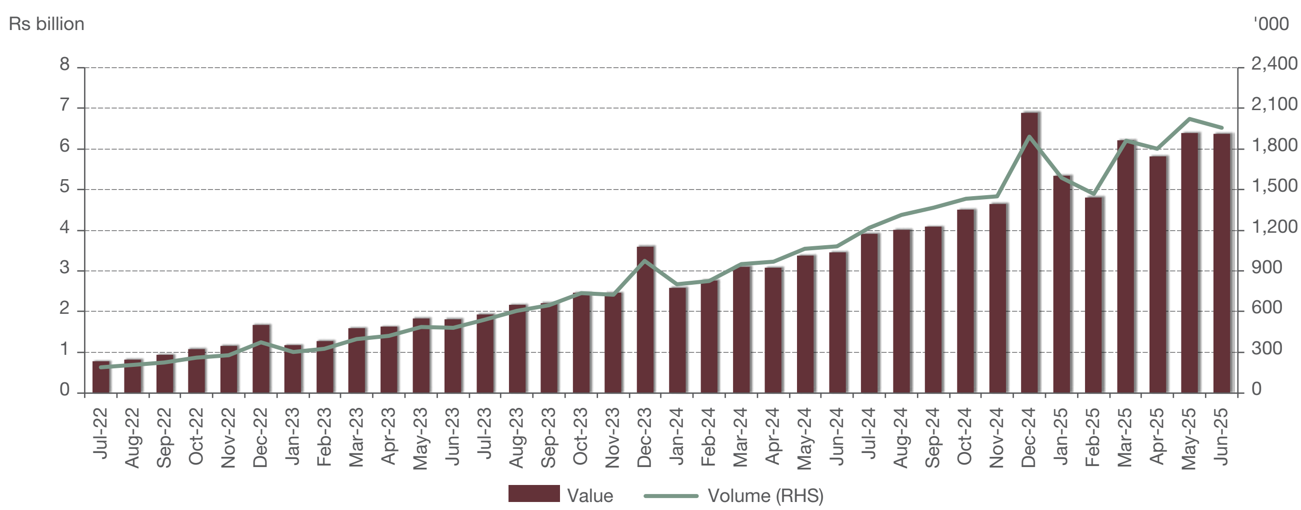


Mauritius Central Automated Switch

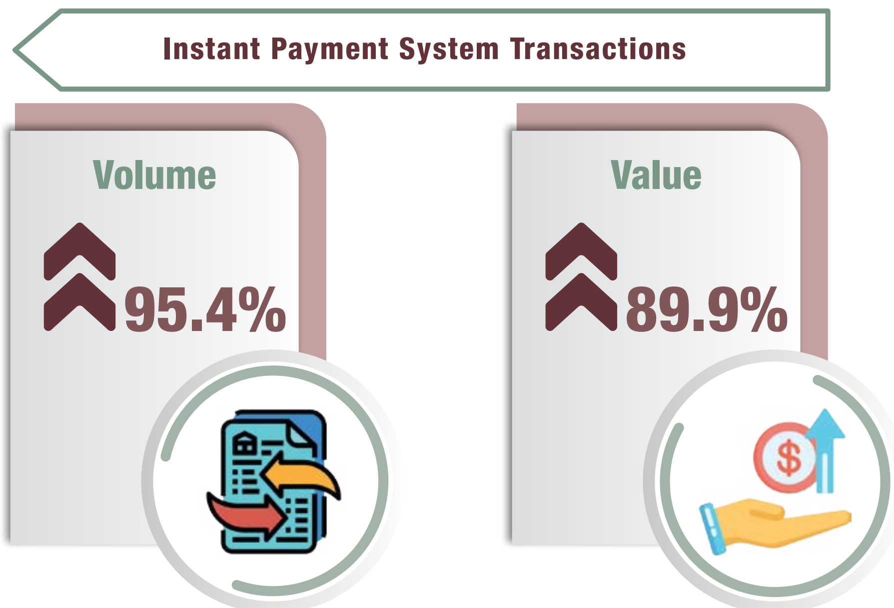
The MauCAS serves as the central system for routing payments among banks and non-bank payment service providers on a 24/7 basis. MauCAS enables seamless interoperability and instant payments, thereby strengthening the resilience and efficiency of the country's payment infrastructure. The sustained y-o-y growth in transaction volumes through the MauCAS IPS shows its strategic importance in the national payment ecosystem.

In 2024, the Bank implemented a series of key policy reforms to boost usage of the IPS platform, including revisions of participant interchange fees, removal of charges on person-to-person transfers and an increase in the transaction limit from Rs100,000 to Rs250,000. The measures collectively contributed to a surge of 95.4 per cent, y-o-y, in IPS transaction volumes in FY2024-25, reflecting the increasing adoption of real-time digital payments by individuals and businesses. The IPS processed 19.4 million transactions for a value of Rs63.0 billion, compared to 9.9 million transactions totalling Rs33.2 billion in FY2023-24 (Chart 5.4). Presently, 11 banks and 4 non-banks participate in the MauCAS IPS.

Chart 5.4: Transactions on IPS



Key Metrics for FY2024-25



Licensing

In accordance with the National Payment Systems Act, the Bank is the sole authority empowered to issue licences to entities seeking to operate as PSPs in Mauritius. The Bank enforces a rigorous licensing framework aligned with international best practice to ensure that only applicants with the appropriate financial, operational and governance standards are granted entry.

As at 30 June 2025, four companies have been granted a PSP licence, namely, CIM Financial Services Ltd, Emtel MFS Co Ltd, Cellplus Mobile Communications Limited and EZ Dash Limited. These licensed entities offer a range of services, including e-money, mobile payment and card-based payment services to the public. The emergence of non-bank PSPs has broadened the payments landscape in Mauritius, offering consumers a wider array of options to meet their payment needs. This diversification has fostered healthy competition within the market, contributing to a more efficient and accessible delivery of payment services to the public.

Payment Systems Oversight

As mandated by the National Payment Systems Act, the Bank is entrusted with the oversight of payment systems to ensure their safety, efficiency and reliability. This responsibility is critical in maintaining public confidence in the payment infrastructure and contributes to safeguarding monetary and financial stability. Effective oversight aims to identify and mitigate emerging risks, while preventing systemic disruptions that could have far-reaching consequences.

In line with its mandate, the Bank has initiated a comprehensive Payments Oversight project with technical assistance from the IMF. The project is currently underway, with the Bank working towards the completion of a robust oversight framework tailored to the evolving payments landscape.

Mauritius Credit Information Bureau

The Mauritius Credit Information Bureau (MCIB), owned and operated by the Bank since its establishment in December 2005, functions as the country's sole credit information repository. The MCIB enables financial institutions to perform accurate credit risk assessments and undertake well-informed lending decisions. Over the years, the MCIB has evolved into a key element of the domestic financial architecture, contributing to the stability and overall resilience of the financial system. Its role in mitigating information asymmetries between lenders and borrowers fosters transparency, enhances trust and promotes responsible credit practices within the financial sector.

Data Integrity, Security and Privacy

The MCIB upholds the highest standards of data security, confidentiality and accuracy in the collection and processing of credit information. Operating within the regulatory frameworks of the Data Protection Act and the Bank of Mauritius Act, the MCIB exercises stringent oversight of participants' access to the database to prevent any misuse of credit information.

Access to credit data is strictly limited to authorised personnel within participating institutions and is solely for the purpose of conducting credit assessments. All data access and processing activities are comprehensively logged and audited to ensure accountability and transparency. The MCIB enables individuals to access their credit information and request corrections where necessary, thereby promoting data accuracy and consumer protection. Regular audits and compliance checks are conducted to maintain data governance and operational integrity.

To ensure the reliability and completeness of credit information, the Bank undertakes periodic supervisory reviews of participating institutions. These reviews assess compliance with obligations relating to the timely submission and updating of credit data. Where necessary, technical guidance and support are provided to strengthen adherence to standards and improve data quality.

Participants of the MCIB

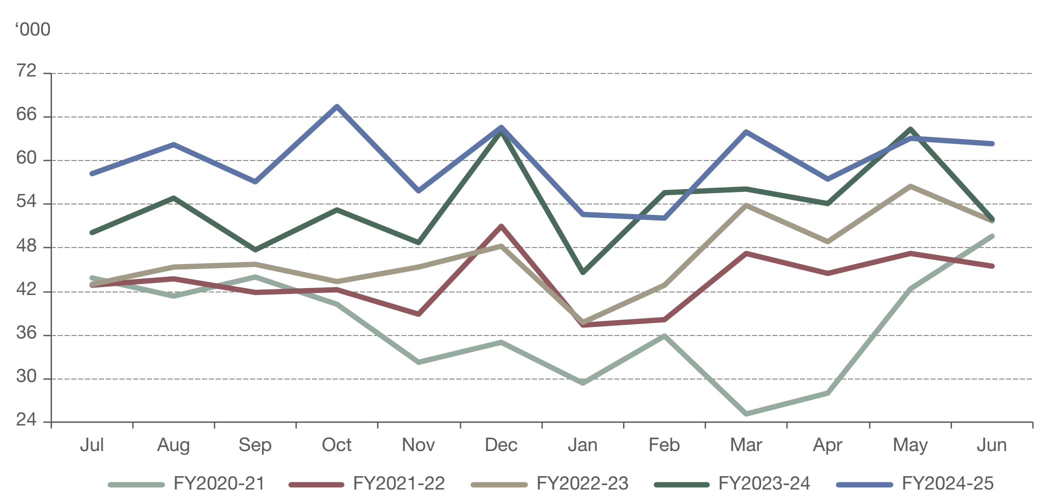
The MCIB started its operations with an initial participation of 11 banks. Over time, it has progressively expanded its coverage beyond the banking sector to encompass entities from the leasing, hire purchase, and insurance industries, as well as other non-bank financial service providers, including peer-to-peer lending platforms. As of June 2025, the MCIB houses 54 participating institutions, including the Bank.

Consultation of the MCIB Database

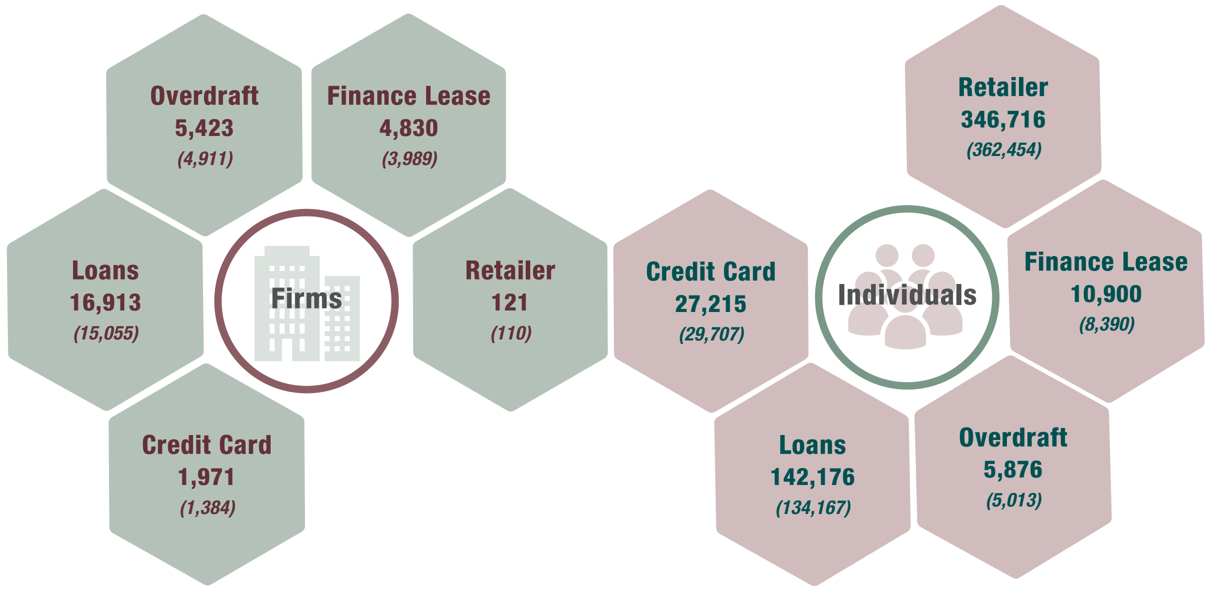
All participants in the MCIB, with the exception of utility bodies, are required to consult the MCIB database prior to the approval, extension or renewal of any credit facility. The volume of credit profile reports extracted by participants of the MCIB increased by 11.1 per cent, y-o-y, to 717,171 in FY2024-25 (Chart 5.5).

The number of borrowers/guarantors registered in the MCIB database increased by 2.8 per cent to 1,100,223, of whom, 1,002,082 were individuals. A total of 562,141 new credit facilities were extended to firms and individuals in FY2024-25, representing a cumulative growth of 14.2 per cent over a five-year period.

Chart 5.5: Number of Reports Drawn on the MCIB



Credit Facilities Availed of by Firms and Individuals in FY2024-25



Note: Figures in bracket relate to FY2023-24.

Developments in Domestic Payment Systems

The Bank has spearheaded several initiatives to modernise the payment ecosystem in Mauritius while enhancing its safety, efficiency and interoperability. During FY2024-25, progress was made on several key projects.

MACSS Migration to ISO 20022

In line with the decision of SWIFT to discontinue the support of Message Type messages, the Bank is working on the migration of its payment systems (MACSS and COMESA Settlement System-RTSX Light) to the ISO 20022 format. This format will become mandatory as from November 2025 for cross-border payments reporting but can be extended to other payment systems, such as MACSS, which is a closed user group system. The Bank is expected to go live with the ISO 20022 format by 2026Q1. The adoption of this format entails several advantages for the domestic market. It provides consistent, rich and structured data and enables greater interoperability among financial institutions and between financial institutions and other payments market infrastructures. According to SWIFT, 40 per cent of cross-border messages is ultimately processed in domestic Real-Time Gross Settlement (RTGS) systems. Therefore, ISO 20022 will provide the means to seamlessly and efficiently combine cross-border and domestic payments in a single straight-through type of transaction.

MauCAS Instant Payment System

During FY2024-25, the Bank sustained its efforts to strengthen the MauCAS IPS, in line with its strategic objective to promote faster, safer and more convenient digital payments. Ongoing enhancements are focused on improving user experience, expanding use cases and enabling innovative services across the national payment ecosystem. A key feature currently under development is the MauCAS Pay ID, a unique identifier framework designed to standardise alias formats across all payment system participants.

Once operational, it will enhance the interoperability, security and efficiency of instant payments. The MauCAS Pay ID will also serve as a cornerstone for future advancements, such as card tokenisation that replaces sensitive card information with secure tokens.

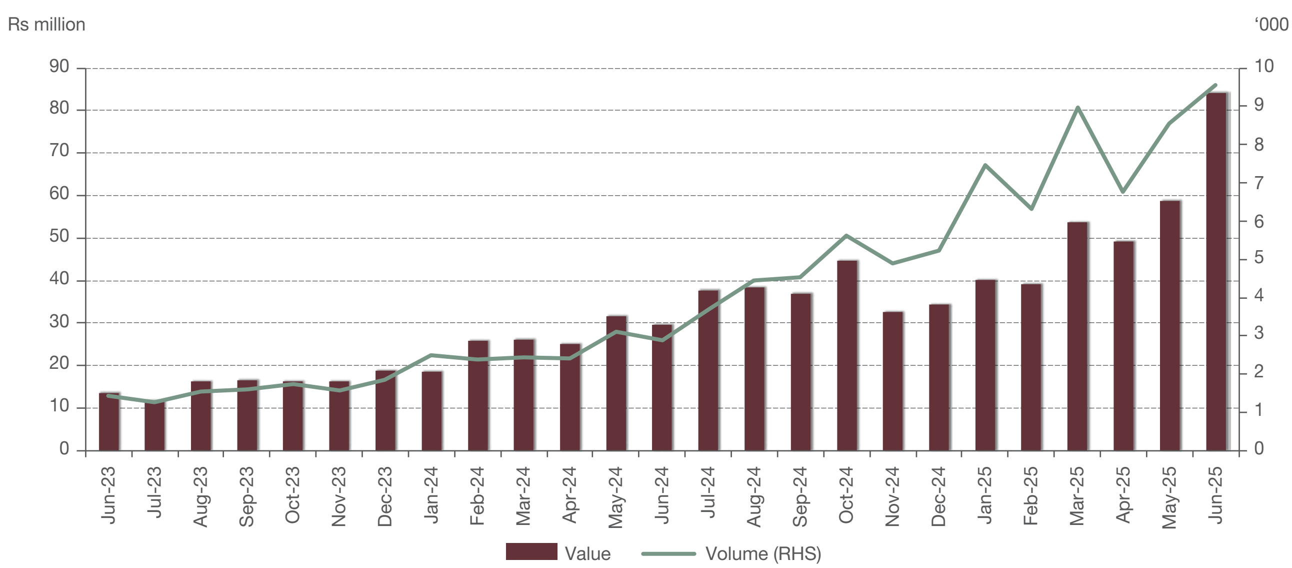
In parallel, work is progressing on enabling merchant-initiated QR code payments, a feature that will allow merchants to scan QR codes generated by customers via their mobile applications, enabling a seamless, secure and efficient checkout experience. The Bank remains committed to fostering an inclusive and forward-looking payment infrastructure and will continue to engage with stakeholders to ensure the robust and phased implementation of these enhancements.

Government Payment Portal

The Bank has been actively supporting the development and expansion of the Government Payment Portal, a strategic initiative aimed at promoting digital payments and advancing the Government's broader e-services agenda. Initially launched on a pilot basis in December 2022 with a cohort of five public institutions, the portal has steadily expanded its reach. During FY2024-25, it was extended to include entities such as the Judiciary, the Office of the Director of Public Prosecutions and Customs. The Government Payment Portal is significantly enhancing the efficiency, transparency and accessibility of public service payments. The capability of government entities to accept electronic payments eliminates the need for physical visits, reduces reliance on cash and supports the national objective of transitioning towards a cash-lite economy.

The impact of the Portal's expansion is clearly demonstrated by the substantial increase in both transaction volume and value. From 1,430 transactions valued at Rs13.4 million in June 2023, the Government Payment Portal recorded 9,570 transactions valued at Rs84.1 million in June 2025 (Chart 5.6). This represents more than a six-fold increase in both volume and value, highlighting the platform's usefulness for citizens and businesses seeking secure and convenient payment options.

Chart 5.6: Government Payment Portal



Central Bank Digital Currency

Following the completion of the Digital Rupee pilot in April 2024, the Bank is now focused on expanding ecosystem engagement, fostering innovation and enabling seamless cross-border integration. As such, the Bank joined the mBridge project in November 2024 as an observing member. Initially launched by the Bank of Thailand and the Hong Kong Monetary Authority, mBridge aims to revolutionise cross-border payments by facilitating real-time, secure transfers of digital currencies between central banks. The project has already garnered active involvement from the central banks of China and the United Arab Emirates, in addition to those of Thailand and Hong Kong.

Mauritius stands to gain from integration with the mBridge network that will open new avenues for faster, cheaper and more efficient international payments.

Expansion of the MauCAS Card - National Domestic Card Scheme

In February 2024, the Bank launched the MauCAS-RuPay Co-branded Card, designated as the national domestic card scheme. This initiative aims to provide secure, cost-effective and efficient card-based payment solutions tailored to the Mauritian market. Since its launch, the MauCAS Card has gained initial traction with the onboarding of two issuing banks, along with one Point-of-Sale acquirer and one ATM acquirer, marking a step in building a robust and inclusive domestic card ecosystem.

The Bank continues to engage with other financial institutions to broaden participation and enhance card issuance and acceptance infrastructure across the country. The MauCAS Card initiative aligns with the Bank's broader vision of reducing costs associated with domestic transactions.

Regional Cross-Border Initiatives

Regional payment system initiatives were established to address the challenges associated with cross-border transactions in terms of delays, high costs and operational inefficiencies. Such initiatives aim to settle transactions in domestic or regional currencies, without requiring a third currency for settlement, thus enhancing trade and economic integration within the region. The Bank actively engages in the regional payment initiatives of the COMESA and SADC.

COMESA Regional Payment and Settlement System

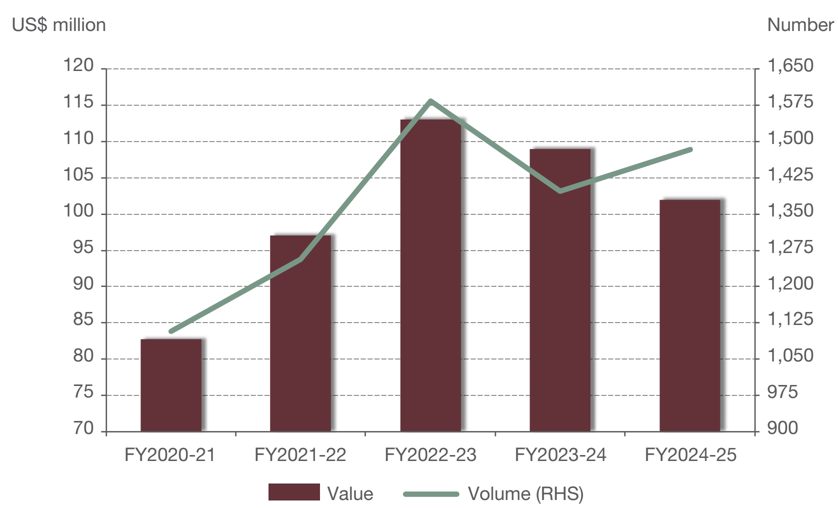
The Regional Payment and Settlement System (REPSS), which is run by the COMESA Clearing House, is a Multilateral Netting System for COMESA countries. The system allows settlement in a multicurrency environment, including the US dollar and euro, and is flexible enough to accommodate additional currencies. The key objective of the system is to facilitate intra-regional trade by enabling importers and exporters to pay and receive payment for goods and services through an efficient and cost-effective platform. The main participants on the system are COMESA central banks. Commercial banks are indirect participants since they channel payments to REPSS through their respective central banks.

The Bank, which is the settlement bank of REPSS, actively participates in the system, holding settlement accounts on behalf of all participating central banks. This arrangement ensures timely settlement of cross-border transactions. Currently, nine central banks are live on REPSS, namely those of the Democratic Republic of the Congo, Egypt, Eswatini, Kenya, Malawi, Mauritius, Rwanda, Uganda and Zambia.

REPSS processes both low and high value transactions, with lowest recorded transaction value at US$23 and the highest single transaction amounting to US$4,999,900. In FY2024-25, the value of transactions on REPSS declined to US$102 million equivalent, from US$109 million equivalent in FY2023-24. Transaction volume, on the other hand, increased by 6.2 per cent to 1,484 transactions (Chart 5.7).

REPSS is currently undergoing a system upgrade and migration to ISO 20022 message standard. This improvement aligns REPSS with international best practice, enhances interoperability and modernises the overall payment experience for users. Efforts are being made to support digital financial inclusion and innovation through a strategic shift towards enabling low-cost, real-time and inclusive digital payments, particularly at the retail level. The COMESA Committee of Governors of Central Banks has mandated the COMESA Clearing House to implement the Digital Retail Payment Platform (DRPP) project that aims to promote financial inclusion by facilitating instant cross-border payments in local currencies at reduced costs. The DRPP is currently being piloted between Malawi and Zambia, with testing scheduled for August 2025.

Chart 5.7: REPSS Transactions



Southern African Development Community

Two cross-border payment systems operate in the SADC regional block under the purview of the SADC Committee of Central Bank Governors - the large value real-time cross-border payment system, i.e., the SADC-RTGS and the low-value regional payment scheme, namely the Transactions Cleared on Immediate Basis (TCIB).

- **SADC-RTGS**

Fifteen SADC member countries participate in the SADC-RTGS, a large value real-time cross-border payment system, with 87 participants, including both commercial and central banks. Three local banks, namely Absa Bank (Mauritius) Limited, Standard Bank (Mauritius) Limited and the Mauritius Commercial Bank Limited, participate in SADC-RTGS.

As at end-June 2025, transactions settled on the SADC-RTGS represented an increase of 44.4 per cent and 19.6 per cent in volume and value terms, respectively, compared to end-June 2024.

The SADC-RTGS system successfully migrated to the SWIFT ISO 20022 messaging standards on 10 June 2024 and is currently in the post-implementation phase, which includes monitoring of the system and ensuring its stabilisation. The SADC-RTGS operator is providing support to participants that still require assistance with the migration.

SADC-RTGS has extended its operating hours, with a window opened on Saturdays up to 12:00 hours South African time, which is in line with its modernisation strategy. It is also promoting domestic currency onboarding by member states' central banks. To this end, a workshop was held at the Bank in October 2024 to discuss the onboarding of the Mauritian Rupee.

- **Transactions Cleared on an Immediate Basis**

The TCIB is a regional payment system which offers instant clearing of low-value transactions within and among countries in the SADC region. The TCIB currently hosts 54 participants, both banks and non-banks, across 11 countries. The World Bank and IMF are providing technical assistance to facilitate the onboarding of additional participants and to address regulatory requirements across member states.

Association of African Central Banks

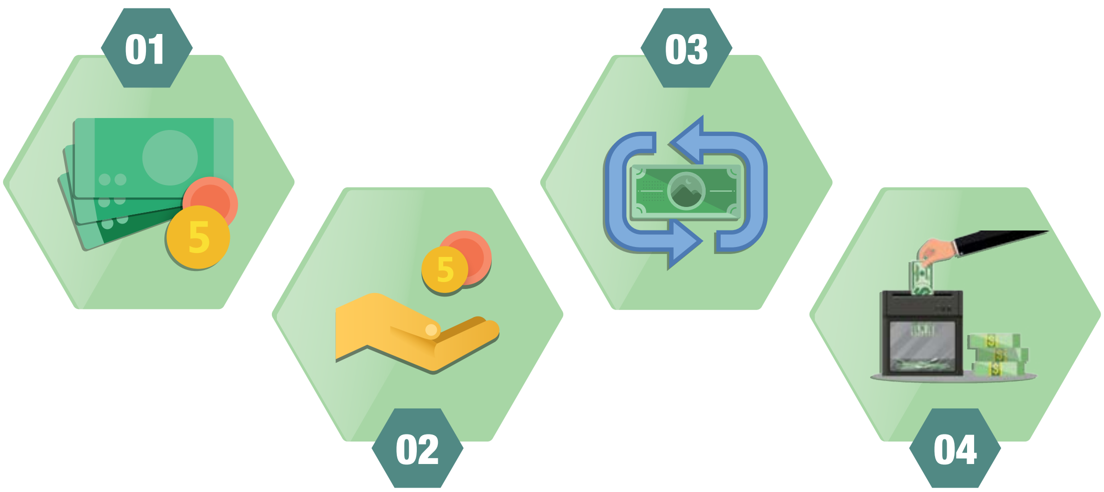
The AACB is progressing with its project to integrate payment systems and mobile payments in Africa. In its capacity as Deputy Chair of the Working Group on the Strategy for Integrating Mobile Payments in Africa, the Bank has been actively participating in the execution of different initiatives implemented under the project. Technical assistance is being sought to capacitate the Working Group and support it with supplementary resources that will drive the agenda for the proposed intra-continental payment operating framework.

Currency Management

The Bank is legally mandated to ensure a consistent and adequate supply of banknotes and coins to effectively meet the demand from members of the public. Currency management consists of the following tasks:

Ensure both the availability and supply of good quality banknotes and coins to banks

Exchange soiled and mutilated banknotes



Accept deposit of banknotes and coins from banks

Destruction of soiled banknotes

Currency Management

Examination of Banknotes

	FY2023-24	FY2024-25
Number	61.1 million	71.6 million
Value	Rs27.4 billion	Rs32.3 billion

Destruction of Banknotes Unfit for Circulation

	FY2023-24	FY2024-25
% of total number of banknotes found unfit for circulation	92.8%	91.2%
Value	Rs4.6 billion	Rs3.5 billion

Examined Banknotes Unfit for Circulation

	FY2023-24	FY2024-25
% of total number of banknotes examined	18.3%	14.7%
Value	Rs4.8 billion	Rs4.1 billion

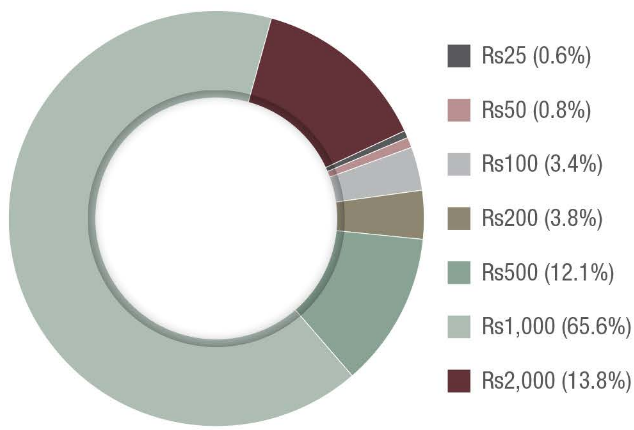
Banknotes and Coins Deposited at and Issued by the Bank

	FY2023-24	FY2024-25
Deposits	Rs30.8 billion	Rs37.8 billion
Issues	Rs36.7 billion	Rs44.8 billion

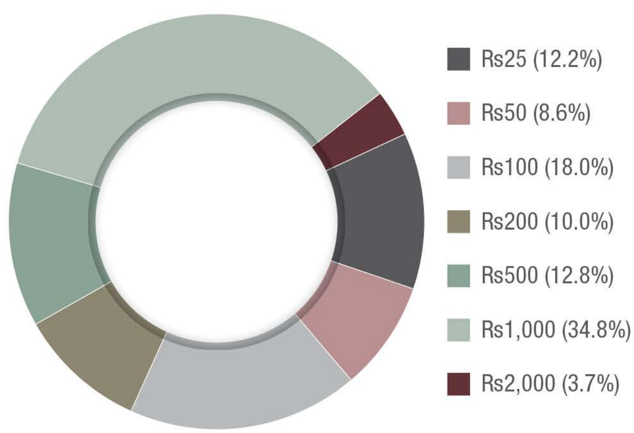
In FY2024-25, the value and volume of banknotes in circulation increased by 12.0 per cent and 7.4 per cent, respectively, compared to FY2023-24. Banknotes of Rs1,000 denomination made up the largest share of the value and volume of banknotes in circulation (Chart 5.8). Comparatively, the total value and volume of coins in circulation rose by 8.5 per cent and 4.2 per cent, respectively.

Chart 5.8: Banknotes in Circulation as at end-June 2025

Value of Banknotes in Circulation



Volume of Banknotes in Circulation

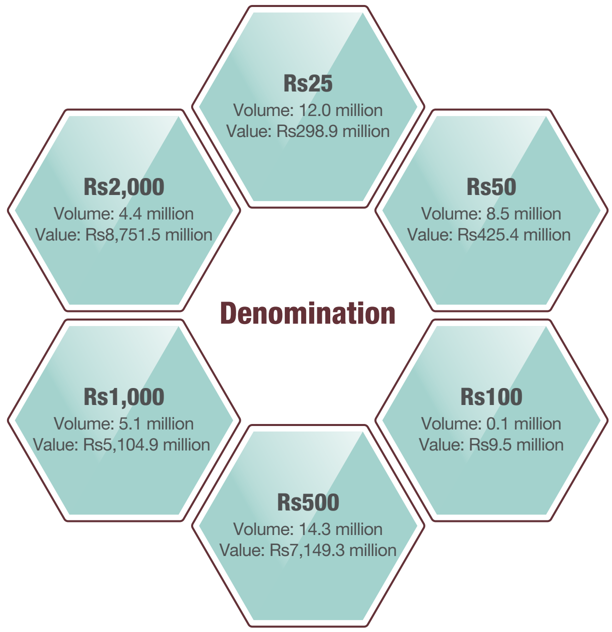


Note: Figures may not add up due to rounding.

