

Report on the Audit of the Financial Statements

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of **SBI** (Mauritius) Ltd (the "Bank") at 31 March 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and in compliance with the requirements of the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and the Banking Act 2004.

What we have audited

The Bank's accompanying financial statements comprise:

- the statement of financial position as at 31 March 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes (from pages 61 to 138), comprising material accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of Financial Statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



Report on the Audit of the Financial Statements (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter

Our audit approach to the Key Audit Matter

Expected Credit Losses

Refer to the following notes

Note 3 (i) (B) - Material accounting policies (Financial Assets: Impairment)

Note 4 – Key sources of estimation uncertainty

Note 21 and 22 - Loan and advances to banks; Loan and advances to customers

Note 5.3 - Financial Risk Management - Credit Risk

The estimation of Expected Credit Losses ("ECL") on financial assets involves Management's judgements and estimates which are subjective due to the significant uncertainty associated with the underlying assumptions in the calculation of ECLs. These include:

- accounting interpretations, assumptions and data points applied to estimate the Probability of Default ("PD"), Exposure At Default ("EAD") and Loss Given Default ("LGD") (the net exposure), used to build and run the model that calculate the ECL;
- allocation of assets between Stage 1 or 2, i.e., identifying triggers for Significant Increase in Credit Risk ("SICR"):
- inputs and assumptions relating to forward-looking adjustments;

The estimation of Stage 3 ECLs also includes Management's judgement and estimates to estimate the occurrence of "default" or "loss" event and the eventual recovery of the expected future cash flows, including the realisation of any securities.

Change in Management assumptions may have significant impacts on the estimation of Stage 3 ECL provisions.

The Bank is also required to compute ECL under the Guideline on Classification, Provisioning and Write-Off of Credit Exposures ("Guideline"). In the event ECL under IFRS 9 are higher than ECL under the Guideline, the Bank is required to book the IFRS 9 provisions in the statement comprehensive income. On the other hand, in the event ECL under the Guideline are higher than IFRS 9, the Guideline provides the option to either charge the difference as additional accounting provisions or through an appropriation of earnings.

Due to the significance of the judgements and estimates involved in the determination of ECL, additional audit effort was applied and thus ECL, this item is considered as a key audit matter.

Our audit approach and procedures comprised of the following:

- Inspecting the minutes of the Board and its Sub Committees to ensure that there are governance control in place in relation to assessment of ECL;
- Evaluated the design and operating effectiveness of controls across the processes relevant to ECL calculation;
- Evaluated the criteria used to allocate financial assets between Stage 1 or 2 or 3 in accordance with IFRS 9 requirements;
- Reviewed the list of debit balances to determine number of days in arrears for staging (including default);
- Our IFRS 9 Specialist team reviewed and tested the assumptions, inputs and formulae used in the ECL model. This included assessing the appropriateness of model design, refinements made, and recalculating the key inputs such as PD and LGD;
- Assess the reasonableness of forward-looking information;
- Agreed ECL calculation data points to source system extracts on sample basis, to evaluate data quality;
- Review of collateral considered as part of the IFRS 9 calculation and reviewed their enforceability;
- Review of the ECL calculated under the Bank of Mauritius' Guideline across both performing and non-performing asset classes. This includes ensuring that provisioning rules required have been correctly applied;
- For a sample of non-performing assets, enquired about the provisioning policy and cross-checked valuation reports;
- Enquired about the application of the option provided by the Guideline where BOM ECL provisions are higher than IFRS a
- Considered the complexity of management's process to design and create financial statement disclosures given the granularity and complexity; and
- Assessed the adequacy of disclosures in the financial statements in accordance with the requirements of IFRS 9 and regulatory considerations.



Report on the Audit of the Financial Statements (Continued)

Other information

The directors are responsible for the other information. The other information comprises the Corporate Information, Annual Report, Statement of Management's Responsibility for Financial Reporting, Corporate Governance Report, Certificate from Company Secretary and Management Discussion Analysis, but, does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, the Financial Reporting Act and the Banking Act and regulations and guidelines of the Bank of Mauritius, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, directors are responsible for assessing 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 Bank or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.



Report on the Audit of the Financial Statements (Continued)

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

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 financial statements, whether due to fraud or
 error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is
 sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement
 resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,
 intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Directors with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our audit report unless laws or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

The Mauritius Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- · We have no relationship with, or interests in, the Bank other than in our capacity as auditor;
- We have obtained all the information and explanations we have required; and
- In our opinion, proper accounting records have been kept by the Bank as far as appears from our examination
 of those records.

Banking Act 2004

The Banking Act 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- in our opinion, the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the Banking Act 2004 and the regulations and guidelines issued by the Bank of Mauritius in relation to banks; and
- the explanations or information called for or given to us by the officers or agents of the Bank were satisfactory.

Financial Reporting Act 2004

Corporate Governance report

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

Other matters

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

Forvis Mazars LLP Port Louis, Mauritius Sandiren Ramsawmy, FCCA Licensed by FRC

Date: 2 2 APR 7175

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2025

	Notes	2025 USD	2024 USD	2023 USD
Interest income calculated using the effective interest method		71,010,857	66,349,097	36,510,173
Interest expense		(37,713,652)	(33,546,199)	(14,858,127)
Net interest income	11A	33,297,205	32,802,898	21,652,046
Net fee and commission income	12	3,803,837	3,320,708	2,743,720
Net trading income	13	3,678,836	2,864,567	2,538,474
Other operating income	14	773,644	303,750	630,506
		4,452,480	3,168,317	3,168,980
Operating income		41,553,522	39,291,923	27,564,746
Net impairment reversal on financial assets	15	221,627	219,930	8,807,736
Personnel expenses	16	(4,860,643)	(4,858,272)	(4,665,820)
Depreciation on property and equipment and right-of-use assets	24,27	(1,016,761)	(980,954)	(948,510)
Other expenses	17	(4,363,643)	(4,071,584)	(4.636,948)
Profit before income tax		31,534,102	29,601,043	26,121,204
Income tax expense	18b	(3,400,000)	(2,285,000)	(1,780,000)
Profit for the year		28,134,102	27,316,043	24,341,204
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit obligations, net of deferred tax		108,494	(1,059,143)	(118,422)
Fair value (losses)/gains on investment in equity securities		(910)	35,674	66,832
Items that may be reclassified subsequently to profit or loss				
Fair value gains/(losses) on investment in debt securities		353,208	1,158,355	(538,000)
Other comprehensive income/loss for the year		460,792	134,886	(589,590)
Total comprehensive income for the year		28,594,894	27,450,929	23.751.614
Earnings per share	19	36,16	35,11	31.29

Approved and authorised for issue by the Board of Directors on 22 April 2025.

S. Adhya

Managing Director & CEO

Marie Annick Pamela Bussier Director and Chairperson

of the Audit Committee

Y. S. Mahabirsingh

Director

Statement of Financial Position

As at 31 March 2025

	Notes	2025 USD	2024 USD	2023 USD
ASSETS				
Cash and cash equivalents	20	296,054,172	205,557,488	154,659,586
Loans and advances to banks	21	349,597,065	300,847,127	125,580,704
Loans and advances to customers	22	574,850,925	503,221,072	483,214,218
Investment securities	23	207,235,415	277,204,428	263,568,508
Derivative assets	38	-	3,039	-
Property and equipment	24	7,269,759	7,168,691	7,405,206
Right-of-use assets	27	650,373	660,055	944,557
Deferred tax assets	25	578,209	645,972	505,972
Other assets	26	34,672,968	28,485,354	27,246,346
Total assets		1,470,908,886	1,323,793,226	1,063,125,097
LIABILITIES				
Deposits from customers	28	931,665,199	836,671,799	750,846,691
Other borrowed funds	29	325,494,775	289,543,766	121,573,927
Derivative liabilities	38	73,374	-	213,955
Current tax liabilities	30	1,684,131	1,676,906	1,446,707
Retirement benefit obligations	39	2,481,380	3,785,318	3,906,423
Lease liabilities	34	699,557	702,147	960,451
Other liabilities	31	11,034,791	8,865,864	17,126,706
Total liabilities		1,273,133,207	1,141,245,800	896,074,860
Shareholders' equity				
Share capital	32a	48,627,188	48,627,188	48,627,188
Share premium	32a	54,078,062	54,078,062	54,078,062
Retained earnings		57,538,737	48,514,865	38,430,216
Statutory and other reserves	40	40,063,960	35,157,807	29,866,372
Actuarial loss reserve	40	(2,532,268)	(3,830,496)	(3,951,601)
Total equity		197,775,679	182,547,426	167,050,237
Total equity and liabilities		1,470,908,886	1,323,793,226	1,063,125,097

Approved and authorised for issue by the Board of Directors on 22 April 2025.

S. Adhya

Managing Director & CEO

Marie/Annick Pamela Bussier

Director and Chairperson of the Audit Committee

Y. S. Mahabirsingh

Director

Statement of changes in equity for the year ended 31 March 2025

	Notes	Share capital (USD	Share premium USD	Statutory reserve USD	General banking reserve Other reserves USD USD	Other reserves USD	Actuarial loss reserve USD	Retained earnings USD	Total equity USD
Balance at 1 April 2022 Profit for the year Other comprehensive loss for the year	32b	48,627,188	54,078,062	26,973,610	603,175	(890,426) - (471,168)	(5,016,310) - (118,422)	28,648,761 24,341,204	153,024,060 24,341,204 (589,590) (9,725,437)
Transfer to actuarial loss reserve Transfer to statutory reserve Balance at 31 March 2023	; ,	48,627,188	54,078,062	3,651,181 30,624,791	603,175	- (1,361,594)	1,183,131	(1,183,131) (3,651,181) 38,430,216	167,050,237
Balance at 1 April 2023 Profit for the year Other comprehensive income / loss for the year Dividend paid Reversal of unclaimed dividend Transfer to actuarial loss reserve Transfer to statutory reserve Balance at 31 March 2024	32p	48,627,188	54,078,062	30,624,791 - - - 4,097,406 34,722,197	603,175	(1,361,594) 1,194,029	(3,830,496)	38,430,216 27,316,043 (12,156,797) 203,057 (1,180,248) (4,097,406) 48,514,865	167,050,237 27,316,043 134,886 (12,156,797) 203,057
Balance at 1 April 2024 Profit for the year Other comprehensive income for the year Dividend paid	32b	48,627,188	54,078,062	34,722,197	603,175	(167,565) - 352,298	(3,830,496) - 108,494	48,514,865 28,134,102 - (13,366,641)	182,547,426 28,134,102 460,792 (13,366,641)
Transfer to actuarial loss reserve Transfer to general banking reserve Transfer to statutory reserve Balance at 31 March 2025		- - - 48,627,188	54,078,062	4,220,115	333,740 - 936,915	184,733	1,189,734	(1,189,734) (333,740) (4,220,115) 57,538,737	197,775,679

The notes from pages 61 to 138 form an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 March 2025

	Notes	2025 USD	2024 USD	2023 USD
Cash flows from operating activities				
Profit before income tax		31,534,102	29,601,043	26,121,204
Adjustments for:				
Depreciation on property and equipment and right-of-use assets	24,27	1,016,761	980,954	948,510
Profit on sale of investments	14	(343,212)	-	(282,214)
Dividend income on investments	14	(76,540)	(55,095)	(60,879)
Exchange rate difference		(686,561)	(100,929)	(831,045)
Profit on disposal of property and equipment		(4,525)	(5,229)	
Fair value movement on financial instruments carried at FVTPL		12,483	(18,039)	5,593
(Decrease)/increase in provision for retirement benefit obligations		(25,258)	(87,045)	154,945
Interest on lease liabilities		31,585	34,502	32,443
Net impairment reversal on financial assets	15	(221,627)	(219,930)	
		31,237,208	30,130,232	26,088,557
Changes in operating assets and liabilities				
Decrease/(increase) in loans and advances to banks		(47,703,690)	(175,338,650)	7,820,932
Increase in loans and advances to customers		(71,881,123)	(18,288,311)	(36,445,304)
Increase in other assets		(6,187,614)	(1,239,008)	(9,332,196)
Increase/(decrease) in derivative assets/liabilities		76,413	(216,994)	246,697
Increase in deposits from customers		93,875,657	83,470,180	98,196,157
Increase/(decrease) in other liabilities		1,501,145	(8,262,799)	11,435,146
Net change in interest receivable		1,546,684	(806,304)	(2,298,003)
Net change in interest payable		5,016,222	3,710,897	5,165,770
Income tax paid	30	(3,330,722)	(2,194,801)	(1,053,293)
Net cash generated from/(used in) operating activities		4,150,180	(89,035,558)	99,824,463
Cash flows from/(used in) investing activities				
Increase in investment securities (net)		(398,185,148)	(488,349,763)	(337,412,906)
Proceeds from sale of investment securities		466,870,841	474,555,587	339,465,961
Purchase of property and equipment	24	(709,085)	(353,780)	(308,532)
Proceeds from sale of property and equipment		8,849	11,177	-
Dividend on investments	14	76,450	55,095	60,879
Net cash generated from/ (used in) investing activities	•	68,061,907	(14,081,684)	1,805,402
Cash flows from financing activities				
Net movement in other borrowed funds		59,052,530	139,613,870	(115,753,358)
Repayment of lease liability		(401,292)	(441,929)	(340,113)
Dividend paid	32b	(13,366,641)	(12,156,797)	(9,725,437)
		((01. = 01. 0.07
Net cash generated from/(used in) financing activities		45,284,597	127,015,144	(125,818,908)
Net increase/(decrease) in cash and cash equivalents		117,496,684	23,897,902	(24,189,043)
Cash and cash equivalents at beginning of year		178,557,488	154,659,586	178,848,629
Cash and cash equivalents at end of year	20b	296,054,172	178,557,488	154,659,586
•				

Notes to and forming part of the financial statements For the year ended 31 March 2025

1. GENERAL INFORMATION

SBI (Mauritius) Ltd ("the Bank") is incorporated in Mauritius as a public company under the Mauritius Companies Act 2001. Its registered office is at 7th Floor, SBI Tower Mindspace, 45, Ebène Cybercity, 72201, Mauritius. It holds a banking licence issued by the Bank of Mauritius and carries banking operations both locally and internationally.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting standards issued by the International Accounting Standards Board (IASB) and in compliance with the requirements of the Mauritius Companies Act 2001, the Mauritius Banking Act 2004, the Financial Reporting Act 2004 and the regulations and guidelines issued by the Bank of Mauritius.

The financial standards were authorised for issue by the Bank's board of directors on 22 April 2025.

(b) Presentation of financial statements

The financial statements are presented in United States Dollar ("USD"). The Bank presents its statement of financial position broadly in order of liquidity. The recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the notes to the financial statements, where applicable.

(c) Basis of accounting

The financial statements are prepared on the historical on the historical cost basis, except for the revaluation of certain financial instruments that are measured at fair values or amortised cost at the end of the reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Bank takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

The principal accounting policies adopted are set out below:

(d) Application of new and revised standards and interpretations

New and revised accounting standards as issued by the IASB that are effective but with no material effect on the financial statements

In the current year, the Bank has applied all of the new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 April 2024.

Notes to and forming part of the financial statements For the year ended 31 March 2025

2. BASIS OF PREPARATION (CONTINUED)

(d) Application of new and revised standards and interpretation (continued)

New and revised accounting standards as issued by the IASB that are effective but with no material effect on the financial statements (continued)

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Non-current Liabilities with Covenants (Amendments to IAS 1);
- Lease Liability in a sale and Leaseback (Amendments to IFRS 16);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);

The Amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and revised Standards and Interpretations in issue but not yet effective

Certain new accounting standards and amendments to new accounting standards have been published that are not mandatory for 31 March 2025 reporting period and have not been early adopted by the bank. These have been listed below:

- Lack of Exchangeability (Amendments to IAS 21 01 January 2025).
- Amendments to classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7 01 January 2026);
- Annual Improvements to IFRS Accounting Standards Volume II (01 January 2026).
- IFRS 18 Presentation and Disclosures in Financial Statements (01 January 2027);
- IFRS 19 Subsidiaries without Public Accountability Disclosures (01 January 2027);

The directors anticipate that these standards and interpretation will be applied on their effective dates in future periods. The directors have not yet assessed the potential impact of the application of these amendments and new accounting standards.

(e) Going concern

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

(f) Rounding of amounts

All amounts disclosed in these financial statements and notes have been rounded off to the nearest US Dollar ("USD") unless otherwise stated.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

2. BASIS OF PREPARATION (CONTINUED)

(g) Segmental reporting

In accordance with the Bank of Mauritius *Guideline on Segmental Reporting under a Single Banking Licence Regime* and the Bank of Mauritius Guideline on 'Public disclosure of Information', the Bank's business has been split into Resident and Non-Resident:

- Non-Resident is essentially directed to the provision of international financial services. Such services may be fund based or non-fund based.
- Resident relates to banking business other than Non-Resident business.

Expenditure incurred by the Bank but which is not directly attributable to its income derived from Mauritius or its foreign source income is apportioned in a fair and reasonable manner. Neither the above guideline nor IFRS mandate the application of IFRS 8 to the financial statements of the Bank.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the years presented in the financial statements unless otherwise stated.

(a) Foreign currencies

These financial statements are prepared in USD, which is the Bank's functional and presentation currency.

In preparing the financial statements of the Bank, transactions in currencies other than the Bank's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. On-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

[This space is intentionally left blank.]

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Net interest income

Interest income and expense for all financial instruments except for those classified as held for trading or those measured or designated as at FVTPL are recognised in 'Net interest income' as 'Interest income' and 'Interest expense' in the statement of profit or loss and other comprehensive income using the effective interest method. Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period within 'Net trading income'.

The effective interest rate ("EIR") is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument. The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The interest income/ interest expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e., at the amortised cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortised cost of financial liabilities.

For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e., the gross carrying amount less the allowance for expected credit losses ("ECL"). The interest is suspended and recognised only upon receipt.

Interest income calculated using the effective interest method presented in the statement of profit or loss and other comprehensive income includes:

- Interest on financial assets measured at amortised cost;
- Interest on debt instruments measured at FVOCI

Interest expense presented in the statement of profit or loss and other comprehensive income includes:

- financial liabilities at amortised cost;
- interest expense on lease liabilities.

(c) Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all fair value changes, interest, dividends, and gains/ losses on dealings in foreign exchange currency.

(d) Net fees and commission income

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. Please refer to 3(b) above.