Polymer Banknotes

Polymer banknotes are deemed to be upgrades of paper banknotes as they are cleaner, more durable and contain enhanced security features. The Bank put into circulation two polymer banknotes in denominations of Rs1,000 and Rs100 in December 2024 and June 2025, respectively. These add to the current family of polymer banknotes in denominations of Rs25, Rs50 and Rs500 introduced since August 2013 and denomination of Rs2,000 put into circulation in December 2018.

Volume and Value of Polymer Banknotes in Circulation as at end-June 2025



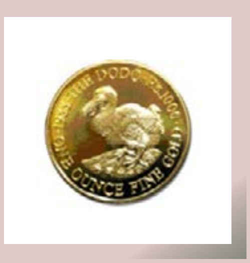
Gold Transactions

Sale of Gold to Licensed Jewellers

The Bank imports and sells gold of high quality:

- 24 carats 999.9 assay in bar forms of 1,000 grams;
- 500 grams; and
- 100 grams as well as in grain forms to industrialists and licensed jewellers.

The selling prices of industrial gold bars and grains are based on prevailing international gold prices and are posted daily in the Bank's Banking Hall and on the Bank's website.



Sale of Dodo Gold Coins

Dodo Gold coins of 22 carats were issued in 1988 by the Bank in four denominations, namely;

- one ounce with a face value of Rs1,000;
- half an ounce with a face value of Rs500;
- quarter of an ounce with a face value of Rs250; and
- one-tenth of an ounce with a face value of Rs100.

The coins are legal tender in Mauritius for the value stated thereon. The daily selling price of the coins, based on their gold content and international gold prices, are posted daily in the Bank's Banking Hall and on the Bank's website.

Sale of Commemorative Coins

The Bank offers for sale several commemorative coins in Platinum, Gold and Silver at the Bank's counters to members of the public. The coins are legal tender in Mauritius for the value stated thereon. The daily selling price of the coins, based on their metal content and international prices, are posted daily in the Bank's Banking Hall and on the Bank's website.

Father of the Nation Platinum Coins

Three Commemorative Platinum Coins, namely State House (Rs1,500), Aapravasi Ghat (Rs1,200) and Le Morne Brabant (Rs1,200), in the 'Father of the Nation' Platinum Series were issued in proof condition in October 2009, November 2010 and December 2011, respectively.

Bank of Mauritius 50th Anniversary Commemorative Coins

In November 2017, the Bank issued three Commemorative Coins, in proof condition, to mark its 50th Anniversary:

- Rs1,500 denomination Gold Coin;
- Rs1,000 denomination Gold Coin; and
- Rs200 denomination Silver Coin.

Bank of Mauritius 55th Anniversary Commemorative Coins

To mark its 55th Anniversary, the Bank issued two Commemorative Gold Coins, in proof condition, in September 2022:

- Rs2,000 denomination Gold Coin; and
- Rs2,500 denomination Gold Coin.

06

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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Overview

The Bank of Mauritius (Bank) realised a net profit of Rs1.6 billion, in terms of section 11(1) of the Bank of Mauritius Act 2004 (the "BOM Act" or the "Act"), for the financial year ended 30 June 2025 compared to a net profit of Rs3.3 billion in the previous year. During the year, an impairment of Rs5.4 billion has been recognised on its Investment in the Mauritius Investment Corporation Ltd (MIC) bringing its value from Rs81 billion to Rs75.6 billion. The net profit excluding the impairment is Rs7 billion.

The income of the Bank, excluding fair value gains and losses, increased by Rs3.5 billion from Rs14.4 billion for the year ended 30 June 2024 to Rs17.9 billion for the year ended 30 June 2025.

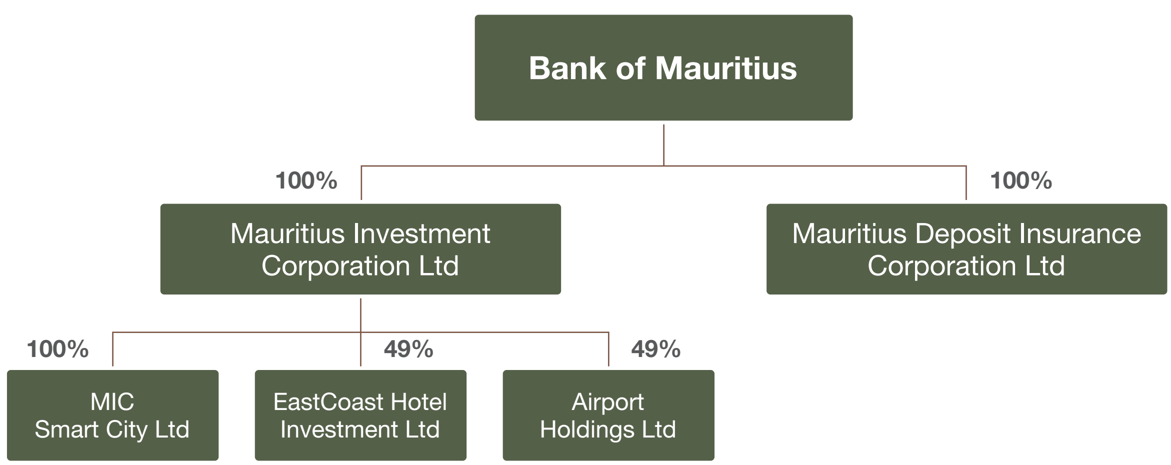
Expenditure of the Bank increased by Rs5.8 billion from Rs6.3 billion to Rs12.1 billion mainly due to the impairment of MIC.

Group Structure

The Bank's fully owned subsidiary, MIC, established under Section (6)(1)(y) of the Act, acquired a 49% stake in Airport Holdings Ltd (AHL) in December 2021 for a consideration of Rs25 billion thus becoming an associate. In accordance with IAS 28 - *Investments in Associates and Joint Ventures (2011)*, the Bank is required to account for AHL under the equity method in its consolidated financial statements. MIC also acquired a 70% stake in EastCoast Hotel Investment Ltd in June 2024. Effective 8 November 2024, Sun Limited exercised its call option to buy 21% of the stake in EastCoast Hotel Investment Ltd from MIC for a total consideration of EUR 14.4 million, thus becoming an associate.

In March 2024, the Bank incorporated the Mauritius Deposit Insurance Corporation Ltd (MDIC), under Section 60 of the Act, with a capital of Rs200 million. The MDIC is a wholly owned subsidiary of the Bank.

The Group consisting of the Bank, its subsidiaries and associate is presented below:



The Group results, excluding fair value gains and losses, are summarised below:

	2025	2024
	Rs 000	Rs 000
BOM-Net Profit as per Section 11(1) of the BOM Act excluding Impairment Loss	6,977,967	3,316,778
MIC-Net Profit excluding Impairment Loss and Dividend	430,946	1,176,848
MIC Smart City Ltd-Net Loss	(6,243)	(2,704)
MDIC-Net Profit/(Loss)	492,939	(1,364)
Airport Holdings Ltd-Share of Loss	(4,807,620)	(2,129,312)
EastCoast Hotel Investment Ltd-Share of Profit	250,873	-
Net Profit	3,338,862	2,360,246

Bank's Assets

Total assets of the Bank increased by Rs28 billion from Rs500.7 billion as at 30 June 2024 to Rs528.7 billion as at 30 June 2025. Foreign assets increased by Rs50.8 billion from Rs389.7 billion to Rs440.5 billion, mainly due to transfers of foreign currencies and investment income. Domestic assets decreased by Rs23 billion from Rs111 billion to Rs88 billion, mainly due to impairment of investment in MIC and decrease in financial assets held at amortised cost.

Bank's Liabilities

Liabilities of the Bank increased by Rs15.1 billion from Rs464.2 billion as at 30 June 2024 to Rs479.3 billion as at 30 June 2025 mainly due to movements in currency in circulation, demand deposits, monetary policy instruments and other liabilities.

Bank's Capital and Reserves

The capital and reserves of the Bank increased by Rs12.9 billion from Rs36.5 billion as at 30 June 2024 to Rs49.4 billion as at 30 June 2025 mainly due to increase in Reserves. The net profit of Rs1.6 billion incurred during the year was transferred to the General Reserve Fund and no distribution was made to Government in terms of Section 11(2) and Section 11(5) of the Act. An amount of Rs8.4 billion, representing net fair value gains on foreign investments, was transferred to the Special Reserve Fund.

Statement of Responsibilities

The Bank, which acts as the central bank for the Republic of Mauritius, is set up as a body corporate as per section 3(4) of the Act which states that the Companies Act 2001 shall not apply to it.

The Board of Directors has, under section 12 of the Act, been entrusted with the general policy of the affairs and business of the Bank. Responsibility for the day-to-day administration of the Bank has been entrusted, in terms of section 14(3) of the Act, to the two Deputy Governors who shall act under the supervision of the Governor.

The Governor is the principal representative of the Bank and is responsible for the execution of the policy of the Board. Further, she is responsible for the general supervision of the Bank. In the discharge of her functions, the Governor is answerable to the Board.

The Board presently consists of the Governor as Chairperson, two Deputy Governors and five other Directors. The Act provides for not less than five but not more than seven other Directors.

The Governor and Deputy Governors are appointed by the President of the Republic of Mauritius, on the recommendation of the Prime Minister and may hold office for a term not exceeding five years and are eligible for re-appointment. The Minister of Finance appoints the other Directors who may hold office for a term not exceeding three years. They are eligible for re-appointment at the end of their term of office.

The Bank is responsible for the preparation and fair presentation of the financial statements in conformity with accounting principles applicable to central banks and best international practices in accordance with section 31(1) of the Act and the implementation of an internal control structure to maintain the reliability of the financial statements and to provide reasonable but not absolute assurance against the possibility of errors and irregularities that are material to the financial statements.

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF BANK OF MAURITIUS

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Bank of Mauritius (the "Bank") and its subsidiaries (together the "Group"), and the Bank's separate financial statements set out on pages 107 to 190 which comprise the consolidated and separate statements of financial position as at June 30, 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and 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 of the Bank as at June 30, 2025, and of their financial performance and their 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 Bank of Mauritius 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")*. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter relating to Comparative Information

The consolidated and separate financial statements of the Bank as at and for the year ended June 30, 2024, were audited by another auditor who expressed an unmodified opinion on these financial statements in their report dated October 30, 2024.

Other Information

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report comprises the Overview, but does not include the consolidated and separate financial statements and our auditor's report thereon, all other information in the Annual Report, except those disclosed above, will be made available to us after the auditor's report date.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE BOARD OF DIRECTORS OF BANK OF MAURITIUS (CONTINUED)

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

Other Information (Continued)

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 on the other information obtained prior to the date of this auditor's report, 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 accounting principles applicable to central banks and best international practices pursuant to section 31(1) of the Bank of Mauritius Act 2004, and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Group's and the Bank's financial reporting process.

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE BOARD OF DIRECTORS OF BANK OF MAURITIUS (CONTINUED)

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

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

- 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 of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

BDO & Co

BDO & Co
Chartered Accountants

Ameenah Ramdin, FCA, FCCA
Licensed by FRC

Port Louis,
Mauritius

October 31, 2025

Statements of Financial Position

as at 30 June 2025

		GROUP		BANK	
		2025	2024	**2025**	2024
	Notes	**Rs 000**	Rs 000	**Rs 000**	Rs 000
ASSETS					
Foreign Assets					
Cash and Cash Equivalents	6	**138,446,507**	89,594,510	**138,446,507**	89,594,510
Gold Deposits	7	**59,568,134**	44,227,272	**59,568,134**	44,227,272
Financial Assets held at Amortised Cost	8(i)	**55,914,325**	82,347,742	**55,914,325**	82,347,742
Financial Assets held at Fair Value Through Other Comprehensive Income	9	**62,707,370**	43,660,648	**62,707,370**	43,660,648
Financial Assets held at Fair Value Through Profit or Loss	10(i)	**123,905,939**	129,867,590	**123,905,939**	129,867,590
		440,542,275	389,697,762	**440,542,275**	389,697,762
Domestic Assets					
Investment in Subsidiaries	12	**-**	-	**75,797,430**	81,200,000
Financial Assets held at Amortised Cost	8(ii)	**9,325,152**	26,871,499	**9,325,152**	26,871,499
Financial Assets held at Fair Value Through Profit or Loss	10(ii)	**16,261,353**	20,738,871	**-**	-
Investment Properties	13	**9,175,100**	11,867,754	**-**	-
Investment in Associates	14	**20,782,832**	22,880,991	**-**	-
Computer Software	15	**234,421**	225,803	**233,360**	224,365
Goodwill	37	**-**	1,135,940	**-**	-
Right-of-Use Assets	38	**-**	502,710	**-**	-
Inventories	39	**1,260,198**	-	**-**	-
Property, Plant and Equipment	16	**2,019,314**	1,915,011	**2,014,164**	1,908,165
Other Assets	17	**764,739**	766,873	**760,438**	749,827
		59,823,109	86,905,452	**88,130,544**	110,953,856
TOTAL ASSETS		**500,365,384**	476,603,214	**528,672,819**	500,651,618
LIABILITIES					
Currency in Circulation	18	**65,581,955**	58,600,328	**65,581,955**	58,600,328
Demand Deposits					
Government		**7,519,490**	6,091,122	**7,519,490**	6,091,122
Banks		**95,627,802**	85,632,169	**95,627,802**	85,632,169
Mauritius Investment Corporation Ltd		**-**	-	**28,210,465**	26,445,810
Others		**15,579,345**	2,060,993	**16,275,214**	2,259,675
		118,726,637	93,784,284	**147,632,971**	120,428,776
Monetary Policy Instruments	19	**126,446,685**	150,069,956	**126,446,685**	150,069,956
Provisions	20	**-**	100,000	**-**	100,000
Employee Benefits	21	**1,343,818**	1,466,198	**1,343,818**	1,466,198
Other Liabilities	22	**138,338,336**	133,989,459	**138,278,527**	133,532,486
TOTAL LIABILITIES		**450,437,431**	438,010,225	**479,283,956**	464,197,744
CAPITAL AND RESERVES					
Stated and Paid Up Capital	5	**10,000,000**	10,000,000	**10,000,000**	10,000,000
Capital Injection	5	**3,000,000**	-	**3,000,000**	-
Reserves	5	**36,927,953**	27,965,523	**36,388,863**	26,453,874
Equity Attributable to the Parent		**49,927,953**	37,965,523	**49,388,863**	36,453,874
Non-Controlling Interests	5	**-**	627,466	**-**	-
Total Equity		**49,927,953**	38,592,989	**49,388,863**	36,453,874
TOTAL LIABILITIES, CAPITAL AND RESERVES		**500,365,384**	476,603,214	**528,672,819**	500,651,618

The financial statements have been approved and authorised for issue by the Board of Directors on 31 October 2025 and signed on its behalf by:

Shardhanand Gopaul
Director-Accounting and Budgeting

Ramsamy Chinniah
Second Deputy Governor

Dr Priscilla Muthoora Thakoor
Governor

The notes on pages 113 to 190 form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2025

	Notes	GROUP 2025 Rs 000	GROUP 2024 Rs 000	BANK 2025 Rs 000	BANK 2024 Rs 000
Income					
Interest and Similar Income on Financial Assets using EIR	23	**10,094,915**	7,655,049	**10,094,915**	7,655,049
Interest and Similar Income on Financial Assets at Fair Value Through Profit or Loss	24	**7,965,947**	7,653,929	**7,510,415**	6,306,557
Miscellaneous Income	25	**911,302**	504,695	**303,709**	441,977
(Loss)/Gain on Revaluation of Foreign Currencies/SDR		**(9,591,084)**	6,476,241	**(9,630,663)**	6,476,241
Gain on Revaluation of Gold	7	**15,335,641**	9,363,316	**15,335,641**	9,363,316
Gain on Valuation of Investment Properties	13	**301,127**	188,796	**-**	-
(Loss)/Gain on Financial Assets at Fair Value Through Profit or Loss	26	**(1,622,200)**	2,122,649	**2,189,528**	1,795,988
Total Income		**23,395,648**	33,964,675	**25,803,545**	32,039,128
Expenditure					
Interest Payable and Similar Charges	27	**4,815,820**	4,413,040	**4,811,636**	4,413,040
Staff Salaries and Other Benefits	28	**695,492**	662,155	**658,272**	626,443
General Expenditure		**669,347**	627,774	**550,480**	479,889
Fees Payable	29	**466,957**	506,526	**455,174**	464,498
Coin Issue Expenses		**78,441**	60,134	**78,441**	60,134
Note Issue Expenses		**63,387**	73,556	**63,387**	73,556
Depreciation and Amortisation	15,16	**148,844**	115,340	**146,262**	112,376
Directors' Remuneration	30	**44,883**	53,395	**35,466**	44,673
Reversal of Provision-MCCB (In Liquidation)		**(100,000)**	-	**(100,000)**	-
(Reversal of)/Impairment on Financial Assets	11	**(9,836)**	17,626	**(9,836)**	17,626
Impairment of Goodwill	14	**409,225**	-	**-**	-
Impairment of Investment in MIC	12(i)	**-**	-	**5,402,570**	-
Total Expenditure		**7,282,560**	6,529,546	**12,091,852**	6,292,235
Surplus of Income over Expenditure before Monetary Policy Operations and Share of Loss of Equity-Accounted Associates		**16,113,088**	27,435,129	**13,711,693**	25,746,893
Interest Expense	31	**(4,427,121)**	(4,392,450)	**(4,427,121)**	(4,392,450)
Share of Loss of Equity-Accounted Associates	14	**(4,556,746)**	(2,129,312)	**-**	-
NET PROFIT FOR THE YEAR		**7,129,221**	20,913,367	**9,284,572**	21,354,443
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to Profit or Loss					
Remeasurements of defined benefit liability	21	**185,331**	(402,120)	**185,331**	(402,120)
Equity-Accounted Associates-Share of OCI		**197,431**	(98,968)	**-**	-
Movement in Foreign Currency Translation Reserve		**8,305**	-	**-**	-
Items that will be reclassified subsequently to Profit or Loss					
Financial Assets at FVOCI-net change in fair value		**501,789**	(29,875)	**501,789**	(29,875)
Financial Assets at FVOCI-reclassified to profit or loss		**(36,703)**	15,045	**(36,703)**	15,045
Equity-Accounted Associates-Share of OCI		**985,011**	(832,933)	**-**	-
TOTAL COMPREHENSIVE INCOME		**8,970,385**	19,564,516	**9,934,989**	20,937,493
Net Profit for the Year Attributable to:					
Owner of the Parent		**7,123,757**	20,913,367		
Non-Controlling Interests		**5,464**	-		
		7,129,221	20,913,367		
Total Comprehensive Income Attributable to:					
Owner of the Parent		**8,962,430**	19,564,516		
Non-Controlling Interests		**7,955**	-		
		8,970,385	19,564,516		

The notes on pages 113 to 190 form an integral part of these financial statements.

Statement of Distribution
for the year ended 30 June 2025

	BANK	
	2025	2024
	Rs 000	Rs 000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR AS PER IFRS	**9,934,989**	20,937,493
Transfer from/(to) Special Reserve Fund in terms of Section 47(1) of the Bank of Mauritius Act 2004-Loss/(Gain) on Revaluation of Foreign Currency and SDR	**9,630,663**	(6,476,241)
Transfer to Special Reserve Fund in terms of Section 47(1) of the Bank of Mauritius Act 2004-Gain on Revaluation of Gold	**(15,335,641)**	(9,363,316)
Transfer to Special Reserve Fund in terms of Section 47(1A) of the Bank of Mauritius Act 2004-Gain on Financial Assets at FVTPL	**(2,189,528)**	(1,795,988)
Transfer (to)/from Special Reserve Fund in terms of Section 47(1A) of the Bank of Mauritius Act 2004-(Gain)/Loss on Financial Assets at FVOCI	**(465,086)**	14,830
	(8,359,592)	(17,620,715)
NET PROFIT FOR THE YEAR IN TERMS OF SECTION 11 (1) OF THE BANK OF MAURITIUS ACT 2004	**1,575,397**	3,316,778
Transfer to General Reserve Fund in terms of Section 11(2) of the Bank of Mauritius Act 2004	**(236,310)**	(497,517)
Transfer to General Reserve Fund in terms of Section 11(5) of the Bank of Mauritius Act 2004	**(1,339,087)**	(2,819,261)
BALANCE OF NET PROFITS PAYABLE INTO THE CONSOLIDATED FUND IN TERMS OF SECTION 11(3) OF THE BANK OF MAURITIUS ACT 2004	**-**	-

The above Statement of Distribution has been prepared according to the requirements of the Bank of Mauritius Act 2004 and does not form part of the primary statements.

The notes on pages 113 to 190 form an integral part of these financial statements.

Statement of Changes In Equity
for the year ended 30 June 2025

THE GROUP

	Attributable to Equity Holders of the Parent									
	Stated and Paid Up Capital	Capital Injection	General Reserve Fund	Special Reserve Fund	Revaluation Reserve	Fair Valuation Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Balance at 1 July 2023	10,000,000	-	2,493,808	3,022,573	2,037,900	(1,107,916)	1,954,642	18,401,007	-	18,401,007
Total Comprehensive Income	-	-	-	-	-	-	19,564,516	19,564,516	-	19,564,516
Transfer to Special Reserve Fund	-	-	-	17,620,715	-	-	(17,620,715)	-	-	-
Transfer to General Reserve Fund	-	-	3,316,778	-	-	-	(3,316,778)	-	-	-
Transfer to Revaluation Reserve	-	-	-	-	197,309	-	(197,309)	-	-	-
Transfer to Fair Valuation Reserve	-	-	-	-	-	326,660	(326,660)	-	-	-
Transfer from Revaluation Reserve	-	-	-	-	(7,173)	-	7,173	-	-	-
Non-Controlling Interest arising on business combination	-	-	-	-	-	-	-	-	627,466	627,466
Balance at 30 June 2024	10,000,000	-	5,810,586	20,643,288	2,228,036	(781,256)	64,869	37,965,523	627,466	38,592,989
Balance at 1 July 2024	**10,000,000**	**-**	**5,810,586**	**20,643,288**	**2,228,036**	**(781,256)**	**64,869**	**37,965,523**	**627,466**	**38,592,989**
Capital Injection	**-**	**3,000,000**	**-**	**-**	**-**	**-**	**-**	**3,000,000**	**-**	**3,000,000**
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**8,962,430**	**8,962,430**	**7,955**	**8,970,385**
Transfer to Special Reserve Fund	**-**	**-**	**-**	**8,359,592**	**-**	**-**	**(8,359,592)**	**-**	**-**	**-**
Transfer to General Reserve Fund	**-**	**-**	**1,575,397**	**-**	**-**	**-**	**(1,575,397)**	**-**	**-**	**-**
Transfer to Revaluation Reserve	**-**	**-**	**-**	**-**	**301,127**	**-**	**(301,127)**	**-**	**-**	**-**
Transfer from Fair Valuation Reserve	**-**	**-**	**-**	**-**	**-**	**(3,811,729)**	**3,811,729**	**-**	**-**	**-**
Changes in Ownership Interest in Subsidiary that results in Loss of Control	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(635,421)**	**(635,421)**
Balance at 30 June 2025	**10,000,000**	**3,000,000**	**7,385,983**	**29,002,880**	**2,529,163**	**(4,592,985)**	**2,602,912**	**49,927,953**	**-**	**49,927,953**

The notes on pages 113 to 190 form an integral part of these financial statements.

Statement of Changes In Equity
for the year ended 30 June 2025

THE BANK

	Stated and Paid Up Capital	Capital Injection	General Reserve Fund	Special Reserve Fund	Comprehensive Income	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Balance at 1 July 2023	10,000,000	-	2,493,808	3,022,573	-	15,516,381
Total Comprehensive Income	-	-	-	-	20,937,493	20,937,493
Transfer to Special Reserve Fund	-	-	-	17,620,715	(17,620,715)	-
Transfer to General Reserve Fund	-	-	3,316,778	-	(3,316,778)	-
Balance at 30 June 2024	10,000,000	-	5,810,586	20,643,288	-	36,453,874
Balance at 1 July 2024	**10,000,000**	**-**	**5,810,586**	**20,643,288**	**-**	**36,453,874**
Capital Injection	**-**	**3,000,000**	**-**	**-**	**-**	**3,000,000**
Total Comprehensive Income	**-**	**-**	**-**	**-**	**9,934,989**	**9,934,989**
Transfer to Special Reserve Fund	**-**	**-**	**-**	**8,359,592**	**(8,359,592)**	**-**
Transfer to General Reserve Fund	**-**	**-**	**1,575,397**	**-**	**(1,575,397)**	**-**
Balance at 30 June 2025	**10,000,000**	**3,000,000**	**7,385,983**	**29,002,880**	**-**	**49,388,863**

The notes on pages 113 to 190 form an integral part of these financial statements.

Statements of Cash Flows

for the year ended 30 June 2025

	Notes	GROUP 2025 Rs 000	GROUP 2024 Rs 000	BANK 2025 Rs 000	BANK 2024 Rs 000
Cash Flows from Operating Activities					
Interest Received		**11,903,540**	8,235,299	**10,937,054**	8,235,299
Interest Paid and Similar Charges		**(4,453,111)**	(3,737,685)	**(4,453,111)**	(3,737,685)
Interest Paid on Monetary Policy Instruments		**(4,684,028)**	(3,616,650)	**(4,684,028)**	(3,616,650)
Miscellaneous Income		**824,267**	940,573	**260,720**	244,700
Staff Salaries and Other Benefits		**(630,303)**	(595,897)	**(593,108)**	(595,897)
General Expenditure & Directors' Remuneration		**(657,036)**	(496,752)	**(573,181)**	(495,388)
Fees Paid		**(208,831)**	(247,534)	**(197,048)**	(247,534)
Notes and Coins Issue		**(23,978)**	(133,689)	**(23,978)**	(133,689)
Capitalised Development Cost Inventories	39	**(78,798)**	-	**-**	-
Net cash flows from operating activities before changes in operating assets and liabilities		**1,991,722**	347,665	**673,320**	(346,844)
Net increase/(decrease) in operating assets					
Domestic Financial Assets held at Amortised Cost		**17,077,215**	(2,006,997)	**17,077,215**	(2,006,997)
Other Assets		**(4,927)**	(143,093)	**(10,611)**	(141,640)
Net increase/(decrease) in operating liabilities					
Government Deposits		**1,428,369**	(11,391,526)	**1,428,369**	(11,391,526)
Banks Deposits		**9,995,633**	8,121,905	**9,995,633**	8,121,905
Mauritius Investment Corporation Ltd Deposits		**-**	-	**1,764,655**	(5,133,220)
Other Deposits		**13,518,352**	435,942	**14,015,539**	435,942
Other Liabilities		**(199,471)**	391,528	**(201,992)**	391,528
Net Cash Flows from Operating Activities		**43,806,893**	(4,244,576)	**44,742,128**	(10,070,852)
Cash Flows from Investing Activities					
Additions to Foreign Financial Assets held at Amortised Cost		**(3,031,398)**	(86,735,507)	**(3,031,398)**	(86,735,507)
Disposals/Maturities of Financial Assets held at Amortised Cost		**26,912,909**	102,581,631	**26,912,909**	102,581,631
Additions to Foreign Financial Assets at FVOCI		**(37,992,708)**	(46,041,130)	**(37,992,708)**	(46,041,130)
Disposals/Maturities of Foreign Financial Assets at FVOCI		**17,874,167**	5,798,602	**17,874,167**	5,798,602
Additions to Financial Assets at FVTPL		**(8,235,620)**	(4,047,936)	**(6,917,954)**	(1,152,936)
Disposals of Financial Assets at FVTPL		**14,997,572**	330,000	**13,530,572**	-
Additions to Monetary Policy Instruments		**119,392,263**	265,810,892	**119,392,263**	265,810,892
Disposals/Maturities of Monetary Policy Instruments		**(142,758,627)**	(255,076,383)	**(142,758,627)**	(255,076,383)
Overnight Deposit in Foreign Currency		**15,812,504**	54,992,733	**15,812,504**	54,992,733
Acquisition of Subsidiary		**-**	(2,598,226)	**-**	(200,000)
Disposal of Subsidiary		**719,768**	-	**-**	-
Acquisition of Investment Properties		**-**	(855,050)	**-**	-
Purchase of PPE and Intangibles		**(244,988)**	(185,728)	**(244,469)**	(177,728)
Proceeds of Sale of PPE		**721**	3,207	**721**	3,207
Dividend Received		**166,977**	532,283	**145,021**	532,283
Net cash flows from investing activities		**3,613,540**	34,509,388	**2,723,001**	40,335,664
Cash Flows from Financing Activities					
Increase Currency in Circulation		**6,981,626**	5,950,383	**6,981,626**	5,950,383
Capital Injection		**3,000,000**	-	**3,000,000**	-
Retirement Benefits Obligations Funding		**-**	(2,186)	**-**	(2,186)
Proceeds from Obligations to Foreign Counterparties	22(i)	**22,813,436**	84,420,357	**22,813,436**	84,420,357
Repayment of Obligations to Foreign Counterparties	22(i)	**(37,546,323)**	(87,471,266)	**(37,546,323)**	(87,471,266)
Cash Margin from Foreign Counterparties		**5,742,095**	-	**5,742,095**	-
Net Cash Flows from Financing Activities		**990,834**	2,897,288	**990,834**	2,897,288
Net Cash Flows		**48,411,267**	33,162,100	**48,455,963**	33,162,100
Effect of Exchange Rate Fluctuations		**440,730**	2,346,097	**396,034**	2,346,097
Net increase in Cash and Cash Equivalents		**48,851,997**	35,508,197	**48,851,997**	35,508,197
Cash and Cash Equivalents at beginning of year		**89,594,510**	54,086,313	**89,594,510**	54,086,313
Cash and Cash Equivalents at end of year	6	**138,446,507**	89,594,510	**138,446,507**	89,594,510

The notes on pages 113 to 190 form an integral part of these financial statements.

1. LEGAL FRAMEWORK

Bank of Mauritius (the "Bank")

In terms of section 4(2)(c) of the Bank of Mauritius Act 2004 (the "Act"), the Bank is established to act as the central bank for the Republic of Mauritius. Its main place of business is at Sir William Newton Street, Port Louis, and it operates an office in Rodrigues. The Bank is an independent institution with its own legal personality and submits, in accordance with section 32(3) of the Act, a copy of its audited financial statements to the Minister who lays a copy thereof before the National Assembly, per section 32(4) of the Act.

The primary objective of the Bank is to maintain price stability and to promote orderly and balanced economic development.