If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

Other fee and commission income – including account servicing fees, investment management fees, sales commission, placement fees and syndication fees – is recognised as the related services are performed. Fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including any significant payment terms and the related revenue recognition policies.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Net fees and commission income (continued)

Type of service	Nature and timing of satisfaction of performance obligations, including any significant payment terms	Revenue recognition policies under IFRS 15
Retail, corporate and global banking services	The Bank provides banking services to retail, corporate and global banking customers, including account management, provision of overdraft and other credit facilities, foreign currency transactions, trade finance facilities and servicing fees.	Revenue from account services and servicing fees is recognised over time as the services are provided.
	Fees for ongoing account management are charged to the customers' account on a monthly basis (or any other predetermined frequency). The Bank sets the rates separately for retail, corporate and global business customers and reviews them annually.	Revenue related to transactions is recognised at a point in time when the transactions take place.
	Transaction-based fees for interchange, foreign-currency transactions, overdrafts and trade finance facilities are charged to the customer's account when the transaction takes place.	
	Servicing fees are charged on a monthly basis and are based on fixed rates reviewed annually by the Bank.	

The Bank does not offer services with multiple non-distinct/ distinct performance obligations.

(e) Leases

The Bank assesses whether a contract is or contains a lease, at inception of the contract. The Bank recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Bank recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. In this case, the Bank determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

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

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

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

The lease liability is presented separately in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Bank remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Bank did not make any such adjustments during the periods presented. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Bank incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Bank expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Bank applies IAS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Income tax expense

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

Current tax

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

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

Effective from the year of assessment commencing 01 July 2020, banks are taxed as follows:

Chargeable income	Tax rate
Up to 1.5 billion Mauritian rupees (MUR)	5%
Remainder	15%

The Bank is also liable to pay a special levy on its leviable income (Net interest income and other income from banking transactions with residents before deduction of expenses) as per the below criteria:

Leviable income	Tax	rate
Up to 1.2 billion Mauritian rupees (MUR)	5	.5%
More than 1.2 billion Mauritian rupees (MUR)	4	.5%

The special levy is included in the income tax expense and tax liability in the financial statements.

Corporate Social Responsibility (CSR) is also payable by the Bank at the rate of 2% of the income derived by transactions with residents of the preceding year.

Effective the year of assessment commencing 01 July 2024 Corporate Climate Responsibility (CCR) Levy is applicable at 2% of the Bank's chargeable income.

The Bank is subject to the Advances Payment System ("APS") whereby it pays income tax on a quarterly basis.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit; and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The principal temporary differences arise from depreciation of property and equipment, provisions for impairment losses on loans and advances and provisions for employee benefits.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Income tax expense (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The deferred tax rate of the Bank is 5%.

Current tax and deferred tax for the year

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

(g) Property and equipment

Property and equipment are carried at historical cost or deemed cost less accumulated depreciation.

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

Depreciation is calculated to write down the cost or amount of the valuation of such assets to their residual values on a straight-line basis over their estimated useful lives as follows:

Buildings on lease

Over the remaining term of the lease

Buildings

2%

Office equipment, furniture and fittings

10% -33.33%

Motor vehicles

20%

Land is not depreciated.

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

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Bank expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets and liabilities

A: Initial recognition and measurement

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

At initial recognition, the Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions.

Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an ECL is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, as described in note 5.3.2.2, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

Refer to note 3(h)(B) for the accounting policy on fair value measurement.

B: 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 Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Bank measures 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 Bank uses 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 on initial recognition is normally the transaction price — i.e. the fair value of the consideration given or received. If the Bank determines that the fair value on 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 for which any unobservable inputs are judged to be insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on 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 is wholly supported by observable market data or the transaction is closed out. If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets and liabilities (continued)

B: Fair value measurement (continued)

Portfolio-level adjustments – e.g., bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature (e.g., 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 Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(i) Financial assets

A: Classification and subsequent measurement

The Bank classifies its financial assets in the following measurement categories:

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

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government or corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Bank's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories based on the business model and SPPI test, detailed further below:

Amortised cost	Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortised cost.
	The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 5.3.2.2.
	Interest income from these financial assets is included in 'Interest income' using the effective interest method.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (continued)

A: Classification and subsequent measurement (continued)

Debt instruments (continued)

Fair value through other comprehensive income ("FVOCI")	Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVOCI.
	Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other operating income'.
	Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.
Fair value through profit or loss ("FVTPL")	Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.
	A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the profit or loss within 'Net trading income' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Other operating income'.
	Interest income from these financial assets is included in 'Interest income' using the effective interest method.

Business model:

The business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Bank in determining the business model for a Bank of assets include:

[This space is intentionally left blank.]

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (continued)

A: Classification and subsequent measurement (continued)

Business model: (continued)

- the stated policies and objectives for the portfolio and the operation of those policies in
 practice. In particular whether management's strategy focuses on earning contractual
 interest revenue, maintaining a particular interest rate profile, matching the duration of the
 financial assets to the duration of the liabilities that are funding those assets or realising cash
 flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Bank's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed.
- how managers of the business are compensated (e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its
 expectations about future sales activity. However, information about sales activity is not
 considered in isolation, but as part of an overall assessment of how the Bank's stated
 objective for managing the financial assets is achieved and how cash flows are realised.

The Bank's retail, corporate banking and global banking business comprises primarily loans to customers that are held for collecting contractual cash flows. In the retail business the loans comprise mortgages, overdrafts and unsecured personal lending. In the corporate and global banking business, the loans are made up of import loans, term loans, syndicated loans and overdrafts. Sales of loans from these portfolios are very rare.

Certain debt securities are held by the Bank's Treasury in a separate portfolio for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The Bank considers that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows.

Certain other debt securities are held by the Bank's Treasury in separate portfolios to meet everyday liquidity needs. The Bank's Treasury seeks to minimise the costs of managing these liquidity needs and therefore actively manages the return on the portfolio. That return consists of collecting contractual cash flows as well as gains and losses from the sale of financial assets. The investment strategy often results in sales activity that is significant in value. The Bank considers that these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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.

SPPI:

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the `SPPI test'). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Bank reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (continued)

A: Classification and subsequent measurement (continued)

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Bank subsequently measures all equity investments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Bank's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in other comprehensive income and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established.

The Bank has designated all its equity investments at FVOCI.

B: Impairment

The Bank assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

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

Note 5.3.2.2 provides more detail of how ECL is measured.

C: Modification of loans

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

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- · Significant change in the interest rate.
- · Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Bank derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (continued)

C: Modification of loans (continued)

The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The impact of modifications of financial assets on the ECL computation is discussed in notes 5.3.4 and 5.3.5.

D: Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

- the Bank transfers substantially all the risks and rewards of ownership, or
- the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the Bank has not retained control.

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

- · has no obligation to make payments unless it collects equivalent amounts from the assets;
- · is prohibited from selling or pledging the assets; and
- has an obligation to remit any cash it collects from the assets without material delay.

(j) Financial liabilities

A: Classification and subsequent measurement

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

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading (e.g., short positions in the trading book) and other financial liabilities designated as such at initial recognition.
- · Financial guarantee contracts and loan commitments.

B: Derecognition

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

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

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Financial liabilities (continued)

B: Derecognition (continued)

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

(k) Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance (calculated as described in note 5.3.2.2); and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Bank are measured as the amount of the loss allowance (calculated as described in note 5.3.2.2). The Bank has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

(I) Derivative financial instruments

Derivative financial instruments include foreign exchange contracts and currency swaps. These are initially recognised in the statement of financial position at cost and subsequently remeasured at their fair value.

Fair values of derivatives between two external currencies are based on interest rate differential between the two currencies. Fair values of forwards involving Mauritian Rupees are based on treasury bills rate or LIBOR/ reference rates. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Transaction costs are charged immediately through profit or loss.

The Bank's derivative transactions, while providing effective economic hedges under the Bank's risk management policies, do not qualify for hedge accounting under the specific rules and are therefore treated as derivatives held for trading with fair value gains and losses reported through profit and loss.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Investment securities

The 'investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt and equity investment securities mandatorily measured at FVTPL or designated as at FVTPL; these are at fair value with changes recognised immediately in profit or loss;
- · debt securities measured at FVOCI; and
- equity investment securities designated as at FVOCI.

For debt securities measured at FVOCI, gains and losses are recognised in other comprehensive income, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Bank elects to present changes in the fair value of certain investments in equity instruments that are not held for trading in OCI. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Fair value gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

(n) Cash and cash equivalents

Cash and cash equivalents are items which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents include unrestricted balances held with the Bank of Mauritius and highly liquid financial assets and liabilities (e.g. other borrowed funds) with original maturities of three months or less from the acquisition date including balances with financial institutions. Cash and cash equivalents do not include the mandatory balances with the Central Bank.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(o) Deposits and other borrowed funds

Deposits and other borrowed funds are the Bank's main sources of debt funding.

Deposits and other borrowed funds are initially measured at fair value minus incremental direct transaction costs. Subsequently, they are measured at their amortised cost using the effective interest method.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of comprehensive income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

(q) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(r) Employee benefits

A: Short-term employee benefits

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

B: Defined benefit plans

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

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

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

The Bank determines 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 net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss. Employee benefits (confirmed) service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Employee benefits (continued)

C: Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and recognised as personnel expenses in profit or loss. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

D: State pension contribution

State pension plan contributions to the Contribution Sociale Generalisée ("CSG") are recognised in profit or loss in the period in which they fall due.

E: Termination benefits

Termination benefits are recognised when the Bank is committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy when it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. A liability is recognised for the termination benefit representing the best estimate of the amount payable and the termination benefits are recognised as an expense.

(s) Contingent liabilities

Contingent liabilities, which include certain guarantees and letters of credit pledged as collateral security, and contingent liabilities related to legal proceedings or regulatory matters, are not recognised in the financial statements but are disclosed unless the probability of settlement is remote.

(t) Acceptances

Acceptances comprise undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be settled simultaneously with the reimbursement from customers. Acceptances and letters of credit are accounted for as off-balance sheet items and are disclosed as contingent liabilities and commitments (Refer to Note 35).

(u) Stated capital

Ordinary shares are classified as equity. Share issue costs are incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Impairment of non-financial assets

The carrying amounts of assets are assessed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated, being the higher of the asset's net selling price and its value in use, to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised as an expense immediately, unless the asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(w) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Comparatives (continued)

Where necessary, comparative figures are restated or reclassified to conform to the current year's presentation and to the changes in accounting policies.

As required by the Bank of Mauritius Guideline on Public Disclosure of Information, disclosures have been made with comparative information for two years.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Bank's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Bank's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Bank's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

(a) Business model assessment:

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Bank determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Bank monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Bank's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(b) Significant increase of credit risk:

As explained in note 5.3.2.2, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Bank takes into account qualitative and quantitative reasonable and supportable forward-looking information. Refer to note 5.3.2.1 for more details.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

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

Critical judgements in applying the Bank's accounting policies (continued)

(c) Establishing groups of assets with similar credit risk characteristics:

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. Refer to note 5.3.1(a) for details of the characteristics considered in this judgement. The Bank monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets.

Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

(d) Models and assumptions:

The Bank uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk. See note 5.3.2.2 for more details on ECL.

(e) Determining the functional currency

The determination of the functional currency of the Bank is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered the criteria set out in IAS 21 *The Effects of Changes in Foreign Exchange Rates* and have determined the functional currency of the Company to be the United States Dollar ("USD").

Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying the Bank's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

(a) Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward-looking information relevant to each scenario:

When measuring ECL the Bank uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Refer to notes 5.3.2.2 and 5.3.2.3 for more details.

(b) Probability of default ("PD")

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Refer to notes 5.3.2.2 and 5.3.2.3 for more details.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

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

Key sources of estimation uncertainty (continued)

(c) Loss Given Default ("LGD")

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Refer to notes 5.3.2.2 and 5.3.2.3 for more details.

(d) Pension benefits

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

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

Other key assumptions are based on current market conditions. Additional information is disclosed in Note 39.

[This space is intentionally left blank.]

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

5 FINANCIAL RISK MANAGEMENT

5.1 Introduction

The Bank has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risks (including interest rate and foreign currency risks)

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risks, and the Bank's management of capital. The measurement of ECL under IFRS 9 uses the information and approaches that the Bank uses to manage credit risk, though certain adjustments are made in order to comply with the requirements of IFRS 9. The approach taken for IFRS 9 measurement purposes is discussed in note 5.3.2.

5.2 Risk Management Framework

The Bank's Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board of Directors has established the Conduct Review and Risk Management Committee which is responsible for approving and monitoring the Bank's risk management policies.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Bank's activities. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Bank's Audit Committee oversees how management monitors compliance with the Bank's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Bank. The Bank's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls.

5.3 Credit Risk

Credit risk is the risk of suffering financial loss, should any of the Bank's customers, clients or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk arises mainly from interbank, commercial and consumer loans and advances, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as financial guarantees and letters of credit.

The Bank is also exposed to other credit risks arising from other exposures arising from its trading activities ('trading exposures').

Credit risk is the single largest risk for the Bank's business; the Bank therefore carefully manages its exposure to credit risk. Management and Board committee approach is adopted for sanction of all the loans. All the credit related risk parameters are discussed threadbare in the respective committee before sanctioning of the credit exposures.

As at 31 March the Bank accounted for the regulatory provision through a charge to the equity as allowed in Bank of Mauritius guideline on 'Classification, Provisioning and Write-off of Credit Exposures (20 August 2024)' in the provision reserve since provisioning as per IFRS 9 is lower than the minimum portfolio provision. This reserve is non-distributable.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

5.3.1 Credit Risk Measurement

(a) Loans and advances (including loan commitments and guarantees)

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time.

The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk using Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD").

Credit risk grading

The Bank uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties. The Bank use internal rating models tailored to the various categories of counterparty. Borrower and loan specific information collected at the time of application (such as disposable income, and level of collateral for retail exposures; and turnover and industry type for wholesale exposures) is fed into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an A and A- rating grade is lower than the difference in the PD between a B and B- rating grade.

Grouping of instruments for losses measured on a collective basis

ECL is measured on a collective basis having shared risk characteristics. The different segments reflect differences in PDs and in recovery rates in the event of default.

The objective of segmentation is to arrive at homogenous groups of borrowers to determine default rates in a meaningful manner. This is done by conducting homogeneity tests and taking inputs from business. In-cases where certain groups were non-homogenous business inputs were taken to decide if they should be pooled together or not. The characteristics and any supplementary data used to determine groupings are outlined below:

Portfolios	Pool	Parameters	USD
	Pool 1	Loans secured by housing/land property and have similar risk	64,930,451
	Pool 2	Fully secured by deposits	2,502,394
Retail	Pool 3	Secured by vehicle	25,464,778
Portfolio	Pool 4	Loans for education purposes	26,915
	Pool 5	Other loans all classified together as separate volume would have been immaterial	1,081,521
	Pool 2	Fully secured by deposits	9,402
Corporate	Pool 3	Secured by vehicle	39,718
Portfolio	Pool 6	Loans with internal rating between SBIML1 – SBIML 6.	10,241,884
	Pool 7	Loans with internal rating between SBIML 7- SBIML 16.	207,462,333
Global	Pool 8	All long term loans of Global Business Branch	533,165,611
Business Portfolio	Pool 9	All short term loans of Global Business Branch	88,447,321

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

5.3.1 Credit Risk Measurement (continued)

(a) Loans and advances (including loan commitments and guarantees)

Credit risk grading (continued)

Retail and Corporate

Each pool is mapped to a historical PD.

Treasury

For debt securities in the Treasury portfolio, external rating agency (S&P) credit grades are used.

Global Business

PDs are calculated on the basis of ratings provided by external credit rating agency. For unrated entities, the default rates considered in arriving at the Probability of Default are derived from the weighted average default rates of the cohort from the external rating agency's default tables.

5.3.2 Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial
 instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Please refer to
 note 5.3.2.1 for a description of how the Bank determines when a significant increase in
 credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Please refer to note 5.3.2.1 (G) for a description of how the Bank defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion
 of 12-month expected credit losses that result from default events possible within the next 12
 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit
 losses on a lifetime basis. Please refer to note 5.3.2.2 for a description of inputs,
 assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward looking information. Note 5.3.2.3 includes an explanation of how the Bank has incorporated this in its ECL models.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
2-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

5.3.2 Expected credit loss measurement (continued)

5.3.2.1 Significant increase in credit risk ("SICR")

The key judgements and assumptions adopted by the Bank in addressing the requirements of the standard are discussed below:

To determine whether credit risk has significantly increased since initial recognition, the Bank will compare the risk of default at the assessment date with the risk of default at initial recognition. This assessment is to be carried out at each assessment date.

A: Quantitative criteria

Global business:

All assets are categorised as Stage 1 if all the criteria listed below are satisfied:

- · Not more than one downgrade in external rating from inception rating to current rating;
- Within 2 notch internal rating downgrade from inception rating to current rating; and
- Current days past due ("DPD") status is within 30 days from last repayment.

All assets are categorised as Stage 2 if any of the below criteria is satisfied:

- One or more downgrade in external rating from inception rating and current rating;
- More than 2 notch internal rating downgrade from inception rating to current rating; and
- Above 30 days but less than 90 days past due from last repayment.

All impaired assets are recognised as Stage 3 when they are more than 90 days overdue.

Corporate and retail business

The Bank determines the respective stage based on the DPD as follows:

Stage 1: Less than 30 days past due

Stage 2: More than 30 days past due but less than 90 days

Stage 3: Above 90 days overdue

Investment portfolio:

The Bank applies the below criteria for determining the respective stage for its investment products:

Stage 1: No downgrade in external rating

Stage 2: One notch downgrade from inception rating

Stage 3: When interest/ instalment (including maturity proceeds) for investments is due and

remains unpaid for more than 90 days.

B: Backstop

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments. The exposure will move from Stage 1 to 2.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

- 5 FINANCIAL RISK MANAGEMENT (CONTINUED)
- 5.3 Credit Risk (continued)
- 5.3.2 Expected credit loss measurement (continued)

5.3.2.1 Significant increase in credit risk ("SICR") (continued)

C: Qualitative criteria

For retail and corporate portfolios, if the borrower meets one or more of the following criteria:

- · In short-term forbearance;
- Direct debit or standing order cancellation; and
- Extension to the terms granted.

For Treasury portfolios, if the borrower is on the Watchlist and/or the instrument meets one or more of the following criteria:

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

The assessment of SICR incorporates forward-looking information (refer to note 5.3.2.3 for further information) and is performed on a quarterly basis at a portfolio level for all retail financial instruments held by the Bank.

In relation to Treasury financial instruments, credit risk assessment is performed at the counterparty level and on a periodic basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

D: Low credit risk expedient

IFRS 9 offers a low credit risk expedient for the purpose of allocating exposures into stages based on SICR assessment. On application of this expedient, the Bank may assume that the credit risk of a financial instrument has not increased significantly since initial recognition if it is determined that the financial instrument has low credit risk at the assessment date. According to IFRS 9,the credit risk on a financial instrument is considered low if:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily; reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Bank applies the low credit risk expedient on its "Cash and cash equivalents" line item in the statement of financial position, and certain categories for investment securities which have an investment grade.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

- 5 FINANCIAL RISK MANAGEMENT (CONTINUED)
- 5.3 Credit Risk (continued)
- 5.3.2 Expected credit loss measurement (continued)
- 5.3.2.1 Significant increase in credit risk ("SICR") (continued)

E: Rebuttal of 30 days past due ("30+DPD")

Regardless of the indicators used by the Bank to determine SICR, there is a rebuttable presumption that the credit risk of a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The Bank shall rebut the 30+ DPD presumptions in the case of any technical delinquencies (i.e., accounts marked as 30+DPD owing to administrative reasons and non-credit related concerns) and cases of delinquencies where payment is linked to government payments with approved invoices which have caused such delinquency. Approval for such instances will be obtained from the MD & CEO.

F: Backwards transition ("Curing")

IFRS 9 staging model is of symmetrical nature as exposures may migrate from lifetime ECL measurement (Stage 2, Stage 3) to 12-month ECL measurement (Stage 1). However, movement across stages are determined by their respective stages as defined in this policy or any corresponding changes incorporated in the Loan Policy / Investment Policy of the Bank.

The different scenarios for movement are discussed below:

From Stage 2 to Stage 1	Once SICR indicators are no longer triggered, movement back to Stage 1 has to be 'calibrated' and cannot be automatic or immediate. Across all portfolios, the Bank must exhibit the following to move an exposure from Stage 2 to Stage 1: SICR indicators used to classify into Stage 2 are no longer triggered; Up-to-date payments with no arrears.
From Stage 3 to Stage 2	Across all portfolios, the Bank must exhibit the following to move an exposure from Stage 3 to Stage 2: Indicators used to classify as Stage 3 are no longer triggered; Up-to-date payments with no arrears.

An asset in Stage 3 shall be upgraded only when the irregularity/deficiency in the account which led to the account being classified as Stage 3 is fully rectified on a sustainable basis. A transient rectification of the irregularity/deficiency near the reporting date may not result in the upgrade of the account unless there is satisfactory evidence to support that the rectification of the irregularity/deficiency is sustainable and the inherent credit weakness has mitigated substantially.

However, as regards the upgrade of restructured Stage 3 accounts to Stage 1, the same shall be upgraded only when all the outstanding loans/facilities perform satisfactorily for a period of 6 months from the commencement of the first payment of interest or principal, whichever is later, on the credit facilities with the longest period of moratorium under the terms of restructuring.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

- 5 FINANCIAL RISK MANAGEMENT (CONTINUED)
- 5.3 Credit Risk (continued)
- 5.3.2 Expected credit loss measurement (continued)
- 5.3.2.1 Significant increase in credit risk ("SICR") (continued)

G: Definition of default and credit-impaired assets

The Bank's definition of default is aligned with the stricter of the Bank of Mauritius guidelines and internal credit risk management practices.

Defaulted assets will fall under the Stage 3 category and a specific provision will be recognised against all such assets. As per the Bank's Loan Policy and Bank of Mauritius *Guideline on Credit Impairment Measurement and Income Recognition*, impaired loans and overdrafts are recognised as follows:

Category	Definition of "impaired"
Loans and advances	A loan can be classified as impaired asset when instalments of principal and/or interest are due and remain unpaid for more than 90 days, or such unpaid amount has been capitalised, refinanced or rolled over. Past due loans are loans where payment of principal or interest is contractually due but remains unpaid
Overdraft	 An overdraft facility can be classified as impaired asset when one or more conditions as mentioned below are satisfied: the advance exceeds the customer's approved limit continuously for more than 90 days; the customer's approved limit has expired for more than 90 days; interest on the advance is due and remains unpaid for 90 days; or the account has been dormant for more than 90 days and deposits are insufficient to cover the interest capitalised during the period. For this purpose, dormant accounts include accounts, which have only a few transactions of insignificant amounts.
Bills	The bill remains overdue for a period of more than 90 days in the case of bills
Purchased and Discounted	purchased and discounted.
Investments	Interest/ instalment (including maturity proceeds) for Investments is due and remains unpaid for more than 90 days.

5.3.2.2 Measuring ECL - Explanations of inputs, assumptions and estimation techniques

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months ("12M PD"), or over the remaining lifetime ("Lifetime PD") of the obligation.
- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months ("12M EAD") or over the remaining lifetime ("Lifetime EAD"). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default ("LGD") represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default ("EAD"). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

- 5 FINANCIAL RISK MANAGEMENT (CONTINUED)
- 5.3 Credit Risk (continued)
- 5.3.2 Expected credit loss measurement (continued)
- 5.3.2.2 Measuring ECL Explanations of inputs, assumptions and estimation techniques (continued)
 - The ECL is determined by projecting the PD, LGD and EAD for each future year and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e., the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.
 - The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity
 profile looks at how defaults develop on a portfolio from the point of initial recognition throughout
 the lifetime of the loans. The maturity profile is based on historical observed data and is assumed
 to be the same across all assets within a portfolio and credit grade band. This is supported by
 historical analysis.
 - The 12-month and lifetime EADs are determined based on the expected payment profile, which
 varies by product type.
 - For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month period or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.
 - For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Bank's recent default data.
 - The 12-month and lifetime LGDs are determined using a combination of regulatory and historical vintage analysis. These vary by product type.
 - For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
 - For unsecured products, LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGDs are influenced by collection strategies, including contracted debt sales and price.
 - Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. Refer to note 5.3.2.3 for an explanation of forward-looking information and its inclusion in ECL calculations.
 - The assumptions underlying the ECL calculation such as how the maturity profile of the PDs and how collateral values change etc. — are monitored and reviewed on an annual basis.
 - There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

5.3.2 Expected credit loss measurement (continued)

5.3.2.3 Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are sourced from the Bank of Mauritius, IMF and WEO Forecast Database depending upon the type of portfolio.

The impact of these economic variables on the PD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates.

The bank has recalibrated its existing ECL model. As per revised methodology for ECL calculation, the bank has computed has provided following weights to three scenarios; baseline, adverse and favourable.

Scenario probability weighting	Baseline	Adverse	Favourable
31 March 2025	40%	35%	25%
31 March 2024	40%	30%	30%
31 March 2023	50%	30%	20%

PD is computed for each of the scenario by giving a shock to baseline PD curve in upward and downward direction. Final ECL is computed by giving the weightages to each of the scenario to arrive at weighted average ECL.

Periodically, the Bank carries stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by the Risk Team.

Based on management's annual review and assessment performed, they have determined the above scenario probability weights to be appropriate for both the current and prior years, taking into account the ongoing uncertainties relating to the ongoing pandemic and increasing inflationary local environment linked with the global geopolitical tensions.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Bank's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios and economic variable assumptions.

Notes to and forming part of the financial statements For the year ended 31 March 2025

- 5 FINANCIAL RISK MANAGEMENT (CONTINUED)
- 5.3 Credit Risk (continued)
- 5.3.2 Expected credit loss measurement (continued)
- 5.3.2.3 Forward-looking information incorporated in the ECL models (continued)

5.3.3 Risk limit control and mitigation policies

The Bank manages limits and controls concentrations of credit risk wherever they are identified, in particular, to individual counter parties and companies, and to industries and countries. The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to a monthly frequent review, when considered necessary. Limits on the level of credit risk by product, industry sector and by country are approved by the Board of Directors.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrower to meet interest and capital repayment obligation and by changing these lending limits where appropriate. Some other specific control and mitigation measures are outlined below:

Collaterals

The Bank employs a range of policies and practices to mitigate credit risk. The amount and type of collateral required depend on the counterparty's credit quality and repayment capacity. The principal collateral types for loans and advances are:

- Fixed and Floating Charges over business assets such as premises, inventory and trade receivables;
- Charges over financial instruments such as cash collateral, debt securities and equities;
- Mortgages over residential properties;
- · Corporate guarantees and letter of support;
- Personal guarantees; and
- Credit Insurance.

[This space is intentionally left blank.]

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

5.3.3 Risk limit control and mitigation policies (continued)

Collaterals (continued)

Longer-term finance and lending to corporate entities are generally secured; revolving individual short-term credit facilities are at times unsecured. In addition, in order to minimise the credit loss, the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances. Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments. The Bank closely monitors collaterals held for financial assets considered as credit impaired, as it becomes more likely that the Bank will take possession of the collaterals to mitigate potential credit losses. Financial assets that are credit impaired and related collaterals held in order to mitigate potential losses are shown below:

31 March 2025	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
Credit-impaired asset	USD	USD	USD	USD
Loans to individuals:				
- Overdrafts	1,992	1,992		3,287
- Term loans	23,620	23,620	-	60,869
- Mortgages	278,352	278,352	-	385,705
Loans to corporate entities:				
- Large corporate customers	-	-	-	-
- SMEs	176,159	176,159	-	334,319
Total credit-impaired assets	480,123	480,123	su su	784,180

31 March 2024	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
Credit-impaired asset	USD	USD	USD	USD
Loans to individuals:				
- Overdrafts	4,496	4,496	-	9,054
- Term loans	42,356	42,356	-	89,976
- Mortgages	362,397	362,397	-	732,373
Loans to corporate entities:				
- Large corporate customers	57,427	57,427		195,239
- SMEs	165,108	165,108		249,104
Total credit-impaired assets	631,784	631,784	-	1,275,746

31 March 2023	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
Credit-impaired asset	USD	USD	USD	USD
Loans to individuals:				
- Overdrafts	6,387	6,387		10,330
- Term loans	79,865	79,865	-	157,650
- Mortgages	511,853	511,853	-	1,083,524
Loans to corporate entities:				
 Large corporate customers 	144,895	144,895	-	348,222
- SMEs	167,034	167,034	-	253,980
Total credit-impaired assets	910,034	910,034	-	1,853,706

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

5.3.3 Risk limit control and mitigation policies (continued)

Collaterals (continued)

Residential mortgage lending

The following tables stratify credit exposures from mortgage loans and advances to retail customers by ranges of loan-to-value ("LTV") ratio. LTV is calculated as the ratio of the gross amount of the loan – or the amount committed for loan commitments – to the value of the collateral. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. For credit-impaired residential loans, the value of collateral is based on the most recent appraisals.

Mortgage portfolio - LTV distribution	31 March	31 March	31 March
 -	2025	2024	2023
	USD	USD	USD
Lower than 50%	70,024	209,591	288,590
50 to 59%	166,746	125,361	117,263
60 to 69%	40,909	181,636	260,595
70 to 79%	36,693	28,304	56,904
80 to 89%	-	51,946	143,321
90 to 100%	165,751	34,946	43,361
Total	480,123	631,784	910,034

Credit - related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties carry the same credit risks as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments.

However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer term commitments generally have a greater degree of credit risk than shorter term commitments.

The Bank's policy is to require suitable collateral to be provided by certain customers prior to the disbursement of approved loans.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

5.3.4 Modification of financial assets other than COVID-related

The Bank sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery. Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Bank monitors the subsequent performance of modified assets. The Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL).

The Bank continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets. The following table includes summary information for loans and advances to customers with lifetime ECL whose cash flows were modified during the period as part of the Bank's restructuring activities:

	31 March 2025	31 March 2024	31 March 2023
	USD	USD	USD
Amortised cost before modification	-	-	209,372

5.3.5 Write off policy

The Bank writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include:

- (i) ceasing enforcement activity and
- (ii) where the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Bank may write-off financial assets that are still subject to enforcement activity. The below table shows the outstanding contractual amounts of such assets written off:

	31 March 2025	31 March 2024	31 March 2023
	USD	USD	USD
Financial assets written off (Note 22c)	27,651	172,759	_

The Bank still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

5.3.6 Maximum exposure to credit risk – Financial instruments subject to impairment

The following tables contain an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amounts of financial assets below also represent the Bank's maximum exposure to credit risk on these assets. The includes both loans to banks and loans to customers.

	2025				2024	2023
	Stage 1	Stage 2	Stage 3	Total	Total	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	USD	USD	USD
	Performing	Special mention	Impaired			
Retail	USD	USD	USD			
Gross carrying amount	92,969,248	732,848	303,964	94,006,060	85,871,549	81,681,338
Loss allowance	(1,452,902)	(11,445)	(303,964)	(1,768,311)	(1,543,208)	(1,882,654)
Net carrying amount	91,516,346	721,403	н	92,237,749	84,328,341	79,798,684
Corporate				:		
Gross carrying amount	216,864,209	712,969	176,160	217,753,338	174,478,738	193,720,575
Loss allowance	(2,852,303)	(9,787)	(176,160)	(3,038,250)	(2,648,650)	(3,892,984)
Net carrying amount	214,011,906	703,182	-	214,715,088	171,830,088	189,827,591
Global Business						
Gross carrying amount	621,612,932	-	-	621,612,932	554,330,837	344,186,840
Loss allowance	(4,117,779)	-	-	(4,117,779)	(6,421,067)	(5,018,190)
Net carrying amount	617,495,153	-	-	617,495,153	547,909,770	339,168,650
Investment securities at amortised cost						
Gross carrying amount	207,678,198	-	-	207,678,198	277,240,030	263,704,097
Loss allowance	(442,783)	-	-	(442,783)	(35,602)	(135,589)
Net carrying amount	207,235,415	-	*	207,235,415	277,204,428	263,568,508
Undrawn commitments						
Gross carrying amount	64,795,033	-	-	64,795,033	59,287,437	46,258,212
Loss allowance	(522,950)	-	-	(522,950)	(105,325)	(141,974)
Net carrying amount	64,272,083	-	-	64,272,083	59,182,112	46,116,238

The maximum exposure to credit risk for the below items is as follows:

	2025	2024	2023
	U\$D	USD	USD
Financial guarantees and other credit-			
related contingent liabilities (Note 35)	21,329,899	22,102,901	21,118,055
Loan and other credit-related commitments			
(Note 36)	64,795,033	59,287,437	46,258,212

5.3.7 (a) Maximum exposure to credit risk – Financial instruments not subject to impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment, i.e. those at FVTPL.

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

5.3.7 (a) Maximum exposure to credit risk – Financial instruments not subject to impairment (continued)

	2025	2024	2023
	USD	USD	USD
Investment securities at FVTPL	54,983,444	85,081,002	9,832,543

5.3.7 (b) Management has further assessed the ECL on cash and cash equivalents and investment securities at fair value through comprehensive income as not being material at 31 March 2025, 31 March 2024 and 31 March 2023.

5.3.8 Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
	USD	USD	USD	Total USD
Retail				
Loss allowance as at 1 April 2024 Movements with P&L impact Transfers:	1,100,090	33,868	409,250	1,543,208
Transfer from Stage 1 to Stage 2	(8,929)	8,929	-	
Transfer from Stage 2 to Stage 3	· · · · · · · · · · · · · · · · · · ·	(677)	677	-
Transfer from Stage 2 to Stage 1	20,536	(20,536)	_	-
Transfer from Stage 1 to Stage 3	(110)	` ' -	110	-
Transfer from Stage 3 to Stage 1	` -	-	-	u
New financial assets originated or purchased	275,508	-	-	275,508
Net remeasurement of loss allowance	112,911	2,050	(1,831)	116,793
Other movements with no P&L impact				
Repayments/ matured loans	(47,104)	(12,190)	(107,904)	(167,198)
Loss allowance as at 31 March 2025	1,452,902	11,445	303,964	1,768,311

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
				Total
D / 3	USD	USD	USD	USD
Retail	1,183,740	100,809	598,105	1,882,654
Loss allowance as at 1 April 2023 Movements with P&L impact Transfers:	1,103,740	100,609	330,103	1,002,034
Transfer from Stage 1 to Stage 2	(27,507)	27,507	-	
Transfer from Stage 3 to Stage 2	, · · · <u>·</u>	3,920	(3,920)	
Transfer from Stage 2 to Stage 1	61,252	(61,252)	-	-
Transfer from Stage 2 to Stage 3	-	(42,034)	42,034	-
Transfer from Stage 3 to Stage 1	92,551	-	(92,551)	-
New financial assets originated or purchased	169,983	-	-	169,983
Net remeasurement of loss allowance	(240,207)	8,510	(42,420)	(274,117)
Other movements with no P&L impact				
Repayments/ matured loans	(139,722)	(3,592)	(91,998)	(235,312)
Loss allowance as at 31 March 2024	1,100,090	33,868	409,250	1,543,208

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	USD	USD	USD	USD
Corporate Loss allowance as at 1 April 2024 Movements with P&L impact Transfers:	2,425,750	366	222,534	2,648,650
Transfer from Stage 1 to Stage 2	(3,671)	3,671	-	-
Transfer from Stage 2 to Stage 1	339	(339)	407	-
Transfer from Stage 1 to Stage 3	(167)	•	167	-
Transfer from Stage 3 to Stage 1 New financial assets originated or purchased	17,118 1,255,564	7,546	(17,118)	1,263,110
Net remeasurement of loss allowance	(255,507)	(1,430)	10,887	(246,050)
Other movements with no P&L impact				
Repayments/ matured loans	(587,124)	(27)	(40,309)	(627,460)
Loss allowance as at 31 March 2025	2,852,303	9,787	176,160	3,038,250

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	USD	USD	USD	USD
Corporate Loss allowance as at 1 April 2023 Movements with P&L impact Transfers:	3,569,296	11,759	311,929	3,892,984
Transfer from Stage 1 to Stage 2 Transfer from Stage 2 to Stage 1 Transfer from Stage 1 to Stage 3 New financial assets originated or purchased Net remeasurement of loss allowance Other movements with no P&L impact	(10) (6,709) (16,828) 1,256,006 (626,028)	10 6,709 - 150 (17,234)	16,828 - (22,071)	- - - 1,256,156 (665,333)
Repayments/ matured loans	(1,749,977)	(1,028)	(84,152)	(1,835,157)
Loss allowance as at 31 March 2024	2,425,750	366	222,534	2,648,650
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Global Business	USD	USD	USD	USD
Loss allowance as at 1 April 2024 Movements with P&L impact Transfers:	6,255,799	165,268	-	6,421,067
Transfer from Stage 1 to Stage 2 Transfer from Stage 2 to Stage 1	-	-	-	•
New financial assets originated or purchased	1,615,510	- -	_	1,615,510
Net remeasurement of loss allowance	(1,747,087)	-	w	(1,747,087)
Other movements with no P&L impact				
Repayments/ matured loans Write-offs	(2,006,443)	(165,268)	-	(2,171,711)
Loss allowance as at 31 March 2025	4,117,779	-	-	4,117,779

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

	Stage 1 12-month	Stage 2 Lifetime	Stage 3 Lifetime ECL	
	ECL	ECL		Total
	USD	USD	USD	USD
Global Business				
Loss allowance as at 1 April 2023	4,527,905	490,285	_	5,018,190
Movements with P&L impact Transfers:				
Transfer from Stage 1 to Stage 2	(32,117)	32,117	-	-
Transfer from Stage 2 to Stage 1	23,085	(23,085)	-	-
New financial assets originated or purchased	3,881,458	-	-	3,881,458
Net remeasurement of loss allowance	(907,107)	156,235	-	(750,872)
Other movements with no P&L impact				
Repayments/ matured loans	(1,237,425)	(490,284)	-	(1,727,709)
Loss allowance as at 31 March 2024	6,255,799	165,268		6,421,067

Investment securities	Stage 1 12-month ECL USD	Stage 2 Lifetime ECL USD	Stage 3 Lifetime ECL USD	Purchased credit- impaired USD	Total USD
Loss allowance as at 1 April 2024 Movements with P&L impact Transfers:	35,602	-	-	-	35,602
Net remeasurement of loss allowance	487,348	-	_		487,348
Loss allowance as at 31 March 2025	522,950	•	-	-	522,950

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

5.3.8 Loss allowance (continued)

	Stage 1 12-month ECL USD	Stage 2 Lifetime ECL USD	Stage 3 Lifetime ECL USD	Purchased credit- impaired USD	Total USD
Investment securities Loss allowance as at 1 April 2023 Movements with P&L impact	135,589	-	-	-	135,589
Transfers: Net remeasurement of loss allowance	(99,987)	-	•	-	(99,987)
Loss allowance as at 31 March 2024 Investment securities	35,602	-	•	-	35,602

Note:

(a) The unwind of discount on Stage 3 financial assets is reported within 'Interest Income' so that interest income is recognised on the amortised cost (after deducting the ECL allowance).