To attain these objectives, the Bank's principal functions are to:

- conduct monetary policy and manage the exchange rate of the Mauritian Rupee, taking into account the orderly and balanced economic development of Mauritius;
- regulate and supervise financial institutions carrying on activities in, or from within, Mauritius;
- manage, in collaboration with other relevant supervisory and regulatory bodies, the clearing, payment and settlement systems of Mauritius;
- collect, compile and disseminate, on a timely basis, monetary and related financial statistics; and
- manage the foreign exchange reserves of Mauritius.

Under section 10 of the Act, the stated and paid up capital of the Bank shall be not less than one billion rupees and shall be subscribed and held solely by the Government of Mauritius. Further, the amount paid as capital of the Bank may be increased from time to time by transfer from the General Reserve Fund or the Special Reserve Fund of such amounts as the Board may, with the approval of the Minister, resolve. The capital was increased to Rs2 billion in November 2011 and to Rs10 billion in July 2020 in terms of Section 47 (5)(a) of the Act. The Government of Mauritius injected an additional Rs3 billion on 30 June 2025 to increase the stated and paid up capital of the Bank, which is yet to be ratified by the Board.

Under section 11(2) of the Act, the Bank shall establish a General Reserve Fund to which shall be allocated, at the end of every financial year of the Bank, 15 per cent of the net profit of the Bank.

Under section 11(3) of the Act, the balance of the net profit for the financial year remaining after the allocation made under subsection 11(2) shall, subject to subsection 11(4), be paid into the Consolidated Fund as soon as practicable after the end of every financial year.

Section 11(4) of the Act provides that subject to subsection 11(5), the balance in the General Reserve Fund shall be at least equivalent to the amount paid as capital of the Bank. Under section 11(5) of the Act, where, at any time, the balance in the General Reserve Fund is less than the amount paid as capital of the Bank, the Bank shall endeavour to bring the balance to the required level. Under Section 11(7) the Bank may, at the end of any financial year, meet any loss incurred by it in that year from the General Reserve Fund.

In terms of Section 35(1) of the Act the Bank has the sole right to issue Mauritius currency notes, coins and digital currency.

2. BASIS OF PREPARATION

(a) Statement of Compliance

In terms of section 31(1) of the Act, the accounting of the Bank shall, at all times be carried out in conformity with accounting principles applicable to central banks and best international practices. In line with best practices, the Group and the Bank have prepared their financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board ("IFRS Accounting Standards") and the Bank of Mauritius Act 2004.

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

The financial statements include the consolidated financial statements of the parent, Bank of Mauritius, and its subsidiaries (together the "Group") and the separate financial statements of the parent (the "Bank").

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

- financial instruments at fair value through profit or loss and financial instruments at fair value through other comprehensive income are measured at fair value;
- the liability for defined benefit obligations is recognised as the fair value of plan assets less the present value of the defined benefit obligations;
- investment properties are measured at fair value.

(c) Functional and Presentation Currency

Functional currency is the currency of the primary economic environment in which the Group and the Bank operate. When indicators of the primary economic environment are mixed, management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. Management has determined that the functional currency of the Group and the Bank is Mauritian Rupees ("Rs").

These financial statements are presented in Mauritian Rupees rounded to the nearest thousand (Rs 000) except when otherwise indicated.

(d) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of Estimates and Judgements (continued)

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 and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these financial statements are described in Note 4.

(e) Going Concern

The Group made an assessment of its ability to continue as going concern and it is satisfied that it has the resources to continue its business for the foreseeable future. The financial statements have thus been prepared on a going concern basis.

(f) Application of New and Revised IFRS Accounting Standards

Standards, Amendments to Published Standards and Interpretations effective in the Reporting Period

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amendments to IFRS Accounting Standards that were relevant to the Group's and the Bank's financial statements.

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. The amendments have no impact on the Group's and the Bank's financial statements.

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current. The amendments have no impact on the Group's and the Bank's financial statements.

IFRS 16 Leases

Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments have no impact on the Group's and the Bank's financial statements.

2. BASIS OF PREPARATION (CONTINUED)

(f) Application of New and Revised IFRS Accounting Standards (continued)

Standards, Amendments to Published Standards and Interpretations effective in the Reporting Period (Continued)

IAS 7 Statement of Cash Flows & IFRS 7 Financial Instruments: Disclosures

Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments have no impact on the Group's and the Bank's financial statements.

Standards, Amendments to Published Standards and Interpretations issued but not yet Effective

At the date of authorisation of the financial statements of the Group and the Bank for the year ended 30 June 2025, the following relevant Standards, Amendments to published standards and Interpretations were in issue but not yet effective:

Effective date 1 January 2025

IAS 21 The Effects of Changes in Foreign Exchange Rates

Lack of Exchangeability: The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Effective date 1 January 2026

IFRS 9 Financial Instruments & IFRS 7 Financial Instruments: Disclosures

Classification and Measurement of Financial Instruments: The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Also, additional disclosures have been introduced for financial instruments with contingent features and equity instruments designated at fair value through other comprehensive income.

Contracts Referencing Nature-dependent Electricity: The amendments clarify how IFRS 9 should be applied to power purchase agreements with specific characteristics. The amendments include clarification on the application of the 'own-use' requirements and permitting hedge accounting if these contracts are used as hedging instruments. New disclosure requirements have also been included to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

2. BASIS OF PREPARATION (CONTINUED)

(f) Application of New and Revised IFRS Accounting Standards (continued)

Standards, Amendments to Published Standards and Interpretations issued but not yet Effective (Continued)

Effective date 1 January 2027

IFRS 18 Presentation and Disclosure in Financial Statements

Presentation and disclosure in financial statements: IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals presented within the statement of profit or loss within one of the following five categories – operating, investing, financing, income taxes, and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, it brings about consequential amendments to other accounting standards. This standard replaces IAS 1 - Presentation of Financial Statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Subsidiaries without Public Accountability: Disclosures: IFRS 19 is a non-mandatory standard. It specifies the disclosure requirements that eligible subsidiaries are permitted to apply instead of the disclosure requirements in other IFRS accounting standards. It allows eligible entities to benefit from reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent, intermediate parent or ultimate parent company produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The effective date of this amendment has been deferred indefinitely until further notice.

IFRS 10 Consolidated Financial Statements

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 Investments in Associates and Joint Ventures

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

Where relevant, the Bank and the Group are still evaluating the effect of these Standards and Interpretations issued, but not yet effective, on the presentation of its financial statements.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted by the Group and the Bank are set out below. The terms Group and Bank are used interchangeably and applicable to either the Group and the Bank or both depending on the nature of the accounting policies and/or the notes that are disclosed.

(a) Basis of Consolidation

(i) Investment in Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The acquisition method of accounting is used to account for subsidiaries by the Group. Intercompany transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Bank.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity respectively. Total comprehensive income of subsidiaries is attributed to the Bank of Mauritius and to the non-controlling interest, even if this results in the non-controlling interests having a deficit balance.

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

(ii) Investment in Associate

The Group's interest in equity-accounted investee comprises investment in associate. An associate is an entity in which the Group has significant influence, but not control, over the financial and operating policies of the investee company.

Investment in associate is accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of the equity-accounted investee, until the date on which significant influence ceases.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments

Recognition and initial measurement

The Group and the Bank initially recognise loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group and the Bank become a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus or minus, for items not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price.

Classification

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

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

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial assets are classified at FVTPL.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

On initial recognition of an equity investment that is not held for trading, the Group and the Bank may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment by investment basis. The Group and the Bank classify all equity investments as financial assets at FVTPL.

In addition, on initial recognition, the Group and the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group and the Bank make an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; 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 the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL, because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Solely Payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risks and administrative cost), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and the Bank consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would meet this condition. In making the assessment, the Group and the Bank consider:

- contingent events that would change the amount and timing of cash flows;
- leverage features;

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

Solely Payments of principal and interest (SPPI) (continued)

- prepayment and extension terms;
- terms that limit the Group's and the Bank's claim to cash flows from specified assets (e.g. Non-recourse arrangement); and
- features that modify consideration of the time value of money-e.g. periodical reset of interest rates.

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within both a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to the expected credit loss requirements. Gains and losses on derecognition or modification are recognised directly in profit or loss and presented in similar income on financial assets. Impairment losses are presented as separate line item in the statement of profit or loss.

The Group and the Bank include in this category:

- Cash and cash equivalents
- Short term deposits meeting the definition of cash and cash equivalents
- Quoted debt instruments under the internally managed portfolio which are held to collect contractual cash flows
- Loans in foreign currency
- Loans in local currency
- Cash deposits
- Government securities
- Staff loans
- Other receivables

Financial assets at fair value through Other Comprehensive Income (OCI) (debt instruments)

The Group and the Bank measure a debt instrument at fair value through OCI if both of the following conditions are met and if the instrument is not designated as at FVTPL:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

Financial assets at fair value through Other Comprehensive Income (OCI) (debt instruments) (continued)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's and the Bank's debt instruments at fair value through OCI includes quoted debt instruments under the internally managed portfolio.

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

A financial asset is measured at fair value through profit or loss if:

- Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- It is classified as financial asset held for trading for the purpose of selling or repurchasing in the near term; or
- At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

The Group and the Bank include in this category:

- gold deposits
- secured redeemable convertible bonds and fixed secured notes
- equity instruments in unquoted investments
- foreign investments managed by external fund managers

Subsequent measurement of financial assets

Effective interest rate

Under IFRS 9, interest income is recorded using the effective interest method on all financial instruments measured at amortised cost and on interest bearing financial assets measured at FVOCI. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

Subsequent measurement of financial assets (continued)

Effective interest rate (continued)

Subsequent to initial recognition, financial assets are either measured at amortised cost or at fair value.

The Group and the Bank classify its financial assets as subsequently measured under the following classification categories on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income ("FVOCI") with recycling of cumulative gains and losses (debt instruments)
- Financial assets at fair value through profit or loss ("FVTPL")

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group and the Bank measure financial liabilities at amortised cost and include the following:

- currency in circulation
- demand deposits
- monetary policy instruments
- obligations to foreign counterparties
- cash margins from foreign counterparties
- creditors
- abandoned funds
- special drawing rights (SDR)
- other deposits
- interest and other payables

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Bank's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

Derecognition (continued)

- The Group and the Bank have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Bank have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Bank have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Bank have transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Bank continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Bank also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Bank have retained. Examples of such transactions are sale-and-repurchase transactions, gold swaps and total return swaps.

Sale-and-repurchase agreements (repos) are transactions in which the Group and the Bank sell a security and simultaneously agree to repurchase it (or an asset that is substantially the same) at a fixed price on a future date. The Group and the Bank continue to recognise the securities in their entirety in the statement of financial position because they retain substantially all of the risks and rewards of ownership. The cash consideration received is recognised as a financial asset and a financial liability is recognised for the obligation to pay the repurchase price. Because the Group and the Bank sell the contractual rights to the cash flows of the securities, they do not have the ability to use the transferred assets during the term of the arrangement.

Gold swaps are transactions in which the Group and the Bank sell gold and simultaneously agree to repurchase it at a fixed price on a future date. In all cases, the Group and the Bank retain substantially all of the risks and rewards of ownership. Therefore, the Group and the Bank continue to recognise the transferred gold in its statement of financial position. The cash received is recognised as a financial asset and a corresponding liability is recognised. The Group and the Bank do not separately recognise swap that prevents derecognition of the gold as a derivative because doing so would result in recognising the same rights and obligations twice. Because the Group and the Bank sell the contractual rights to the cash flows of the gold, they do not have the ability to use the transferred assets during the term of the arrangement.

Total return swaps are transactions in which the Group and the Bank sell securities and receive cash as collateral. The Group and the Bank continue to recognise the securities in their entirety in the statement of financial position because they retain substantially all of the risks and rewards of ownership. The cash received is recognised as a financial asset and a financial liability is recognised for the obligation to repay it. The Group and the Bank do not separately recognise the swap that prevents the derecognition as a derivative because doing so would result in recognising the same rights and obligations twice. Because as part of the swap arrangement the Group and the Bank sell the contractual rights to the cash flows of the securities, they do not have the ability to use the transferred assets during the term of the arrangement.

A financial liability is derecognised when its contractual obligations are discharged or cancelled or expire.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group and the Bank change their business model for managing financial assets.

Impairment of financial assets

The Group and the Bank recognise an allowance for expected credit losses (ECLs) on all of the following financial instruments that are not measured at FVTPL:

- Financial assets that are debt instruments measured at amortised cost and FVOCI
- Loan commitments and financial guarantee contracts issued

No impairment loss is recognised on equity instruments.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Bank expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, an impairment allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Definition of default

For internal credit risk management purposes, the Group and the Bank consider a financial asset in default and therefore Stage 3 (credit-impaired) for ECL calculations in accordance with the contractual terms of the financial asset. There is a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due unless an entity has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

For foreign investment assets and domestic loans:

- A missed or delayed disbursement of a contractually-obligated interest or principal payment as defined in credit agreements and indentures;
- A bankruptcy filing or legal receivership by the debt issuer or obligor that will likely cause a miss or delay in future contractually-obligated debt service payments;

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

Impairment of financial assets (continued)

Definition of default (continued)

- A distressed exchange whereby:
  1) an issuer offers creditors new or restructured debt, or a new package of securities, cash or assets, that amount to a diminished value relative to the debt obligation's original promise and
  2) the exchange has the effect of allowing the issuer to avoid a likely eventual default;
- A change in the payment terms of a credit agreement or indenture imposed by the sovereign that results in a diminished financial obligation, such as a forced currency or re-denomination (imposed by the debtor, or the debtor's sovereign) or a forced change in some other aspect of the original promise, such as indexation or maturity.

If any of those criteria are met, the asset is moved to stage 3.

The Group and the Bank consider treasury and interbank balances in default when the required intraday payments are not settled by the close of business, as outlined in the individual agreements.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group and the Bank compare the risk of a default occurring on the financial asset as at the reporting date with the risk as at the date of initial recognition. The Group and the Bank consider many factors when assessing a financial asset for a significant increase in credit risk, including:

- an actual or expected significant deterioration in the financial asset's credit rating;
- significant deterioration in external market indicators of credit risk for a financial asset (e.g., a significant increase in the credit spread, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost);
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the counterparty's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the counterparty;
- significant increases in credit risk on other financial instruments of the same counterparty; or an actual or expected significant adverse change in the regulatory, economic or technological environment of the counterparty that results in a significant decrease in the counterparty's ability to meet its debt obligations.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

Impairment of financial assets (continued)

Significant increase in credit risk (continued)

For foreign investment, the Group and the Bank consider that there has been a significant increase in credit risk when:

- If the rating of the financial asset is 'investment grade' at initial recognition, a significant increase in credit risk is identified if it downgrades to 'speculative grade'. The financial asset will be moved to stage 2.
- If the rating of the financial asset is 'speculative grade' at initial recognition, an increase in credit risk is identified if there is a one notch downgrade in credit rating. The financial asset will be moved to stage 2.

The Group and the Bank consider that the asset has cured: if the asset moves one notch upwards in credit rating after being downgraded, then the Group and the Bank would monitor the coupon payments due in the year. If no coupon payments are missed, then they would move the financial asset back to stage 1.

If the asset's credit rating does not move after being moved to stage 2, then the Group and the Bank would need to obtain the next twelve coupon payments for asset with quarterly coupon payments, the next six coupon payments for asset with semi-annual coupon payments, the next three coupon payments for assets with yearly coupon payments before moving the asset back to stage 1.

Inputs into measurement of ECLs

The key inputs into the measurement of ECL are the term structures of the following variables:

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD)

PD are estimates at a certain date that are based on a mix of internally compiled data, rating agency outputs and expert judgement, comprising both quantitative and qualitative factors.

LGD is the estimated percentage of exposure that will be lost at the time of default.

EAD represents the amount of exposure that the Group and the Bank are exposed to if there is a default.

Forward looking information

In its ECL models, the Group and the Bank rely on the Bloomberg composite ratings on global fixed income for the probability of default component. Credit ratings are a tool, among others, that investors can use when making decisions about purchasing bonds and other fixed income investments. They express independent opinions on creditworthiness, using a common terminology that may help investors make more informed investment decisions.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

Impairment of financial assets (continued)

Forward looking information (continued)

As part of their ratings analysis, the external credit agencies evaluate current and historical information and also assess the potential impact of a broad range of forward looking information, such as:

- Industry specific risk and broad economic factors that may affect the business cycle
- Key performance indicators
- Economic, regulatory and geopolitical influences
- Management and corporate governance attributes
- Competitive position.

Additionally, for sovereign or national government, the analysis may take into consideration:

- Fiscal and Economic performance
- Monetary Stability
- Effectiveness of the Government's institutions.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments when such differences are significantly material.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- debt instruments measured at FVOCI: no loss allowance is recognised in the respective presentation line of the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the revaluation reserve of investments measured at FVOCI.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Bank currently have a legally enforceable right to offset the amounts and intend either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

Impairment of financial assets (continued)

Presentation of allowance for ECL in the statement of financial position (continued)

Write Off

Financial assets are written off either partially or in its entirety when the Group and the Bank have no reasonable expectations of recovering them. This occurs when the issuer does not have the capacity to repay the amount due or the collateral given by the issuer is not sufficient to cover the exposure. The write off does not mean that the Group and the Bank have forfeited their legal right to claim the sums due. Any recovery will be recognized in profit or loss.

Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group and the Bank have access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group and the Bank measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group and the Bank use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group and the Bank determine that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation wholly supported by observable market data or the transaction is closed out.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Group and the Bank recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

Gold Deposits

Gold deposits are held by the Group and the Bank for reserve management purposes. IFRS 9 excludes from its scope gold deposits and therefore IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, has been considered to assess the most appropriate accounting standard for the gold deposits. Accordingly, the Group and the Bank have considered IFRS 9 to be the most appropriate accounting standard for gold deposits. The gold deposits do not meet the SPPI test as prescribed in IFRS 9 and are hence classified at fair value through profit or loss. Accordingly, all gains and losses on revaluation of gold are recognised in profit or loss. Gold is valued at the price ruling on the international market.

Gains and Losses on Subsequent Measurement

Gains or losses on financial assets and financial liabilities at FVTPL arising from changes in their fair value are recognised in profit or loss in the period in which they arise. For those financial instruments carried at amortised cost and debt instruments at FVOCI gains or losses are recognised in profit or loss when the financial instrument is de-recognised or impaired and through the amortisation process on the reporting date.

Bank of Mauritius Securities

Monetary Policy Instruments comprise of Bank of Mauritius Securities and overnight deposit facility which are issued for liquidity management and are measured at amortised cost.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances with other financial institutions and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents are measured at amortised cost. The Group and the Bank have elected to present the statement of cash flows using the direct method.

(c) Computer Software

Under IAS 38 Intangible assets, Computer Software which does not form an integral part of computer hardware, is classified as an intangible asset. Intangible assets are stated at cost, net of accumulated amortisation and any accumulated impairment losses. Amortisation is provided on a straight-line basis at the rate of 20% per annum so as to write off the depreciable value of the assets over their estimated useful lives. Amortisation methods, useful lives and residual values if not insignificant, are reviewed at each reporting date and adjusted as appropriate.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Property, Plant and Equipment

Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Group and the Bank. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Freehold land and capital work in progress are not depreciated.

Depreciation is provided at the following annual percentage rates:

Buildings	-	2%
Furniture, Equipment, Fixtures and Fittings	-	10%
Computer Equipment, Cellular Phones and ICT Systems	-	20% - 33⅓%
Motor Vehicles	-	25%

Depreciation methods, useful lives and residual values if not insignificant, are reviewed at each reporting date and adjusted as appropriate.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Inventories

Inventories of the Bank are valued at the lower of cost and net realisable value (NRV). The costs of inventories are based on a first-in-first-out (FIFO) principle and include all expenditure incurred in acquiring the inventories and in bringing them to their existing location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated selling expenses. Inventories include Industrial Gold, Dodo Gold Coins, Gold Bars and Silver Coins which are sold to the public. These inventories are classified under (Other Assets) in Note 17.

Inventory properties of the Group are valued at the lower of cost and (NRV). Cost incurred in bringing each property to its present location and condition represent cost of land, construction costs (planning and design costs, costs of the site preparation, professional fees for legal services, property transfer taxes, development overheads and other related cost), leasehold rights and borrowing costs. These inventory properties are classified under (Inventories) in Note 39.

NRV is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. The Group uses forward price for the sale of completed inventory property in future years. Cash flows associated with net realisable value are discounted at an appropriate rate to determine the estimated net realisable value of the inventory in its present location and condition.

When an inventory property is sold, the carrying amount of the property recognised as an expense in the period which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net summarised value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(f) Currency in Circulation

Notes and coins issued represent an unserviced liability of the Group and the Bank and are recorded at face value. The costs of minting coins and printing of polymer banknotes are amortised in the profit and loss account over five years while that of printing paper banknotes are amortised over two years. Demonetized notes are not written down but continue to be recorded as a liability indefinitely unless presented at the counter of the Bank for payment.

The Group and the Bank also issue a range of Mauritius commemorative coins. All costs associated with the production of these numismatic coins are expensed in profit or loss when incurred.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Employee Benefits

Defined Benefit Pension Plan

The Group and the Bank's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary. Currently, the Group and the Bank employ the State Insurance Company of Mauritius Ltd as their actuary. When the calculation results in a potential asset for the Group and the Bank, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group and the Bank determine the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in "Staff Salaries and Other Benefits" in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group and the Bank recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group and the Bank have 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.

Termination Benefits

Termination benefits are expensed when the Group and the Bank can no longer withdraw the offer of those benefits. If benefits are not expected to be settled wholly within 12 months at the end of the reporting period, then they are discounted.

State Pension Plan

Contribution to the National Pension Scheme is expensed to profit or loss in the period in which it falls due. Since September 2020, the Group and the Bank contribute to the Contribution Sociale Generalisee payable by their staff and is included in the item Staff Salaries and Other Benefits.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Foreign Currencies

Transactions in foreign currencies are recorded in Mauritian Rupees using the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated in Mauritian Rupees using the rate of exchange ruling at the reporting date. Foreign exchange differences arising on translation are included in profit or loss in accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates).

However, for the purpose of determining the net profit of the Group and the Bank in terms of section 11 of the Bank of Mauritius Act 2004, foreign exchange differences are excluded in accordance with section 47(2) of the Act. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transactions.

The currency value of the SDR is determined by summing the values in USD, based on market exchange rates, of a basket of major currencies (USD, EUR, JPY, GBP and CNY).

(i) Impairment of non-financial assets

The carrying amounts of the Group's and the Bank's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Provisions

Provisions are recognised when the Group and the Bank have a present obligation as a result of a past event, and it is probable that the Group and the Bank will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by the Group and the Bank through their best estimate of the expenditure required to settle the obligation at the reporting date. These are calculated by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Short-term leases and leases of low-value assets

The Group and the Bank have elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group and the Bank recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Investment Properties

Investment properties are initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Fair values are determined based on an annual valuation performed by an accredited external independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

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

As at 30 June 2025, MIC held a portfolio of land located in various regions across Mauritius. These properties are primarily held for capital appreciation and, in certain cases, form part of development projects intended to contribute to the Mauritian economy.

An entity shall transfer a property to, or from, investment properties, when, and only when there is a change in use. A change in use occurs when the property meets or ceases to meet the definition of investment properties and there is evidence of the change in use. Transfers between investment properties, owner-occupied property and inventory properties are made at the carrying amounts of the property transferred. Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. The resulting gain or loss calculated as the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year of derecognition.

(m) Taxation

Current Tax

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

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Taxation (continued)

Deferred Tax (continued)

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

(n) Contingent Liabilities

Contingent liabilities are possible obligations that could result from uncertain future events outside of the Group and the Bank's control, or present obligations not recognized because the amount cannot be adequately measured, or payment is not probable. Contingent liabilities are not recognized in the financial statements but are disclosed if significant. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

4. USES OF ESTIMATES AND JUDGEMENT

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Particular areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Determining Fair Values of Financial Assets

The determination of fair value for financial assets for which there is no observable market price requires the use of valuation techniques as described in Note 3(b). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Where valuation techniques are used to determine fair values financial instruments that are not quoted in active markets, they are validated and periodically reviewed by experienced personnel. Management's evaluation takes into consideration a business review of the underlying investments (performance development compared with plans) and the actual and planned transactions in the investments.

4. USES OF ESTIMATES AND JUDGEMENT (CONTINUED)

Determining Fair Values of Financial Assets (continued)

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques described in Note 34(b)(ii).

Impairment of Non Financial Assets

The carrying amount of assets is assessed at the end of each reporting year to determine whether there are any indications of impairment. If any such indication exists, the Group and the Bank estimate the recoverable amount of the asset which is the higher of the asset's value in use and its fair value less costs to sell, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the asset's carrying amount over its recoverable amount and is taken directly to profit or loss described in Note 12 and Note 14.

Impairment of subsidiaries involves reviewing the investment's carrying amount against its recoverable amount, whenever impairment indicators are identified, which is the higher of its fair value less costs to sell and its value in use. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized.

Employee Benefits

The present value of the employee benefits, depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of the employee benefit obligations.

One of the main assumptions used in determining the net cost or income for employee benefits is the discount rate. The Group and the Bank determine the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations.

In determining the appropriate discount rate, the Group and the Bank consider the interest rates of high-quality corporate bonds or its equivalent that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related liability. Details of the defined benefit obligation are disclosed in Note 21.

Calculation of Expected Credit Loss

Impairment under IFRS 9 adopts a staging approach, with stage 1 representing the lowest credit risk and stage 3 the highest. When a new asset is originated it is classified in stage 1 (normal origination). Moving from stage 1 to stage 2 is a judgement, and is based on management defined criteria of whether there is a significant increase in credit risk. Given the impact of ECL on the Group and the Bank's financial statements, this is not considered to be a significant judgement.

When measuring ECL, the Group and the Bank use reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how the drivers will affect each other as described in detail in Note 3(b).

4. USES OF ESTIMATES AND JUDGEMENT (CONTINUED)

Calculation of Expected Credit Loss (continued)

Probability of default ("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 as described in detail in Note 3(b).

Loss given default ("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 Group and the Bank would expect to receive, taking into account cash flows from credit enhancements.

Actual loss experience may differ from changes in estimated forward looking information and economic drivers.

Determination of Fair Value of Investment Properties

The Group carries its investment property at fair value, with changes in fair value being recognized in profit or loss. The Group engaged independent valuation specialists to determine fair value as at 30 June 2025. The valuer used a valuation technique based on the income approach and residual method of valuation as described in Note 13.

The determination of fair value for investment properties involves significant estimation and judgement. In the current year, the Group's independent external valuer changed the valuation technique used from the sales comparison approach to the residual method as the residual method provides for a reliable method of estimating the current value of a portion of land with development potential. Management has discussed and approved that the residual method is more suited for the land owned by the MIC.

The residual method requires significant judgement in assessing:

- Development potential and planning status
- Construction and associated development costs
- Expected sales values on completion
- Developer's profit margin will depend on completion of the project including time factor

5. CAPITAL AND RESERVES

THE BANK

Stated and Paid up Capital

The stated and paid up capital of the Bank is Rs13 billion in accordance with section 10(4) of the Bank of Mauritius Act 2004. From the total of Rs13 billion, Rs3 billion was injected by the Government of Mauritius on 30 June 2025 to increase the stated and paid up capital of the Bank, which is yet to be ratified by the Board. All amounts paid as Capital are subscribed and held solely by the Government of Mauritius (refer to Note 1).

5. CAPITAL AND RESERVES (CONTINUED)

THE BANK (CONTINUED)

General Reserve Fund

The General Reserve Fund is a reserve fund created in accordance with section 11(2) of the Bank of Mauritius Act 2004 (refer to Note 1).

Special Reserve Fund

In terms of section 47(1) of the Bank of Mauritius Act 2004, the Special Reserve Fund is a reserve built up from any net realised gains or losses in any financial year of the Bank arising from changes in the valuation of its assets or liabilities in, or denominated in gold, SDR, or foreign currencies subsequent to any change in the values or exchange rates of gold, SDR, or foreign currencies in terms of the domestic currency.

Section 47(1A) of the Bank of Mauritius Act 2004 provides that any unrealised gains or losses of the Bank in any financial year arising from changes in the valuation of investments held by the Bank shall be credited to or debited from the Special Reserve Fund.

As per section 47(2) of the Bank of Mauritius Act 2004, neither net gains nor net losses in any financial year of the Bank arising from changes in the valuation of its assets or liabilities in, or denominated in gold, Special Drawing Rights, or foreign currencies shall be included in the computation of annual income of the Bank.

THE GROUP

Revaluation Reserve and Fair Valuation Reserve

Revaluation reserve relates to the valuation on investment property and fair valuation reserve relates to fair value movements in convertible bonds and fixed and floating secured notes.

While IFRS Accounting Standards mandates separate reserves presentation for the Statement of Changes in Equity, the above amounts do not represent components of other comprehensive income. Instead, separate fair value change presentation for each of the above financial and non financial assets has been disclosed by management for improved monitoring of fair value changes.

Accordingly, the above reserves disclosed in the Statement of Changes in Equity forms part of retained earnings for accounting and presentation purposes.

Non-Controlling Interests

Non-Controlling Interest (NCI) arise on the consolidation of a subsidiary which is not fully owned by the parent.

6. CASH AND CASH EQUIVALENTS

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Current Accounts	**45,704,169**	26,244,275	**45,704,169**	26,244,275
Short Term Deposits	**78,948,576**	49,100,078	**78,948,576**	49,100,078
Special Drawing Rights	**13,790,084**	14,239,644	**13,790,084**	14,239,644
Foreign Currency Notes	**3,678**	10,513	**3,678**	10,513
	138,446,507	89,594,510	**138,446,507**	89,594,510

7. GOLD DEPOSITS

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Opening Balance	**44,227,272**	34,919,234	**44,227,272**	34,919,234
Adjustment for Prior Year Interest	**(662)**	(55,940)	**(662)**	(55,940)
Interest Receivable	**5,883**	662	**5,883**	662
Gain on Revaluation	**15,335,641**	9,363,316	**15,335,641**	9,363,316
Closing Balance	**59,568,134**	44,227,272	**59,568,134**	44,227,272

Gold deposits represent allocated gold bars in storage, under swap arrangement and on deposits.

8. FINANCIAL ASSETS HELD AT AMORTISED COST

(i) Foreign Assets

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Foreign Investments	**44,910,766**	64,226,588	**44,910,766**	64,226,588
Deposits	**11,015,368**	18,142,543	**11,015,368**	18,142,543
Impairment Allowance	**(11,809)**	(21,389)	**(11,809)**	(21,389)
	55,914,325	82,347,742	**55,914,325**	82,347,742

Foreign Investments held at Amortised Cost represent quoted fixed income securities which are managed internally and principally held to collect contractual cash flows. Deposits represent placements held with foreign institutions with a maturity between one and three years.

8. FINANCIAL ASSETS HELD AT AMORTISED COST (CONTINUED)

(ii) Domestic Assets

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Loans in Local Currency	**8,866,296**	11,147,233	**8,866,296**	11,147,233
Staff Loans	**173,251**	149,231	**173,251**	149,231
Impairment Allowance	**(317)**	(432)	**(317)**	(432)
	9,039,230	11,296,032	**9,039,230**	11,296,032
Government Securities	**-**	15,470,342	**-**	15,470,342
Others	**35,726**	34,839	**35,726**	34,839
Net Balances due in Clearing	**250,196**	70,286	**250,196**	70,286
	9,325,152	26,871,499	**9,325,152**	26,871,499

Loans in local currency are granted to economic operators to support the economic development of the country. These loans are guaranteed and are at fixed interest rates.

9. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Foreign Investments	**62,714,751**	43,668,170	**62,714,751**	43,668,170
Impairment Allowance	**(7,381)**	(7,522)	**(7,381)**	(7,522)
	62,707,370	43,660,648	**62,707,370**	43,660,648

Foreign Investments held at FVOCI represent mainly quoted fixed income securities which are held to collect contractual cash flows and to sell.

10. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

(i) Foreign Assets

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Foreign Investments	**121,571,696**	127,493,824	**121,571,696**	127,493,824
Equity Investments	**2,334,243**	2,373,766	**2,334,243**	2,373,766
	123,905,939	129,867,590	**123,905,939**	129,867,590

Foreign Investments include funds entrusted to external fund managers and investment in foreign currency denominated securities and bonds. Equity investments represent shares in unquoted institutions, and these have been fair valued on the basis of their latest net asset value.

10. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(ii) Domestic Assets

MIC has financial assets which include a range of investments comprising bonds and notes, investments in listed and unlisted equity instruments, as well as interests in private equity funds. The carrying amount at 30 June 2025 reflects the fair value of the redeemable convertible bonds and floating secured notes and investments in listed and unlisted equity instruments, as well as interests in private equity funds.

	GROUP	
	2025	2024
	Rs 000	Rs 000
Convertible Bonds		
Opening Balance	**20,432,944**	17,105,405
Adjustments for Prior Year Interest	**(486,676)**	-
Additions during the Year	**780,000**	2,845,000
Redemptions during the Year	**(1,417,000)**	(330,000)
Interest Receivable	**922,507**	1,334,598
Interest Received	**(948,779)**	(845,442)
Change in Fair Value	**(3,703,116)**	323,383
Closing Balance	**15,579,880**	20,432,944
Fixed Secured Notes		
Opening Balance	**252,409**	252,371
Interest Receivable	**12,500**	12,534
Interest Received	**(12,500)**	(12,496)
Change in Fair Value	**(135)**	-
Closing Balance	**252,274**	252,409
Floating Secured Notes		
Opening Balance	**53,518**	-
Additions during the Year	**50,000**	50,000
Redemption during the Year	**(50,000)**	-
Interest Receivable	**7,201**	240
Interest Received	**(5,207)**	-
Change in Fair Value	**(5,078)**	3,278
Closing Balance	**50,434**	53,518
Investments in Equity		
Opening Balance	**-**	-
Additions during the Year	**487,666**	-
Foreign Exchange Loss on Retranslation	**(5,501)**	-
Change in Fair Value	**(103,400)**	-
Closing Balance	**378,765**	-
Total	**16,261,353**	20,738,871

10. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(ii) Domestic Assets (continued)

Valuation process

The Group maintains an established framework over the fair value measurement of its bond and note investments. Issuer-specific information is compiled by a dedicated team, while valuations are performed by a qualified professional using approved models. The models are updated as necessary to reflect developments, and fair values are reviewed by management and validated by the relevant committee.

Valuation technique and assumptions

Scenario–based approach for convertible bonds

The valuation of bonds incorporates a scenario-based hybrid model that combines structural and market-consistent approaches. Default probabilities are estimated using a Merton framework based on issuer-specific financial data and equity volatility. These are integrated with the MUR risk-free yield curve through Monte Carlo simulations to derive expected cash flows and discount factors.

The resulting implied credit spreads are benchmarked against Interest Coverage Ratio (ICR)-based reference spreads consistent with market evidence. Where differences arise, spread adjustments are applied to ensure that valuations appropriately reflect both issuer fundamentals and prevailing market conditions. Refer to note 34(b)(ii) for details on assumptions.

The scenario-based valuation model has resulted on a decrease of Rs3,703 million in the fair value of the secured redeemable convertible bonds and floating secured notes as at 30 June 2025. The assumptions used in the model are based on expected standard deviation of the issuer's performance, issuer specific credit spreads and latest available book equity and total liability of the issuers as at 30 June 2025.

The investments held in fixed secured notes are quoted in an active market. The fair value of quoted securities is based on published market prices.

The valuation model applied to the Bonds (except for defaulted bonds) does not incorporate the effect of collateral or other credit enhancements that may be in place. The carrying amount of the Bonds is deemed to approximate the best estimate of the Group's maximum credit exposure as at the reporting date.

Defaulted Bonds

Although debt instruments measured at Fair Value Through Profit or Loss (FVTPL) are not subject to the recognition of expected credit losses (ECL) under IFRS 9, the Group classifies these instruments into Stages 1 to 3 for internal credit risk monitoring and regulatory disclosure purposes, in line with Section 36 of the Bank of Mauritius Guideline on Provisioning and Write-off of Credit Exposures. The Group continues to monitor all credit exposures closely and updates staging classification at each reporting date. During the year ended 30 June 2025, certain bonds under Stage 3 were written down to a fair value of nil. The issuers of these bonds defaulted on their obligations and have not responded to requests for documentation or settlement arrangements. Based on the assessment of recoverability, the fair value of these instruments was written down to zero. These losses were recognised in profit or loss. More details on the valuation technique, assumptions, inputs and data used have been included in Note 34(b)(ii).

11. IMPAIRMENT ALLOWANCE ON FINANCIAL ASSETS

THE GROUP AND THE BANK

	Foreign Assets		Domestic Assets	Total
	Stage 1	Stage 2	Stage 1	
	12-month	Lifetime	12-month	
	ECL	ECL	ECL	
	Collective Basis	Collective Basis	Collective Basis	
	Rs 000	Rs 000	Rs 000	Rs 000
Impairment Allowance as at 30 June 2024	**28,911**	**-**	**432**	**29,343**
Changes to Risk Parameters and FX Translation	**(6,771)**	**-**	**(167)**	**(6,938)**
Financial Assets Derecognised	**(5,360)**	**-**	**(7)**	**(5,367)**
New Financial Assets	**2,410**	**-**	**59**	**2,469**
ECL Charge for the year	**(9,721)**	**-**	**(115)**	**(9,836)**
Impairment Allowance as at 30 June 2025	**19,190**	**-**	**317**	**19,507**
Impairment Allowance as at 30 June 2023	11,403	-	314	11,717
Changes to Risk Parameters and FX Translation	(1,008)	-	(21)	(1,029)
Financial Assets Derecognised	(8,170)	-	(4)	(8,174)
New Financial Assets	26,686	-	143	26,829
ECL Charge for the year	17,508	-	118	17,626
Impairment Allowance as at 30 June 2024	28,911	-	432	29,343

12. INVESTMENT IN SUBSIDIARIES

THE BANK

(i) Mauritius Investment Corporation Ltd (MIC)

	2025	2024
	Rs 000	Rs 000
Equity Investment in MIC at Cost	**81,000,000**	81,000,000
Less Impairment	**(5,402,570)**	-
	75,597,430	81,000,000

The Bank owns 100% of the share capital of MIC which is incorporated and have its principal place of business in Mauritius. The Directors have assessed the recoverable amount of the investment in MIC as at 30 June 2025 and have recognised an impairment loss of Rs5.4 billion based on the Net Asset Value (NAV) of audited Statement of Financial Position of MIC as at 30 June 2025 which decreased from Rs81.0 billion to Rs75.6 billion. The NAV is a close proxy of the recoverable amount as it represents the fair value of the assets and liabilities less costs of disposal. It is classified at Level 3 in the fair value hierarchy and the valuation technique is NAV.

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(ii) Mauritius Deposit Insurance Corporation Ltd (MDIC)

	2025	2024
	Rs 000	Rs 000
Equity Investment in MDIC at Cost	200,000	200,000

The Bank owns 100% of the share capital of MDIC which is incorporated and have its principal place of business in Mauritius.

(iii) MIC Smart City

The Bank, through MIC, acquired 100% of the shares of MIC Smart City in June 2021 which have its principal place of business in Mauritius.

(iv) EastCoast Hotel Investment Ltd

The Bank, through MIC, acquired a 70% stake in EastCoast Hotel Investment Ltd in June 2024 which has its principal place of business in Mauritius. The status of EastCoast Hotel Investment Ltd changed from subsidiary to associate following a disposal of 21% in November 2024 (refer to Note 14).

Investment in subsidiaries in the separate financial statements of the Bank are carried at cost, net of any impairment.

13. INVESTMENT PROPERTIES

THE GROUP

	2025	2024
	Rs 000	Rs 000
Opening Balance	11,867,754	9,008,104
Additions by MIC	-	875,000
Transfer to Inventories (Note 39)	(1,181,400)	-
Transfer arising on (Deconsolidation)/Business Combination (Note 37)	(1,812,381)	1,812,381
Disposal by MIC	-	(16,527)
Fair Value Adjustment (MIC Smart City)	21,600	81,621
Fair Value Adjustment (MIC)	279,527	107,175
Closing Balance	9,175,100	11,867,754

The investment properties are held by MIC, and MIC Smart City Ltd, which is a subsidiary of MIC. Changes in fair value of investment properties are recognised as gains/(losses) in profit or loss and are unrealised.

13. INVESTMENT PROPERTIES (CONTINUED)

THE GROUP (CONTINUED)

Details of the Group's investment properties and information about the fair value hierarchy is shown in the table below.

	Level 1	**Level 2**	**Level 3**	**Total**
30 June 2025	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
Land	**-**	**-**	**9,175,100**	**9,175,100**
	-	**-**	**9,175,100**	**9,175,100**

	Level 1	Level 2	Level 3	Total
30 June 2024	Rs 000	Rs 000	Rs 000	Rs 000
Land	-	-	11,867,754	11,867,754
	-	-	11,867,754	11,867,754

The residual method of valuation has resulted in an increase of Rs301 million in the fair value of the carrying value of investment properties as at 30 June 2025. The assumptions used in the models are based on certain inputs and data prevailing as at 30 June 2025.

Valuation Process

The Group's management oversees the valuation process, ensuring that valuations are performed by qualified external valuers. The valuer applies recognised valuation techniques consistent with International Valuation Standards. Management reviews the valuation reports, inputs, and assumptions to ensure they reflect the current market environment and the specific characteristics of the properties.

The valuation is reviewed annually or more frequently if significant changes in market conditions occur. Any changes in valuation techniques or significant assumptions are discussed and approved by senior management.

Valuation Technique and Assumptions

The investment properties were valued on 30 June 2025 by a qualified independent professional valuer; BREA Ltd, a Registered Valuer having relevant experience of the location and category of the investment properties being valued. The parcels of land included in the financial statements have been valued using the Residual Method of Valuation. This represents a change from the prior year, where Elevante Property Services Ltd used the Sales Comparison Approach. The residual method provides for a reliable method of estimating the current value of a portion of land with development potential.

The residual method estimates fair value is based on the expected gross development value of the completed property, less estimated construction costs, professional fees, financing costs, and a developer's profit margin. The impact of the change is reflected in the fair value movement recognised in profit or loss for the year.

13. INVESTMENT PROPERTIES (CONTINUED)

The Valuer has taken into consideration the recent publication of maps showing sensitive areas from the Land Drainage Authority (LDA). However, owing to the novelty of the publication of such maps, the impact on demand for properties found within these zones, and therefore on their values, is still unclear at this stage. The discretionary nature of the planning system magnifies the subjectivity of the impact of these LDA maps on value. Given the unknown future impact these LDA maps might have on the real estate market, no allowance on the valuation was considered in the current year valuation.

Valuation Framework for Investment Properties

Mauritius Investment Corporation Ltd

The residual method of valuation has resulted in an increase of Rs280 million in the fair value of the carrying value of investment property as at 30 June 2025.

For the financial year 30 June 2025, the significant unobservable inputs for the valuation of land are as follows:

Significant Unobservable Inputs	Range
Selling Rate (Rs/toise)	3,024 – 31,928
Development Costs (Rs mn)	51 m – 1,214 m
Discount Rate (%)	7%

Significant increase /(decrease) in selling rate in isolation would result in a significantly higher / (lower) fair value.

Significant increase/(decrease) in development costs and discount rate in isolation would result in a significantly (lower)/higher fair value.

The following table shows the significant unobservable inputs used and the sensitivity of these inputs on the fair value:

Significant Unobservable inputs	Increase of 5% Rs mn (Fair Value)	Decrease of 5% Rs mn (Fair Value)
Selling Rate (Rs/toise)	433.1	(433.1)
Development Costs (Rs mn)	(189.2)	189.2
Discount Rate (%)	(110.0)	113.1

For the financial year 30 June 2024, the significant unobservable input for the valuation of land is as follows:

2024	Fair Value Hierarchy	Significant Unobservable Input	Range of unobservable input Rs mn (Fair Value)
Freehold Land	Level 3	Price per Toise (Rs)	Increase 5% 249.6
		1,932 - 12,221	Decrease 5% (249.6)

13. INVESTMENT PROPERTIES (CONTINUED)

Mauritius Investment Corporation Ltd (continued)

Classification of Agricultural Land

As at 30 June 2025, MIC holds parcels of agricultural land as part of its investment property portfolio. While certain areas are currently used for agricultural purposes, such use is considered incidental to the principal intention of holding the land for capital appreciation and future development.

In line with the requirements of IAS 40-Investment Property, the land continues to be classified as investment property, as the agricultural activities do not represent the primary purpose or function of the asset.

Highest and Best Use Assessment

Certain parcels of land classified as investment property are currently used for low-intensity agricultural purposes. However, MIC's independent valuation (BREA Ltd) determined that the highest and best use of these assets is for residential and commercial development.

The difference between the current use and the highest and best use reflects MIC's long-term strategy to maximize the value of these assets through future development. Development activities will be undertaken when conditions such as regulatory approvals and market demand are favourable.

MIC Smart City

The residual method of valuation has resulted in an increase of Rs 21.6 million in the fair value of the carrying value of investment property as at 30 June 2025.

For the financial year 30 June 2025, the significant unobservable inputs for the valuation of land are as follows:

Significant Unobservable Inputs	Range
Selling Rate (Rs/toise)	20,679 – 34,324
Development Costs (Rs mn)	26 m – 1,259 m
Discount Rate (%)	7%

The following table shows the significant unobservable inputs used and the sensitivity of these inputs on the fair value:

Significant Unobservable Inputs	Increase of 5% Rs mn (Fair Value)	Decrease of 5% Rs mn (Fair Value)
Selling Rate (Rs/toise)	397.8 m	(397.8) m
Development Costs (Rs mn)	(159.7) m	159.7 m
Discount Rate (5%)	(174.6) m	180.9 m

Significant increase/(decrease) in selling rate in isolation would result in a significantly higher/ (lower) fair value.

13. INVESTMENT PROPERTIES (CONTINUED)

MIC Smart City (continued)

Significant increase/(decrease) in development costs and discount rate in isolation would result in a significantly (lower)/higher fair value.

For the financial year 30 June 2024, the significant unobservable input for the valuation of land is as follows:

	Significant unobservable input	2024 Range of unobservable input
		Rs
Freehold/Leasehold Land	Price per square metre	1,547 – 3,446

Significant increase /(decrease) in above unobservable inputs in isolation would result in a significant higher / (lower) fair value.

The following table shows the significant unobservable inputs used and the sensitivity of these inputs on the fair value:

	Significant unobservable input	Range of unobservable input Rs mn (Fair Value)
Freehold/Leasehold Land	Price per square metre	Increase of 5% 253.14 m
		Decrease of 5% (253.14 m)

Classification of Agricultural Land

As at 30 June 2025, MIC Smart City holds parcels of agricultural land as part of its investment property portfolio. While certain areas are currently used for agricultural purposes, such use is considered incidental to the principal intention of holding the land for capital appreciation and future development.

In line with the requirements of IAS 40-Investment Property, the land continues to be classified as investment property, as the agricultural activities do not represent the primary purpose or function of the asset.

Highest and Best Use Assessment

Certain parcels of land classified as investment property are currently used for low-intensity agricultural purposes. However, MIC Smart City's independent valuation (BREA Ltd) determined that the highest and best use of these assets is for residential and commercial development.

The difference between the current use and the highest and best use reflects MIC's long-term strategy to maximize the value of these assets through future development. Development activities will be undertaken when conditions such as regulatory approvals and market demand are favourable.

14. INVESTMENT IN ASSOCIATES

THE GROUP

	2025	2024
	Rs 000	Rs 000
Interest in Equity-Accounted Associates	20,782,832	22,880,991

Details of the associates are as follows:

Name of associate	Type of Shares	Principal place of business	Percentage of equity held	
			2025	2024
Airport Holdings Ltd	Equity	Mauritius	49%	49%
EastCoast Hotel Investment Ltd	Equity	Mauritius	49%	70%*

* During the year, the Group sold a 21% ownership stake in EastCoast Hotel Investment Ltd, reducing its holding from 70% to 49%. As a result of losing control, EastCoast Hotel Investment Ltd was reclassified from a subsidiary to an associate as of 8 November 2024.

Airport Holdings Ltd

Bank of Mauritius' subsidiary, Mauritius Investment Corporation Ltd (MIC) holds 49% of the shares of Airport Holdings Ltd (AHL) an entity created in August 2021 by the Government of Mauritius to hold the strategic investments related to the airport operations and national airline activities of the country.

	2025	2024
	Rs 000	Rs 000
Group's interest in net assets of associate at beginning of year	22,880,991	25,942,204
Share of:		
Loss for the period	(4,350,419)	(1,302,828)
Adjustment for overprovision	(457,200)	(336,233)
OCI for the period	283,134	(276,996)
Adjustment for underprovision/(overprovision)	803,402	(654,905)
Dividend Received	-	(490,250)
Carrying amount of interest in equity-accounted associate at end of year	19,159,908	22,880,991

A summary of the unaudited financial information for the year ended 2025 and 2024 is as follows:

	2025	2024
	Rs 000	Rs 000
Non-Current Assets	73,172,374	82,542,398
Current Assets	16,307,306	13,759,057
Non-Current Liabilities	26,761,924	28,172,938
Current Liabilities	23,213,581	20,357,946
Revenue	38,934,046	37,452,005
Net Loss	(8,843,929)	(2,723,054)
Other Comprehensive Income	577,533	(566,219)
Total Comprehensive Income	(8,266,396)	(3,289,273)

14. INVESTMENT IN ASSOCIATES (CONTINUED)

THE GROUP (CONTINUED)

EastCoast Hotel Investment Ltd

	2025
	Rs 000
Group's Interest in Net assets of Associate at beginning of the year	-
Additions	1,685,370
Share of:	
Profit for the Period	250,873
OCI for the Period	95,906
Impairment Losses	(409,225)
	1,622,924
Group's Interest in Net Assets of Associate is made up as follows:	
Share of Net Assets	1,384,635
Goodwill*	238,289
Carrying Amount of Interest in Equity-Accounted Associate at end of year	1,622,924

* Management has assessed the recoverable amount of the investment in EastCoast Hotel Investment Ltd as at 30 June 2025 and recognised an impairment of Rs 409mn on the goodwill based on the audited Net Asset Value (NAV) and fair value of associate as at 30 June 2025.

A summary of the audited financial information for the year ended 2025 is as follows:

	2025
	Rs 000
Non-Current Assets	3,220,372
Current Assets	154,473
Non-Current Liabilities	532,511
Current Liabilities	16,548
Revenue	697,962
Net Profit	532,622
Other Comprehensive Income	78,872
Total Comprehensive Income	611,494

15. COMPUTER SOFTWARE

THE GROUP

COST	Rs 000
At 1 July 2023	327,048
Additions	68,826
Transfer to General Expenditure	(953)
At 30 June 2024	394,921
Additions	28,507
Transfer to General Expenditure	(1,265)
Transfer from Capital Work in Progress	1,386
At 30 June 2025	**423,549**
ACCUMULATED AMORTISATION	
At 1 July 2023	159,890
Charge for the year	9,228
At 30 June 2024	169,118
Charge for the year	20,010
At 30 June 2025	**189,128**
CARRYING VALUE	
At 30 June 2025	**234,421**
At 30 June 2024	225,803

THE BANK

COST	Rs 000
At 1 July 2023	326,609
Additions	67,387
Transfer to General Expenditure	(953)
At 30 June 2024	393,043
Additions	28,507
Transfer to General Expenditure	(1,264)
Transfer from Capital Work in Progress	1,386
At 30 June 2025	**421,672**
ACCUMULATED AMORTISATION	
At 1 July 2023	159,744
Charge for the year	8,934
At 30 June 2024	168,678
Charge for the year	19,634
At 30 June 2025	**188,312**
CARRYING VALUE	
At 30 June 2025	**233,360**
At 30 June 2024	224,365

The Directors have reviewed the carrying values of intangible assets and are of the opinion that, at 30 June 2025, the carrying values have not suffered any impairment.

16. PROPERTY, PLANT AND EQUIPMENT

THE GROUP

	Land	Buildings	Capital Work in Progress	Furniture, Equipment, Fixtures and Fittings	Computer Equipment	Motor Vehicle	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
COST							
At 1 July 2023	146,715	1,825,313	133,600	1,081,615	345,589	36,755	3,569,587
Additions	-	913	58,937	7,516	36,309	13,225	116,900
Transfer to General Expenditure	-	-	(427)	-	-	-	(427)
Transfer	-	228	(57,151)	645	56,278	-	-
Disposals	-	-	-	(202)	-	(11,257)	(11,459)
Scrapped	(190)	-	-	(104)	-	(1,375)	(1,669)
At 30 June 2024	**146,525**	**1,826,454**	**134,959**	**1,089,470**	**438,176**	**37,348**	**3,672,932**
Additions	**106,647**	**61,560**	**40,162**	**5,238**	**21,052**	**-**	**234,659**
Transfer to Computer Software	**-**	**-**	**(1,386)**	**-**	**-**	**-**	**(1,386)**
Transfer	**-**	**-**	**(66,409)**	**4,815**	**61,594**	**-**	**-**
Disposals	**-**	**-**	**-**	**(778)**	**(185)**	**(5,808)**	**(6,771)**
Scrapped	**-**	**-**	**-**	**(151)**	**(4,703)**	**-**	**(4,854)**
At 30 June 2025	**253,172**	**1,888,014**	**107,326**	**1,098,594**	**515,934**	**31,540**	**3,894,580**
ACCUMULATED DEPRECIATION							
At 1 July 2023	-	508,311	-	839,879	287,445	27,962	1,663,597
Charge for the year	-	36,522	-	41,894	21,965	5,731	106,112
Disposals	-	-	-	(202)	-	(11,254)	(11,456)
Scrapped	-	-	-	(102)	-	(230)	(332)
At 30 June 2024	**-**	**544,833**	**-**	**881,469**	**309,410**	**22,209**	**1,757,921**
Charge for the year	**-**	**37,345**	**-**	**42,398**	**43,549**	**5,542**	**128,834**
Disposals	**-**	**-**	**-**	**(778)**	**(58)**	**(5,806)**	**(6,642)**
Scrapped	**-**	**-**	**-**	**(147)**	**(4,700)**	**-**	**(4,847)**
At 30 June 2025	**-**	**582,178**	**-**	**922,942**	**348,201**	**21,945**	**1,875,266**
CARRYING AMOUNT							
At 30 June 2025	**253,172**	**1,305,836**	**107,326**	**175,652**	**167,733**	**9,595**	**2,019,314**
At 30 June 2024	146,525	1,281,621	134,959	208,001	128,766	15,139	1,915,011

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE BANK

	Land	Buildings	Capital Work in Progress	Furniture, Equipment, Fixtures and Fittings	Computer Equipment	Motor Vehicle	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
COST							
At 1 July 2023	146,715	1,825,313	133,600	1,081,612	341,641	32,980	3,561,861
Additions	-	913	58,937	6,894	31,796	11,800	110,340
Transfer to General Expenditure	-	-	(427)	-	-	-	(427)
Transfer	-	228	(57,151)	645	56,278	-	-
Disposals	-	-	-	(202)	-	(11,257)	(11,459)
Scrapped	(190)	-	-	(104)	-	(1,375)	(1,669)
At 30 June 2024	**146,525**	**1,826,454**	**134,959**	**1,088,845**	**429,715**	**32,148**	**3,658,646**
Additions	**106,647**	**61,560**	**40,162**	**5,238**	**20,532**	**-**	**234,139**
Transfer to Computer Software	**-**	**-**	**(1,386)**	**-**	**-**	**-**	**(1,386)**
Transfer	**-**	**-**	**(66,409)**	**4,815**	**61,594**	**-**	**-**
Disposals	**-**	**-**	**-**	**(778)**	**(175)**	**(5,808)**	**(6,761)**
Scrapped	**-**	**-**	**-**	**(151)**	**(4,703)**	**-**	**(4,854)**
At 30 June 2025	**253,172**	**1,888,014**	**107,326**	**1,097,969**	**506,963**	**26,340**	**3,879,784**
ACCUMULATED DEPRECIATION							
At 1 July 2023	-	508,311	-	839,879	285,694	24,943	1,658,827
Charge for the year	-	36,522	-	41,842	20,428	4,650	103,442
Disposals	-	-	-	(202)	-	(11,254)	(11,456)
Scrapped	-	-	-	(102)	-	(230)	(332)
At 30 June 2024	**-**	**544,833**	**-**	**881,417**	**306,122**	**18,109**	**1,750,481**
Charge for the year	**-**	**37,345**	**-**	**42,335**	**41,762**	**5,186**	**126,628**
Disposals	**-**	**-**	**-**	**(778)**	**(58)**	**(5,806)**	**(6,642)**
Scrapped	**-**	**-**	**-**	**(147)**	**(4,700)**	**-**	**(4,847)**
At 30 June 2025	**-**	**582,178**	**-**	**922,827**	**343,126**	**17,489**	**1,865,620**
CARRYING AMOUNT							
At 30 June 2025	**253,172**	**1,305,836**	**107,326**	**175,142**	**163,837**	**8,851**	**2,014,164**
At 30 June 2024	146,525	1,281,621	134,959	207,428	123,593	14,039	1,908,165

The Directors have reviewed the carrying values of tangible assets and are of the opinion that as at 30 June 2025, the carrying values have not suffered any impairment.

17. OTHER ASSETS

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Gold Bars	**193,598**	184,329	**193,598**	184,329
Industrial Gold and Dodo Gold Coins	**120,443**	146,957	**120,443**	146,957
Prepayments	**367,030**	348,472	**366,494**	348,472
Commemorative Coins	**46,078**	47,892	**46,078**	47,892
Others	**37,590**	39,223	**33,825**	22,177
	764,739	766,873	**760,438**	749,827

18. CURRENCY IN CIRCULATION

THE GROUP AND THE BANK

The currency in circulation represents the balance of banknotes and coins in circulation, held by the general public and financial institutions, recorded at the face value. The liability for the notes and coins issued is the net liability after offsetting notes and coins held by the Bank. The following banknotes and coins were in circulation as at 30 June:

	2025	2024
	Rs 000	Rs 000
Notes issued		
Face value		
2,000	**8,751,544**	7,029,480
1,000	**41,693,677**	37,141,944
500	**7,658,776**	7,191,891
200	**2,403,641**	2,344,531
100	**2,149,903**	2,147,045
50	**512,419**	479,746
25	**364,674**	340,530
Demonetised Notes	**383,183**	391,082
Total	**63,917,817**	57,066,249
Coins issued		
Face value		
20 rupees	**443,652**	402,668
10 rupees	**556,122**	507,315
5 rupees	**235,616**	216,654
1 rupee	**269,009**	251,897
50 cents	**51,759**	49,462
25 cents *	**6,320**	6,321
20 cents	**60,428**	59,099
10 cents *	**2,414**	2,414
5 cents	**15,098**	14,681
2 cents *	**330**	330
1 cent	**223**	223
Others**	**23,167**	23,015
Total	**1,664,138**	1,534,079
Total face value of Notes and Coins in Circulation	**65,581,955**	58,600,328

* These denominations have ceased to be issued by the Bank.
** Others include Gold Coins and Commemorative Coins.

19. MONETARY POLICY INSTRUMENTS

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Bank of Mauritius Savings Bonds	**1,038**	1,038	**1,038**	1,038
Bank of Mauritius Bonds	**8,717,252**	15,166,291	**8,717,252**	15,166,291
Bank of Mauritius Notes	**38,686,257**	37,597,635	**38,686,257**	37,597,635
Bank of Mauritius Bills	**13,920,534**	55,247,197	**13,920,534**	55,247,197
2Yr Bank of Mauritius Note	**-**	4,401,013	**-**	4,401,013
Bank of Mauritius Emerald Jubilee Bond	**7,373,857**	7,546,359	**7,373,857**	7,546,359
Overnight Deposit Facility to Banks	**57,747,747**	30,110,423	**57,747,747**	30,110,423
	126,446,685	150,069,956	**126,446,685**	150,069,956

20. PROVISIONS

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Balance as at 30 June	**-**	100,000	**-**	100,000

The provision relates to the liquidation of the MCCB Limited. Under the MCCB Limited (Liquidation) Act 1996 ("Act"), the Group and the Bank may make additional funds available to the liquidator of MCCB Limited where the liabilities of the MCCB Limited exceed the proceeds from the realisation of its assets. The winding up of MCCB Limited has been completed during the year pursuant to section 4(4) of the Act. MCCB Limited has been removed from the register of companies under section 3 of the Act. The provision has been reversed as the underlying obligation no longer exists.

21. EMPLOYEE BENEFITS

THE GROUP AND THE BANK

Amounts recognised in the Statement of Financial Position:

	2025	2024
	Rs 000	Rs 000
Defined Benefit Plan (Note (a))	**1,145,472**	1,276,683
Short Term Employee Benefits (Note (b))	**198,346**	189,515
	1,343,818	1,466,198

(a) Defined Benefit Plan

The Bank operates a defined benefit plan for its employees who joined the Bank prior to January 2013 and the plan is wholly funded. The assets of the funded plan are held independently and are administered by The State Insurance Company of Mauritius Ltd.

21. EMPLOYEE BENEFITS (CONTINUED)

THE GROUP AND THE BANK (CONTINUED)

(a) Defined Benefit Plan (continued)

The plan is exposed to risks such as: investment risk, interest rate risk, longevity risk and salary/pension increase risk. Investment risk is the risk that the return earned on assets may be lower or higher than assumed. Interest rate risk is encompassed within investment risk and reflects the risk that changes in market interest rates will affect the value of the plan assets and liabilities. Longevity risk is caused by improvement in mortality rates among pensioners. The longer the latter live, the higher is the liability. Salary/pension increase risk is the risk that the actual salary/pension increases granted may be different than what has been assumed. For instance, a higher salary/pension increase relative to the Investment returns shall increase the Defined Benefit Obligation and hence the liability.

The report dated 7 October 2025 submitted by The State Insurance Company of Mauritius Ltd, who also acts as independent actuaries, is produced hereunder.

	2025	2024
	Rs 000	Rs 000
Current Service Cost	**21,754**	27,832
Employee Contributions	**(11,220)**	(12,754)
Fund Expenses	**768**	829
Net Interest Expense	**70,428**	49,058
Net Periodic Pension Cost included in Staff Salaries and Other Benefits	**81,730**	64,965

Past service cost is nil.

Remeasurement of defined benefit liability recognised in Other Comprehensive Income (OCI):

	2025	2024
	Rs 000	Rs 000
Actuarial (Gain) /Loss	**(185,331)**	402,120

Movements in liability recognised in the Statement of Financial Position:

	2025	2024
	Rs 000	Rs 000
At start of the year	**1,276,683**	840,900
Total Expenses as per above	**81,730**	64,965
Actuarial (Gain)/Loss recognised in OCI	**(185,331)**	402,120
Special Fund Additional Contribution	**-**	(2,186)
Bank of Mauritius share of pension (topping-up)	**(420)**	(420)
Employer Contributions	**(27,190)**	(28,696)
At end of the year	**1,145,472**	1,276,683

21. EMPLOYEE BENEFITS (CONTINUED)

THE GROUP AND THE BANK (CONTINUED)

(a) Defined Benefit Plan (continued)

Movements in the present value of the Defined Benefit Obligations in the current period were as follows:

	2025	2024
	Rs 000	Rs 000
At start of the year	**2,875,161**	2,449,465
Current Service Cost	**21,754**	27,832
Interest Cost	**156,484**	140,916
Actuarial (gain) / loss	**(197,878)**	442,966
Benefits Paid	**(161,593)**	(186,018)
At end of the year	**2,693,928**	2,875,161

Movements in the fair value of the Plan Assets in the current period were as follows:

	2025	2024
	Rs 000	Rs 000
At start of the year	**1,598,478**	1,608,565
Expected Return on Plan Assets	**86,056**	91,857
Actuarial Gain/(Loss)	**(12,547)**	40,847
Contributions from the Employer	**27,190**	28,696
Special Fund Additional Contribution	**-**	2,186
Employee Contributions	**11,220**	12,754
Bank of Mauritius Share of Pension	**420**	420
Benefits Paid (Excluding BOM share of pension)	**(161,593)**	(186,018)
Fund Expenses	**(768)**	(829)
At end of the year	**1,548,456**	1,598,478

The amount included in the Statement of Financial Position arising from the Bank's obligation in respect of its defined benefit plans is as follows:

	2025	2024
	Rs 000	Rs 000
Present Value of Defined Benefit Obligation	**2,693,928**	2,875,161
Fair Value of Plan Assets	**(1,548,456)**	(1,598,478)
Net Liability arising from Defined Benefit Obligation	**1,145,472**	1,276,683

The major categories of plan assets at the reporting date are as follows:

	2025	2024
	%	%
Local Equities	**16.8**	15.2
Overseas Equities and Bonds	**31.9**	31.3
Fixed Interest Securities and Deposits	**47.7**	49.9
Loans	**3.1**	3.1
Property	**0.5**	0.5

21. EMPLOYEE BENEFITS (CONTINUED)

THE GROUP AND THE BANK (CONTINUED)

(a) Defined Benefit Plan (continued)

The overall expected rate of return on Plan Assets is determined by reference to market yields on bonds.

The history of experience adjustments is as follows:

	2025	2024
	Rs 000	Rs 000
Asset experience gain/(loss) during the year	(12,547)	40,846
Liability experience gain/(loss) during the year	68,981	(442,966)
Liability gain/(loss) due to change in demographic assumptions	N/A	N/A
Liability gain/(loss) due to change in financial assumptions	128,897	N/A
	185,331	(402,120)

The Group and the Bank expect to contribute Rs27.5 million (2024: Rs29.2 million) to the defined benefit plans during the next financial year. This estimate may be amended by the Bank on the basis of availability of more accurate information.

	BANK	BANK
	2025	2024
	Years	Years
Weighted average duration of the defined benefit obligation (calculated as a % change in PV of liabilities for a 1% change in discount rate)	11	12

The principal assumptions used for actuarial valuation were:

	2025	2024
Discount rate	6.00%	5.60%
Future salary increases	4.50%	4.50%
Future pension increases	3.50%	3.50%
Mortality before retirement	nil	
Mortality in retirement	PA (90) Tables rated down by 2 years	
Retirement age	65 years	

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase, pension growth and mortality. The sensitivity analysis below has been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period on the defined benefit obligation.

21. EMPLOYEE BENEFITS (CONTINUED)

THE GROUP AND THE BANK (CONTINUED)

Defined Benefit Plan (continued)

		2025	2024
		Rs 000	Rs 000
Discount rate	+100 basis points	**(281,000)**	(318,600)
	- 100 basis points	**338,600**	390,900
Salary growth	+100 basis points	**96,100**	117,400
	- 100 basis points	**(87,100)**	(106,100)
Pension growth	+100 basis points	**226,100**	248,300
	- 100 basis points	**(196,700)**	(215,800)
Life Expectancy	+ One Year	**85,900**	92,800
	- One Year	**(85,300)**	(92,400)

In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depend to a certain extent on expected inflation rates. The analysis above abstracts from these interdependencies between the assumptions.

(b) Short Term Employee Benefits

	2025	2024
	Rs 000	Rs 000
Provision for Annual and Sick Leaves	**117,162**	114,442
Provision for Passage Benefits	**81,184**	75,073
	198,346	189,515

(c) Employer Contribution towards Pension Cost

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Contributions Expensed (Note 28)	**102,291**	81,858	**100,056**	80,905

(d) State Pension Plan (Note 28)

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
National Savings Fund Contributions	**3,113**	3,082	**2,834**	2,724
Contribution Sociale Generalisee	**33,957**	33,808	**33,184**	32,468
	37,070	36,890	**36,018**	35,192

22. OTHER LIABILITIES

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Obligations to Foreign Counterparties (i)	**45,276,835**	61,977,244	**45,276,835**	61,977,244
Cash Margins from Foreign Counterparties (ii)	**5,762,182**	-	**5,762,182**	-
Overnight Deposit Facility in Foreign Currency (iii)	**70,898,257**	55,057,497	**70,898,257**	55,057,497
Special Drawing Rights	**12,370,383**	12,845,686	**12,370,383**	12,845,686
Abandoned Funds (iv)	**3,487,377**	3,197,074	**3,487,377**	3,197,074
Creditors	**274,342**	267,755	**274,342**	267,755
Interest and Charges Payable	**192,081**	170,155	**192,081**	170,155
Others	**76,879**	474,048	**17,070**	17,075
	138,338,336	133,989,459	**138,278,527**	133,532,486

(i) Obligations to Foreign Counterparties

	2025	2024
	Rs 000	Rs 000
Opening Balance	**61,977,244**	62,344,207
Adjustment Prior Year Interest	**(968,321)**	(322,340)
Additions	**22,813,436**	84,420,357
Repayments	**(37,546,323)**	(87,471,266)
Interest Payable	**1,496,543**	968,321
(Loss)/Gain on Revaluation	**(2,495,744)**	2,037,965
Closing Balance	**45,276,835**	61,977,244

(ii) Cash margins represent cash received from foreign counterparties as a result of valuation changes on underlying collaterals (Gold).

(iii) The overnight deposit facility was introduced in December 2023 by the Bank to all commercial banks as an alternate investment opportunity.

(iv) Abandoned funds represent money lodged by financial institutions under **Section 59 of the Banking Act 2004**. Under the Banking Act 2004, where a customer's deposit, or money lodged with a financial institution for any purpose, has been left untouched and not reclaimed for 7 years or more and the customer has not responded within 6 months to a letter from the financial institution about the dormant deposit or money sent by registered post to the customer's last known address, the deposit or money, as the case may be, shall be deemed to have been abandoned and shall, without further formality, be transferred forthwith by the financial institution concerned to the central bank to be dealt with as decided by the central bank.

23. INTEREST AND SIMILAR INCOME ON FINANCIAL ASSETS USING EFFECTIVE INTEREST RATE ("EIR")

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Interest Income at Amortised Cost				
Repurchase Agreement	**2,089,604**	1,040,983	**2,089,604**	1,040,983
Special Drawing Rights	**469,364**	554,902	**469,364**	554,902
Current Accounts	**648,879**	454,516	**648,879**	454,516
Fixed Income Securities	**3,028,176**	3,478,414	**3,028,176**	3,478,414
Interest on Deposits	**1,055,740**	1,219,722	**1,055,740**	1,219,722
Loans and Advances	**155,032**	148,740	**155,032**	148,740
Government Securities	**119,794**	112,808	**119,794**	112,808
	7,566,589	7,010,085	**7,566,589**	7,010,085
Interest and Similar Income at FVOCI				
Fixed Income Securities	**2,465,670**	658,445	**2,465,670**	658,445
Realised Gain/(Loss) on disposal	**62,656**	(13,481)	**62,656**	(13,481)
	2,528,326	644,964	**2,528,326**	644,964
	10,094,915	7,655,049	**10,094,915**	7,655,049

24. INTEREST AND SIMILAR INCOME ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Income from UCITS	**2,316,022**	2,821,722	**2,316,022**	2,821,722
Dividend Income	**2,997,171**	2,058,605	**2,997,171**	2,058,605
Interest Income	**2,573,444**	2,773,602	**2,117,912**	1,426,230
Realised Gain on Disposal	**79,310**	-	**79,310**	-
	7,965,947	7,653,929	**7,510,415**	6,306,557

UCITS: Undertakings for the collective investments of transferable securities. These are managed by the Bank's external fund managers.

25. MISCELLANEOUS INCOME

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Initial Contribution*	**500,000**	-	**-**	-
Dividend Income on Domestic Equity	**-**	490,250	**-**	490,250
Payment Systems Fees	**133,493**	122,266	**133,493**	122,266
Licence and Processing Fees	**121,266**	116,414	**121,266**	116,414
Front End Fee, Legal Cost and Registration Fees	**9,176**	19,683	**-**	-
Loss on Foreign Exchange Transactions	**(2,606)**	(295,629)	**(2,606)**	(295,629)
Profit on Sale of Property, Plant and Equipment	**7,514**	2,058	**602**	2,058
Fees and Charges	**492**	505	**492**	505
Penalty	**3,770**	1,984	**3,770**	1,984
Other	**138,197**	47,164	**46,692**	4,129
	911,302	504,695	**303,709**	441,977

* Represents initial contribution paid by members of the Mauritius Deposit Insurance Scheme.

26. GAIN/(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Domestic Investments	**(68,912)**	326,661	**-**	-
Foreign Investments	**2,083,148**	1,552,763	**2,083,148**	1,552,763
Unquoted Investments	**(3,636,436)**	243,225	**106,380**	243,225
	(1,622,200)	2,122,649	**2,189,528**	1,795,988

27. INTEREST PAYABLE AND SIMILAR CHARGES

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Interest Paid on Obligations to Foreign Counterparties	**2,593,530**	3,377,604	**2,593,530**	3,377,604
Interest Paid on Cash Margins to Foreign Counterparties	**111,852**	-	**111,852**	-
Interest on Overnight Deposit Facility	**1,644,700**	502,988	**1,644,700**	502,988
International Monetary Fund Charges	**413,354**	493,475	**413,354**	493,475
Negative Interest and Charges	**52,384**	38,973	**48,200**	38,973
	4,815,820	4,413,040	**4,811,636**	4,413,040

28. STAFF SALARIES AND OTHER BENEFITS

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Staff Salaries and Allowances	**510,939**	505,875	**479,462**	478,706
Short Term Employee Benefits	**38,124**	30,505	**35,993**	25,084
Employer Contribution towards Pension Cost (Note 21(c))	**102,291**	81,858	**100,056**	80,905
Staff Family Protection Scheme	**6,673**	6,565	**6,637**	6,392
National Savings Fund (Note 21(d))	**3,113**	3,082	**2,834**	2,724
Contribution Sociale Generalisee (Note 21(d))	**33,957**	33,808	**33,184**	32,468
HRDC Levy	**395**	462	**106**	164
	695,492	662,155	**658,272**	626,443

29. FEES PAYABLE

Fees payable by the Group and the Bank represents mainly management fees payable to external fund managers with respect to funds managed by them as disclosed under *Foreign Investments* in Note 10(i). Fees payable also include custodian fees.

30. DIRECTORS' REMUNERATION

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Governor	**15,362**	14,362	**15,362**	14,362
Deputy Governors (2)	**17,704**	17,091	**17,704**	17,092
Former Governor	**-**	11,059	**-**	11,059
Other Directors: Bank	**2,400**	2,160	**2,400**	2,160
Chairperson: MIC	**2,372**	4,235	**-**	-
Other Directors: MIC	**5,225**	3,888	**-**	-
Directors: MDIC	**1,820**	600	**-**	-
	44,883	53,395	**35,466**	44,673

(i) Directors of the Bank were paid a monthly fee of Rs30,000 for the period from July to November 2024 and Rs50,000 for the period from January to June 2025 (2024: Rs30,000). The number of Other Directors on the board of the Bank was 5 (2024:6).

(ii) Directors of MIC were paid a monthly fee of Rs50,000 (2024: Rs50,000). The number of Other Directors on the Board of MIC was 6 (2024:6). The former Chairperson of MIC was paid a monthly fee of GBP6,500 from 01 July 2024 to 13 December 2024. The current Chairperson is paid a monthly fee of Rs75,000 and Asset Monitoring Committee fee of Rs30,000 from 23 January 2025 to 30 June 2025.

(iii) Directors of MDIC were paid a monthly fee of Rs25,000 for the period from 1 July 2024 to 31 March 2025 and Rs30,000 from April to June 2025. The number of Other Directors on the Board of MDIC was 6 for the period from 1 July 2024 to 30 November 2024, and 7 with effect from April 2025. The Chairperson of MDIC was paid a monthly fee of Rs50,000 with effect from May 2025.

(iv) Pursuant to an undertaking given before the Supreme Court, the amount of Rs11,059,000 represents the balance of a claim in respect of a former Governor which was not provided in previous years.

31. MONETARY POLICY OPERATIONS

The Bank, in the pursuit of its objectives to maintain price stability and to promote orderly and balanced economic development, undertakes monetary policy operations to manage liquidity conditions in the domestic money markets. The interest expense conducted through the issue of Bank of Mauritius Securities and through overnight deposit facility from banks are provided below.

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Interest Expense				
Bank of Mauritius Securities	**3,633,718**	3,340,270	**3,633,718**	3,340,270
Overnight Deposit Facility	**793,403**	1,052,180	**793,403**	1,052,180
	4,427,121	4,392,450	**4,427,121**	4,392,450

32. COMMITMENTS AND OTHER CONTINGENCIES

THE GROUP AND THE BANK

Commitments not otherwise provided for in these financial statements and which existed at 30 June 2025 are as follows:

The Bank has a commitment to pay on call 60% of the value of 1,263 shares for capital subscription in the African Export-Import Bank.

As at 30 June 2025, the Bank was involved in several legal proceedings arising from its operations. These claims are subject to legal uncertainty and the outcome cannot be reliably estimated at this stage. Accordingly, no provision has been made in the financial statements.

The Bank continues to monitor these cases and will recognize a liability if and when it becomes probable that an outflow of resources will be required to settle the obligation.

There was no other contingent liability that existed at 30 June 2025.

As at 30 June 2025, commitments by MIC not otherwise provided for in the financial statements amount to Rs420 million and USD23 million (2024: Rs2,830 million for bonds) which represent amounts approved for bond subscriptions and committed amounts to be invested into funds, which have not yet been disbursed respectively.

33. SHORT-TERM LEASES AND LEASES OF LOW VALUE ASSETS

The Bank has elected not to recognises right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The following table relates to the lease of the Bank's fallback site and other properties with lease terms between 1 to 5 years. The Bank does not have an option to purchase the leased properties at the end of the lease periods.

2025	1 Year	>1-5 Yrs	Total
	Rs 000	**Rs 000**	**Rs 000**
Archiving-Plaine Lauzun DBM	**249**	**-**	**249**
Fallback Site-Cyber Tower	**55**	**-**	**55**
United Docks Business Park	**4,959**	**6,082**	**11,041**
	5,263	**6,082**	**11,345**

2024	1 Year	>1-5 Yrs	Total
	Rs 000	Rs 000	Rs 000
Archiving-Plaine Lauzun DBM	237	-	237
Fallback Site-Cyber Tower	3,719	8,539	12,258
Bata Building - Port Louis	1,240	1,743	2,983
	5,196	10,282	15,478

An amount of **Rs17,388,091** (2024: Rs6,439,162) has been expensed in profit or loss for the year relating to short-term and low value item leases. The total cash outflow for short-term and low value item leases recognised in statement of cash flows amounted to **Rs17,388,091** (2024: Rs6,439,162) and is recognised under General Expenditure in Profit or Loss.

34. FINANCIAL INSTRUMENTS

(a) Introduction

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

As the monetary authority for Mauritius, the Group and the Bank's activities are policy orientated. In the course of carrying out their functions, the Group and the Bank are faced with financial risks, operational risks and reputational risks. The main financial risks to which the Group and the Bank are exposed to are credit risk, interest rate risk, liquidity risk, price risk and foreign exchange risk. A significant proportion of these risks arise from the management of foreign exchange reserves of the Group and the Bank.

The foreign exchange risk or the capital loss as a consequence of fluctuations in the exchange rates is managed mainly through diversification of currency portfolios in which the Group and the Bank invest. In the management of foreign exchange reserves, minimising liquidity risk and maximising safety and preservation of capital are the prime considerations in order to achieve their prime objectives to maintain price stability and to promote orderly and balanced economic development.

(b) (i) Categories and fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Financial liabilities of the group represent the total liabilities less provisions (2025: Rs1,343,818,000; 2024: Rs1,566,198,000).

THE GROUP

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	2025	**2025**	2024	2024
Financial Assets	**Rs 000**	**Rs 000**	Rs 000	Rs 000
Amortised Cost				
Foreign Investments	**44,903,344**	**45,249,099**	64,212,692	64,393,440
Cash and Cash Equivalents	**138,446,507**	**138,446,507**	89,594,510	89,594,510
Deposits	**11,010,981**	**11,010,981**	18,135,050	18,135,050
Government Securities	**-**	**-**	15,470,342	14,981,550
Loans and Advances	**9,061,936**	**9,061,936**	11,318,107	11,318,107
Other Financial Assets	**264,909**	**264,909**	85,194	85,194
	9,326,845	**9,326,845**	26,873,643	26,384,851
	203,687,677	**204,033,432**	198,815,895	198,507,851
Fair Value Through Other Comprehensive Income				
Foreign Investments	**62,707,370**	**62,707,370**	43,660,648	43,660,648
Fair Value Through Profit or Loss				
Gold Deposits	**59,568,134**	**59,568,134**	44,227,272	44,227,272
Foreign Investments	**121,571,696**	**121,571,696**	127,493,824	127,493,824
Convertible Bonds	**15,579,880**	**15,579,880**	20,432,944	20,432,944
Fixed Secured Notes	**252,274**	**252,274**	252,409	252,409
Floating Securities	**50,434**	**50,434**	53,518	53,518
Other Investments	**2,713,008**	**2,713,008**	2,373,766	2,373,766
	140,167,292	**140,167,292**	150,606,461	150,606,461
	199,735,426	**199,735,426**	194,833,733	194,833,733
Total Financial Assets	**466,130,473**	**466,476,228**	437,310,276	437,002,232
Financial Liabilities				
Amortised Cost	**449,093,613**	**447,846,556**	436,444,027	434,901,964

34. FINANCIAL INSTRUMENTS (CONTINUED)

(b) (i) Categories and fair values of financial instruments (continued)

THE BANK

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	2025	**2025**	2024	2024
Financial Assets	**Rs 000**	**Rs 000**	Rs 000	Rs 000
Amortised Cost				
Foreign Investments	**44,903,344**	**45,249,099**	64,212,692	64,393,440
Cash and Cash Equivalents	**138,446,507**	**138,446,507**	89,594,510	89,594,510
Deposits	**11,010,981**	**11,010,981**	18,135,050	18,135,050
Government Securities	**-**	**-**	15,470,342	14,981,550
Loans and Advances	**9,061,936**	**9,061,936**	11,318,107	11,318,107
Other Financial Assets	**263,216**	**263,216**	83,050	83,050
	9,325,152	**9,325,152**	26,871,499	26,382,707
	203,685,984	**204,031,739**	198,813,751	198,505,707
Fair Value Through Other Comprehensive Income				
Foreign Investments	**62,707,370**	**62,707,370**	43,660,648	43,660,648
Fair Value Through Profit or Loss				
Gold Deposits	**59,568,134**	**59,568,134**	44,227,272	44,227,272
Foreign Investments	**121,571,696**	**121,571,696**	127,493,824	127,493,824
Other Investments	**2,334,243**	**2,334,243**	2,373,766	2,373,766
	123,905,939	**123,905,939**	129,867,590	129,867,590
	183,474,073	**183,474,073**	174,094,862	174,094,862
Total Financial Assets	**449,867,427**	**450,213,182**	416,569,261	416,261,217
Financial Liabilities				
Amortised Cost	**477,940,138**	**476,693,081**	462,631,546	461,089,482

Financial liabilities represent the total liabilities of the Bank less provisions (2025: Rs1,343,818,000; 2024: Rs1,566,198,000).

(b) (ii) Fair value of financial instruments

The Group and the Bank measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments. Reasonable possible changes to one of the significant unobservable inputs at reporting date would have no material effect on the fair value of the equity securities.

34. FINANCIAL INSTRUMENTS (CONTINUED)

(b) (ii) Fair value of financial instruments (continued)

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

THE GROUP

	Level 1	Level 2	Level 3	Total Carrying Amount	Total Fair Value
2025	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
Financial Assets					
Gold Deposits	**59,568,134**	**-**	**-**	**59,568,134**	**59,568,134**
Foreign Investments	**62,707,370**	**121,571,696**	**-**	**184,279,066**	**184,279,066**
Other Investments	**226,086**	**-**	**2,486,922**	**2,713,008**	**2,713,008**
Convertible Bonds	**-**	**-**	**15,579,880**	**15,579,880**	**15,579,880**
Fixed Secured Notes	**252,274**	**-**	**-**	**252,274**	**252,274**
Floating Securities	**-**	**-**	**50,434**	**50,434**	**50,434**
	122,753,864	**121,571,696**	**18,117,236**	**262,442,796**	**262,442,796**
2024					
Financial Assets	44,227,272	-	-	44,227,272	44,227,272
Gold Deposits	43,660,648	127,493,824	-	171,154,472	171,154,472
Foreign Investments	-	-	2,373,766	2,373,766	2,373,766
Other Investments	-	-	20,432,944	20,432,944	20,432,944
Convertible Bonds	252,409	-	-	252,409	252,409
Fixed Secured Notes	-	-	53,518	53,518	53,518
Floating Securities	88,140,329	127,493,824	22,860,228	238,494,381	238,494,381

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	Level 1	Level 2	Level 3	Total Carrying Amount	Total Fair Value
2025	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
Financial Assets					
Gold Deposits	**59,568,134**	**-**	**-**	**59,568,134**	**59,568,134**
Foreign Investments	**62,707,370**	**121,571,696**	**-**	**184,279,066**	**184,279,066**
Other Investments	**-**	**-**	**2,334,243**	**2,334,243**	**2,334,243**
	122,275,504	**121,571,696**	**2,334,243**	**246,181,443**	**246,181,443**
2024					
Financial Assets					
Gold Deposits	44,227,272	-	-	44,227,272	44,227,272
Foreign Investments	43,660,648	127,493,824	-	171,154,472	171,154,472
Other Investments	-	-	2,373,766	2,373,766	2,373,766
	87,887,920	127,493,824	2,373,766	217,755,510	217,755,510

The fair value of the level 2 instruments is calculated using the net asset value ("NAV") of the external fund managers. The NAV is based using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

34. FINANCIAL INSTRUMENTS (CONTINUED)

(b) (ii) Fair value of financial instruments (continued)

A reconciliation of fair value measurements in level 3 is set out below:

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Opening Balance	**22,860,228**	19,117,065	**2,373,766**	2,011,660
Adjustments for Prior year Interest	**(486,676)**	-	**-**	-
Additions During the year	**1,022,667**	2,904,713	**-**	9,713
Redemption During the year	**(1,467,000)**	(330,000)	**-**	-
Dividend/Interest Receivable	**929,708**	1,371,564	**-**	36,726
Interest Received	**(953,986)**	(845,442)	**-**	-
Movement in Forex	**(151,403)**	72,442	**(145,902)**	72,442
Change in Fair Value	**(3,636,302)**	569,886	**106,379**	243,225
Closing Balance	**18,117,236**	22,860,228	**2,334,243**	2,373,766

Reasonable possible changes to one of the significant unobservable inputs at reporting date would have no material effect on the fair value of the equity securities. There have been no transfers between the levels in the fair value hierarchy during the year.

For other investments, the Group and the Bank determine fair values using the valuation technique as per table below:

Valuation techniques used

Type of instrument	Fair value at 30 June 2025 Rs 000	Valuation techniques	Significant unobservable inputs	Range of estimates (weighted-average) for unobservable inputs	Fair value measurement sensitivity to unobservable inputs
Unquoted Shares	**2,334,243** (2024:2,373,766)	Net asset value per share	Net asset value of the investee company	Net asset value per share	A significant increase/ (decrease) in the NAV would increase/ (decrease) the fair value.
Convertible bonds	**15,579,880** (2024:20,432,944)	The model applies a hybrid structural and market-based approach, combining the MUR risk-free yield curve, default probabilities estimated via a Merton framework, and Monte Carlo simulations to determine bond values. The implied spreads are benchmarked against ICR-based reference spreads, with adjustments made to align model outcomes with market-consistent levels, where applicable.	MUR yield curve	4.71% - 6.19% (2024: 3.17% - 5.55%)	An increase/ (decrease) in the MUR yield curve would result in a lower/ (higher) fair value.
			Probability of default	0.01% - 52.9% (2024: 0.13% - 1.39%)	An increase/ (decrease) in the probability of default would result in a lower/ (higher) fair value. An increase/ (decrease) in credit spread would result in a lower/(higher) fair value.

34. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit Risk

Disclosure of credit risk enables the users of financial statements to assess the extent to which failures by counterparties to discharge their obligations could adversely impact on the Group and the Bank's future cash inflows from financial assets held at the reporting date.

The Group and the Bank are exposed to credit risk which is the risk of loss arising from the failure of a borrower, issuer, counterparty or customer to meet its financial obligations to the Group and the Bank. Credit risk on the securities held by the Group and the Bank are managed by holding only high quality marketable securities issued chiefly by entities enjoying a good credit rating. Credit risk also arises as a result of investment of foreign exchange reserves with foreign counterparties.

Investment in Government securities is considered as risk free. Credit risk also arises when the Group and the Bank provide liquidity to financial institutions through open market operations as part of monetary policy implementation.

The Group and the Bank use a broad range of forward looking information, such as:

- Industry specific risk and broad economic factors that may affect the business cycle;
- Key performance indicators;
- Economic, regulatory and geopolitical influences;
- Management and corporate governance attributes; and
- Competitive position.

Additionally, for Sovereign or national government, the analysis may take into consideration:

- Fiscal and Economic performance;
- Monetary Stability; and
- Effectiveness of the Government's institutions.

The Group and the Bank mitigate the credit risk of sale-and-repurchase agreements, gold swaps and total return swaps by entering into master netting agreements and holding collateral in the form of cash and marketable securities.

Derivative transactions are entered into under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under these agreements, in certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement with the counterparty are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions with the counterparty. The Group and the Bank execute a credit support annex in conjunction with the ISDA agreement, which requires the Group and the Bank and their counterparties to post collateral to mitigate counterparty credit risk. Certain derivatives are 'settled-to-market' daily, whereby the daily variation margin is a partial settlement of the outstanding derivative positions and the fair values of the derivatives are reduced accordingly.

34. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit Risk (continued)

The Group and the Bank's sale-and-repurchase are covered by master agreements with netting terms similar to those of ISDA master netting agreements.

The Group and the Bank receive and give collateral in the form of cash, marketable securities and gold in respect of the following transactions:

- sale-and-repurchase
- gold swaps
- total return swaps

This collateral is subject to standard industry terms including, when appropriate, an ISDA credit support annex. This means that securities received/given as collateral can be pledged or sold during the term of the transaction but have to be returned on maturity of the transaction. The terms also give each party the right to terminate the related transactions on the counterparty's failure to post collateral.

(i) Concentration of Credit Exposure by Geographical Area

The Group and the Bank's significant end-of-year concentration of credit exposure by geographical area was as follows:

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Mauritius	**25,591,936**	47,787,736	**9,330,583**	27,048,865
USA	**194,047,318**	148,670,194	**194,047,318**	148,670,194
United Kingdom	**146,256,964**	152,509,065	**146,256,964**	152,509,065
Europe	**47,607,290**	44,237,328	**47,607,290**	44,237,328
Other	**52,625,272**	44,103,809	**52,625,272**	44,103,809
	466,128,780	437,308,132	**449,867,427**	416,569,261

(ii) Concentration of Credit Exposure by Counterparty Types

The Group and the Bank's significant end-of-year concentration of credit exposure by Counterparty types was as follows:

	GROUP		BANK	
	2025	2024	**2025**	2024
	Rs 000	Rs 000	**Rs 000**	Rs 000
Government	**78,567,809**	88,680,440	**78,567,809**	88,680,440
Supranational Financial Institutions	**248,823,033**	261,489,787	**248,823,033**	261,489,787
Foreign Banks and Financial Institutions	**107,644,477**	50,274,344	**107,644,477**	50,274,344
Other	**31,093,461**	36,863,561	**14,832,108**	16,124,690
	466,128,780	437,308,132	**449,867,427**	416,569,261

34. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit Risk (continued)

(iii) Credit Exposure by Credit Rating

The following table presents the credit ratings of respective financial assets based on the ratings of Moody's. The Bank's investment in equity shares which typically do not obtain ratings and in Gold are denoted as Others. The Group and the Bank's investments with foreign central banks are presented separately. Cash and cash equivalents, amount due from central banks, domestic loans and advances and government securities are deemed to be of low credit risk.