Significant changes in the gross carrying amount of financial assets that contributed to changes in the loss allowance were as follows:

Stage 1 12-month ECL	Stage 2 Lifetime ECL USD	Stage 3 Lifetime ECL USD	Total USD
555	005		303
84,438,958	1,023,341	409,250	85,871,549
(723,375) - (8,705) 710,785	723,375 - - (710,785) (19,463)	8,705 - 19,463	- - - -
17,629,445	-	•	17,629,445
(4,855,708)	(18,968)	(25,550)	(4,900,225)
(4,222,152)	(264,653)	(107,904)	(4,594,709)
92,969,248	732,848	303,964	94,006,060
	12-month ECL USD 84,438,958 (723,375) (8,705) 710,785 - 17,629,445 (4,855,708)	12-month ECL USD USD 84,438,958 1,023,341 (723,375) 723,375 (8,705) - (8,705) 710,785 (710,785) (19,463) 17,629,445 - (4,855,708) (18,968) - (4,222,152) (264,653)	12-month ECL USD Lifetime ECL USD USD USD 84,438,958 1,023,341 409,250 (723,375) 723,375 - (8,705) - 8,705 710,785 (710,785) - (19,463) 19,463 17,629,445 - (4,855,708) (18,968) (25,550) - (4,222,152) (264,653) (107,904)

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

	Stage 1 12-month ECL USD	Stage 2 Lifetime ECL USD	Stage 3 Lifetime ECL USD	Total USD
Retail				
Gross carrying amount as at 1 April 2023 Movements with P&L impact	79,065,539	2,017,694	598,105	81,681,338
Transfers:				
Transfer from Stage 1 to Stage 2	(45,914)	45,914	- (4.000)	-
Transfer from Stage 3 to Stage 2 Transfer from Stage 1 to Stage 3	(5,418)	1,869	(1,869) 5,418	_
Transfer from Stage 2 to Stage 1	193,277	(193,277)	J ₁ 410	- -
Transfer from Stage 2 to Stage 3	*	(2,616)	2,616	-
New financial assets originated or purchased	14,902,364	1,165	-	14,903,529
Net remeasurement of loss allowance	(4,667,389)	(744,954)	(103,022)	(5,515,365)
FX and other movements Repayments/ matured loans	(5,003,501)	(102,454)	(91,998)	(5,197,953)
Gross carrying amount as at 31 March 2024	84,438,958	1,023,341	409,250	85,871,549
Corporate	Stage 1 12-month ECL USD	Stage 2 Lifetime ECL USD	Stage 3 Lifetime ECL USD	Total USD
Gross carrying amount as at				
1 April 2024 Movements with P&L impact Transfers:	174,233,654	22,550	222,534	174,478,738
Transfer from Stage 1 to Stage 2	(243,635)	243,635	-	-
Transfer from Stage 2 to Stage 1	20,772	(20,772)		-
Transfer from Stage 1 to Stage 3	(11,075)	-	11,075	-
Transfer from Stage 3 to Stage 1	17,118	-	(17,118)	-
New financial assets originated or purchased	92,587,188	488,929	-	93,076,117
Net remeasurement pf loss allowance	(8,263,407)	(19,595)	(22)	(8,283,024)
FX and other movements Repayments/ matured loans	(41,476,406)	(1,778)	(40,309)	(41,518,493)
Gross carrying amount as at 31 March 2025	216,864,209	712,969	176,160	217,753,338

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

	Sta 12-month l		ne Lifetime	Total
	l	uso us		USD
Corporate				
Gross carrying amount as at 1 April 2023 Movements with P&L impact Transfers:	193,022	,851 385,79	95 311,929	193,720,575
Transfer from Stage 1 to Stage 2		080) 4,08		-
Transfer from Stage 2 to Stage 1		,528 (52,52		•
Transfer from Stage 1 to Stage 3	(4,	994)	- 4,994	•
New financial assets originated of purchased	or 92,911	,794 11,04	-	92,922,838
Net remeasurement of loss allowance	1,328	,246 (257,93	1) (10,236)	1,060,079
FX and other movements Repayments/ matured loans	(113,072,	691) (67,91	0) (84,153)	(113,224,754)
Gross carrying amount as at 31 March 2024	174,233	,654 22,5	50 222,534	174,478,738
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total USD
Global Business	USD	USD	USD	ΩSD
Gross carrying amount as at 1 April 2024 Movements with P&L impact	538,494,325	15,836,512	-	554,330,837
New financial assets originated or purchased	238,271,240	-	-	238,271,240
Net remeasurement of loss allowance	(10,500,177)	-	-	(10,500,177)
FX and other movements Closed accounts	(144,652,456)	(15,836,512)	-	(160,488,968)
Gross carrying amount as at 31 March 2025	621,612,932	-	-	621,612,932

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Credit Risk (continued)

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	USD	USD	USD	USD
Global business Gross carrying amount as at 1 April 2023 Movements with P&L impact Transfers:	324,183,346	20,003,494	-	344,186,840
Transfer from Stage 1 to Stage 2 Transfer from Stage 2 to Stage 1	(4,167,182) 3,196,370	4,167,182 (3,196,370)	-	. -
New financial assets originated or purchased	323,585,639	-	-	323,585,639
Net remeasurement of loss allowance	(38,382,874)	14,865,700	-	(23,517,174)
FX and other movements Closed accounts	(69,920,974)	(20,003,494)	-	(89,924,468)
Gross carrying amount as at 31 March 2024	538,494,325	15,836,512	•	554,330,837
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Investment securities at	USD	USD	USD	USD
amortised cost Gross carrying amount as at	51,100,823	-	_	51,100,823
1 April 2024 Net movement in investment securities	(18,289,331)	-	-	(18,289,331)
Gross carrying amount as at 31 March 2025	32,811,492	-	-	32,811,492
Investment securities at amortised cost	00 053 703			06 852 762
Gross carrying amount as at 1 April 2023	96,853,763	-	-	96,853,763
Net movement in investment securities	(45,752,940)			(45,752,940)
Gross carrying amount as at 31 March 2024	51,100,823			51,100,823

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3.9 Credit quality for loans and advances

Credit concentration of risk by industry sectors

Refer to the Management Discussion and Analysis document for the disclosures on the Bank's approach to managing credit concentration.

5.4 Liquidity Risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises from mismatches in the timing and amounts of cash flows, which is inherent to the Bank's operations and investments.

The Bank is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw downs, guarantees and from margin. The Bank does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

The Bank's Board of Directors sets the Bank's strategy for managing liquidity risk and oversight of the implementation is administered by the relevant Board Committee which approves the Bank's liquidity policies and procedures. The Bank's Treasury team manages the Bank's liquidity position on a da-to-day basis. The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation. As part of its liquidity strategy, the Bank maintains a well-diversified funding base, carries a portfolio of highly liquid assets to meet its liquidity coverage ratio per regulatory requirements, monitors maturity mismatches and behavioural characteristics of its financial assets and liabilities and performs stress testing on the Bank's liquidity position.

The following tables set out the remaining contractual maturities of the Bank's financial liabilities and financial assets. The figures below are on a discounted basis.

	Less than 3 months	Between 3 and 12 months	Over 1 year to 5 years	Over 5 years	Total
	USD	USD	USD	USD	USD
As at 31 March 2025					
Cash and cash					
equivalents	296,054,172	-	=	-	296,054,172
Investment securities	80,644,462	78,584,129	50,389,904	7,929,699	217,548,194
Loans and advances	189,457,845	282,811,188	432,591,076	178,800,077	1,083,660,186
Other assets	585,112	-	-	-	585,112
	566,741,591	361,395,317	482,980,980	186,729,776	1,597,847,664
Loan commitments	(64,795,033)	-	-		(64,795,033)
Deposits from					
customers	537,169,709	269,512,383	146,205,074	293,108	953,180,274
**		, ,	, ,	293,100	• •
Other borrowed funds	64,369,299	171,464,659	114,340,275	-	350,174,233
Lease liabilities	106,185	292,649	300,723	-	699,557
Other liabilities	11,034,791	# ************************************	***		11,034,791
	612,679,984	441,269,691	260,846,072	293,108	1,315,088,855
Net liquidity gap	(45,938,393)	(79,874,374)	222,134,908	186,436,668	282,758,809

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.4 Liquidity Risk (continued)

	Less than 3 months USD	Between 3 and 12 months USD	Over 1 year to 5 years USD	Over 5 years USD	Total USD
As at 31 March 2024					
Cash and cash equivalents	205,557,488				205,557,488
Investment securities	141.393.638	96,400,004	45.655,789	1,117,593	284,567,024
Loans and advances	156,983,421	150,527,750	518,599,082	152,507,400	978,617,653
Other assets	950,193		-	-	950,193
	504,884,740	246,927,754	564,254,871	153,624,993	1,469,692,358
Loan commitments	(59,287,437)	_	-		(59,287,437)
5 2 6					
Deposits from customers	619,225,444	167,374,357	59,919,124	245,944	846,764,869
Other borrowed funds	131,304,567	101,983,114	72,579,721	243,544	305.867.402
Lease liabilities	15,304,307	266,702	420,234	_	702,147
Other liabilities	8,865,864	200,102	(20,20)	_	8,865,864
	759,411,086	269,624,173	132,919,079	251,859	1,162,200,282
Net liquidity gap	(254,526,346)	(22,696,419)	431,335,792	153,373,134	307,492,076
As at 31 March 2023	Less than 3 months USD	Between 3 and 12 months USD	Over 1 year to 5 years USD	Over 5 years USD	Total USD
Cash and cash					
equivalents	155,053,550			-	155,053,550
Investment securities	73,101,895	81,613,455	115,804,099	993,260	271,512,709
Loans and advances	168,452,806	95,961,983	277,050,137	178,551,124	720,016,050
Other assets	963,201	N	<u> </u>	-	963,201
	397,571,452	177,575,438	392,854,236	179,544,384	1,147,545,510
Loan commitments					
	(46,258,212)	-		<u> </u>	(46,258,212)
Denosits from customers		245.198.576	74.988.061	320,229	
Deposits from customers Other borrowed funds	(46,258,212) 443,479,559 1,592,281	245,198,576 74,877,760	74,988,061 58,415,295	320,229	(46,258,212) 763,986,425 134,885,336
	443,479,559	- 245,198,576 74,877,760 250,717		320,229 - 3,253	763,986,425
Other borrowed funds	443,479,559 1,592,281	74,877,760	58,415,295		763,986,425 134,885,336 960,451 17,126,706
Other borrowed funds Lease liabilities	443,479,559 1,592,281 83,572	74,877,760	58,415,295		763,986,425 134,885,336 960,451
Other borrowed funds Lease liabilities	443,479,559 1,592,281 83,572 17,126,706	74,877,760 250,717	58,415,295 622,909	3,253	763,986,425 134,885,336 960,451 17,126,706

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.5 Market Risk

Market risk is the risk of losses due to adverse changes in market variables — e.g. interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) — will affect the Bank's income or the value of its holdings of financial instruments. The objective of the Bank's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the Bank's solvency while optimising the return on risk.

The Assets & Liabilities Committee (ALCO) is responsible for ensuring the effective management of market risk throughout the Bank. Specific levels of authority and responsibility in relation to market risk management have been assigned to appropriate authority within the Bank.

The core market risk management activities are:

- · the identification of all key market risks and their drivers;
- · the independent measurement and evaluation of key market risks and their drivers;
- · the use of results and estimates as the basis for the Group's risk/return-oriented management; and
- · monitoring risks and reporting on them.

The Bank considers market risk principally on the below positions:

- Investments
- Open Forex Position

Equity price risk arises due to unfavourable movement of equity prices. We do not have any significant position in equity and regularly monitored by the Bank's Treasury team.

The Bank's investments are categorised under the following categories as per the Investment Policy:

- Hold to Collect ("HTC") As per the policy, the investments under the HTC category are acquired
 by the Bank with the intention to hold them up to maturity and hence, they need not be marked to
 market. The Bank has the intent and the ability to hold them till maturity. Therefore, there is no
 stress testing required on the HTC portfolio.
- Hold to Collect and Sell ("HTCS") Out of our total investment portfolio of USD 206.79 million as
 on 31 March 2025, which consists of Government of Mauritius Bonds, Equity, T-Bills and Notes in
 MUR currency as well as foreign currency investments, the portfolio kept in HTCS category
 amounts to USD 174.04 million. The investment of USD 174.04 million also includes investments
 of USD 55.48 million in T-Bills.

The below table shows the impact of movement in the bond yield under 3 different scenarios:

	marker KISK-Stres	S resuing Analy	sis for Investments	in in co category	THE CONTRACT OF THE CONTRACT O
Amount (USD Mio)	Average yield	Average Time to Maturity	Scenario 1 Impact Yield rises by 15 bps	Scenario 2 Impact Yield rises by 20 bps	Scenario 3 Impact Yield rises by 25 bps
HTCS under FVTPL - USD 55,48 Mio	4.27%	127 days	USD 28,932	USD 38,569	USD 48,203
Other HTCS - USD 118.56 Mio	4.78%	463 days	USD 224,887	USD 299,660	USD 374,339

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.5 Market Risk (continued)

Open Forex Position

As on 31 March 2025, the net open position of our Bank in USD terms stood at USD 1,500,460. The below tables show the impact of an adverse impact in interest rate under different scenarios on the Bank's profit:

Open Position	Scenario 1 Impact of Forex Rate moves adversely by 0.5%	Scenario 2 Impact of Forex Rate moves adversely by 1.5%	Scenario 3 Impact of Forex Rate moves adversely by 2.5%
USD 1,500,460	USD 7,502	USD 22,507	USD 37,512

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing that may be undertaken, which monitored daily by the Treasury department.

The table below summarises the Bank's exposure after ECL to interest rate risks. The Bank's assets and liabilities at carrying value are categorised by their repricing dates:

At 31 March 2025

	Less than 3 months USD	Between 3 months and 1 year USD	Over one year USD	Non- Interest Sensitive USD	Total USD
Cash and cash equivalents	288,806,494	-	-	7,247,678	296,054,172
Investment securities	79,428,000	74,982,000	51,760,000	1,065,415	207,235,415
Loans and advances	704,133,662	118,837,000	97,307,000	4,170,328	924,447,990
	1,072,368,156	193,819,000	149,067,000	12,483,421	1,427,737,577
Deposits from customers	365,484,000	253,306,000	137,368,000	175,507,199	931,665,199
Other borrowed funds	108,666,400	210,000,000	-	6,828,375	325,494,775
Lease liabilities	106,185	292,649	300,723	_	699,557
•	474,256,585	463,598,649	137,668,723	182,335,574	1,257,859,531
Interest Sensitivity Gap	598,111,571	(269,779,649)	11,398,277	(169,852,153)	169,878,046

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk (continued)

At 31 March 2024

At 31 March 2024	Less than 3 months USD	Between 3 months and 1 year USD	Over one year USD	Non- Interest Sensitive USD	Total USD
Cash and cash equivalents	191,183,854	-	-	14,373,634	205,557,488
Investment securities	138,001,000	93,429,000	43,425,747	2,348,681	277,204,428
Loans and advances	610,950,824	106,212,125	82,070,889	4,834,361	804,068,199
	940,135,678	199,641,125	125,496,636	21,556,676	1,286,830,115
•			***************************************		
Deposits from customers	490,298,000	159,366,000	56,483,000	130,524,799	836,671,799
Other borrowed funds	131,835,870	139,778,000	15,000,000	2,929,896	289,543,766
Lease liabilities	15,211	266,702	420,234		702,147
	622,149,081	299,410,702	71,903,234	133,454,695	1,126,917,712
Interest Sensitivity Gap	317,986,597	(99,769,577)	53,593,402	(111,898,019)	159,912,403
At 31 March 2023					
Cash and cash equivalents	145,039,984	-	-	9,619,602	154,659,586
Investment securities	74,420,000	72,640,000	114,010,000	2,498,508	263,568,508
Loans and advances	585,350,000	17,830,000	520,000	5,094,922	608,794,922
	804,809,984	90,470,000	114,530,000	17,213,032	1,027,023,016
	439,239,737	236,890,000	71,250,000	3,466,954	750.040.004
Deposits from customers	439,239,737	120,000,000	71,230,000	1,573,927	750,846,691
Other borrowed funds	83,572	250,717	626,162	1,010,021 "	121,573,927
Lease liabilities		 		E 040 004	960,451
	439,323,309	357,140,717	71,876,162	5,040,881	873,381,069
Interest Sensitivity Gap	365,486,675	(266,670,717)	42,653,838	12,172,151	153,641,947

The management of interest rate risk against interest rate gaps limits is supplemented by monitoring the sensitivity of Bank's financial assets and liabilities to various standard and non-standard interest scenarios. Analysis of the Bank 's sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves on the constant reporting date is as follows:

		200 bp	
	Paral	lel Increase/Decre	ease
	2025	2024	2023
	USD	USD	USD
	(million)	(million)	(million)
Sensitivity of projected Net Interest Income	9.14	4.92	4.14

Notes to and forming part of the financial statements For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.5 Market risk (continued)

Currency Risk

Foreign exchange rate risk or currency risk is the adverse impact that may occur on profits and market value of assets and liabilities due to fluctuation in exchange rates depending on the spot as well as forward positions created by commercial, inter-bank and proprietary trading transactions in any particular currency. As a means to prudent management of the risk, the Bank has set up foreign exchange position limits, duly approved by the Board, both for daylight and overnight positions. In addition to these, cut loss limits have been set up on per deal and per day basis. Besides, suitable hedging techniques are also used for risk mitigation.

Management monitors the exchange positions and profits arising out of operations on a daily basis, and quarterly reports are submitted to the board. Any exception is promptly reported to the Board for ratification. The table below summarises the Bank's exposure to foreign currency exchange rate risk at 31 March 2025.

At 31 March 2025	United States Dollar	Great Britain Pound	EURO	MUR	Others	Total
Assels	USD	USD	USD	USD	USD	USD
Cash and cash equivalents	290,598,680	1,023,570	943,369	3,250,960	237,592	296,054,171
Loans and advances	661,470,664	•	36,056,736	226,920,590	-	924,447,990
Investment securities	173,023,073	-	1,462	33,936,106	274,775	207,235,416
Other assets	6,192,310	163,861	2,059,161	26,212,810	44,825	34,672,967
	1,131,284,727	1,187,431	39,060,728	290,320,466	557,192	1,462,410,544
Liabilities						
Deposits from customers	599,420,573	2,407,942	26,148,575	301,865,449	1,822,660	931,665,199
Other borrowed funds	316,817,927	-	8,676,848	•	-	325,494,775
Derivative liabilities	73,374	-		-	-	73,374
Lease liabilities	-	-	-	699,557	-	699,557
Other liabilities	5,922,340	8,920	47	5,103,484	-	11,034,791
	922,234,214	2,416,862	34,825,470	307,668,490	1,822,660	1,268,967,696
Net on Statement of Financial Position	209,050,513	(1,229,431)	4,235,258	(17,348,024)	(1,265,468)	193,442,848

The effects of a reasonable possibly movement of the currency rates, to which the Bank had significant exposure as at 31 March 2025 against USD, with all other variable held constant.

				Increase	e/ (decrease) in profit or	loss
			_	Great Britain Pounds	EURO	MUR
				USD	USD	USD
+5% in currency rate				(61,560)	(7,592,330)	2,887,999
-5% in currency rate				61,560	7,592,330	(2,887,999)
	United States Dollar	Great Britain Pound	EURO	MUR	Others	Total
At 31 March 2024	USD	บรอ	USD	USD	USD	USD
Assets						
Cash and cash equivalents	187,617,078	1,527,583	4,170,427	10,270,012	1,972,388	205,557,488
Loans and advances	575,820,322	231,076	33,213,594	194,803,207		804,068,199
Investment securities Derivative assets	258,183,826 3,039	•	1,469	18,730,593	288,540	277,204,428 3,039
Other assets	4,875,247	217,657	1,356,477	21,983,333	52,640	28,485,354
	1,026,499,512	1,976,316	38,741,967	245,787,145	2,313,568	1,315,318,508
Liabilities =						
Deposits from customers	566,010,600	3,158,533	22,403,677	243,150,861	1,948,127	836,671,798
Other borrowed funds	273,327,126	-	16,216,640	•	-	289,543,766
Derivative liabilities	213,955	-	•	•		213,955
Lease liabilities				702,147	•	702,147
Other liabilities	4,099,147	55	32_	4,766,630		8,865,864
	843,650,828	3,158,588	38,620,349	248,619,638	1,948,127	1,135,997,530
Net on Statement of Financial Position	182,848,684	(1,182,272)	121,618	(2,832,493)	365,441	179,320,978

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.5 Market risk (continued)

Currency Risk (continued)

At 31 March 2023	United States Dolfar	Great Britain Pound	EURO	MUR	Others	Total
Assets	USD	USD	USD	USD	USD	USD
Cash and cash equivalents	141,959,157	945,627	2,332,013	12,997	9,409,792	154,659,586
Loans and advances	393,854,205	280,812	32,879,863	181,780,043	-	608,794,923
Investment securities	240,417,735	-	1,487	22,953,347	195,940	263,568,509
Derivative assets	-	•		-	-	-
Other assets	5,157,169	302,984	1,160,706	19,648,117	977,369	27,246,345
	781,388,266	1,529,423	36,374,069	224,394,504	10,583,101	1,054,269,363
Liabilities						
Deposits from customers	488,666,491	4,093,292	25,050,219	229,668,555	3,458,134	750,846,691
Other borrowed funds	121,573,927	-	•		-	121,573,927
Derivative liabilities	213,955					213,955
Lease liabilities	÷		-	960,451	-	960,451
Olher liabilities	12,875,783	223	33_	4,250,667	-	17,126,706
	623,330,156	4,003,515	25,050,252	234,879,673	3,458,134	890,721,730
Net on Statement of Financial Position	158,058,110	(2,474,092)	11,323,817	(10,485,169)	7,124,967	163,547,633

6 FAIR VALUE OF FINANCIAL INSTRUMENTS

A:Valuation methods

The Bank measures fair values in accordance with IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Bank also uses a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value, which gives highest priority to quoted prices.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the
 entity can access at the measurement date. Assets and liabilities are classified as Level 1 if their value is
 observable in an active market.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. A Level 2 input must be observable for substantially the full term of the instrument. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves observable at commonly quoted intervals, implied volatilities; and credit spreads. Assets and liabilities classified as Level 2 have been valued using models whose inputs are observable in an active market.
- Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

Where possible, fair value is determined by reference to a quoted market price for the instrument valued. The Bank holds financial assets and liabilities for which quoted prices are not available, such as over the counter derivatives. For these financial instruments the Bank uses valuation techniques to estimate fair value. The valuation techniques used include discounted cash flow models, comparison with similar instruments for which observable market prices exist, and other valuation models. These valuation techniques use as their basis independently sourced market parameters, such as interest rate yield curves, equities and commodities prices, option volatilities and currency rates.

The Bank uses generally accepted valuation models to determine the fair value of simple and liquid financial instruments, such as currency swaps in G7 currencies, that use only observable market data and involve minimum judgement. The use of observable market prices and model inputs, when available, reduces the need for management judgement and estimation, as well as the uncertainty related with the estimated fair value. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on general conditions and specific events in the financial markets.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

6 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

A:Valuation methods (continued)

The Bank also holds equity securities not quoted in active markets. The fair value of these instruments is determined using the net asset value ("NAV") model and applying a discount rate. The selection of the appropriate valuation model, as well as the determination of key inputs used such as the appropriate discount rate to be used, require management judgement and estimation.

The Bank has an established control framework for the measurement of fair values which include amongst others:

- Verification of observable pricing;
- Review and approval process for any changes in models; and
- Analysis and investigation of any significant movements.

The Bank also holds equity securities not quoted in active markets. The fair value of these instruments is determined using the net asset value ("NAV") model and applying a discount rate. The selection of the appropriate valuation model, as well as the determination of key inputs used such as the appropriate discount rate to be used, require management judgement and estimation.

The Bank has an established control framework for the measurement of fair values which include amongst others:

- Verification of observable pricing;
- Review and approval process for any changes in models; and
- Analysis and investigation of any significant movements.

B:Financial instruments measured at fair value - fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

<u>At 31 March 2025</u>	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Debt securities measured at FVTPL	-	54,983,444	-	54,983,444
Debt securities measured at FVOCI	-	118,709,567	-	118,709,567
Equity securities measured at FVOCI	277,550		896,145	1,173,695
Total	277,550	173,693,011	896,145	174,866,706
At 31 March 2024	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Debt securities measured at FVTPL	_	85,081,002	_	85,081,002
Debt securities measured at FVOCI	=	139,940,612	-	139,940,612
Equity securities measured at FVOCI	305,266	· · ·	812,327	1,117,593
Total	305,266	225,021,614	812,327	226,139,207
At 31 March 2023	4.000	0.000.540		0.020.540
Debt securities measured at FVTPL	-	9,832,543	-	9,832,543
Debt securities measured at FVOCI	405.005	156,024,531	707.001	156,024,531
Equity securities measured at FVOCI	195,939	465 057 074	797,321	993,260
Total	195,939	165,857,074	797,321	166,850,334

There has been no transfer between the fair value hierarchy level during the year.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

6 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

C: Financial instruments not measured at fair value

The following tables set out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
	USD	USD	USD	USD	USD
At 31 March 2025					
Assets					
Cash and cash equivalents	2,553,728	291,500,444	-	-	294,054,172
Loans and advances to banks	-	349,597,065	-	349,597,065	349,597,065
Loans and advances to customers	-	574,850,925	-	574,850,925 32,608,670	574,850,925 32,608,669
Investment securities at amortised cost Other assets	-	32,608,669 585,110	_	32,000,070	585,110
Liabilities	-	303,110	-	-	303,110
Deposits from customers	_	947,668,684	_	_	931,665,199
Other borrowed funds	_	325,494,775		325,494,775	325,494,775
Other liabilities	-	11,034,791	_	11,034,791	11,034,791
At 31 March 2024					
Assets					
Cash and cash equivalents	1,170,507	204,386,981	-		205,557,488
Loans and advances to banks	-	300,847,127	-	300,847,127	300,847,127
Loans and advances to customers	-	503,221,072	-	503,221,072	503,221,072
Investment securities at amortised cost	-	51,065,221	-	51,065,221	51,065,221 950,193
Other assets Liabilities	-	950,193	-	•	930,193
Deposits from customers		846,657,792			836,671,799
Other borrowed funds	•	289,543,766	_	289,543,766	289,543,766
Other liabilities	•	8.865.864	-	8,865,864	8,865,864
Other habilities	•	0,000,004	-	0,000,004	0,000,004
At 31 March 2023					
Assets					
Cash and cash equivalents	2,082,560	152,577,026	_	_	154,659,586
Loans and advances to banks	,,	125,580,704	_	125,580,704	125,580,704
Loans and advances to customers	_	483,214,218	_	483,214,218	483,214,218
Investment securities at amortised cost	_	96,718,173	_	96,718,173	96,718,174
Other assets	-	963,201	_		963,201
Liabilities					,
Deposits from customers	_	750,846,691	_	_	750,846,691
Other borrowed funds	_	121,573,927	_	121,573,927	121,573,927
Other liabilities	_	17,126,706	_	17,126,706	17,126,706
Outor magnition		,,		,,	,.25,100

Where they are available, the fair value of loans and advances is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input into the valuation techniques includes expected lifetime credit losses, interest rates and primary origination or secondary market spreads. The fair value of deposits from banks and customers is estimated using discounted cash flow techniques, applying the rates that are offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is the amount payable at the reporting date.

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

7 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments.

31 March 2025:

or marcin 2020.	Amortised cost	FVOCI	FVTPL	Total carrying amount
	USD	USD	USD	USĐ
Assets				
Cash and cash equivalents	294,054,172	-	-	294,054,172
Loans and advances to banks	349,597,065	-	-	349,597,065
Loans and advances to customers	574,850,925	-	-	574,850,925
Investment securities Other assets	32,608,669 963,200	119,643,302	54,983,444 -	207,235,415 963,200
Liabilities				
Deposits from customers	931,665,199	-	-	931,665,199
Other borrowed funds	325,494,775	-	-	325,494,775
Lease liabilities	699,557	-	-	699,557
Derivative liabilities	73,374	-	-	73,374
Other liabilities	11,034,791	-	-	11,034,791
31 March 2024: Assets				
Cash and cash equivalents	205,557,488	-	_	205,557,488
Loans and advances to banks	300,847,127	-	_	300,847,127
Loans and advances to customers	503,221,072		-	503,221,072
Derivative assets	3,039	_	_	3,039
Investment securities	51,065,221	141,058,205	85,081,002	277,204,428
Other assets	950,193	•	-	950,193
Liabilities				
Deposits from customers	836,671,799	-	-	836,671,799
Other borrowed funds	289,543,766	-	-	289,543,766
Lease liabilities	702,147	-	-	702,147
Other liabilities	8,865,864	-	-	8,865,864
31 March 2023:				
Assets Cash and cash equivalents	154,659,586		_	154,659,586
Loans and advances to banks	125,580,704	-	-	125,580,704
Loans and advances to customers	483,214,218	-	-	483,214,218
Investment securities	96,727,371	157,008,594	9,832,543	263,568,508
Other assets	963,201	-	-	963,201
Liabilities	750.040.004			750 040 004
Deposits from customers Other borrowed funds	750,846,691 121,573,927	-	<u>.</u>	750,846,691 121,573,927
Derivative liabilities	213,955	-	·	213,955
Lease liabilities	960,451	-	_	960,451
Other liabilities	17,126,706	_	-	17,126,706

Notes to and forming part of the financial statements For the year ended 31 March 2025 (continued)

8 CAPITAL RISK MANAGEMENT

Capital risk is the risk that the Bank has insufficient capital resources to meet the minimum regulatory requirements, to support its credit rating and to support its growth and strategic options.

The Bank's regulator is the Bank of Mauritius and sets the capital requirements for the Bank. The Bank of Mauritius has adopted Basel III as from June 2014 through the *Guideline on Scope of Application of Basel III and Eligible Capital*.

The Bank's regulatory capital consists of the sum of the following elements:

- Tier 1 capital, which comprises Common Equity Tier 1 ("CET1) and Additional Tier 1 Capital.
 This comprises ordinary share capital, statutory reserve and retained earnings reserves.
- Tier 2 capital which includes the general banking reserve.

For each of the three categories above, there is a single set of criteria that the instruments are required to meet before they can be included in the relevant category. For the purpose of determining the capital adequacy ratio, the capital base is the sum of Tier 1 and Tier 2 capital net of regulatory adjustments applied.

As of 31 March 2025, the Bank has complied with all externally imposed capital requirements. The Bank's Capital Adequacy Ratio stood at 24.85% and is well above the regulatory specification of 12.50%.

Please refer to the disclosures in section 2.7 of the *Management and Discussion Analysis* part of the annual report for more details on capital risk management disclosures.

[This space is intentionally left blank.]

115

SBI (MAURITIUS) LTD

Notes to and forming part of the financial statements For the year ended 31 March 2025

9. Segmental Reporting

9. Segmental Reporting										
Statement of Financial Position			Resident			Non resident			TOTAL	
	Notes	2025 USD	2024 USD	2023 USD	2025 USD	2024 USD	2023 USD	2025 USD	2024 USD	2023 USD
ASSETS										
Cash and cash equivalents	20	162,850,290	100,720,728	10,783,817	133,203,882	104,836,760	143,875,769	296,054,172	205,557,488	154,659,586
Loans and advances to banks	21	73,717,720	37,820,954	53,722,007	275,879,345	263,026,173	71,858,697	349,597,065	300,847,127	125,580,704
Loans and advances to customers	22	391,106,538	331,105,131	328,419,621	183,744,387	172,115,941	154,794,597	574,850,925	503,221,072	483,214,218
Investment securities	23	37,266,440	22,058,008	36,135,341	169,968,975	255,146,420	227,433,167	207,235,415	277,204,428	263,568,508
Derivative assets	38			•	ı	3,039		•	3,039	•
Property and equipment	24	7,269,759	7,168,691	7,405,206	1	•	•	7,269,759	7,168,691	7,405,206
Right-of-use assets	27	650,373	660,055	944,557	1	•		650,373	660,055	944,557
Deferred tax assets	25	578,209	645,972	505,972	1	ſ	•	578,209	645,972	505,972
Other assets	26	34,672,968	28,485,354	27,246,346	•		•	34,672,968	28,485,354	27,246,346
Total assets	1 1	708,112,297	528,664,893	465,162,867	762,796,589	795,128,333	597,962,230	1,470,908,886	1,323,793,226	1,063,125,097
LIABILITIES										
Deposits from customers	28	903.319.410	812,120,558	732,752,127	28,345,789	24.551,241	18,094,564	931,665,199	836,671,799	750,846,691
Other borrowed funds	29	. •	15,042,804		325,494,775	274,500,962	121,573,927	325,494,775	289,543,766	121,573,927
Derivative liabilities	38	ı	. '	213,955	73,374	ı		73,374	•	213,955
Current tax liabilities	30	1.684.131	1.676.906	1,446,707	. •	,	1	1,684,131	1,676,906	1,446,707
Refrement benefit obligations	05	2 481 380	3 785.318	3.906.423	•	1	1	2,481,380	3,785,318	3.906.423
Lease liabilities	34	29669	702.147	960,451	1	1	•	699,557	702,147	960,451
Other liabilities	31	7,294,924	6,768,865	7,334,624	3,739,867	2,096,999	9,792,082	11,034,791	8,865,864	17,126,706
Total liabilities	. 1	915,479,402	840,096,598	746,614,287	357,653,805	301,149,202	149,460,573	1,273,133,207	1,141,245,800	896,074,860
Shareholders' equity										
Stated capital	32a							48,627,188	48,627,188	48,627,188
Share premium	32a							54,078,062	54,078,062	54,078,062
Retained earnings								57,538,737	48,514,865	38,430,216
Other reserves	40							40,063,960	35,157,807	29,866,372
Actuarial loss reserve	40						•	(2,532,268)	(3,830,496)	(3,951,601)
Total equity							, ,	197,775,679	182,547,426	167,050,237
Total equity and liabilities							. 1	1,470,908,886	1,323,793,226	1,063,125,097
							1	The state of the s		

Notes to and forming part of the financial statements For the year ended 31 March 2025