	Credit Rating	GROUP				BANK			
		2025		2024		**2025**		2024	
		Rs 000	**%**	Rs 000	%	**Rs 000**	**%**	Rs 000	%
Cash and Cash Equivalents	Central Banks	**131,101,812**	**29.76**	88,673,629	22.75	**131,101,812**	**29.76**	88,673,629	22.75
	Others	**7,344,695**	**1.67**	920,881	0.24	**7,344,695**	**1.67**	920,881	0.24
Gold Deposits	Others	**59,568,134**	**13.52**	44,227,272	11.35	**59,568,134**	**13.52**	44,227,272	11.35
Foreign Financial assets held at Amortised Cost and Fair Value Through Other Comprehensive income	Aaa	**11,421,967**	**2.59**	59,680,475	15.31	**11,421,967**	**2.59**	59,680,475	15.31
	Aa	**69,707,876**	**15.82**	10,537,535	2.70	**69,707,876**	**15.82**	10,537,535	2.70
	A	**18,496,414**	**4.20**	16,908,310	4.34	**18,496,414**	**4.20**	16,908,310	4.34
	Baa	**18,321,324**	**4.16**	9,075,955	2.33	**18,321,324**	**4.16**	9,075,955	2.33
	Others	**674,114**	**0.15**	29,806,115	7.65	**674,114**	**0.15**	29,806,115	7.65
Foreign Financial Assets held at Fair Value Through Profit or Loss	Central banks	**5,657,155**	**1.28**	5,624,543	1.44	**5,657,155**	**1.28**	5,624,543	1.44
	Others	**118,248,784**	**26.85**	124,243,047	31.89	**118,248,784**	**26.85**	124,243,047	31.89
Total Foreign Financial Assets		**440,542,275**	**100.00**	389,697,762	100.00	**440,542,275**	**100.00**	389,697,762	100.00

	Credit Rating	GROUP				BANK			
		2025		2024		**2025**		2024	
		Rs 000	**%**	Rs 000	%	**Rs 000**	**%**	Rs 000	%
Loan and Advances	Others	**9,061,936**	**35.42**	11,318,107	23.77	**9,061,936**	**97.18**	11,318,107	42.12
Government Securities	Others	**-**	**-**	15,470,342	32.49	**-**	**-**	15,470,342	57.57
Other Assets	Others	**263,216**	**1.03**	83,050	0.19	**263,216**	**2.82**	83,050	0.31
Financial Assets held at Fair Value Through Profit or Loss	Others	**16,261,353**	**63.55**	20,738,871	43.55	**-**	**-**	-	-
Total Domestic Financial Assets		**25,586,505**	**100.00**	47,610,370	100.00	**9,325,152**	**100.00**	26,871,499	100.00

34. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit Risk (continued)

(iii) Credit Exposure by Credit Rating

Summary	Credit Rating	GROUP				BANK			
		2025		2024		**2025**		2024	
		Rs 000	**%**	Rs 000	%	**Rs 000**	**%**	Rs 000	%
Foreign Financial Assets	Central Banks	**136,758,967**	**31.04**	94,298,172	24.20	**136,758,967**	**31.04**	94,298,172	24.20
	Aaa	**11,421,967**	**2.59**	59,680,475	15.31	**11,421,967**	**2.59**	59,680,475	15.31
	Aa	**69,707,876**	**15.82**	10,537,535	2.70	**69,707,876**	**15.82**	10,537,535	2.70
	A	**18,496,414**	**4.20**	16,908,310	4.34	**18,496,414**	**4.20**	16,908,310	4.34
	Baa	**18,321,324**	**4.16**	9,075,955	2.33	**18,321,324**	**4.16**	9,075,955	2.33
	Others	**185,835,727**	**42.19**	199,197,315	51.12	**185,835,727**	**42.19**	199,197,315	51.12
		440,542,275	**100.00**	389,697,762	100.00	**440,542,275**	**100.00**	389,697,762	100.00
Domestic Financial Assets	Others	**25,586,505**	**100.00**	47,610,370	100.00	**9,325,152**	**100.00**	26,871,499	100.00
		25,586,505	**100.00**	47,610,370	100.00	**9,325,152**	**100.00**	26,871,499	100.00

(iv) Credit Exposure by Credit Quality

	GROUP		BANK	
	2025 Stage 1 12-month ECL	2024 Stage 1 12-month ECL	**2025 Stage 1 12-month ECL**	2024 Stage 1 12-month ECL
	Rs 000	Rs 000	**Rs 000**	Rs 000
Securities at Amortised Cost				
Credit Rating AAA to Baa: Low to fair risk	**55,240,211**	52,541,628	**55,240,211**	52,541,628
Credit Rating Ba: Monitoring	**-**	-	**-**	-
Credit Rating below Ba: Default	**-**	-	**-**	-
Others	**674,114**	29,806,114	**674,114**	29,806,114
Total Carrying Amount	**55,914,325**	82,347,742	**55,914,325**	82,347,742
Loss Allowance	**11,809**	21,388	**11,809**	21,388
Securities at FVOCI				
Credit Rating AAA to Baa: Low to fair risk	**62,707,370**	43,660,648	**62,707,370**	43,660,648
Credit Rating Ba: Monitoring	**-**	-	**-**	-
Credit Rating below Ba: Default	**-**	-	**-**	-
Total Carrying Amount	**62,707,370**	43,660,648	**62,707,370**	43,660,648
Loss Allowance	**7,381**	7,522	**7,381**	7,522

34. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit Risk (continued)

(v) Collateral

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The following table gives details of facilities availed by the Bank under Repurchase Agreements (Repos) and Swaps:

	2025	2024
	Rs 000	Rs 000
Obligations to Foreign Counterparties (Note 22)	**45,276,835**	61,977,244
Securities on Repo and Swaps	**14,948,755**	34,013,362
Gold under Swaps	**50,207,845**	35,186,930
	65,156,600	69,200,292

30 JUNE 2025

Types of financial instruments	Gross amounts of Financial Instruments in the Statement of Financial Position	Related Financial Instruments that are not offset	Net amount
	Rs 000	**Rs 000**	**Rs 000**
Financial assets			
Foreign Investments and Gold	**65,156,600**	**(45,276,835)**	**19,879,765**
Financial liabilities (with recourse)			
Obligations to Foreign Counterparties	**(45,276,835)**	**45,276,835**	**-**

30 JUNE 2024

Types of financial instruments	Gross amounts of Financial Instruments in the Statement of Financial Position	Related Financial Instruments that are not offset	Net amount
	Rs 000	Rs 000	Rs 000
Financial assets			
Foreign Investments	69,200,292	(61,977,244)	7,223,048
Financial liabilities (with recourse)			
Obligations to Foreign Counterparties	(61,977,244)	61,977,244	-

Redeemable Convertible Bonds of the Group

Although debt instruments measured at Fair Value Through Profit or Loss (FVTPL) are not subject to the recognition of expected credit losses (ECL) under IFRS 9, the Group classifies these instruments into Stages 1 to 3 for internal credit risk monitoring and regulatory disclosure purposes, in line with Section 36 of the Bank of Mauritius Guideline on Provisioning and Write-off of Credit Exposures. The Group continues to monitor all credit exposures closely and updates staging classifications at each reporting date.

34. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit Risk (continued)

(v) Collateral (continued)

The Staging Categories used by the Group are as follows:

Stages	Category	Minimum Provisioning Rate	Details
1	Sub-standard	25%	These exposures show clear credit weaknesses (e.g. deteriorating cash flows, financial position). They are past due by more than 90 days but not more than 180 days, or have been restructured once. The 25% provision reflects moderate risk of loss.
2	Doubtful	50%	These exposures have worsened beyond sub-standard, with serious doubts about full recovery without relying on collateral. They are past due by more than 180 days but not more than 360 days. The 50% provision reflects high risk of partial loss.
3	Loss	75% (if NPE < 4 years) 100% (if NPE > 4 years)	These exposures are considered uncollectible and of negligible value. Even if some collateral exists, its recoverable value is less than 10% of the exposure. The provision increases to 100% after 4 years, reflecting the near certainty of full loss.

The Group's credit risk is mitigated through a combination of collateral and other credit enhancement, which are summarised below:

- The Group holds security over both specific and general assets of the issuers via fixed and floating charges.
- Certain investments are secured through the assignment or pledge of receivables.
- Letters of guarantee are obtained from the shareholders of some issuers, providing an additional recourse in the event of default.
- While not a direct credit enhancement, convertibility offers potential value recovery through equity conversion.

To ensure adequate credit protection over its Bonds and Notes Investments, the Group applies a conservative collateral valuation and monitoring process. Collateral received from issuers is subject to haircuts, reflecting market volatility, asset quality, and liquidity. This ensures that the Group's exposure remains fully covered at all times, even in stressed conditions.

Collateral values are regularly assessed through a process that involves:

- Analysing the credit data of issuers obtained from the MCIB (Mauritius Credit Information Bureau);
- Calculating the remaining net free asset coverage, representing the portion of collateral still available to repay the Group after all deductions;
- Deducting the carrying amount of the bond exposure from the discounted (haircut) value of the collateral provided

34. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit Risk (continued)

(v) Collateral (continued)

Collateral and guarantees are assessed at inception and monitored regularly. The Group ensures proper legal documentation is in place and performs periodic reviews to evaluate changes in collateral value or creditworthiness of guarantors.

The Group does not have the right to sell or repledge the collateral unless the owner of the collateral defaults. No assets were repossessed by the Group during the financial year ended 30 June 2025.

(d) Liquidity Risk

Liquidity risk is the difficulty that an entity will encounter in raising funds at short notice to meet financial commitments as and when they arise. Liquidity risk is also the risk arising from the possibility of an entity not realising the fair value of a financial asset that it may have to dispose of to meet a financial obligation. In order to reduce the level of liquidity risk arising out of open market operations, the Group and the Bank require highly liquid marketable securities such as Government of Mauritius Treasury Bills as collateral for loans after applying a haircut for additional security.

The Group and the Bank manage liquidity of its foreign currency assets in order to settle commitments of the Bank and Government as and when they arise, as well as to intervene on the domestic foreign exchange market. The Group and the Bank have set limits with regard to currency and counterparty exposures to contain the risk.

34. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Liquidity Risk (continued)

The tables below show the Group and the Bank's financial assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows, inclusive of interest receivable or payable on interest bearing non-derivative financial instruments.

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Maturity Analysis		Up to 3 months	Above 3 and up to 6 months	Above 6 and up to 12 months	Between 1 and 5 years	Above 5 years	Undefined Maturity	Total
		Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 30 June 2025								
Non Derivative Financial Assets								
Foreign Assets	(i)	111,612,890	14,440,858	20,732,991	45,875,065	23,417,903	236,790,724	452,870,431
Loans and Advances		144,176	205,296	353,799	5,483,613	2,961,722	-	9,148,606
Other Assets		264,910	-	-	-	173,661	22,227	460,798
Domestic Asset at FVTPL		-	-	-	-	16,261,353	-	16,261,353
Total Financial Assets		112,021,976	14,646,154	21,086,790	51,358,678	42,814,639	236,812,951	478,741,188
Non Derivative Financial Liabilities								
Currency in Circulation	(ii)	-	-	-	-	-	65,581,955	65,581,955
Demand Deposits	(iii)	-	-	-	-	-	118,726,637	118,726,637
Monetary Policy Instruments		87,761,051	7,968,760	9,525,344	23,446,352	-	-	128,701,507
Other Liabilities		78,746,647	15,664,602	8,740,800	21,007,226	-	15,874,831	140,034,106
Total Financial Liabilities		166,507,698	23,633,362	18,266,144	44,453,578	-	200,183,423	453,044,205
Net Liquidity Gap		(54,485,722)	(8,987,208)	2,820,646	6,905,100	42,814,639	36,629,528	25,696,983

Note: (i) The Foreign Assets of the Group are highly liquid and can be realised at any point in time by the Group.

(ii) Currency in circulation represent notes and coins issued by the Bank and which are in circulation in public. These are classified under liabilities in the undefined maturity bucket as the exact date on which the liabilities will be relinquished is not known.

(iii) Demand deposits include foreign currency deposits in respect of regulatory requirements (cash reserve ratio and liquidity coverage ratio).

34. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Liquidity Risk (continued)

THE GROUP

Maturity Analysis		Up to 3 months	Above 3 and up to 6 months	Above 6 and up to 12 months	Between 1 and 5 years	Above 5 years	Undefined Maturity	Total
		Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 30 June 2024								
Non Derivative Financial Assets								
Foreign Assets	(i)	69,271,607	3,432,224	10,720,056	129,965,590	24,853,432	169,068,267	407,311,176
Loans and Advances		120,849	147,205	343,830	7,439,402	3,633,429	22,075	11,706,790
Government Securities		-	-	15,470,342	-	-	-	15,470,342
Other Assets		92,835	-	-	148,776	-	-	241,611
Domestic Asset at FVTPL		-	-	-	-	20,738,871	-	20,738,871
Total Financial Assets		69,485,291	3,579,429	26,534,228	137,553,768	49,225,732	169,090,342	455,468,790
Non Derivative Financial Liabilities								
Currency in Circulation	(ii)	-	-	-	-	-	58,600,328	58,600,328
Demand Deposits	(iii)	-	-	-	-	-	93,784,284	93,784,284
Monetary Policy Instruments		66,890,070	8,055,696	28,978,933	45,147,823	5,505,300	-	154,577,822
Other Liabilities		72,260,944	14,693,424	296,074	33,353,537	-	16,059,831	136,663,810
Total Financial Liabilities		139,151,014	22,749,120	29,275,007	78,501,360	5,505,300	168,444,443	443,626,244
Net Liquidity Gap		(69,665,723)	(19,169,691)	(2,740,779)	59,052,408	43,720,432	645,899	11,842,546

Note: (i) The Foreign Assets of the Group are highly liquid and can be realised at any point in time by the Group.

(ii) Currency in circulation represent notes and coins issued by the Bank and which are in circulation in public. These are classified under liabilities in the undefined maturity bucket as the exact date on which the liabilities will be relinquished is not known.

(iii) Demand deposits include foreign currency deposits in respect of regulatory requirements (cash reserve ratio and liquidity coverage ratio).

34. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Liquidity Risk (continued)

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Maturity Analysis		Up to 3 months	Above 3 and up to 6 months	Above 6 and up to 12 months	Between 1 and 5 years	Above 5 years	Undefined Maturity	Total
		Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 30 June 2025								
Non Derivative Financial Assets								
Foreign Assets	(i)	111,612,891	14,440,858	20,732,991	45,875,065	23,417,904	236,790,724	452,870,433
Loans and Advances		144,176	205,296	353,799	5,483,613	2,961,722	-	9,148,606
Other Assets		263,217	-	-	-	173,661	22,227	459,105
Total Financial Assets		112,020,284	14,646,154	21,086,790	51,358,678	26,553,287	236,812,951	462,478,144
Non Derivative Financial Liabilities								
Currency in Circulation	(ii)	-	-	-	-	-	65,581,955	65,581,955
Demand Deposits	(iii)	-	-	-	-	-	147,632,971	147,632,971
Monetary Policy Instruments		87,761,051	7,968,760	9,525,344	23,446,352	-	-	128,701,507
Other Liabilities		78,686,839	15,664,602	8,740,800	21,007,226	-	15,874,831	139,974,297
Total Financial Liabilities		166,447,890	23,633,362	18,266,144	44,453,578	-	229,089,757	481,890,730
Net Liquidity Gap		(54,427,606)	(8,987,208)	2,820,646	6,905,100	26,553,287	7,723,194	(19,412,586)

Note: (i) The Foreign Assets of the Bank are highly liquid and can be realised at any point in time by the Bank.

(ii) Currency in circulation represent notes and coins issued by the Bank and which are in circulation in public. These are classified under liabilities in the undefined maturity bucket as the exact date on which the liabilities will be relinquished is not known.

(iii) Demand deposits include foreign currency deposits in respect of regulatory requirements (cash reserve ratio and liquidity coverage ratio).

34. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Liquidity Risk (continued)

THE BANK

Maturity Analysis		Up to 3 months	Above 3 and up to 6 months	Above 6 and up to 12 months	Between 1 and 5 years	Above 5 years	Undefined Maturity	Total
		Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 30 June 2024								
Non Derivative Financial Assets								
Foreign Assets	(i)	69,271,605	3,432,224	10,720,056	129,965,590	24,853,433	169,068,267	407,311,176
Loans and Advances		120,850	147,205	343,830	7,439,402	3,633,428	22,075	11,706,790
Government Securities		-	-	15,470,342	-	-	-	15,470,342
Other Assets		83,650	-	-	148,776	-	-	232,426
Total Financial Assets		69,476,106	3,579,429	26,534,228	137,553,768	28,486,861	169,090,342	434,720,734
Non Derivative Financial Liabilities								
Currency in Circulation	(ii)	-	-	-	-	-	58,600,328	58,600,328
Demand Deposits	(iii)	-	-	-	-	-	120,428,776	120,428,776
Monetary Policy Instruments		66,890,070	8,055,697	28,978,933	45,147,823	5,505,300	-	154,577,823
Other Liabilities		71,803,970	14,693,424	296,074	33,353,537	-	16,059,831	136,206,836
Total Financial Liabilities		138,694,041	22,749,121	29,275,007	78,501,360	5,505,300	195,088,934	469,813,763
Net Liquidity Gap		(69,217,935)	(19,169,692)	(2,740,779)	59,052,408	22,981,561	(25,998,592)	(35,093,029)

Note: (i) The Foreign Assets of the Bank are highly liquid and can be realised at any point in time by the Bank.

(ii) Currency in circulation represent notes and coins issued by the Bank and which are in circulation in public. These are classified under liabilities in the undefined maturity bucket as the exact date on which the liabilities will be relinquished is not known.

(iii) Demand deposits include foreign currency deposits in respect of regulatory requirements (cash reserve ratio and liquidity coverage ratio).

34. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Interest Rate Risk

THE BANK

Repricing Analysis

Changes in market interest rates have a direct effect on the contractually determined cash flows associated with specific financial assets and financial liabilities, whose interest rates are periodically reset to market, as well as the fair values of other instruments on which the interest rates are fixed throughout the period of the contract. The policy pertaining to changes in fair values due to changes on exchange rates is explained at section (f) below.

The rates on financial assets and financial liabilities which are interest-bearing are set at or around current market levels.

The Bank's reserves management includes investments in a variety of foreign currency denominated cash, deposits and other securities. The Bank does not hedge against interest rate risk and aims to maximise return within the constraints of liquidity and safety and these are effected through investments with sound financial institutions.

The following table demonstrates the sensitivity of the Bank's profit to interest rate changes, all other variables held constant. Sensitivity rates are derived from historical observations as at 30 June 2024 and 2025.

	Change in yield (basis points)	Effect on Profit and Equity 2025	Effect on Profit and Equity 2024
		Rs 000	Rs 000
Foreign Currency Portfolio	+50	(13,128)	111,781
	-50	13,128	(111,781)
Domestic Portfolio	+50	-	77,352
	-50	-	(77,352)

Government securities are amortised in the Statement of Financial Position of the Bank.

The tables below summarise the Bank's exposure to interest rate risk. The amounts disclosed in the tables are the contractual undiscounted cash flows, inclusive of interest receivable or payable on interest bearing non-derivative financial instruments.

34. FINANCIAL INSTRUMENTS (CONTINUED)

THE GROUP

(e) Interest Rate Risk (continued)

Repricing Analysis	Up to 3 months	Above 3 and up to 6 months	Above 6 and up to 9 months	Above 9 and up to 12 months	Over 12 months	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 30 June 2025						
Non Derivative Financial Assets						
Foreign Assets	125,243,621	-	-	-	-	125,243,621
Domestic Assets at FVTPL	-	-	-	-	50,434	50,434
Total Financial Assets	125,243,621	-	-	-	50,434	125,294,055
Non Derivative Financial Liabilities						
Monetary Policy Instruments	57,747,746	-	-	-	-	57,747,746
Other Liabilities	71,290,087	131,679	131,679	131,679	-	71,685,124
Total Financial Liabilities	129,037,833	131,679	131,679	131,679	-	129,432,870
Net Liquidity Gap	(3,794,212)	(131,679)	(131,679)	(131,679)	50,434	(4,138,815)

Repricing Analysis	Up to 3 months	Above 3 and up to 6 months	Above 6 and up to 9 months	Above 9 and up to 12 months	Over 12 months	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 30 June 2024						
Non Derivative Financial Assets						
Foreign Assets	88,842,548	-	-	-	-	88,842,548
Domestic Assets at FVTPL	-	-	-	-	-	53,518
Total Financial Assets	88,842,548	-	-	-	-	88,896,066
Non Derivative Financial Liabilities						
Monetary Policy Instruments	30,166,110	52,120	52,120	4,406,690	-	34,677,040
Other Liabilities	55,227,653	-	-	-	-	55,227,653
Total Financial Liabilities	85,393,763	52,120	52,120	4,406,690	-	89,904,693
Net Liquidity Gap	3,448,785	(52,120)	(52,120)	(4,406,690)	53,518	(1,008,627)

34. FINANCIAL INSTRUMENTS (CONTINUED)

THE BANK

(e) Interest Rate Risk (continued)

Repricing Analysis	**Up to 3 months**	**Above 3 and up to 6 months**	**Above 6 and up to 9 months**	**Above 9 and up to 12 months**	**Total**
	Rs 000	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
At 30 June 2025					
Non Derivative Financial Assets					
Foreign Assets	**125,243,621**	**-**	**-**	**-**	**125,243,621**
Loans and Advances	**-**	**-**	**-**	**-**	**-**
Other Assets	**-**	**-**	**-**	**-**	**-**
Total Financial Assets	**125,243,621**	**-**	**-**	**-**	**125,243,621**
Non Derivative Financial Liabilities					
Monetary Policy Instruments	**57,747,746**	**-**	**-**	**-**	**57,747,746**
Other Liabilities	**71,290,087**	**131,679**	**131,679**	**131,679**	**71,685,124**
Total Financial Liabilities	**129,037,833**	**131,679**	**131,679**	**131,679**	**129,432,870**
Net Liquidity Gap	**(3,794,212)**	**(131,679)**	**(131,679)**	**(131,679)**	**(4,189,249)**

Repricing Analysis	**Up to 3 months**	**Above 3 and up to 6 months**	**Above 6 and up to 9 months**	**Above 9 and up to 12 months**	**Total**
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 30 June 2024					
Non Derivative Financial Assets					
Foreign Assets	88,842,548	-	-	-	88,842,548
Loans and Advances	-	-	-	-	-
Other Assets	-	-	-	-	-
Total Financial Assets	88,842,548	-	-	-	88,842,548
Non Derivative Financial Liabilities					
Monetary Policy Instruments	30,166,110	52,120	52,120	4,406,690	34,677,040
Other Liabilities	55,227,653	-	-	-	55,227,653
Total Financial Liabilities	85,393,763	52,120	52,120	4,406,689	89,904,693
Net Liquidity Gap	3,448,785	(52,120)	(52,120)	(4,406,689)	(1,062,145)

34. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Interest Rate Risk (continued)

The interest-bearing Mauritian rupee denominated assets earn interest at rates ranging from 0.45% p.a. to 4.5% p.a. (2024: 0.45% p.a. to 2.5% p.a.) and from 0.54% p.a. to 7.28% p.a. (2024: 0.02% p.a. to 7.28% p.a.) for foreign currency denominated assets.

The interest-bearing Mauritian rupee denominated liabilities bear interest at rates ranging from 1.45% p.a. to 6.95% p.a. (2024: 1.45% p.a. to 6.95% p.a.) and from 1.87% p.a. to 5.51% p.a. (2024: 0.20% p.a. to 5.80% p.a.) for liabilities denominated in foreign currencies.

Mauritius Investment Corporation Ltd

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. MIC's income and operating cash are dependent on changes in interest rates as MIC has both fixed rate and floating rate interest bearing financial assets. The interest-bearing Mauritian rupee denominated assets earn both fixed and floating interest at rates ranging from 3% p.a. to 7.9% p.a. MIC's policy is to ensure that there is a balanced combination of both fixed rate and floating rates instruments entered into.

The following table demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of MIC's profit/(loss) before taxation (through the impact of variable rate borrowing).

These changes are considered to be reasonably possible based on historical observations of current market conditions.

	Change in interest rate (Basis points)	Effect on profit or loss
2025		**Rs 000**
Bonds and Notes	100	132,880
	(100)	(132,880)

A 100 basis point decrease in interest rates would reduce profit by approximately Rs132.9 million, while 100 basis point increase in interest rates would increase profit by the same amount.

Bond price risk is the risk of unfavourable changes in fair values financial assets at FVTPL as the result of changes in the value of individual bonds. The bond price risk exposure arises from MIC's investments in Secured Redeemable Convertible Bonds. MIC's policy is to manage bond price risk through selection of securities and other financial instruments within the specified limits set by its investment policy.

Sensitivity analysis – Change in yield

The next table summarises the impact of increases/decreases of the bond value on MIC's results for the year.

The analysis is based on the assumption that the yield is increased/decreased by 1%, with all other variables held constant considering the economic environment in which MIC operates. Sensitivity rates are derived from historical observations as at 30 June 2024 and 2025.

34. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Interest Rate Risk (continued)

	Change in yield (Basis points)	Effect on profit or loss and equity
2025		**Rs 000**
Bonds and Notes	**100**	**(388,403)**
	(100)	**406,272**
2024		
Bonds and Notes	100	33,466
	(100)	721,899

A 100 basis point decrease in yield would increase the fair value of the bond portfolio by approximately Rs 406.2 million (2024: Rs 721.8 million), while a 100 basis point increase in yield would decrease the fair value by approximately Rs388.4 million (2024: Rs33.4 million).

(f) Foreign Currency Risk

The Bank has monetary assets and liabilities denominated in foreign currencies, which consist mainly of currencies of the major trading partners of Mauritius. The liabilities represent mainly deposit accounts maintained by its customers and obligations to foreign counterparties.

The Bank does not hedge against risk of fluctuations in exchange rates. However, it has set aside the Special Reserve Fund (Note 5), which is used to cater for movements due to appreciation/depreciation in foreign currencies, Gold and SDR.

The Bank considers it has a diversified portfolio of foreign currencies which would mitigate any foreign currency risk that may arise from volatility in exchange rates. The composition of the Bank's Foreign Assets based on the SDR Basket is as follows:

	2025	2024
	Rs 000	Rs 000
SDR Basket	**359,016,435**	323,298,032
Non-SDR Basket	**79,191,598**	64,025,964
	438,208,033	387,323,996

The SDR Basket comprises the following currencies: GBP, USD, EUR, JPY and RMB.

The following table demonstrates the sensitivity of the Bank's equity to exchange rate changes, all other variables held constant. The sensitivity is mainly due to changes in USD, INR and CNY. Sensitivity rates are derived from historical observations as at 30 June 2024 and 2025.

	Change in MUR Exchange Rate	Effect on Profit and Equity 2025	Effect on Profit and Equity 2024
		Rs 000	Rs 000
Foreign Currency Portfolio	**+50 cents**	**9,133,320**	7,107,767
	-50 cents	**(9,133,320)**	(7,107,767)

35. RELATED PARTY TRANSACTIONS

		GROUP		BANK	
Related Party	**Nature of Transactions**	**Transactions during the Year**	**Outstanding Balance**	**Transactions during the Year**	**Outstanding Balance**
2025		**Rs 000**	Rs 000	**Rs 000**	Rs 000
Government of Mauritius	**Interest on Government Securities**	**119,794**		**119,794**	
	Demand Deposits	**-**	7,519,490	**-**	7,519,490
Key Management Personnel	**Remuneration**	**44,883**	-	**35,466**	-
	Post-RetirementBenefits	**432**	-	**432**	-
Subsidiaries					
Mauritius Investment Corporation Ltd	**Demand Deposits**	**-**	-	**-**	28,210,465
Mauritius Deposit Insurance Corporation Ltd	**Demand Deposits**	**-**	-	**-**	695,869
	Management Fees	**-**	-	**1,620**	-
2024					
Government of Mauritius	Government Securities	-	15,470,342	-	15,470,342
	Interest on Government Securities	112,808	-	112,808	-
	Demand Deposits	-	6,091,122	-	6,091,122
Key Management Personnel	Remuneration	53,395	-	44,673	-
	Post-Retirement Benefits	1,009	-	1,009	-
Subsidiaries					
Mauritius Investment Corporation Ltd	Demand Deposits	-	-	-	26,445,810
	Dividend	-	-	490,250	
	Management Fees	-	-	500	
Mauritius Deposit Insurance Corporation Ltd	Demand Deposits	-	-	-	198,682
	Management Fees	-	-	405	-

The demand deposits are unremunerated.

36. TRANSACTIONS WITH THE INTERNATIONAL MONETARY FUND ("IMF")

As a member of IMF, Mauritius was initially allocated an amount of SDR15,744,000. In August 2009, the IMF Board of Governors approved an allocation of Special Drawing Rights (SDR) to member countries. The Bank acts as agent to Government when conducting SDR transactions.

Accordingly, a total amount of SDR81,061,549 was allocated to Mauritius. In August 2021, the IMF Board of Governors approved an additional General Allocation of SDRs and an amount of SDR136,292,305 was allocated to Mauritius bringing the total allocation to SDR233,097,854. A total amount of SDR34,305,795 was utilized for prescribed transfers bringing the balance to SDR198,792,059. IMF charges the Bank on the SDR allocations and also remunerates it on the SDR holdings on a quarterly basis. IMF charges for the current year amounted to Rs413,354,434 (2024: Rs493,474,571). SDR Holdings amounting to SDR220,480,857 are recorded under Cash and Cash Equivalents and is converted at the rate of SDR0.01607/Re (Note 6).

The Bank maintains two current accounts and one securities account for the IMF. The IMF No 1 and No 2 current accounts appear in the Statement of Financial Position under the heading **"Demand Deposits: Others"** and are utilised for IMF transactions. The securities account is not included in the Statement of Financial Position and is kept separately.

36. TRANSACTIONS WITH THE INTERNATIONAL MONETARY FUND ("IMF") (CONTINUED)

The Government of Mauritius has been participating in the IMF Quarterly Financial Transactions Plan. Participation in the plan entails the obligation to provide usable currencies in exchange for SDRs when designated and accords the right to use SDRs in case of a balance of payment need.

In September 2022, the Government of Mauritius and the International Monetary Fund entered into a Voluntary Trading Arrangement (VTA) to buy and sell SDRs against US Dollars. As at 30 June 2025, a net amount of SDR2,088,795 (2024: SDR1,801,342) was traded under the VTA.

37. BUSINESS COMBINATION

(i) On Acquisition of EastCoast Hotel Investment Ltd

On 7 June 2024, the Group, through its wholly owned subsidiary, Mauritius Investment Corporation Ltd, acquired 70% of the shareholding of EastCoast Hotel Investment Ltd (ECHIL) in its pledge to financially assist distressed large, important and viable companies in Mauritius.

As a result of this acquisition, the Group has obtained control on ECHIL. Its main activity is that of an investment holding company and its sole investment is in Armand Apavou & Co Ltd which holds the industrial site lease of Ambre Resort with the Government of Mauritius and its main activity is to rent a hotel building.

The Group has assessed whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has concluded that the acquired set is a business.

The Group has accounted for the above transaction under IFRS 3, "Business Combinations" in the consolidated financial statements. Details of the purchase consideration, fair value of the acquiree's assets and liabilities arising from the acquisition and goodwill are given below:

	2024
	Rs 000
Cash Consideration	**2,398,226**
Non-Controlling Interests	**627,466**
	3,025,692
Fair Value of Net Assets Acquired	**(2,091,553)**
Goodwill	**934,139**

The fair value of the acquiree's assets and liabilities arising from the acquisition are as follows:

	2024
	Rs 000
Goodwill	**201,801**
Right-of use assets	**502,710**
Investment Properties	**1,812,381**
Other Receivables	**7,057**
Other Payables	**(432,396)**
Fair Value of Net Assets Acquired	**2,091,553**

37. BUSINESS COMBINATION (CONTINUED)

(ii) On Part Disposal of EastCoast Hotel Investment Ltd

On 10 July 2024, Sun Limited exercised the option to buy 21% of the stake in EastCoast Hotel Investment Ltd from MIC for a consideration of EUR14.4 million and therefore there is loss of control by MIC. It is now treated as an Associate and is accounted under the equity method in the consolidated financial statements (Note 14). The effective date of change in control from MIC to Sun Limited was 8 November 2024.

	Rs 000
Consideration Received	
Proceeds	**719,768**

Fair Value of EastCoast Hotel Investment Ltd as at 31 October 2024

	Rs 000
Goodwill	**199,697**
Rights-of use Assets	**496,994**
Investment Properties	**1,827,671**
Financial assets at FVOCI	**17**
Other Assets	**48,940**
Other Liabilities	**(455,249)**
	2,118,070

Loss on Part Disposal

	Rs 000
Consideration Received	**719,768**
Share of Net Assets partly Disposed	**(2,118,070)**
Deconsolidation of Non-Controlling Interest	**635,421**
Deconsolidation of Goodwill (Note (i))	**(934,139)**
Transfer to Investment in Associate (Note 14)	**1,685,370**
Loss on Part Disposal	**(11,650)**

38. RIGHT-OF-USE ASSETS

THE GROUP

Carrying Amount

2024	Right-of-Use Leasehold Land	Fair Value of Leasehold Land	Total
	Rs 000	Rs 000	Rs 000
Net Book Value as at 30 June 2024	175,755	326,955	502,710

Depreciation and Lease Payments

There is no depreciation charge and lease payments on the consolidated financial statements as these arise on EastCoast Hotel Investment Ltd which was acquired in June 2024.

Lease Liabilities

	Rs 000
Current Liabilities	**196,629**
Non-Current Liabilities	**777**
At 30 June 2024	**197,406**

The lease liabilities are included under ‘Other Liabilities’ in the Statement of Financial Position.

38. RIGHT-OF-USE ASSETS (CONTINUED)

THE GROUP (CONTINUED)

Lease Liabilities (continued)

Land held on Lease

The subsidiary, Armand Apavou Co Ltd, has signed an agreement with the Government of Mauritius for a lease of 63,313 square metres for a duration of 60 years starting from 19 July 2008. Leasehold land runs for a remaining period of 44 years. The lease carries average interest rate of 6.82% per annum.

	Minimum Lease Payments	Present Value of Minimum Lease Payments
	Rs 000	Rs 000
Within one year	262,114	15,280
After one year but before two years	262,114	16,322
After two years but before three years	262,114	17,435
After three years but before five years	524,229	38,518
After five years	10,244,300	3,793,836
	11,292,757	3,866,111
	11,554,871	3,881,391
Less Future finance charges	(7,673,480)	-
	3,881,391	3,881,391

39. INVENTORIES

During the year ended 30 June 2025, MIC transferred portions of land from Investment Properties to Inventories, reflecting a change in intended use from holding for capital appreciation to active development for sale. The land was previously classified as investment properties held for capital appreciation. MIC commenced development activities on these parcels, incurring directly attributable costs that have been capitalized as part of inventory. Prior to the transfer from Investment Properties to Inventories these land parcels were valued using the Sales Comparison Approach.

The land was transferred at its fair value of Rs 1,181 million on 1 July 2024 which became its deemed cost under IAS 2 *Inventories* in accordance with IAS 40 *Investment Property*. Following the transfer, inventories are measured at the lower of cost and net realisable value, in accordance with IAS 2. Cost includes the carrying amount at 1 July 2024 and development cost incurred during the year in bringing the inventories to its current condition and location.

	2025
	Rs 000
Carrying amount of land transferred from investment property to inventories	1,181,400
Capitalised development costs during the year	78,798
Total as at 30 June 2025	1,260,198

40. PRIOR PERIOD ERROR – INVESTMENT IN ASSOCIATES

The Group's investments in associates are accounted for using the equity method. During the current financial year ended 30 June 2025, the Group was informed by one of its associates, Airport Holding Limited (AHL) that the financial statements of the associate for the financial year ended 30 June 2024 contained an error. The error relates to an impairment of AHL's underlying investee companies, which resulted in an overstatement of the Group's share of net assets and share of associate results for that year. Consequently, the Group's investment in associate for the prior period was misstated.

However, in accordance with paragraph 43 to 45 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the Group has not restated the comparative figures for the year ended 30 June 2024. The determination of the recoverable amount as at 30 June 2024 would require the use of hindsight, particularly in relation to cash flow projections and discount rates, which were not objectively determinable at the time and is hence impracticable.

The Group has recognised the impact in the consolidated statement of profit or loss for the current year ended 30 June 2025 under Share of Loss of Equity-Accounted Associates amounting to Rs 4.6 billion for the year ended 30 June 2025 (2024: Rs2.1 billion).

Accordingly, in the separate financial statements, the carrying amount of the subsidiary which incorporates the associate (AHL) has not been retrospectively restated but the impact was accounted through the impairment loss of Rs 5.4 billion during the year ended 30 June 2025 (2024: Nil).

41. SUBSEQUENT EVENTS

The former Second Deputy Governor resigned on 29 August 2025 and the former Governor's last working day was 28 September 2025. Compensations payable to the former Governor and former Second Deputy Governor are Rs5.5 million and Rs0.5 million respectively.

On 29 September 2025 the President of the Republic of Mauritius has, in accordance with Section 13 & 14 of the Bank of Mauritius Act 2004, and upon the recommendation of the Prime Minister, appointed Dr Priscilla Muthoora Thakoor as new Governor and Mr Ramsamy Chinniah as new Second Deputy Governor.

The Bank appointed Mr Ramsamy Chinniah as director of MIC on 23 October 2025 following the resignation of the former Second Deputy Governor.

On 3 September 2025, the Board of Directors of MIC approved the setting up of a Land Committee to oversee all matters, including land development projects, related to the land holdings of MIC as well as its subsidiary.

MIC appointed Ms Rehana Kasenally as Director of MIC Smart City Ltd on 1 October 2025.

There were no other significant events after the reporting date which need disclosures.

42. TAX EXEMPTION

The Bank is exempt from payment of tax under the Bank of Mauritius Act 2004.

MIC and MDIC are exempt from the payment of tax under the Second Schedule of the Mauritius Income Tax Act 1995.

MIC Smart City Ltd is exempt from payment of tax for a period of 8 years from the date of issue (28 June 2022) of a registration certificate under the Investment Promotion (Smart City Scheme) Regulations 2015.

07
APPENDICES

Appendices

Appendix I	Bank of Mauritius – Organisation Chart
Appendix II	Senior Management as at 30 June 2025
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Appendix IV	Overseas Meetings, Training Courses, Seminars and Workshops attended by Staff
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Appendix VI	Main Legislative Amendments
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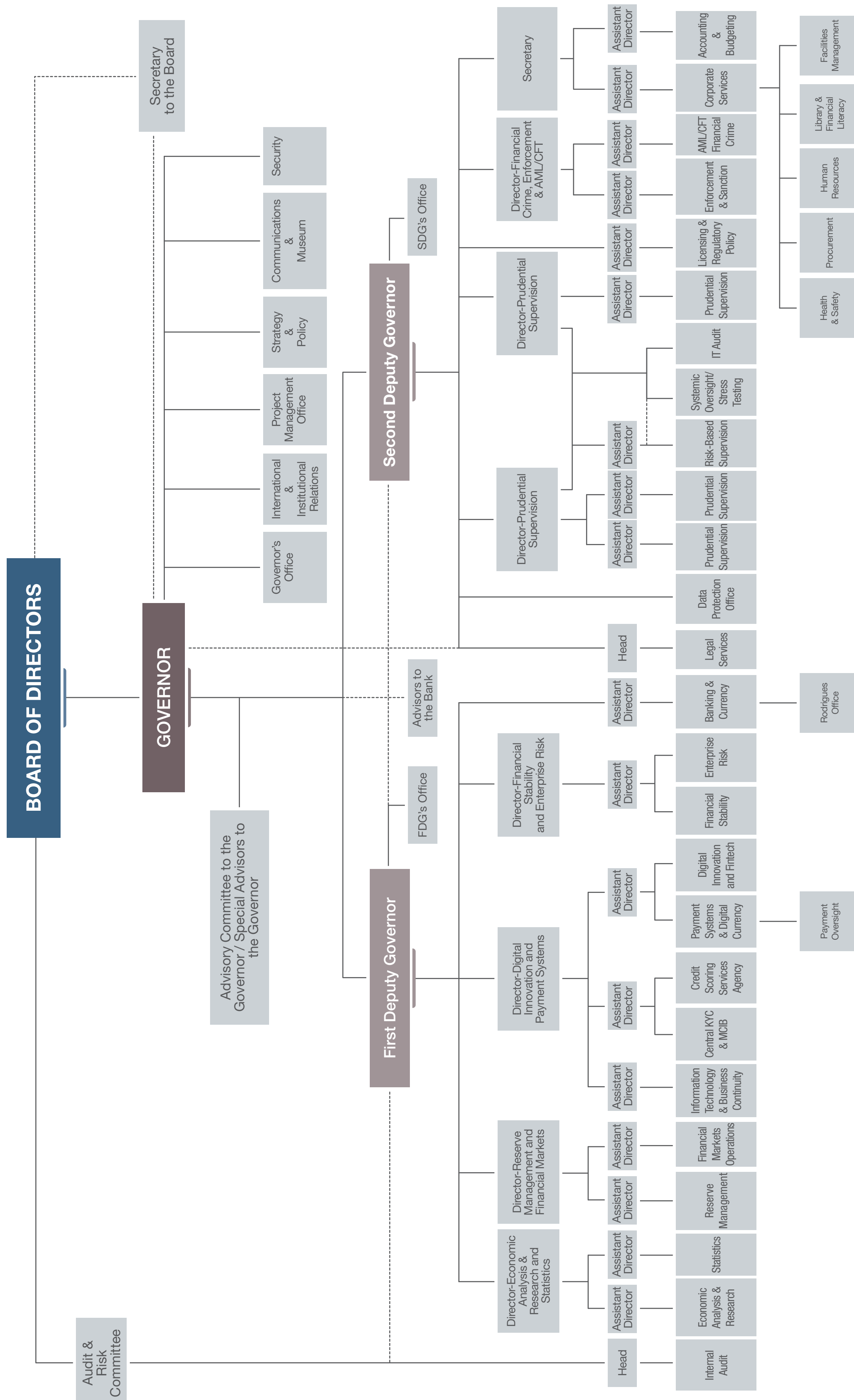
Appendix IX	List of Banks, Non-Bank Deposit Taking Institutions, Money-Changers, Foreign Exchange Dealers and Payment Service Providers Licensed by the Bank of Mauritius

Appendix I

Bank of Mauritius
Organisation Chart



Appendix II

Senior Management as at 30 June 2025

Dr Rama Krishna Sithanen, G.C.S.K.
Governor
PhD Political Science,
MSc Economics, BSc Economics

Rajeev Hasnah
First Deputy Governor
CFA, MSc Economics and Finance,
BSc Economics and Finance

Gérard Sanspeur
Second Deputy Governor
Master in Economics, Post-Graduate Degree in Economics and International Finance,
BSc Economics

Ramsamy Chinniah
Director - Supervision
FCCA, MSc Financial Economics

Marjorie Marie-Agnès Heerah-Pampusa
Director - Economic Analysis & Research and Statistics
MA Economics, BA (Hons) Economics

Sudha Hurrymun
Director - Supervision
FCCA, MSc Finance

Arnaud Hervé Michel Bazerque Bacha
Director - Digital Innovation and Payment Systems
Master in Computer Science and Telecommunications, DEUG – Sciences et Technologies pour l'Ingénieur

Youssouf Waësh Khodabocus
Director - Financial Stability and Enterprise Risk
BA (Hons) Economics

Urvashi Chuttarsing-Soobarah
Director - Supervision
MSc Financial Mathematics,
BSc Mathematics

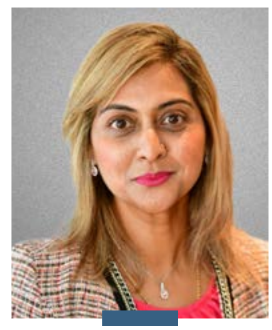
Shardhanand Gopaul
Director - Accounting & Budgeting
FCCA, MSc (conversion) Information Systems, BSc (Hons) Accounting

Sanjay Ramnarainsing
Director - Reserve Management and Financial Markets
FCCA, MBA Financial Management

Ng Cheong José Li Yun Fong
Assistant Director - Information Technology & Business Continuity
BSc Computer Science

Yuntat Chu Fung Leung
Assistant Director - Banking & Currency
MBA Finance,
BA (Hons) Economics and Social Studies

Dhanesswurnath Thakoor
Assistant Director - (Seconded as Co-ordinating Officer to MDIC Ltd)
MSc Engineering in IT, Electronics and System Automation, MBA



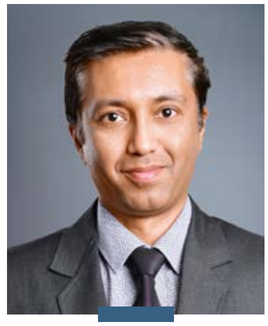
Smeeta Bissoonauth
Assistant Director - Banking
ACMA CGMA, MSc Actuarial Science,
BA (Hons) Finance,
Mathematics and Statistics

Rajshri Jutton Gopy
Head - Legal Services
LLB (Hons), Attorney

Dr Ashwin Moheeput
Assistant Director - Economic Analysis & Research
CFA, PhD Economics, MSc Economics,
BSc (Hons) Economics

Neetyanand Kowlessur
Assistant Director - Climate Change Centre
MSc Financial Economics,
BA (Hons) Economics

Dhirajsingh Rughoobur
Head - Governor's Office
MSc International Securities, Investment and Banking, BA (Hons) Economics



Qayyum Ali Ismaël Ghanty
Assistant Director - Information Security
CISSP, CISM, MBA,
BSc (Hons) Information Systems

Appendix III

Overseas Meetings attended by Governor and Deputy Governors

Overseas Meetings attended by Governor

Former Governor, Harvesh Seegolam, G.C.S.K., who was in office until 15 November 2024:

i. A series of meetings in Dubai, United Arab Emirates on 30 and 31 July 2024, followed by the African Caucus meeting in Abuja, Nigeria, on 2 and 3 August 2024.

ii. A series of meetings on the Double Taxation Avoidance Convention in New Delhi, India, on 3 and 4 October 2024. Thereafter, he proceeded to Abu Dhabi, United Arab Emirates for a meeting with the Arab Monetary Fund on 7 October 2024.

Governor, Dr Rama Krishna Sithanen, G.C.S.K., 16 November 2024 to 30 June 2025:

i. BIS Special Roundtable Meeting of African Governors in Cape Town, South Africa on 1 March 2025 and several ancillary meetings on 28 February 2025.

ii. The IMF/World Bank Spring Meetings from 21 to 24 April 2025 in Washington DC, USA and several ancillary meetings on the margins of the Spring Meetings. Thereafter, the Governor proceeded to New York, USA and London, United Kingdom for a series of meetings with major correspondent banks and other key stakeholders from 25 to 29 April 2025.

iii. The Association of African Central Banks Bureau Meeting, of which he is the Chair, in Dakar, Senegal on 20 May 2025. This was followed by a Conference on Artificial Intelligence for Central Bankers hosted by the Central Bank of West African States in the same location on 21 May 2025.

Overseas Meetings attended by First Deputy Governor

Former First Deputy Governor, Mardayah Kona Yerukunondu, who was in office until 15 November 2024:

i. Islamic Financial Services Board 2024 Annual Meetings in Djibouti City, Djibouti from 1 to 2 July 2024.

ii. 59th Meeting of the Committee of Central Bank Governors of Southern African Development Community hosted by Reserve Bank of Zimbabwe, Victoria Falls, Zimbabwe on 13 September 2024.

First Deputy Governor, Rajeev Hasnah, who took office on 3 December 2024:

i. A series of meetings in Dubai, United Kingdom and Switzerland with the Dubai Financial Services Authority, external asset managers, counterparty banks for reserve management, the BIS, the Swiss National Bank and Amina Bank AG from 20 to 29 March 2025.

ii. Meetings with Banque de France and Société Générale on the margins of the 20th J.P. Morgan Annual Global Markets Conference in Paris, France from 14 to 16 May 2025.

Appendix IV

Overseas Meetings, Training Courses, Seminars and Workshops attended by Staff

Name, Designation and Department	Country / Date
Directors	
Ramsamy Chinniah, Supervision	
1. Group of International Finance Centre Supervisors Plenary Meeting	Tortola, British Virgin Island (12-14 November 2024)
2. NGFS Africa Regional Outreach & 20th BCBS-FSI High-Level Meeting on Banking Supervision for Africa	Cape Town, South Africa (15-17 January 2025)
3. AACB Technical Committee and Bureau Meetings	Dakar, Senegal (15-21 May 2025)
Marjorie Marie-Agnès Heerah-Pampusa, Economic Analysis & Research and Statistics	
AACB Technical Committee and Bureau Meetings	Dakar, Senegal (15-21 May 2025)
Sudha Hurrymun, Supervision	
1. 2ème Réunion Plénière du Comité sur la Lutte Anti-Blanchiment (Banque Centrale des Comores)	Paris, France (29 October 2024)
2. Pan Africa-Regional Correspondent Banking Academy Event (Standard Chartered Bank Ltd)	Cape Town, South Africa (28-29 November 2024)
3. 49th ESAAMLG Task Force of Senior Officials Meeting	Kampala, Uganda (28 March-4 April 2025)
Arnaud Hervé Michel Bazerque Bacha, Digital Innovation and Payment Systems	
1. SADC Payment Systems Annual Regional Conference, SADC/CCBG Payment Subcommittee and Payment System Oversight Committee Meeting	Antananarivo, Madagascar (18-21 November 2024)
2. IMF Sub-Saharan Africa Central Bank Network on Central Bank Digital Currency and Digital Payments (IMF and Bank of Ghana)	Accra, Ghana (12-13 May 2025)
Youssouf Waësh Khodabocus, Financial Stability and Enterprise Risk	
1. Inaugural Meeting of the African Financial Stability Committee (Central Bank of Egypt/ AACB)	Cairo, Egypt (9-11 December 2024)
2. Accompanied the Governor to the BIS Special Roundtable Meeting of African Governors and several ancillary meetings	Cape Town, South Africa (28 February-1 March 2025)
3. Accompanied the First Deputy Governor to a series of meetings with the Dubai Financial Services Authority, external asset managers, counterparty banks for reserve management, the BIS, the Swiss National Bank and AMINA Bank AG	Dubai, United Kingdom, and Switzerland (20-29 March 2025)
4. Accompanied the Governor to IMF/World Bank Spring Meetings & other meetings (World Bank/IMF/others)	Washington D.C., New York, USA and London, United Kingdom (17 April-1 May 2025)
Urvashi Chuttarsing-Soobarah, Supervision	
CABS Meeting of the Working Group on Cross-Border Banking Supervision (SARB)	Pretoria, South Africa (21-24 October 2024)
Shardhanand Gopaul, Accounting & Budgeting	
Interregional Workshop on Central Bank Balance Sheet and Policy Solvency (IMF/AFRITAC South/AFRITAC East/AFRITAC West 2)	Nairobi, Kenya (10-14 March 2025)
Sanjay Ramnarainsing, Reserve Management and Financial Markets	
1. The 2024 Institutional Client Programme (Franklin Templeton)	San Francisco, USA (21-24 October 2024)
2. Indonesia Sharia Economic Festival & 33rd IILM Governing Board Meeting (International Islamic Liquidity Management Corporation)	Jakarta, Indonesia (29-31 October 2024)
3. BlackRock Educational Academy 2025, Official Institutions Symposium	London, United Kingdom (12-15 May 2025)

Name, Designation and Department	Country / Date
Assistant Directors	
Ng Cheong José Li Yun Fong, IT & Business Continuity	
1. SADC ICT Subcommittee Meetings: ICT Directors Meeting	Swakopmund, Namibia (15-19 July 2024)
2. SADC Financial Inclusion Forum	Johannesburg, South Africa (9-10 October 2024)
3. SADC 31st ICT & Business Resilience Subcommittee Meeting	Lubango, Angola (10-14 March 2025)
Dr Ashwin Moheeput, Economic Analysis & Research	
1. Peer-to-Peer Workshop on Climate Change Modelling for Monetary Policy Making (IMF/ATI/Bank of Uganda)	Kampala, Uganda (22-24 January 2025)
2. US Monetary Policy Implementation Central Banker Programme (Federal Reserve Bank of New York)	New York, USA (19-21 May 2025)
Neetyanand Kowlessur, Climate Change Centre	
1. Training Course on Modelling Climate Risks and Policies (IMF/SARB)	Johannesburg, South Africa (22-26 July 2024)
2. Official Institutions Training on Sustainable Finance: Risk Management and Opportunities (DWS Group)	Frankfurt, Germany (14-18 October 2024)
Qayyum Ali Ismaël Ghanty, Enterprise Risk	
SADC/CCBG ICT Subcommittee Meetings: Information Cybersecurity Senior Officers Meeting	Swakopmund, Namibia (15-19 July 2024)
Heads	
Rajshri Jutton Gopy, Legal Services	
Sub-Saharan Africa Regional Forum on Central Bank Governance (IMF/SARB)	Johannesburg, South Africa (2-4 October 2024)
Dhirajsingh Rughoobur, Governor's Office	
Accompanied the former Governor to the Double Tax Avoidance Convention in India and for a meeting with the Arab Monetary Fund, United Arab Emirates	New Delhi, India and Abu Dhabi, United Arab Emirates (2-7 October 2024)
Chiefs	
Kevin Aubeeluck, Enterprise Risk	
1. Seminar on Integrated Risk Management and Compliance (SARB Academy)	Johannesburg, South Africa (26-30 May 2025)
2. Small Countries Financial Management Programme (Small Countries Financial Management Centre)	Isle of Man & Oxford, United Kingdom (28 June-11 July 2025)
Dr Dooneshsingh Audit, Statistics	
SADC Macroeconomic Research Pool of Experts Training Workshop	Johannesburg, South Africa (5-9 May 2025)
Ghanish Beegoo, Statistics	
59th CCBG & CCBO Meetings (SADC/Reserve Bank of Zimbabwe)	Victoria Falls, Zimbabwe (11-13 September 2024)
Ravishin Bullyraz, Supervision	
Financial Stability Board/Financial Stability Institute of the BIS/International Association of Deposit Insurers Resolution Conference	Basel, Switzerland (29-30 October 2024)
Mohammud Feyçal Caunhye, Communications	
Workshop on Central Bank Transparency and Communication (IMF/AFRITAC South/AFRITAC East)	Johannesburg, South Africa (28 April-2 May 2025)
Jeevalakshmi Chedumbarum Pillay, People Development - Human Resources	
Seminar on Innovation Management in Central Banks (Banque de France)	Paris, France (24-27 September 2024)
Jayvind Kumar Choolhun, Payment Systems & Digital Currency	
1. Community of Practice for Central Bank Operated Payment Systems Forum (BIS)	Basel, Switzerland (4-5 November 2024)
2. 8th Meeting of the Regional Payment and Settlement System User Group (COMESA)	Entebbe, Uganda (17-21 February 2025)

Name, Designation and Department	Country / Date
Arvind Kumar Dowlut, IT & Business Continuity	
African-Swift Payments Market Infrastructure Summit (Central Bank of Kenya/Society for Worldwide Interbank Financial Telecommunication (SWIFT))	Nairobi, Kenya (8-10 April 2025)
Chitananda Ellapah, Enterprise Risk	
1. Course on 19th Annual Morgan Stanley Investment Management Institute (Morgan Stanley)	London, United Kingdom (4-7 November 2024)
2. Reserve Management Seminar & Asset Management Associate Programme (BIS)	Brunnen & Basel, Switzerland (19-30 May 2025)
Khemraj Hurry, Payment Systems & Digital Currency	
1. Fintech Training Workshop (The Commonwealth)	London, United Kingdom (1-5 July 2024)
2. SARB Payments Conference	Pretoria, South Africa (2-3 October 2024)
Bibi Koraïsha Jeewoot, Reserve Management	
Société Générale Global Markets Conference (Société Générale/Chicago Mercantile Exchange Group)	London, United Kingdom (26-27 September 2024)
Satishingh Jugoo, Statistics	
SADC Meetings of the Ministers of Finance and Investment and the Peer Review Panel	Victoria Falls, Zimbabwe (9-13 June 2025)
Hemlata Nundoochan, Supervision	
CABS Meeting of the Working Group on Cross-Border Banking Supervision (SARB)	Pretoria, South Africa (21-24 October 2024)
Malini Ramdhan, Supervision	
1. Programme on Use of Technology for Regulation and Supervision (College of Supervisors, Reserve Bank of India)	Mumbai, India (23-25 October 2024)
2. 49th ESAAMLG Task Force of Senior Officials Meeting	Kampala, Uganda (28 March-4 April 2025)
Keshwarajsingh Ramnauth, Financial Markets Operations	
1. SADC/CCBG Financial Markets Subcommittee Meeting	Maseru, Lesotho (13-15 August 2024)
2. Workshop on Liability (IMF AFRITAC South/AFRITAC East)	Johannesburg, South Africa (20-24 January 2025)
3. SADC/CCBG Financial Markets Subcommittee Meeting	Nosy Be, Madagascar (11-13 February 2025)
Yogeeta Devi Ramphul, Supervision	
1. Pan Africa-Regional Correspondent Banking Academy Event (Standard Chartered Bank Ltd)	Cape Town, South Africa (28-29 November 2024)
2. SADC/CCBG Banking Supervision and Financial Stability Subcommittee Meeting	Benguela, Angola (26-28 February 2025)
Chandradeo Sharma Rutah, Supervision	
International Committee on Credit Reporting (ICCR) Spring Plenary Meeting (World Bank/ICCR)	Cape Town, South Africa (25-27 June 2025)
Feisal Bin Khalid Sooklall, Economic Analysis & Research	
Accompanied the former Governor to African Caucus 2024	Abuja, Nigeria (1-3 August 2024)
Senior Analysts	
Mahima Bhurtha, Economic Analysis & Research	
Validation Workshop on Macroeconomic Impact of Climate Change and Role of Central Banks & 21st Meeting of MERP Subcommittee (COMESA Monetary Institute)	Nairobi, Kenya (19-22 September 2024)
Veekash Singh Busgeeth, Supervision	
Programme on Supervisory/Regulatory Issues in Risks out of Climate Changes and Sustainable Finance Goal (College of Supervisors, Reserve Bank of India)	Mumbai, India (21-22 October 2024)
Sahadeosing Gungabissoon, Supervision	
Training on Cross-Border and Consolidated Banking Supervision (CABS/SARB)	Cape Town, South Africa (2-6 June 2025)

Name, Designation and Department	Country / Date
Bindoomatee Gungaram, Financial Markets Operations Workshop on Local Currency Bond Market Development (IMF/AFRITAC South)	Arusha, Tanzania (28 April-2 May 2025)
Yuvna Hemoo, Financial Markets Operations DWS Official Institution Training on Fixed Income, Equities and Alternatives	London, United Kingdom (30 June-4 July 2025)
Monysha Lyna Jany Singh Jhamna, Enterprise Risk Workshop on Strategic Asset Allocation - Governance and Fundamentals (RAMP)	Paris, France (3-7 February 2025)
Nitisha Mihdidin, Supervision 22nd Task Force Meeting on Prudential and Structural Islamic Financial Indicators (Islamic Financial Services Board)	Abu Dhabi, UAE (16 October 2024)
Vijayantimala Ramful, Financial Markets Operations Seminar on Fixed Income and Equities (BlackRock Education Academy)	New York, USA (23-26 September 2024)
Meenakshi Ramchurn, Reserve Management 1. 2024 Investment Academy Equity Programme (J.P. Morgan Asset Management) 2. BlackRock Education Seminar on Asset Allocation & Portfolio Construction	London, United Kingdom (14-18 October 2024) San Francisco, USA (25-27 February 2025)
Ramanand Ramsohok, Financial Stability SADC/CCBG Banking Supervision and Financial Stability Subcommittee Meeting	Benguela, Angola (26-28 February 2025)
Preethee Ramudit Bakhoree, Reserve Management Central Banking's Asia Summit (Central Banking Events/Bank of China)	Bangkok, Thailand (24-25 July 2024)
Vasan Kumar Ranlaul, IT & Business Continuity 1. SADC/CCBG ICT Subcommittee Meetings: Business Continuity Management Decision Makers Meeting 2. SADC 31st ICT & Business Resilience Subcommittee Meeting	Swakopmund, Namibia (17-19 July 2024) Lubango, Angola (12-14 March 2025)
Senior Barrister-At-Law/Senior Attorney-At-Law, Legal Services	
Priya Emerith, Senior Barrister-At-Law Workshop on Legal Aspects of Investment Management of Reserves and Official Assets (RAMP)	Vilnius, Lithuania (22-25 July 2024)
Aneeshta Ramma, Senior Attorney-At-Law Workshop on Climate Change at the Intersection with Central Banking and Banking: The Role of the Law (IMF/ATI/National Bank of Rwanda)	Kigali, Rwanda (5-7 February 2025)
Analysts	
Atish Babboo, Economic Analysis & Research 1. Training Course on Modelling Climate Risks and Policies (IMF/SARB) 2. Peer-to-Peer Workshop on Climate Change Modelling for Monetary Policy Making (IMF/ATI/Bank of Uganda)	Johannesburg, South Africa (22-26 July 2024) Kampala, Uganda (22-24 January 2025)
Preeyamvada Banarsee, Legal Services 1. SADC/CCBG Legal Subcommittee Meeting 2. SADC/CCBG Legal Subcommittee Meeting	Lubango, Angola (6-7 August 2024) Kasane, Botswana (18-19 March 2025)
Nirmala Nunkoo Bhujun, Supervision 9th Adhoc Committee Meeting on APRM Support for African Union Member States on International Credit Rating Agencies (APRM/AU)	Cairo, Egypt (8-10 October 2024)
Rideema Cunniah Coopoosamy, Economic Analysis & Research 7th Specialised Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration (AU)	Tunis, Tunisia (3-7 July 2024)
Urvashee Dussooa Jagoo, Statistics AACB Technical Experts Meeting (Central Bank of Kenya)	Nairobi, Kenya (22-25 July 2024)