9. Segmental Reporting (Continued)

Statement of Profit or Loss and Comprehensive Income										
			Resident			Non resident			TOTAL	
	Notes	2025 USD	2024 USD	2023 USD	2025 USD	2024 USD	2023 USD	2025 USD	2024 USD	2023 USD
Interest income calculated using the effective interest method Interest expense		24,295,116 (21,189,259)	25,378,478 (24,025,293)	17,619,846 (9,435,369)	46,715,741 (16.524,393)	40,970,619 (9,520,906)	18,890,327 (5,422,758)	71,010,857 (37,713,652)	66,349,097 (33,546,199)	36,510,173 (14,858,127)
Net interest income	11A	3,105,857	1,353,185	8,184,477	30,191,348	31,449,713	13,467,569	33,297,205	32,802,898	21,652,046
Fee and commission income	12	1,717,430	1,172,296	1,188,163	2,086,407	2,148,412	1,555,557	3,803,837	3,320,708	2,743,720
Net trading income	13	3,678,836	2,864,567	2,538,474	ì	ı	•	3.678,836	2,864,567	2,538,474
Other operating income	4	211,946 3,890,782	104,573	362,267	561,698 561,698	199,177	268,239 268,239	773,644 4,452,480	303,750 3,168,317	630,506 3,168,980
Operating income		8,714,069	5,494,621	12,273,381	32,839,453	33,797,302	15,291,365	41,553,522	39,291,923	27,564,746
Net impairment reversal /(loss) on financial assets	15							221,627	219,930	8,807,736
Personnel expenses	16							(4,860,643)	(4,858,272)	(4,665,820)
Depreciation on property and equipment and right-of-use assets 24,27	24,27							(1,016,761)	(980,954)	(948,510)
Other expenses	17						·	(4.363,643)	(4,071,584)	(4,636,948)
Profit before income tax								31,534,102	29,601,043	26,121,204
Income tax expense	185						·	(3,400,000)	(2,285,000)	(1,780,000)
Profit for the year								28,134,102	27,316,043	24,341,204
Other comprehensive income										
Items that will not be reclassified to profit or loss								;		
Remeasurement of defined benefit obligations, net of deferred tax	×							108,494	(1,059,143)	(118,422)
Fair value (tosses)/gains on investment in equity securities ferms that may be reclassifted subsequently to profit or loss								(910)	35,674	66,832
Fair value gains/(losses) on investment in debt securities								353,208	1,158,355	(538,000)
Other comprehensive Income for the year							•	460,792	134,886	(589,590)
Total comprehensive income for the year							ï	28,594,894	27,450,929	23,751,614

Notes to and forming part of the financial statements

For the year ended 31 March 2025

10	Exchange rate			
10	Exoluting Factor	2025	2024	2023
	USD to MUR (year end)	46.08	46.90	46.01
	These exchange rates are average rates on the statement of financial	al position date as pub	lished by Bank of M	lauritius.
11Δ	Net interest income			
	Not mediate mount	2025	2024	2023
		USD	USD	USD
	Interest income			
	Recognised on financial assets at amortised cost			
	Cash and cash equivalents	10,136,716	7,856,471	5,968,589
	Loans and advances to banks	17,282,277	9,763,354	4,517,354
	Loans and advances to customers	33,801,304	37,219,196	19,597,680
	Investment in debt securities	3,485,408	4,158,032	2,535,040
	Recognised on financial assets at FVOCI			
	Investment in debt securities	6,284,246	7,351,953	3,802,559
	Others	20,906	91	88,951
	Interest income calculated using the effective interest method	71,010,857	66,349,097	36,510,173
	Interest expense			
	Recognised on financial liabilities at amortised cost			
	Other borrowed funds	16,573,428	9,788,508	5,399,600
	Deposits from customers	21,108,638	23,723,189	9,426,084
	Lease liabilities	31,586	34,502	32,443
	Total interest expense	37,713,652	33,546,199	14,858,127
	Net interest income	33,297,205	32,802,898	21,652,046
	Resident			
	Interest income			
	Cash and cash equivalents	2,855,628	2,401,903	1,926,211
	Loans and advances to banks	3,201,960	889,421	
	Loans and advances to customers	16,853,074	21,165,379	14,715,304
	Investment in debt securities	1,384,454	921,775	978,331
	Interest income calculated using the effective interest method	24,295,116	25,378,478	17,619,846
	Interest expense			
	Other borrowed funds	400,192	291,474	248,111
	Deposits from customers	20,757,482	23,699,317	9,154,815
	Lease liabilities	31,585_	34,502	32,443
	Total interest expense	21,189,259	24,025,293	9,435,369
	Net interest income	3,105,857	1,353,185	8,184,477
	Non resident			
	Interest income			
	Cash and cash equivalents	7,281,088	5,454,568	4,042,378
	Loans and advances to banks	13,841,880	8,657,785	4,517,354
	Loans and advances to customers	17,186,667	16,269,966	4,882,376
	Investment in debt securities	8,385,200	10,588,209	5,359,268
	Others	20,906	91	88,951
	Interest income calculated using the effective interest method	46,715,741	40,970,619	18,890,327

Notes to and forming part of the financial statements

For the year ended 31 March 2025

11A Net interest income (continued)

	Non resident			
	(ID) Testastic	2025 USD	2024 USD	2023 USD
		USD	USD	บจบ
	Interest expense			
	Borrowings from banks	16,173,237	9,497,034	5,151,489
	Deposits from customers Total interest expense	351,156 16,524,393	23,872 9,520,906	271,269 5,422,758
	rotar interest expense	10,324,393	9,020,900	3,422,130
	Net interest income	30,191,348	31,449,713	13,467,569
12	Net fee and commission income			
	Retail banking customer fees	756,411	350,475	152,580
	Corporate banking customer fees	1,532,270	2,068,626	1,836,901
	Other	1,515,156	901,607	754,239
	Total fee and commission income	3,803,837	3,320,708	2,743,720
	Resident			
	Retail banking customer fees	756,412	508,386	502,109
	Corporate banking customer fees	-	1,418	78,862
	Other	961,018	662,492	607,192
	Total fee and commission income	1,717,430	1,172,296	1,188,163
	Non resident			
	Corporate banking customer fees	1,532,270	1,605,341	1,258,995
	Other	554,137	543,071	296,562
	Total fee and commission income	2,086,407	2,148,412	1,555,557
13	Net trading income			
	Gains on remittances	4,238,232	2,294,891	1,778,602
	Foreign exchange (loss)/gains	(884,204)	237,024	187,627
	Gains on FX dealings	324,808	332,652	572,245
		3,678,836	2,864,567	2,538,474
	Resident			
	Gains on remittances	4,238,232	2,294,891	1,778,602
	Foreign exchange	324,808	237,024	187,627
	(Loss)/gains on FX dealings	(884,204)	332,652	572,245
		3,678,836	2,864,567	2,538,474

Foreign exchange also includes the fair value gains and losses.

Notes to and forming part of the financial statements

For the year ended 31 March 2025

14	Other operating income			
	· · ·	2025 USD	2024 USD	2023 USD
		030	030	030
	Profit on sale of investments	343,212	-	282,214
	Dividend income on equity investments	76,450	55,095	60,879
	Other income	353,982	248,655	287,413
		773,644	303,750	630,506
	Resident			
	Profit on sale of investments	70,019	-	56,310
	Dividend income on equity investments	50,350	36,041	50,919
	Other Income	91,577	68,532	255,038
		211,946	104,573	362,267
	Non resident			
	Profit on sale of investments	273,193	-	225,904
	Dividend income on equity investments	26,100	19,054	17,739
	Other income	262,405	180,123	24,596
		561,698	199,177	268,239
15	Net impairment (reversal)/ loss on financial assets IFRS 9			
	Loans and advances to customers	(7,751,128)	1,485,555	(6,837)
	Loans and advances to banks	944,849	(1,497,984)	(42,222)
	Non-fund based exposures	633,574	(46,216)	(14,438)
	Debt securities measured at amortised cost	(376,805)	58,645	63,497
	Recoveries during the year BOM prudential	(221,627)	(219,930)	(8,807,736)
	Transfer to Macro Prudential provision	6,549,510	_	_
	() dilately to make the control of t	(221,627)	(219,930)	(8,807,736)
16	Personnel expenses			
	Wages and salaries	3,796,683	3,872,268	3,527,091
	Compulsory social security obligations	185,864	170,195 594,612	154,540 552, 4 48
	Other personnel expenses Workers' Rights Act - Unfunded obligations	628,092 25	594,612 6,120	552,446 9,135
	Pension costs	249,979	215,077	393,734
	1 GROWN GOOD	4,860,643	4,858,272	4,636,948

Notes to and forming part of the financial statements

For the year ended 31 March 2025

17	Other expenses			
	•	2025	2024	2023
		USD	USD	USD
	Other expenses	4,363,643_	4,071,584	4,636,948

Other expenses comprise general administrative expenses, software licencing and other IT costs, legal and professional charges amongst others.

18a	Current tax expense Income tax reconciliation	2025 USD	2024 USD	2023 USD
	Accounting profit	31,534,102	29,601,043	26,121,204
	Tax on accounting profit at 5% Add/(less): Net effect of non taxable income, non allowable	1,576,705	1,480,052	1,306,060
	expenses and other items	745,209	(169,091)	(291,890)
	Under/(over) provision in previous years (Note 30)	252,129	(33,684)	25,830
	Special Levy on Banks (Note 30)	800,000	975,000	740,000
	Corporate Social Responsibility contribution	25,957	32,723	
	Tax expense for the year	3,400,000	2,285,000	1,780,000
18b	Income tax expense			
	Current tax expense for the year	2,285,818	1,483,684	904,170
	Under/(over) provision in previous years	252,129	(33,684)	25,830
	Movement in deferred tax (Note 25)	62,053	(140,000)	110,000
		2,600,000	1,310,000	1,040,000
	Special Levy on Banks (Note 30)	800,000	975,000	740,000
		3,400,000	2,285,000	1,780,000

¹⁸c As at 31 March 2025 the Bank has no accumulated tax losses.

Notes to and forming part of the financial statements

For the year ended 31 March 2025

19	Earnings per share			
		2025 USD	2024 USD	2023 USD
	Profit for the year	28,134,102	27,316,043	24,341,204
	Number of ordinary shares	778,035	778,035	778,035
	Earnings per share	36.16	35.11	31.29
20a	Cash and cash equivalents			
	Current	0.440.500	04.100	4 670 694
	Cash in hand Foreign currency notes and coins	2,418,588 135,141	94,190 1,076,317	1,578,521 504,039
	Unrestricted balances with central bank	1,433,516	5,671,950	7,052,736
	Money market placements	288,806,494	191,183,854	140,648,363
	Balances with banks abroad	3,623,668	7,447,738	4,391,621
	Interest receivable	306,504	83,439	484,306
	Less Allowance for impairment - IFRS 9	-	*	-
	Less Allowance for impairment - BOM	(669,739)		451 050 500
		296,054,172	205,557,488	154,659,586
	Resident	2 440 500	04.400	4 570 504
	Cash in hand	2,418,588 135,141	94,190 1,076,317	1,578,521 504,039
	Foreign currency notes and coins Unrestricted balances with central bank	1,433,516	5,671,950	7,052,736
	Money market placements	158,806,494	93,838,054	1,648,363
	Interest receivable	56,551	40,217	158
		162,850,290	100,720,728	10,783,817
	Non resident			
	Money market placements	130,000,000	97,345,800	139,000,000
	Balances with banks abroad	3,623,668	7,447,738	4,391,621
	Interest receivable Less Allowance for impairment	249,953 (669,739)	43,222	484,148
	Less Allowance for impairment	133,203,882	104,836,760	143,875,769
20b	Analysis of net cash and cash equivalents as shown in the statement of cash flows	-		***************************************
	Cash and cash equivalents	296,054,172	205,557,488	154,659,586
	Other borrowed funds (less than 3 months) Net cash and cash equivalents	296,054,172	(27,000,000) 178,557,488	154,659,586
21	Loans and advances to banks			
21		050 500 044	000 700 004	407 457 074
	Loans and advances to banks Interest receivable	350,500,014 1,669,769	302,796,324 1,650,049	127,457,674 224,293
	Less allowance for credit impairment - IFRS 9	(886,108)	(3,599,246)	(2,101,263)
	Less allowance for credit impairment - BOM	(1,686,610)	(0,000,11,0)	(=1/0/,=00)
		349,597,065	300,847,127	125,580,704
а	Resident			
-	Loans and advances to banks	74,000,000	38,000,000	54,500,000
	Interest receivable	259,279	231,147	75,442
	Less allowance for credit impairment	<u>(541,559)</u> 73,717,720	(410,193) 37,820,954	(853,435) 53,722,007
	Non resident	73,717,720	31,020,304	30,722,007
	Loans and advances to banks- outside Mauritius	276,500,014	264,796,324	72,957,674
	Interest receivable	1,410,490	1,418,902	148,851
	Less allowance for credit impairment	(2,031,159)	(3,189,053)	(1,247,828)
		275,879,345	263,026,173	71,858,697
b	Remaining term to maturity Current			
	Up to 3 months	23,971,460	37,290,956	7,564,294
	Over 3 months and up to 6 months	26,660,054	25,505,368	25,327,488
	Over 6 months and up to 12 months	184,268,500	45,000,000	25,065,892
	Non current	115 600 000	105 በበስ በሰበ	60 500 000
	Over 1 year and up to 5 years Interest receivable	115,600,000 1,669,769	195,000,000 1,650,049	69,500,000 224,293
	History Landisconto	352,169,783	304,446,373	127,681,967
С	Allowance for credit impairment			
~	Balance at beginning of year	3,599,246	2,101,263	2,143,484
	Impairment charge for the year - Stage 1 ECL	(1,026,528)	1,497,983	(42,221)
	Balance at end of year	2,572,718	3,599,246	2,101,263
				121

Notes to and forming part of the financial statements

For the year ended 31 March 2025

22 Loans and advan	nces to custom	ers
--------------------	----------------	-----

		2025	2024	2023
		USD	USD	USD
	Retail customers	93,920,001	85,795,011	81,613,177
	Mortgages	50,456,213	45,698,780	43,899,690
	Other retail loans	43,463,788	40,096,231	37,713,487
	Corporate customers	283,697,004	231,306,183	210,015,408
	Governments	27,532,056	17,244,984	41,593,451
	Entities outside Mauritius	173,782,500	172,704,259	155,540,093
	Interest receivable	2,270,984	3,184,314	3,144,656
		581,202,545	510,234,751	491,906,785
	Less allowance for credit impairment - IFRS 9	(3,091,412)	(7,013,679)	(8,692,567)
	Less allowance for credit impairment - BOM	(3,260,208) 574,850,925	503,221,072	483,214,218
•	Remaining term to maturity	A CONTRACTOR OF THE CONTRACTOR		
а	,			
	Current	158,411,680	109,892,157	156,070,396
	Up to 3 months Over 3 months and up to 6 months	8,422,225	46,093,633	21,787,635
	Over 6 months and up to 12 months	41,372,401	5,204,647	10,179,974
	Non-current	11,012,101	0,201,017	70,770,01
	Over 1 year and up to 5 years	248,363,809	245,591,421	177,843,437
	Over 5 years	122,361,446	100,268,579	122,880,687
	Interest receivable	2,270,984	3,184,314	3,144,656
		581,202,545	510,234,751	491,906,785
b	Credit concentration of risk by industry sectors			
	Agriculture and fishing	680,041	2,596,954	18,326,251
	Manufacturing	150,043,236	144,383,914	111,528,549
	Tourism	25,921,827	19,923,772	13,748,457
	Transport	36,088,658	31,725,041	25,390,330
	Construction	101,309,230	83,898,571	80,644,129
	Financial and business services	64,145,156	48,658,682	90,933,857
	Global Business Licence holders	110,314,746	90,399,737	58,793,348
	Traders	19,092,263	26,978,638	69,777,041
	Personal	5,187,420	5,755,443	5,341,791
	Professional	4,755,992	5,332,152	5,258,768
	Others	61,392,992	47,397,533	9,019,608
	Interest receivable	2,270,984	3,184,314	3,144,656
		<u>581,202,545</u>	510,234,751	491,906,785
	Resident	680,041	2,596,954	18,326,251
	Agriculture and Fishing Manufacturing	48,260,736	28,679,655	20,988,456
	Tourism	25,921,827	19,923,772	13,748,457
	Transport	36,088,658	31,725,041	25,390,330
	Construction	101,309,230	83,898,571	80,644,129
	Financial and business services	17,145,156	16,658,682	25,933,857
	Global Business Licence holders	110,314,746	90,399,737	58,793,348
	Traders	19,092,263	26,978,638	69,777,041
	Personal	5,187,420	5,755,443	5,341,791
	Professional	4,755,992	5,332,152	5,258,768
	Others	26,392,992	22,397,533	9,019,608
	Interest receivable	831,566 395,980,627	1,766,529 336,112,707	1,763,967 334,986,003
		333,300,027	000,112,101	004,000,000
	Non resident	101,782,500	115,704,259	90,540,093
	Manufacturing Financial and business services	47,000,000	32,000,000	65,000,000
	Others	35,000,000	25,000,000	-
	Interest receivable	1,439,418	1,417,785	1,380,689
		185,221,918	174,122,044	156,920,782

123

SBI (MAURITIUS) LTD

Notes to and forming part of the financial statements

For the year ended 31 March 2025

Loans and advances to customers (continued) 22

Allowance for credit impairment Ü

Balance at 01 April 2022 Exchange difference Movement from Stage 3 to Stage 1&2 ECL Balance at 31 March 2023

Exchange difference

Movement from Stage 3 to Stage 1&2 ECL Loans written off out of credit impairment allowance Balance at 31 March 2024

(6.452) (6.837) 8,692,568 (6.526) (1.499,604) (172,759) 7,013,679 (536,996) (27,651) (27,651)

6,381,895 (2,107) (508,291)

4,695 (128,705)

5,871,497

ECL allowances ECL allowances Total allowances for

Stage 1 &2 USD

Stage 3 asn

impairment

8,705,857

7,741,537 (702) 41,699

7,782,534 (709) (1,399,930)

964,320 (5,750) (48,535) 910,034 (5,817) (99,674) (172,759) 631,784

Movement from Stage 3 to Stage 1&2 ECL (Including repayment)
Loans written off out of credit impairment allowance
Balance at 31 March 2025 Exchange difference

Allowance for credit impairment by industry sectors ט Gross

Financial and business services Global business licence holders Agriculture and Fishing Interest receivable Manufacturing Construction Professional Transport Personal raders Tourism