Name, Designation and Department	Country / Date
Chitra Gungabissoon, International & Institutional Relations SADC Financial Inclusion Forum	Johannesburg, South Africa (9-10 October 2024)
Rajni Devi Jangi-Kistoo, Supervision 36th Annual Seminar for Senior Bank Supervisors from Emerging Markets (World Bank/IMF)	Washington D.C., USA (30 October-1 November 2024)
Heeranee Jugessur, Statistics Course on Analytical Tools for Monetary Policy (Deutsche Bundesbank)	Frankfurt, Germany (5-9 May 2025)
Bihisht Mautadin, Statistics 1. SADC/CCBG Macroeconomic Subcommittee Meeting (SARB) 2. Workshop on Central Bank Transparency and Communication (IMF/AFRITAC South/AFRITAC East)	Johannesburg, South Africa (22-23 August 2024) Johannesburg, South Africa (28 April-2 May 2025)
Pooja Yashni Mohesh, Supervision Programme on Preventing Financial Crisis and Resolution Framework (College of Supervisors, Reserve Bank of India)	Mumbai, India (18-19 November 2024)
Arnaud Jean Marie Mohun, Payment Systems & Digital Currency African-Swift Payments Market Infrastructure Summit (Central Bank of Kenya/SWIFT)	Nairobi, Kenya (8-10 April 2025)
Arjun Munbodh, Supervision 1. Programme on New Frontiers of Banking Supervision, Regulation & Financial Stability (College of Supervisors, Reserve Bank of India) 2. 10ème Réunion du Collège des Superviseurs du Groupe Banque Populaire (Bank Al-Maghrib)	Mumbai, India (24-26 September 2024) Casablanca, Morocco (26 November 2024)
Neezla Polin, Supervision 10ème Réunion du Collège des Superviseurs du Groupe Banque Populaire (Bank Al-Maghrib)	Casablanca, Morocco (26 November 2024)
Ouma Purmessur Dookhit, Economic Analysis & Research SADC/CCBG Macroeconomic Subcommittee Meeting	Dar-Es-Salaam, Tanzania (25-27 February 2025)
Poonita Rajkumarsingh-Ramdonee, Supervision Training Programme for Sub-Saharan Africa Region on Enhancing Supervision to combat Financial Crime in an increasingly fragile world (SARB/Toronto Centre)	Cape Town, South Africa (19-23 August 2024)
Chidanand Rughoobar, Supervision Programme on Understanding Concepts in Economics for Use in Supervision, Regulation & Financial Stability (College of Supervisors, Reserve Bank of India)	Mumbai, India (11-12 November 2024)
Damien Christophe Seblin, Reserve Management Workshop on Risk Budgeting and Active Portfolio Management (RAMP)	Washington D.C., USA (4-8 November 2024)
Divya Seewon, Financial Stability Validation Workshop on Impact of Sovereign Bank Nexus on Financial System Stability (COMESA Monetary Institute)	Nairobi, Kenya (30 September-5 October 2024)
Jashveer Seetahul, Accounting & Budgeting Interregional Workshop on Central Bank Balance Sheet and Policy Solvency (IMF/AFRITAC South/AFRITAC East/AFRITAC West 2)	Nairobi, Kenya (10-14 March 2025)
Bank Officers Grade I	
Urvashi Bolaky, Economic Analysis & Research Validation Workshop on Macroeconomic Impact of Climate Change and Role of Central Banks & 21st Meeting of MERP Subcommittee (COMESA Monetary Institute)	Nairobi, Kenya (19-22 September 2024)
Ravisha Devi Jang, Supervision Programme on Supervisory/Regulatory Issues in Risks out of Climate Changes and Sustainable Finance Goal (College of Supervisors, Reserve Bank of India)	Mumbai, India (21-22 October 2024)
Priashvi Lutchman, Economic Analysis & Research Training on Nowcasting and Near Term Forecasting of GDP (COMESA Monetary Institute)	Nairobi, Kenya (24-28 February 2025)

Name, Designation and Department	Country / Date
Yashiv Ramlukun, Economic Analysis & Research	
1. Training Programme on Macroeconometric Modelling and Forecasting (African Development Bank)	Nairobi, Kenya (14-18 October 2024)
2. Training on Monetary Policy Formulation and Implementation in an Era of Inflation Targeting Regime (COMESA Monetary Institute)	Nairobi, Kenya (19-23 May 2025)
Bank Officers	
Shilpa Boodhram, Financial Stability Course on Financial Stability - Systemic Risk and Macroprudential Policy (Deutsche Bundesbank)	Frankfurt, Germany (19-23 May 2025)
Carina Chevathian, Payment Systems & Digital Currency International Committee on Credit Reporting (ICCR) Spring Plenary meeting (World Bank/ICCR)	Cape Town, South Africa (25-27 June 2025)
Karishma Haulkory Taulloo, Payment Systems & Digital Currency Workshop on Cross-Border Payments in a Digital Age (IMF/AFRITAC South/AFRITAC East/ AFRITAC West 2)	Johannesburg, South Africa (17-21 March 2025)
Sirini Kritibye Mancoo, Financial Stability Training on the Application of Data Science for Analysis of Financial Stability (COMESA Monetary Institute)	Nairobi, Kenya (24-28 March 2025)
Prita Manick, Supervision Séminaire Régional ACPR Etablissement de Crédits (IEDOM/Banque de France)	Saint Denis, Réunion (21-23 October 2024)
Madhuri Padaruth Balloo, Payment Systems & Digital Currency Workshop on Cross-Border Payments in a Digital Age (IMF/AFRITAC South/AFRITAC East/ AFRITAC West 2)	Johannesburg, South Africa (17-21 March 2025)
Rajiv Ragobur, Financial Markets Operations Workshop on Debt Management, Debt Reporting and Investor Relations (IMF/AFRITAC South)	Arusha, Tanzania (21-25 April 2025)
Heshna Ramdeen, Reserve Management Workshop on Fundamentals of Active Management (RAMP)	Washington D.C., USA (24-28 February 2025)
Mohamad Ziyaad Rusmaully, Supervision Programme on Supervisory Assessment of Operational Resilience Management (College of Supervisors, Reserve Bank of India)	Mumbai, India (5-7 November 2024)
Daren Suppanee, Supervision Programme on New Frontiers of Banking Supervision, Regulation & Financial Stability (College of Supervisors, Reserve Bank of India)	Mumbai, India (24-26 September 2024)
Lance Venkatasami, Enterprise Risk BlackRock Seminar on Building Resilient Portfolios in the New Regime	Anson, Singapore (7-10 October 2024)

Appendix V

Staff Turnover

Recruitment

Sn	Name	Designation	Date
1	DABEESING, Pariksheetsing	Consultant	16/09/24
2	BASDEO, Yovesh Koomar	Security Guard	03/10/24
3	BHURRUT, Kevin	Security Guard	03/10/24
4	DUNPUTHEEA, Kishan	Security Guard	03/10/24
5	LUCHMUN, Ravindranath	Security Guard	03/10/24
6	POONEN, Kodisen	Security Guard	03/10/24
7	POYE, Kavish	Security Guard	03/10/24
8	VEERAPEN, Poubarlen	Security Guard	03/10/24
9	BHOYRAZ, Kumaree	Bank Attendant Grade III	03/10/24
10	BUDDOO, Bibi Zafreen	Bank Attendant Grade III	03/10/24
11	GHUNOWA, Veena	Bank Attendant Grade III	03/10/24
12	MOOROOGIAH, Azegee	Bank Attendant Grade III	03/10/24
13	NUNDOO, Manjistha	Bank Attendant Grade III	03/10/24
14	SUNGUM, Luna	Bank Attendant Grade III	03/10/24
15	HURGOBIN, Swastee	Bank Attendant Grade III	07/10/24
16	LALLBEEHARRY, Babita	Bank Attendant Grade III	07/10/24
17	RUNGEN, Sheena	Bank Officer Grade II	14/10/24
18	SHAM, Ashveenabye	Bank Officer Grade II	14/10/24
19	SOONDUR, Ghatin	Bank Officer Grade II	14/10/24
20	GURBAH, Deepshikha	Bank Officer Grade II	04/11/24
21	SEEBURRUN, Shaheel	Bank Officer Grade II	04/11/24
22	ALLAGAPEN NAIKEN, Kelina	Bank Officer Grade II	21/11/24
23	JOJJOB, Mishta	Help Desk Officer	02/06/25
24	SUMPUTH, Ghooresh	Help Desk Officer	02/06/25
25	LUTCHMADU, Yuhaan Krishna Sharvesh	Graduate Trainee	02/06/25
26	MOHUN, Chetna	Graduate Trainee	02/06/25
27	RAMKURRUN, Maithili Isha	Graduate Trainee	02/06/25
28	RAMLUKUN, Vimta	Graduate Trainee	02/06/25
29	GOOLVADEN, Yushra Bibi Shuhaida	Graduate Trainee	23/06/25
30	KALAPNATH, Lavisha	Graduate Trainee	23/06/25
31	LUCHMUN, Devishnee	Graduate Trainee	23/06/25
32	MARDIAPOULLE, Deevachena	Graduate Trainee	23/06/25
33	MOHUNGOOA, Muyoor	Graduate Trainee	23/06/25
34	PALWAN, Kulina Devi	Graduate Trainee	23/06/25

Promotion

Sn	Name	Designation	Date
1	KHODABOCUS, Youssouf Waësh	Director	15/07/24
2	RAMSAWMY, Devraj	Assistant Manager	26/07/24
3	EMERITH, Priya	Senior Attorney at Law (Personal)	24/09/24
4	RAMMA, Aneeshta	Senior Barrister At Law (Personal)	24/09/24
5	CHUTTARSING-SOOBARAH, Urvashi	Director	25/09/24
6	GOPAUL, Shardhanand	Director	25/09/24
7	RAMNARAINSINGH, Sanjay	Director	02/10/24

Retirement

Sn	Name	Designation	Date
1	KEERODHUR, Pratima	Senior Analyst	01/07/24
2	GOBIN, Rajiv	Bank Attendant Grade II	10/07/24
3	VEERAPATREN, Perly Grace Deanna	Analyst	12/07/24
4	GUNGAH, Vimlawtee	Analyst	26/10/24
5	SEWRAJ-GOPAL, Hemlata Sadhna	Secretary	16/11/24
6	JANG, Aarti	Senior Analyst	27/12/24
7	PROAG, Shakti	Chief	06/04/25
8	GOBIN JHURRY, Tilotma	Assistant Director	13/04/25

Resignation

Sn	Name	Designation	Date
1	DOOKOOA, Yash Kumar	Support Officer	15/07/24
2	RAMDUNY, Aswin Kumar	Chief	31/07/24
3	BISSOON, Hoomeshwar	Bank Officer	10/08/24
4	CANOO, Khushboo	Business Intelligence Developer	31/08/24
5	LALLBEEHARRY, Babita	Bank Attendant Grade III	07/10/24
6	DABEESING, Pariksheetsing	Consultant	03/12/24
7	SAMPUTH, Bhavesh Dev	Analyst	14/12/24
8	MANIKION, Veeren	Payment System Architect	28/12/24
9	SUPPANEE, Daren	Bank Officer	01/01/25
10	GOOMANY, Nischay Koomar	Bank Officer	16/01/25
11	GULBUL, Abi Raeesah	Analyst	22/02/25
12	BHICKA, Roy	Bank Attendant/Driver	18/03/25
13	MOHUR, Urvashee	Bank Officer	04/04/25
14	SEBLIN, Damien Christophe	Analyst	12/06/25

Termination

Sn	Name	Designation	Date
1	CHARAZAC, Pauline Carole Amelie	Consultant Public & International Relations	19/11/24
2	BABOOLALL, Hansraj	Security Guard	15/02/25
3	BASDEO, Yovesh Koomar	Security Guard	15/02/25
4	BHURRUT, Kevin	Security Guard	15/02/25
5	BULLORAM, Girish	Security Guard	15/02/25
6	DEHUL, Roshan	Security Guard	15/02/25
7	DUNPUTHEEA, Kishan	Security Guard	15/02/25
8	EDOUARD, Jean Guivaryien	Security Guard	15/02/25
9	GOOLAM HOSSEN, Mohammad Jibraan	Security Guard	15/02/25
10	LUCHMUN, Ravindranath	Security Guard	15/02/25
11	MANGAR, Rahul Kumar	Security Guard	15/02/25
12	MARION, Marie-Annael Eldie Owena	Security Guard	15/02/25
13	POONEN, Kodisen	Security Guard	15/02/25
14	POYE, Kavish	Security Guard	15/02/25
15	RAMFUL, Janhavi	Security Guard	15/02/25
16	ROSEEAWON, Jhasveer	Security Guard	15/02/25
17	SEVRET, Achille Gael Metouchael	Security Guard	15/02/25
18	SHAMAH, Sanjay	Security Guard	15/02/25
19	VEERAPEN, Poubarlen	Security Guard	15/02/25
20	BHOYRAZ, Kumaree	Bank Attendant Grade III	15/02/25
21	BUDDOO, Bibi Zafreen	Bank Attendant Grade III	15/02/25
22	GHUNOWA, Veena	Bank Attendant Grade III	15/02/25
23	HURGOBIN, Swastee	Bank Attendant Grade III	15/02/25
24	MOOROOGIAH, Azegee	Bank Attendant Grade III	15/02/25
25	NUNDOO, Manjistha	Bank Attendant Grade III	15/02/25
26	SUNGUM, Luna	Bank Attendant Grade III	15/02/25

Appendix VI

Main Legislative Amendments

The Finance Act 2025

The Finance Act 2025, which provides for the implementation of measures announced in the Budget Speech 2025-26 and for matters connected, consequential and incidental thereto, has been gazetted on 9 August 2025 as Act No. 18 of 2025. The amendments, which are of interest to the Bank, are set out hereunder. These amendments pertain to the Bank of Mauritius Act 2004 ('BoMA'), Banking Act 2004 ('BA'), Mauritius Deposit Insurance Scheme Act 2019 ('MDISA') and the National Payment Systems Act 2018 ('NPSA'). The amendments to these legislations came into operation on 9 August 2025.

I. Bank of Mauritius Act 2004

Section 52A – Establishment of Central KYC System and Central Accounts Registry

Section 52A(1) has been amended to explicitly empower the Bank of Mauritius (Bank) to allow any KYC institution, licensed by itself or the Financial Services Commission, to become a participant in the Central KYC System or the Central Accounts Registry on such terms and conditions as the Bank may determine.

The definitions of "account" and "customer" in section 52A(7) have been amended to ensure clarity in interpreting the scope of the Central KYC System and the Central Accounts Registry, as section 52A covers both the Central KYC System and the Central Accounts Registry which are equally referred to as Registry in the said section.

II. Banking Act 2004

a) Section 2 – Interpretation

The definition of "foreign exchange dealer" has been amended by repealing paragraph (a) and replacing it with a new paragraph which broadens the regulatory scope of the Bank by including foreign exchange swaps and other transactions which may be construed as the buying and selling of the foreign currency under the activities of licensed foreign exchange dealers.

b) Section 7 – Grant or refusal to grant banking licence

Section 7(7D)(b) has been repealed and replaced with a new paragraph to provide for bullion banking as the new authorised private banking activity and enable banks licensed to carry out exclusively private banking business to *inter alia* buy, hold, store or sell gold or other precious metals with the authorisation of the Bank.

c) Section 64 – Confidentiality

Section 64(3)(i) has been amended by deleting the words "Central KYC and Accounts Registry" and replacing them by the words "Central KYC System and Central Accounts Registry" for consistency with the BoMA.

d) Section 66 – Powers and Duties of Conservator

Section 66(1B)(b) has been amended to enable the conservator, with the approval of the Board of the Bank, to offer the assets or shares of the financial institution for sale without the approval or consent of the financial institution or any of its shareholders.

e) Section 78 – Powers of Receiver

Section 78(3)(c) has been amended to allow the receiver, with the approval of the Board of the Bank, to offer the assets or shares of a financial institution for sale to the Bank or as security for loans from the Bank without the approval or consent of the financial institution or any of its shareholders.

III. Mauritius Deposit Insurance Scheme Act 2019

a) *Section 6 – Functions and Powers of Agency*

Section 6(1)(d) has been amended to allow the Mauritius Deposit Insurance Corporation Ltd (the "Agency") to have invested the assets of the Deposit Insurance Fund ("Fund").

A new subsection (5) has been inserted in section 6 to empower the Agency to impose such administrative penalty as may be prescribed.

b) *Section 7 – The Board*

Subsection (1) of section 7 has been repealed and replaced by a new subsection which provides that the Board of Directors shall be responsible for the conduct and oversight of the business and affairs of the Agency and shall exercise all powers and do all acts which may be exercised or done by the Agency.

A new subsection (3) has been inserted in section 7 which, *inter alia*, provides that the members of the Board shall be appointed in accordance with the constitution of the Agency.

c) *Section 8 – Staff of Agency*

Section 8(2)(a) has been amended to clarify that the Board may employ such persons as may be necessary for the proper discharge of the functions of the Agency under the MDISA.

d) *Section 13 – Deposit Insurance Fund*

A new subparagraph (iv) has been inserted in section 13(3)(a) to provide that all administrative penalties paid to the Agency under the MDISA, shall be paid into the Fund.

A new subparagraph (iv) has also been inserted in section 13(3)(b) which allows the purchase from the Bank of assets which it has assigned to, or purchased for, the Agency to enable it to discharge its functions under the MDISA, to be paid out of the Fund.

e) *Section 16 – Membership*

Section 16(4) has been amended to clarify that a bank or non-bank deposit taking institution shall automatically cease to be a member institution upon the occurrence of any of the events listed therein.

Subsection (5) of section 16 has been repealed and replaced by a new subsection which provides that the Board shall, after the termination of membership of a member institution under subsection (4), cause to be published a notice to that effect, without any undue delay on the Agency's website and as soon as practicable in the Gazette and in two newspapers in Mauritius.

f) *Section 20 – Examination by officers*

A new paragraph (c) has been inserted in section 20(3) to empower the Agency to impose an administrative penalty not exceeding 50,000 rupees for each day on which a member institution has submitted inaccurate or misleading information to it.

A new subsection (4) has been inserted in section 20 which stipulates that (a) any administrative penalty imposed under subsection (3)(c) shall be a debt due to the Agency and may be recovered by the Agency as a civil debt in a Court of competent jurisdiction, and (b) any member institution which is dissatisfied with a decision of the Agency relating to the imposition of an administrative penalty under subsection (3)(c) may, within 28 days of the imposition of the administrative penalty, apply to the Supreme Court for a judicial review of such decision.

g) *Section 29A – Indemnity*

Section 29A(1) has been amended to provide that the directors, the Chief Executive Officer, every officer, every Consultant and every agent of the Agency shall be indemnified by the Agency against all losses and expenses incurred by any of them by reason of any challenge to, or liability arising out of, a contract entered into the proper discharge of its or their duties under the MDISA.

IV. National Payment Systems Act 2018

Section 2 – Interpretation

Section 2 of the NPSA has been amended by inserting new definitions for the terms “account information service”, “money remittance”, “payment account” and “payment initiation service” to support the licensing, supervision and regulation of payment service providers under the NPSA.

Other enactments which have been amended through the Finance Act 2025 and which are of interest are set out below:

V. Bills of Exchange Act

The Bills of Exchange Act (‘BoEA’) has been amended to promote the use of electronic bills of exchange and thus improve efficiency and reduce costs.

In this respect, the following amendments have been brought to the BoEA:

a) In section 2 to provide for definitions of the new terms “electronic bill of exchange”, “electronic record”, “paper bill of exchange” and “reliable system”. Additionally, the definition of the term “bill” has been deleted and replaced by a new definition which henceforth refers to a bill of exchange, whether in paper or electronic form.

b) A new Part IA titled ”Electronic Bills of Exchange” has been inserted in the BoEA which, *inter alia*, provides for the legal recognition of electronic bills of exchange, their validity, their endorsement or amendment as well as the conversion into electronic bill of exchange or paper bill of exchange.

VI. Companies Act

a) Section 91 – Company to maintain share register

Section 91 of the Companies Act (‘CA’) has been amended, in subsection 3A, by repealing paragraph (b) and replacing it by a new paragraph (b) which requires every company to keep a record of the action taken for the purpose of identifying a beneficial owner (‘BO’) or an ultimate beneficial owner (‘UBO’) in such manner as the Registrar of Companies (Registrar) may determine.

The company shall ensure that action to be taken to identify a BO or UBO comprises a written declaration by the BO or UBO himself that he is the BO or UBO. Additionally, the BO or UBO shall notify the company of any change in status.

Existing companies shall, not later than 30 June 2026, comply with the above requirements.

Similar amendments have been brought to section 36 of the Foundations Act, section 41A of the Limited Liability Partnerships Act, and section 39 of the Limited Partnerships Act.

b) Section 218 – Obligation to prepare annual report

A new subsection 1A has been inserted in section 218 which requires every public interest entity under the Financial Reporting Act to prepare, within 6 months of its balance sheet date, an annual report of its affairs for the accounting period ending on that date.

VII. Inscription of Privileges and Mortgages Act, Transcription and Mortgage Act and Registration Duty Act

The Inscription of Privileges and Mortgages Act and the Transcription and Mortgage Act have been amended in section 2A and section 3A, respectively, to enable the Conservator of Mortgages to accept documents or deeds originating from regulated entities, including banks, which have been signed by the parties with a secure electronic signature in conformity with section 16 of the Electronic Transactions Act, provided that the deed or document includes a declaration made by the parties confirming that the electronic signature in the deed or document is in accordance with the Electronic Transactions Act.

The Registration Duty Act has been amended in section 2B to allow deeds and documents signed with secured electronic signatures to be registered.

VIII. United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act

a) Section 4 – National Sanctions Committee

Section 4(1) has been amended to provide that the National Sanctions Committee shall be a body corporate.

b) Section 32 – Management of funds or other assets

Section 32(1) has been amended to provide that where the Secretary for Home Affairs is satisfied that any of the funds or other assets of a listed party need to be managed, the Secretary for Home Affairs shall require the Financial Crimes Commission to manage, through its Asset Recovery and Management Division, those funds or other assets.

Similarly, section 32(2) has been amended to, *inter alia*, provide that where a Designated Judge is satisfied that any of the funds or other assets of a designated party need to be managed, the Designated Judge shall order the Financial Crimes Commission, through its Asset Recovery and Management Division, to manage those funds or other assets.

A new subsection 3 has also been inserted in section 32 which specifies that where the Financial Crimes Commission is ordered to manage funds and other assets of a designated party, it may, where it is expedient to do so, apply to the Designated Judge for an order to realise the funds or other assets of the designated party.

c) Second Schedule – United Nations Security Council Resolutions

A new item 15 has been added to the Second Schedule, namely the United Nations Security Council Resolution 2653 (2022). This Resolution imposes a travel ban, an asset freeze and a targeted arms embargo in connection with the situation concerning Haiti.

Appendix VII

Foreign Agreements of Cooperation signed by the Bank of Mauritius

Sn	Institution	Date
1	Deutsche Bundesbank (2025-2029)	25/03/25
2	Reserve Bank of India (on local currency settlement)	10/03/25
3	People’s Bank of China	01/11/24
4	Central Bank of Eswatini (Exchange of Letters)	04/09/24
5	Banque Centrale de Mauritanie (Exchange of Letters)	04/09/24
6	Bank of Namibia (Exchange of Letters)	04/09/24
7	Bank of Tanzania (Exchange of Letters)	04/09/24
8	Bank of Uganda (Exchange of Letters)	04/09/24
9	Bank of Zambia (Exchange of Letters)	04/09/24
10	Banky Foiben’i Madagasikara (Exchange of Letters)	04/09/24
11	L'Institut d'Émission des Départements d'Outre-Mer	30/08/24
12	Agence Française de Développement	26/02/24
13	Banque des États de l'Afrique Centrale	18/09/23
14	Toulouse School of Economics	07/07/23
15	Tripartite Déclaration D’Intention between France, Bank of Mauritius and Bank of Djibouti	30/03/23
16	National Institute of Bank Management	19/01/23
17	Banco de Cabo Verde	10/09/22
18	Autorité de contrôle prudentiel et de résolution	21/03/22
19	Banque de France	21/03/22
20	Central Bank of Kuwait (Exchange of Letters)	20/03/22
21	Dubai Financial Services Authority	16/03/22
22	Central Bank of the United Arab Emirates	15/03/22
23	Banque Centrale des Comores	18/02/22
24	Dubai International Financial Centre	24/01/22
25	Commission de Surveillance du Secteur Financier	14/12/21
26	Bank of Ghana	26/11/21
27	Central Bank of the Russian Federation	05/05/21
28	Bangko Sentral ng Pilipinas	01/03/21
29	Deutsche Bundesbank (2020-2024)	14/12/20
30	Bank Al-Maghrib (Contrôle Bancaire et Coopération Générale)	18/10/19
31	China Banking and Insurance Regulatory Commission	22/01/19
32	Commission de Supervision Bancaire et Financière de Madagascar	27/05/15
33	Central Bank of Nigeria	04/12/14
34	Reserve Bank of Zimbabwe	28/11/14

Sn	Institution	Date
35	Central Bank of Sudan	22/05/14
36	Registrar of Financial Institutions, Malawi	07/12/12
37	Reserve Bank of India	03/12/12
38	Maldives Monetary Authority	19/12/11
39	Central Bank of Kenya	08/08/11
40	Bank Negara Malaysia	07/10/10
41	Hong Kong Monetary Authority	18/06/08
42	Central Bank of Seychelles	02/05/06
43	The Bank Supervision Department of the South African Reserve Bank	25/01/05
44	Banco de Moçambique	15/03/04
45	State Bank of Pakistan	26/01/04
46	Commission Bancaire Française	02/11/99
47	Jersey Financial Services Commission	15/01/99

Appendix VIII

Local Agreements of Cooperation signed by the Bank of Mauritius

Sn	Institution	Date
1	MoU between the Bank and the Ministry of Environment, Solid Waste Management and Climate Change	11/09/23
2	MoU between the Bank and the University of Mauritius	22/05/23
3	MoU between the Bank and the National Sanctions Secretariat	02/05/23
4	Tripartite MoU between the Bank, the Ministry of Information Technology, Communication and Innovation and the Registrar of Civil Status	15/04/22
5	Tripartite MoU between the Bank, the Ministry of Information Technology, Communication and Innovation and the Mauritius Police Force	15/04/22
6	Counter Terrorism Unit	04/02/22
7	Mauritius Research and Innovation Council	11/10/21
8	Information and Communication Technologies Authority	14/07/21
9	Financial Reporting Council	09/12/20
10	Economic Development Board	09/11/20
11	Local AML/CFT Supervisors (Memorandum of Cooperation)	26/08/20
12	Tripartite MoU between the Bank, the Financial Services Commission, and the Economic Development Board	19/05/20
13	Financial Intelligence Unit	04/10/19
14	Mauritius Police Force (Memorandum of Cooperation)	25/01/19
15	Tripartite MoU between the Financial Services Commission, Financial Intelligence Unit and the Bank	19/09/18
16	Independent Commission Against Corruption	24/11/14
17	Registrar of Cooperative Societies	14/08/14
18	Competition Commission of Mauritius	26/08/10
19	Mauritius Revenue Authority	31/12/09
20	Financial Intelligence Unit	12/11/09
21	Statistics Mauritius	03/03/09
22	Financial Services Commission	05/12/02

Appendix IX

List of Banks, Non-Bank Deposit Taking Institutions, Money-Changers, Foreign Exchange Dealers and Payment Service Providers Licensed by the Bank of Mauritius

The following is an official list of banks holding a Banking Licence, institutions other than banks, which are licensed to transact deposit taking business, cash dealers licensed to transact the business of money changer or foreign exchange dealer in Mauritius and Rodrigues and payment service providers as at 30 June 2025.

Banks

1. ABC Banking Corporation Ltd
2. Absa Bank (Mauritius) Limited
3. AfrAsia Bank Limited
4. Bank One Limited
5. Bank of Baroda
6. Bank of China (Mauritius) Limited
7. Banque Patronus Limitée
8. BCP Bank (Mauritius) Ltd
9. HSBC Bank (Mauritius) Limited
10. Investec Bank (Mauritius) Limited
11. MauBank Ltd
12. SBI (Mauritius) Ltd
13. SBM Bank (Mauritius) Ltd
14. Silver Bank Limited[1]
15. Standard Bank (Mauritius) Limited
16. Standard Chartered Bank (Mauritius) Limited
17. The Hongkong and Shanghai Banking Corporation Limited
18. The Mauritius Commercial Bank Limited
19. Warwyck Private Bank Ltd[2]

Non-Bank Deposit Taking Institutions

1. La Prudence Leasing Finance Co. Ltd
2. Mauritius Housing Company Ltd
3. MCB Leasing Limited
4. SICOM Financial Services Ltd
5. SPICE Finance Ltd
6. The Mauritius Civil Service Mutual Aid Association Ltd

Money-Changers (Bureaux de Change)

1. Abbey Royal Finance Ltd
2. EFK Ltd
3. Iron Eagle Ltd
4. Moneytime Co. Ltd
5. Vish Exchange Ltd

Foreign Exchange Dealers

1. British American Exchange Co. Ltd
2. Change Express Ltd
3. FX Market Edge Limited
4. Mauritius Post Foreign Exchange Co. Ltd
5. Shibani Finance Co. Ltd
6. Swan Forex Ltd
7. Thomas Cook (Mauritius) Operations Company Limited

Payment Service Providers

1. Cellplus Mobile Communications Ltd
2. CIM Financial Services Ltd
3. Emtel MFS Co Ltd
4. EZ Dash Limited

[1] *The bank is currently under conservatorship.*

[2] *The bank carries on exclusively private banking business.*

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List of Acronyms

AACB	Association of African Central Banks
AFSC	African Financial Stability Committee
AI	Artificial Intelligence
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
ATMs	Automated Teller Machines
BCS	Bulk Clearing System
BIS	Bank for International Settlements
BoM	Bank of Mauritius
CABS	Community of African Banking Supervisors
CAR	Capital Adequacy Ratio
CCC	Climate Change Centre
CET1	Common Equity Tier 1
CKYC	Central Know-Your-Customer
COMESA	Common Market for Eastern and Southern Africa
CPI	Consumer Price Index
CSG	Contribution Sociale Généralisée (Social Contribution)
DBM	Development Bank of Mauritius Ltd
DNFBPs	Designated Non-Financial Business and Professions
DRPP	Digital Retail Payment Platform
D-SIBs	Domestic-Systemically Important Banks
ECB	European Central Bank
EFT	Electronic Funds Transfer
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
EU	European Union
FAO	Food and Agriculture Organisation
FATF	Financial Action Task Force
FCY	Foreign Currency
FSC	Financial Services Commission
FSIs	Financial Soundness Indicators
FStI	Financial Stress Index
FX	Foreign Exchange
FY	Financial Year
GBC	Global Business Company
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GOIR	Gross Official International Reserves
HQLAs	High-Quality Liquid Assets
ICC	Interagency Coordination Committee
IFCM	Industrial Finance Corporation of Mauritius
IFRS	International Financial Reporting Standards
IILM	International Islamic Liquidity Management Corporation

IIP	International Investment Position
IMF	International Monetary Fund
IPS	Instant Payment System
ISO	International Organisation for Standardisation
IT	Information Technology
KYC	Know Your Customer
LCR	Liquidity Coverage Ratio
MACSS	Mauritius Automated Clearing and Settlement System
MauCAS	Mauritius Central Automated Switch
MCIB	Mauritius Credit Information Bureau
ML	Money Laundering
MMIs	Money Market Instruments
MoU	Memorandum of Understanding
MPC	Monetary Policy Committee
MPF	Monetary Policy Framework
MRA	Mauritius Revenue Authority
NBDTIs	Non-Bank Deposit Taking Institutions
NGO	Non-Governmental Organisation
NPL	Non-Performing Loan
NRA	National Risk Assessment
NSFR	Net Stable Funding Ratio
OECD	Organisation for Economic Co-operation and Development
OMOs	Open Market Operations
ONFCs	Other Nonfinancial Corporations
PF	Proliferation Financing
PLACH	Port Louis Automated Clearing House
PSP	Payment Service Provider
QR	Quick Response
RBS	Risk-Based Supervision
REPSS	Regional Payment and Settlement System
RTGS	Real-Time Gross Settlement
SADC	Southern African Development Community
SRI	Systemic Risk Indicator
SUNREF	Sustainable Use of Natural Resources and Energy Finance
SWIFT	Society for Worldwide Interbank Financial Telecommunications
TCIB	Transactions Cleared on Immediate Basis
TF	Terrorism Financing
TIS	Threat Intelligence Sharing
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WEO	World Economic Outlook
Y-o-y	Year-on-year

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