		2025		1	2024	2023
		qsn			asn	OSD
				Total	Total	
	Credit-impaired	ECL	ECL	allowances for	allowances for credit	Total allowances for
amount of loans	loans	Stage 3	Stage 1 &2	impairment	impairment	credit impairment
680,041	1	•	6,658	6,658	71,781	345,962
150,043,236	•	•	1,274,104	1,274,104	1,734,667	1,595,245
25,921,827	•	•	450,379	450,379	293,392	245,288
36,088,658	9,624	9,624	555,041	564,665	453,773	402,879
101,309,230	287,543	287,543	1,771,954	2,059,497	1,546,871	2,001,970
64,145,156	•	•	626,564	626,564	535,695	1,685,639
110,314,746	•	•	425,695	425,695	1,012,043	790,742
19,092,263	166,021	166,021	185,585	351,606	505,927	1,240,307
5,187,420	15,913	15,913	38,751	54,664	147,852	215,064
4,755,992	•	•	44.341	44,341	79,968	69,141
61,392,992	•		492,425	492,425	630,060	98,551
2,270,984	1,022	1,022	•	1,022	1,650	1,780
581,202,545	480,123	480,123	5,871,497	6,351,620	7,013,679	8,692,568

124

345,962 245,245 245,288 2,001,879 1,085,639 750,742 1,240,307 215,064 89,550 98,550 1,780 8,982,567

71,781 293,392 293,392 453,773 1,546,871 535,695 10,12,044 505,927 147,852 79,968 630,059 1,650

6,658 450,379 450,379 2,059,497 626,564 425,895 351,606 54,864 424,341 492,425 1,022 6,351,620

6,658 1,274,104 450,379 555,041 1,771,954 625,695 185,585 38,751 44,341 42,425

166,021 15,913

-166,021 15,913

680,041 150,043,236 25,921,827 36,088,658 101,309,230 64,145,156 110,314,746 19,092,263 5,187,420 4,755,992 61,392,992 61,392,992 61,392,992 61,392,992

Construction
Financial and Business Services
Global Business Licence holders

Personal Professional Others Interest receivable

Traders

Agriculture and Fishing

σ

Manufacturing Tourism Transport

9,624 287,543

9,624 287,543

5,871,497

1,022 480,123

SBI (MAURITIUS) LTD

Notes to and forming part of the financial statements For the year ended 31 March 2025

g 7

Loans and advances to customers (continued)	man mumuu taasaa taa taa taa taa taa taa taa taa		2025	And the first of t	A Security of the security of	2024	2023
Allowance for credit impairment by industry sectors (continued)	<i>;</i>				•		
			USD		Total	USD Total	asn
			ECL	ECL	allowances for	allowances for	
		Credit-impaired	allowances	allowances	credit	credit	Total allowances for
Resident	Gross amount of loans	loans	Stage 3	Stage 1 &2	impairment	impairment	credit impairment
Agriculture and fishing	680,041	•	,	6,658	6,658	71,782	345,962
Manufacturing	48.260.736	•	•	512,209	512,209	431,912	489,263
Tourism	25,921,827	1	•	450,379	450,379	293,392	245,288
Transport	36,088,658	9,624	9,624	555,041	564,665	453,773	402,879
Construction	101,309,230	287,543	287,543	1,771,954	2,059,497	1,546,871	2,001,970
Financial and business services	17,145,156	•	•	138,807	138,807	188,163	665,436
Global Business Licence holders	110,314,746	•	•	425,695	425,695	1,012,044	790,742
Traders	19,092,263	166,021	166,021	185,585	351,606	505,927	1,240,307
Personal	5,187,420	15,913	15,913	38,751	54,664	147,851	215,064
Professional	4,755,992	•	•	44,341	44,341	79,968	69,141
Others	26,392,992		•	264,546	264,546	274,243	98,550
Interest receivable	831,566	1,022	1,022	•	1,022	1,650	1,780
	395,980,627	480,123	480,123	4,393,966	4,874,089	5,007,576	6,566,382
Non resident	1			1	100	1 1 0 0 7	7
Manufacturing	101,782,500	•	•	761,895	761,895	1,3UZ,/55	1,105,882
Financial and business services	47,000,000	•	•	487,757	487,757	347,532	1,020,203
Others Interest receivable	35,000,000 1,439,418	1 1		227,879	227,879	355,816	
	185,221,918	-	-	1,477,531	1,477,531	2,006,103	2,126,185
Allowance for credit impairment by industry sectors			2025	A CAST OF THE PARTY OF THE PART		2024	2023
	/		asn		Total	USD Total	asn
			ECL allowances	ECL allowances	allowances for credit	allowances for credit	Total allowances for
Bank - Total	Gross amount of loans	Impaired loans	Stage 3	Stage 1 &2	impairment	impairment	credit impairment

Notes to and forming part of the financial statements

23	Investment securities			
		2025	2024	2023
		USD	USD	USD
	Investment securities measured at fair value through profit and loss	54,983,444	85,081,002	9,832,543
	Debt securities measured at amortised cost	32,811,492	51,100,823	96,853,763
	Debt securities measured at FVOCI	118,709,567	139,940,612	156,024,531
	Equity securities designated at FVOCI	1,173,695	1,117,593	993,260
		207,678,198	277,240,030	263,704,097
	Less allowance for credit impairment - IFRS 9	(66,266)	(35,602)	(135,589)
	Less allowance for credit impairment - BOM	(376,517)	-	-
		207,235,415	277,204,428	263,568,508
а	Investment securities at fair value through profit and loss	-		
	Treasury/BoM Bills held for trading purposes	54,983,444	85,081,002	9,832,543
	Resident			
			4 004 000	0.000.540
	Treasury/BoM Bills held for trading purposes	5,436,693	1,061,332	9,832,543
	Non resident			
	Treasury/BoM Bills held for trading purposes	49,546,751	84,019,670	
b	Investment securities at amortised cost			
	Government bonds	2,836,088	2,798,541	7,244,187
	Treasury/ BoM Bills	2,181,606	6,500,444	14,791,910
	Corporate bonds and notes	27,466,987	41,224,215	73,925,646
	Interest receivable	326,811	577,623	892,020
	Less allowance for credit impairment - Stage 1	(202,823)	(35,602)	(135,589)
		32,608,669	51,065,221	96,718,174
	Resident			
	Government bonds	2,836,088	2,798,541	7,244,187
	Treasury/ BoM Bills	2,181,606	1,462,950	9,878,436
	Corporate bonds and notes	2,973,261	3,000,000	3,005,108
	Interest receivable	78,941	55,694	84,335
	Less allowance for credit impairment - Stage 1	(30,033)	(2,741)	(5,479)
	·	8,039,863	7,314,444	20,206,587
	Non resident			
	Corporate bonds and notes	24 402 726	20 224 246	70,920,538
	Treasury/ BoM Bills	24,493,726	38,224,215 5,037,494	4,913,474
		247,870	5,037,494 521,929	807,685
	Interest receivable	(172,790)	(32,861)	(130,110)
	Less allowance for credit impairment - Stage 1	24,568,806	43,750,777	76,511,587
	All and the formation and			
¢	Allowance for impairment	05.000	405 500	70.000
	Opening balance	35,602	135,589	72,093
	Net remeasurement of ECL	407,181	(DD D07)	63,496
	(Reversal)/ impairment charge for the year	442,783	(99,987) 35,602	135,589
	Balance at end of year	442,700	33,002	130,003

Notes to and forming part of the financial statements

23	Investment securities (continued)	2025	2024	2023
		USD	USD	USD
d	Investment securities at FVOCI			
	Investment in equity instruments	1,173,694	1,117,593	993,260
	Less Allowance for credit impairment -stage 1	(11,737)	-	-
	·	1,161,957	1,117,593	993,260
	Corporate and government bonds and notes	117,528,233	138,133,953	154,274,026
	Interest receivable	1,181,334	1,806,659	1,750,505
	Less Allowance for credit impairment -stage 1	(228,222)	1,000,033	-
	Less Anowance for credit inframment stage 1	118,481,345	139,940,612	156,024,531
	Resident			
	Investment in equity instruments	837,942	770,857	739,108
	Less Allowance for credit impairment -stage 1	(8,379)		-
		829,563	770,857	739,108
	Investment in debt instruments - government bonds and notes	22,737,299	12,805,479	5,319,140
	Interest receivable	223,022	105,896	37,963
	microst receivable	22,960,321	12,911,375	5,357,103
			1.604.000000000	
	Non resident			
	Investment in Equity instruments	335,752	346,736	254,152
	Less Allowance for credit impairment -stage 1	(3,358)		
		332,394	346,736	254,152
	Investment in debt instruments - foreign corporate bonds and notes	94,790,934	125,328,474	148,954,886
	Interest receivable	958,312	1,700,763	1,712,542
	Less Allowance for credit impairment -stage 1	(228,222)		-
		95,521,024	127,029,237	150,667,428

Notes to and forming part of the financial statements

24 P	roperty a	and equipment	- Resident
------	-----------	---------------	------------

Property and equipment - Resident	Building on	Land and	Furniture, fittings and	Motor	
	lease land	buildings	office equipment	vehicles	TOTAL
	USD	USD	USD	USD	USD
Cost					
Balance at 01 April 2022	318,680	9,003,907	5,236,180	203,598	14,762,365
Acquisitions	-	**	308,352	-	308,352
Disposals	-	-	(30,658)	-	(30,658)
Balance at 31 March 2023	318,680	9,003,907	5,513,874	203,598	15,040,059
Acquisitions	-	-	320,965	32,815	353,780
Disposals	-			(20,994)	(20,994)
Balance at 31 March 2024	318,680	9,003,907	5,834,839	215,419	15,372,845
Acquisitions	-	-	664,919	44,166	709,085
Disposals			(257,258)	(20,994)	(278,252)
Balance at 31 March 2025	318,680	9,003,907	6,242,500	238,591	15,803,678
Accumulated depreciation					
Balance at 01 April 2022	236,949	2,565,708	4,242,299	82,020	7,126,976
Depreciation for the year	16,346	164,332	323,208	34,649	538,535
Disposal adjustment	-	-	(30,658)		(30,658)
Balance at 31 March 2023	253,295	2,730,040	4,534,849	116,669	7,634,853
Depreciation for the year	16,346	164,332	366,700	36,969	584,347
Disposal adjustment		_	-	(15,046)	(15,046)
Balance at 31 March 2024	269,641	2,894,372	4,901,549	138,592	8,204,154
Depreciation for the year	16,346	164,332	386,023	36,997	603,698
Disposal adjustment			(254,690)	(19,243)	(273,933)
Balance at 31 March 2025	285,987	3,058,704	5,032,882	156,346	8,533,919
Net book value					
At 31 March 2025	32,693	5,945,203	1,209,618	82,245	7,269,759
At 31 March 2024	49,039	6,109,535	933,290	76,827	7,168,691
At 31 March 2023	65,385	6,273,867	979,025	86,929	7,405,206
	BMH7777				

Notes to and forming part of the financial statements

For the year ended 31 March 2025

25 Deferred tax assets - Resident

At 1 April 645,972 505,972 661,149 Movement during the year accounted in profit or loss (Note 18b) (62,053) 140,000 (110,000) Movement during the year accounted in other comprehensive income (5,710) - (45,177) At 31 March 578,209 645,972 505,972 Analysed as follows Accelerated capital allowances 94,844 96,157 (58,696) Allowances for credit losses 536,851 538,104 546,902 Employee benefit obligations 124,069 189,266 195,321 Revaluation of building (177,555) (177,555) (177,555) 578,209 645,972 505,972	Deterred tax assets - Resident			
Movement during the year accounted in profit or loss (Note 18b) (62,053) 140,000 (110,000) Movement during the year accounted in other comprehensive income (5,710) - (45,177) At 31 March 578,209 645,972 505,972 Analysed as follows Accelerated capital allowances 94,844 96,157 (58,696) Allowances for credit losses 536,851 538,104 546,902 Employee benefit obligations 124,069 189,266 195,321 Revaluation of building (177,555) (177,555) (177,555)		=-=-		
Movement during the year accounted in other comprehensive income (5,710) - (45,177) At 31 March 578,209 645,972 505,972 Analysed as follows Accelerated capital allowances 94,844 96,157 (58,696) Allowances for credit losses 536,851 538,104 546,902 Employee benefit obligations 124,069 189,266 195,321 Revaluation of building (177,555) (177,555) (177,555)	At 1 April	645,972	505,972	661,149
At 31 March 578,209 645,972 505,972 Analysed as follows Accelerated capital allowances 94,844 96,157 (58,696) Allowances for credit losses 536,851 538,104 546,902 Employee benefit obligations 124,069 189,266 195,321 Revaluation of building (177,555) (177,555)		, , , ,	140,000	(110,000)
Analysed as follows 94,844 96,157 (58,696) Allowances for credit losses 536,851 538,104 546,902 Employee benefit obligations 124,069 189,266 195,321 Revaluation of building (177,555) (177,555) (177,555)	income	(5,710)		(45,177)
Accelerated capital allowances 94,844 96,157 (58,696) Allowances for credit losses 536,851 538,104 546,902 Employee benefit obligations 124,069 189,266 195,321 Revaluation of building (177,555) (177,555) (177,555)	At 31 March	578,209	645,972	505,972
Allowances for credit losses 536,851 538,104 546,902 Employee benefit obligations 124,069 189,266 195,321 Revaluation of building (177,555) (177,555) (177,555)	Analysed as follows			
Employee benefit obligations 124,069 189,266 195,321 Revaluation of building (177,555) (177,555) (177,555)	Accelerated capital allowances	94,844	96,157	(58,696)
Revaluation of building (177,555) (177,555)	Allowances for credit losses	536,851	538,104	546,902
	Employee benefit obligations	124,069	189,266	195,321
<u>578,209</u> <u>645,972</u> <u>505,972</u>	Revaluation of building	(177,555)	(177,555)	(177,555)
		578,209	645,972	505,972

Deferred income tax is calculated on all temporary differences under the liability method using an effective tax rate of 5% (2024 and 2023 - 5%) for Resident and an effective tax rate of 5% (2024 and 2023 - 5%) for Non-resident.

26 Other assets

	2025 USD	2024 USD	2023 USD
Mandatory balance with central bank	34,087,858	27,535,161	26,283,145
Other	585,110	950,193	963,201
	34,672,968	28,485,354	27,246,346
Resident			
Mandatory balance with central bank Other	34,087,858 585,110	26,283,1 4 5 950,193	26,283,145 963,201
	34,672,968	27,233,338	27,246,346

Notes to and forming part of the financial statements

For the year ended 31 March 2025

27 Right-of-use assets

			USD
Buildings			
<u>Cost</u> At 01 April 2022			1,841,012
Additions			474,270
Discontinued leases			(83,620)
At 31 March 2023			2,231,662
Additions			191,444
Discontinued leases			(79,339)
At 31 March 2024			2,343,767
Additions			403,381
At 31 March 2025			2,747,148
Depreciation			
At 01 April 2022			(877,130)
Charge for the year			(409,975)
At 31 March 2023			(1,287,105)
Charge for the year			(396,607)
At 31 March 2024			(1,683,712)
Charge for the year			(413,063)
At 31 March 2025			(2,096,775)
Carrying amount	•		
At 31 March 2025			650,373
At 31 March 2024			660,055
At 31 March 2023			944,557
Amounts recognised in profit or loss	2025 USD	2024 USD	2023 USD
Depreciation expense on right-of-use assets	413,063	396,607	409,975
Interest expense on lease liabilities	31,585	34,502	32,443
Total cash outflows for leases	401,292	441,929	340,113

The Bank does not have any short term lease, low value lease or lease with variable components.

The Bank has multiple leases to operate its branches as well as accomodating expatriate staff members in Mauritius. The average lease term for branches is of 5 years and rental for residence of expatriates staff members varies between 3 years and 4 years. The Bank does not have an option to purchase the leased assets at the end of the lease term. The Bank's obligations are secured by the lessor's title to the leased assets for such leases.

Notes to and forming part of the financial statements

Deposits from customers			
·	2025 USD	2024 USD	2023 USD
0 1 0 1	450 004 504		too o to 170
Savings Deposit	152,894,501	133,228,054	132,018,579
Demand Deposit	227,455,897	239,689,379	191,101,158
Time Deposit			
Within three months	150,332,284	240,579,943	115,216,324
Over 3 and up to 6 months	75,077,605	57,639,690	34,903,181
Over 6 months and up to 12 months	180,932,008	102,933,814	201,252,241
Over 1 year and up to 5 years	137,084,526	55,880,990	72,205,768
over 5 years	266,268	215,562	-
Interest payable	7,622,110	6,504,367	4,149,440
	931,665,199	836,671,799	750,846,691
Resident			
Savings Deposit	151,686,219	132,206,971	131,514,181
Demand Deposit	220,043,963	218,651,464	183,462,338
Time Deposit	,		
Within three months	147,605,780	239,146,220	107,806,829
Over 3 and up to 6 months	69,165,774	57,632,987	34,733,119
Over 6 months and up to 12 months	170,300,170	102,168,814	199,205,795
Over 1 year and up to 5 years	136,733,442	55,654,650	71,985,987
over 5 years	266,268	215,562	-
Interest payable	7,517,794	6,443,890	4,043,878
	903,319,410	812,120,558	732,752,127
Non resident Savings Deposit	1 209 292	1 024 002	504,398
* .	1,208,282	1,021,083	· ·
Demand Deposit	7,411,934	21,037,915	7,638,820
Time Deposit Within three months	2,726,504	1,433,723	7,409,495
Over 3 and up to 6 months	5,911,831	6,703	170,062
Over 6 months and up to 12 months			
•	10,631,838	765,000	2,046,445
Over 1 year and up to 5 years	351,084	226,340	219,782
Interest payable	104,316	60,477	105,562
	28,345,789	24,551,241	18,094,564
Current	786,692,295	774,070,880	674,491,483
Non Current	144,972,904	62,385,357	76,355,208
con on	177,012,004	02,000,001	. 5,555,200

Notes to and forming part of the financial statements

28	nebosits itom	customers	(conunuea)

pehosita trom customera (continued)			
	2025	2024	2023
	USD	USD	USD
Retail Customers			
Savings Deposit	136,081,366	116,985,885	118,709,399
Demand Deposit	5,144,187	4,275,787	5,360,656
Time Deposit			
Within three months	5,282,712	4,477,986	3,584,854
Over 3 and up to 6 months	7,634,830	4,029,501	2,878,236
Over 6 months and up to 12 months	18,138,632	13,134,343	9,101,929
Over 1 year and up to 5 years	31,755,655	29,529,069	21,580,766
Over 5 years	47,117	<u>-</u>	-
	204,084,499	172,432,571	161,215,840
Corporate Customers			
Savings Deposit	16,733,864	16,133,573	13,233,276
Demand Deposit	218,024,576	224,764,646	180,490,552
Time Deposit			
Within three months	144,975,211	235,912,807	111,560,892
Over 3 and up to 6 months	67,442,550	53,610,189	32,024,945
Over 6 months and up to 12 months	160,601,869	89,260,565	192,150,312
Over 1 year and up to 5 years	103,794,816	22,687,142	46,339,038
Over 5 years	219,151	215,562	
	711,792,037	642,584,484	575,799,015
Government			
Savings Deposit	79,271	108,596	75,904
Demand Deposit	4,287,134	10,648,946	5,249,951
Time Deposit	1,201,101	10,010,010	**
Within three months	74,360	189,150	70,577
Over 3 and up to 6 months	225	100,100	70,011
Over 6 months and up to 12 months		538,906	-
Over 1 year and up to 5 years	2,191,507	•	4.005.004
Over 1 year and up to 5 years	1,534,056	3,664,779	4,285,964
	8,166,553	15,150,377	9,682,396
Interest payable	7,622,110	6,504,367	4,149,440
TOTAL	931,665,199	836,671,799	750,846,691

Notes to and forming part of the financial statements

For the year ended 31 March 2025

Borrowings from banks 15,000,000 15,00	29	Other borrowed funds			
Borrowings from banks in Mauriflus 1,666,400 271,613,870 120,000,000 10,0	20				
in Maurilius abroad Interest payable Interest liabilities Resident At 1 April Current tax liabilities Resident Interest payable Interest p			USD	USD	USD
Interest payable 12,000,000 12,161,3870 120,000,000 16,000,0		•	_	15 000 000	_
Interest payable 6.828_375 2.99_896 1.673_927 2.000, 200 2			318.666.400		120,000,000
Remaining term to maturity Current Within three months \$58,666,400 \$126,835,870 \$20,000,000 \$000			· · · · · · · · · · · · · · · · · · ·		
Current Wilhin briese months 58,666,400 126,835,870 20,000,000 Over 3 and up to 6 months 25,000,000 52,000,000 50,000,000 Non-current 100,000,000 65,000,000 50,000,000 Non-current 100,000,000 65,000,000 50,000,000 Non-current 326,494,775 28,98,866 1,573,927 Resident 326,494,775 289,543,766 121,573,927 Resident - 15,000,000 - Borrowings from banks - 15,000,000 - Interest payable - 42,804 - Non resident - 15,042,804 - Borrowings from banks 318,666,400 271,613,870 120,000,000 Interest payable 6,282,375 2,887,092 1,573,927 Borrowings are at fixed rates and unsecured. The rate of interest is 3,10% to 6,07% 274,500,962 121,573,927 30 Current tax liabilities 42,804 - - Resident 41,467,07 830,000 - - -		• •	325,494,775	289,543,766	121,573,927
Current Wilhin brine months 58,666,400 126,835,870 20,000,000 Over 3 and up to 6 months 25,000,000 52,000,000 50,000,000 Non-current 100,000,000 65,000,000 50,000,000 Non-current 100,000,000 65,000,000 50,000,000 Non-current 325,494,775 28,93,896 1,573,927 Resident 325,494,775 289,543,766 121,573,927 Resident - 15,000,000 - Borrowings from banks - 15,000,000 - Interest payable - 42,804 - Non resident - 15,042,804 - Borrowings from banks 318,666,400 271,613,870 120,000,000 Interest payable 6,828,375 2,887,092 1,573,927 Borrowings are at fixed rates and unsecured. The rate of interest is 3,10% to 6,07% 2,287,092 121,573,927 Current tax liabilities 80,000 1,446,707 830,000 At 1 April 1,676,906 1,446,707 830,000		Remaining term to maturity			
Over 3 and up to 6 months		<u> </u>			
Over 6 months and up to 12 months 135,000,000 52,000,000 50,000,000 Non-current Over 1 year and up to 5 years 100,000,000 65,000,000 50,000,000 1,673,927 289,543,766 121,573,927 289,543,766 121,573,927 289,543,766 121,573,927 289,543,766 121,573,927 289,543,766 121,573,927 289,543,766 121,573,927 289,543,766 121,573,927 289,543,766 121,573,927 289,543,766 289,543,766 289,543,766 289,543,766 289,543,766 289,543,766 289,543,766 289,543,766 289,543,766 289,543,766 289,543,766 289,543,766 289,543,766 289,543,766 289,543,766 289,543,776 289,776 289,543,776 289,543,776 289,543,776 289,543,776 289,543,776 289,543,776 289,543,776 289,543,776 289,543,776 289,543,776 289,543,776 289,543,776 289,543,776 289,776 289,543,776 289,543,776 289,543,776 289,543,776 28					-
Non-current					•
Cover 1 year and up to 5 years 100,000,000 65,000,000 50,000,000 1,0		·	130,000,000	\$2,000,000	30,000,000
Resident			100,000,000	65,000,000	50,000,000
Resident Borrowings from banks Interest payable 1 15,000,000 1 - 42,804 42,804		Interest payable			
Borrowings from banks			325,494,775	289,543,766	121,573,927
Interest payable - 42,804 - 15,042,804 - 15				15 000 000	
Non resident Borrowings from banks 318,666,400 271,613,870 120,000,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,000 120,000,0			- -		_
Borrowings from banks 318,666,400 6,828,375 22,887,092 1,573,927 325,494,775 274,500,962 121,573,927 325,494,775 274,500,962 121,573,927 325,494,775 274,500,962 121,573,927 325,494,775 325,494,775 325,494,775 325,494,775 325,494,775 325,494,775 325,494,775 325,494,775 325,494,775 325,494,775 325,494,775 325,492,475 325,492,475 325,492,475 325,492,492,492,492,492,492,492,492,492,492		Therest payable	-		
Borrowings from banks 318,666,400 6,828,375 22,887,092 1,573,927 325,494,775 274,500,962 121,573,927 325,494,775 274,500,962 121,573,927 325,494,775 274,500,962 121,573,927 325,494,775 325,494,775 325,494,775 325,494,775 325,494,775 325,494,775 325,494,775 325,494,775 325,494,775 325,494,775 325,494,775 325,492,475 325,492,475 325,492,475 325,492,492,492,492,492,492,492,492,492,492					
Interest payable			240 666 400	271 612 970	120,000,000
Borrowings are at fixed rates and unsecured. The rate of interest is 3.10% to 6.07%.		· ·			
Current tax liabilities Resident		merest payable			
Current tax liabilities Resident		Borrowings are at fixed rates and unsecured. The rate of interes	st is 3.10% to 6.07%.		
Resident At 1 April 1,676,906 1,446,707 830,000 Current tax expense (Note 18b) 2,285,818 1,483,684 904,170 Special levy (Note 18b) 800,000 975,000 740,000 Under/(over) provision in previous years 252,129 (33,684) 25,830 Special levy paid (767,919) (710,628) (602,089) Tax paid (2,562,803) (1,484,173) (451,204) At 31 March 1,684,131 1,676,906 1,446,707 31 Other liabilities Bills payable 1,751,643 818,350 1,468,526 Others 8,582,986 7,933,957 15,646,227 Allowance for credit impairment on non-fund based exposures 700,162 113,557 11,953 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 Allowance for credit impairment on non-fund based exposures 3,727,520 2,083,982 9,792,082 All		· ·			
Current tax expense (Note 18b) 2,285,818 1,483,684 904,170 Special levy (Note 18b) 800,000 975,000 740,000 Under/(over) provision in previous years 252,129 (33,684) 25,830 Special levy paid (767,919) (710,628) (602,089) Tax paid (2,562,803) (1,484,173) (451,204) At 31 March 1,684,131 1,676,906 1,446,707 31 Other liabilities Bills payable 1,751,643 818,350 1,468,526 Others 8,582,986 7,933,957 15,646,227 Allowance for credit impairment on non-fund based exposures 700,162 113,557 11,953 Resident 1,751,643 818,350 1,468,526 Others 4,855,466 5,849,975 5,854,145 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 7,294,924 6,768,865 7,334,624 7,294,924 6,768,865 7,334,624 Non resident Others 3,727,520	30				
Special levy (Note 18b) 800,000 975,000 740,000 Under/(over) provision in previous years 252,129 (33,684) 25,830 Special levy paid (767,919) (710,628) (602,089) Tax paid (2,562,803) (1,484,173) (451,204) At 31 March 1,684,131 1,676,906 1,446,707 31 Other liabilities Bills payable 1,751,643 818,350 1,468,526 Others 8,582,986 7,933,957 15,646,227 Allowance for credit impairment on non-fund based exposures 700,162 113,557 11,953 Resident 1,751,643 818,350 1,468,526 Others 4,855,466 5,849,975 5,854,145 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 Allowance for credit impairment on non-fund based exposures 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347<					•
Under/(over) provision in previous years 252,129 (33,684) 25,830 Special levy paid (767,919) (710,628) (602,089) Tax paid (2,562,803) (1,484,173) (451,204) At 31 March 1,684,131 1,676,906 1,446,707 31 Other liabilities Bills payable Others 1,751,643 818,350 1,468,526 Others 8,582,986 7,933,957 15,646,227 Allowance for credit impairment on non-fund based exposures 700,162 113,557 11,953 Resident 1,751,643 818,350 1,468,526 Others 4,855,466 5,849,975 5,854,145 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 Allowance for credit impairment on non-fund based exposures 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -		· · · · · · · · · · · · · · · · · · ·		• •	•
Special levy paid Tax paid (767,919) (710,628) (602,089) Tax paid (2,562,803) (1,484,173) (451,204) At 31 March 1,684,131 1,676,906 1,446,707 31 Other liabilities Bills payable 1,751,643 818,350 1,468,526 Others 8,582,986 7,933,957 15,646,227 Allowance for credit impairment on non-fund based exposures 700,162 113,557 11,953 Resident 1,751,643 818,350 1,468,526 Others 4,855,466 5,849,975 5,854,145 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 Non resident 7,294,924 6,768,865 7,334,624 Non resident 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -			·		•
Tax paid (2,562,803) (1,484,173) (451,204) At 31 March 1,684,131 1,676,906 1,446,707 31 Other liabilities Bills payable Others 1,751,643 818,350 1,468,526 Others 8,582,986 7,933,957 15,646,227 Allowance for credit impairment on non-fund based exposures 700,162 113,557 11,953 Resident 1,751,643 818,350 1,468,526 Others 4,855,466 5,849,975 5,854,145 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 Non resident 7,294,924 6,768,865 7,334,624 Non credit impairment on non-fund based exposures 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -			•		·
Sills payable				(1,484,173)	(451,204)
Bills payable Others 1,751,643 818,350 1,468,526 Others 8,582,986 7,933,957 15,646,227 Allowance for credit impairment on non-fund based exposures 700,162 113,557 11,953 Resident Bills payable Others 1,751,643 818,350 1,468,526 Others 4,855,466 5,849,975 5,854,145 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 Non resident 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -		At 31 March	1,684,131	1,676,906	1,446,707
Others 8,582,986 7,933,957 15,646,227 Allowance for credit impairment on non-fund based exposures 700,162 113,557 11,953 Resident 11,034,791 8,865,864 17,126,706 Resident 1,751,643 818,350 1,468,526 Others 4,855,466 5,849,975 5,854,145 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 Non resident 7,294,924 6,768,865 7,334,624 Allowance for credit impairment on non-fund based exposures 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -	31	Other liabilities			
Allowance for credit impairment on non-fund based exposures 700,162 113,557 11,953 11,034,791 8,865,864 17,126,706 Resident Bills payable 1,751,643 818,350 1,468,526 Others 4,855,466 5,849,975 5,854,145 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 7,294,924 6,768,865 7,334,624 Non resident Others 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -		Bills payable	1,751,643	818,350	1,468,526
based exposures 700,162 11,034,791 113,557 8,865,864 11,953 17,126,706 Resident Bills payable Others 1,751,643 818,350 1,468,526 5,849,975 5,854,145 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 Non resident Others 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -		Others	8,582,986	7,933,957	15,646,227
11,034,791 8,865,864 17,126,706 Resident Bills payable Others 1,751,643 818,350 1,468,526 Others 4,855,466 5,849,975 5,854,145 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 Non resident 7,294,924 6,768,865 7,334,624 Allowance for credit impairment on non-fund based exposures 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -		•			
Resident Bills payable Others 1,751,643 818,350 1,468,526 Others 4,855,466 5,849,975 5,854,145 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 Non resident 7,294,924 6,768,865 7,334,624 Others 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -		based exposures	L-WOMETTEN CO.		
Bills payable Others 1,751,643 4,855,466 818,350 5,849,975 1,468,526 5,854,145 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 7,294,924 6,768,865 7,334,624 Non resident 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -			11,034,791	8,865,864	17,126,706
Others 4,855,466 5,849,975 5,854,145 Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 7,294,924 6,768,865 7,334,624 Non resident 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -		Resident			
Allowance for credit impairment on non-fund based exposures 687,815 100,540 11,953 7,294,924 6,768,865 7,334,624 Non resident Others 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -		Bills payable			
based exposures 687,815 / 7,294,924 100,540 / 6,768,865 11,953 / 7,334,624 Non resident Others 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -		Others	4,855,466	5,849,975	5,854,145
Non resident 7,294,924 6,768,865 7,334,624 Others 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -		•			
Non resident 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -		based exposures			
Others 3,727,520 2,083,982 9,792,082 Allowance for credit impairment on non-fund based exposures 12,347 13,017 -				0,708,800	1,004,024
Allowance for credit impairment on non-fund based exposures 12,347 13,017 -		Non resident			
based exposures12,34713,017		Others	3,727,520	2,083,982	9,792,082
		Allowance for credit impairment on non-fund			
<u>3,739,867</u> <u>2,096,999</u> <u>9,792,082</u>		based exposures		13,017	-
			3,739,867	2,096,999	9,792,082

Others also include expected credit losses of USD 700,162 on non-fund based exposures (2024: USD 113,557).

Notes to and forming part of the financial statements

For the year ended 31 March 2025

32a	Stated Capital	2025 USD	2024 USD	2023 USD
	Issued and fully paid capital	48,627,188	48,627,188	48,627,188
	(778,035 Ordinary Shares of USD 62,50 each)			
	Share premium	54.078.062	54.078.062	54,078,062

Fully paid ordinary shares, which have a par value of USD 62.50, carry one vote per share and carry a right to dividends.

32b Dividend proposed and paid

Dividend proposed and paid	13,366,641	12,156,797	9,725,437
Dividend per share	17.18	15,625	12.50

The Board of Directors proposed a dividend of USD 17.18 per share on 01 July 2024, approval for which was obtained from the Bank of Mauritius on 15 July 2024 and paid on 27 August 2024.

33 Reconciliation of liabilities arising from financing activities

The table below details changes in liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Bank's statement of cash flows from financing activities.

			Opening	Financing cash		Closing
			balance	flows	Others (i)	balance
a	Other borrowed funds (Note 29)	\top	USD	USD	USD	USD
	Year 2025		289,543,766	59,052,530	(23,101,521)	325,494,775
	Year 2024	Т	121,573,927	139,613,870	28,355,969	289,543,766
	Year 2023		253,202,890	(115,753,358)	(15,875,605)	121,573,927

	Opening	Repayment of		Closing
	balance	lease liability	Others	balance
Lease liabilities (Note 34)	USD	USD	USD	USD
Year 2025	702,147	(401,292)	398,702	699,557
Year 2024	960,451	(441,929)	183,625	702,147
Year 2023	879,636	(340,113)	420,928	960,451

⁽i) Others include movement in short term borrowings classified as cash and cash equivalents.

34 Lease liabilities

b

Leasing Arrangements

Operating lease relates to the lease of buildings with leased terms between one to five years with an option to extend for a further period of up to five years. All operating lease contracts contain market review clauses in the event that the Bank exercises its option to renew. The Bank does not have an option to purchase the building after expiry of the lease period.

Analysed as follows:	2025 USD	2024 USD	2023 USD
Current	398,834	281,908	334,287
Non-current	300,723	420,239	626,164
	699,557	702,147	960,451
Disclosure required by IFRS 16:			
Maturity analysis			
Year 1	398,834	281,908	334,287
Year 2	178,324	208,716	254,173
Year 3	96,568	141,622	195,320
Year 4	19,404	65,114	100,109
Year 5	6,427	4,787	73,303
Onwards	<u>-</u>		3,259
	699,557	702,147	960,451

The Bank does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Bank's Procurement and Services Department.

Notes to and forming part of the financial statements

For the year ended 31 March 2025

35 Contingent liabilities

The Bank provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and are generally extended over the period of the facility. The commitments and contingent liabilities have off balance sheet credit risk.

	2025 USD	2024 USD	2023 USD
Acceptances on account of customers	414,920	521,673	1,810,024
Guarantees on account of customers	19,856,496	17,231,437	14,013,037
Letters of credit and other obligations on account of customers	1,058,483	4,349,791	5,294,994
	21,329,899	22,102,901	21,118,055
Commitments			
Loans and other facilities			
Undrawn credit facilities	64,795,033 64,795,033	59,287,437 59,287,437	46,258,212 46,258,212

37 Related parties

36

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

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

A number of banking transactions are entered into with related parties in the normal course of business. These include loans and management fees. These transactions were carried out on commercial terms and at market rates. The volumes of related party transactions, outstanding balances at the year end, and relating expense and income for the year are as follows:

Transaction with State Bank of India (Ultimate holding company)	2025 USD	2024 USD	2023 USD
Statement of profit or loss and other comprehensive income Management fees paid to parent bank	592,600	415,339	609,272
Statement of financial position Loans and advances to banks Accrued interest	10,900,014 79,100	12,796,324 128,422	5,924,700 28,725
Related companies - Companies within SBI group Statement of financial position			
Assets Balance and placements with banks	67,252,474	100,568,424	126,623,232
Liabilities Deposits Other borrowed funds Accrued interest	200,479 188,619,200 3,441,265	199,190 212,167,000 2,807,494	336,242 120,000,000 1,573,927
Statement of profit or loss and other comprehensive income Interest income Interest expense	3,043,250 11,170,397	2,514,106 9,254,064	3,433,605 5,230,560
Dividends paid Commision received on bank guarantees issued	12,912,694 31,257	11,743,938 65,490	9,395,150 8,833
Off Balance sheet balance Bank guarantee	5,335,863	3,696,596	2,221,997
Key management personnel			
Loans	333,605	230,530	240,917
Interest income earned	16,800	12,333	10,239 196,046
Deposits Interest expense on deposits	361,628 5,945	295,559 2,571	14,458
Directors	•	•	
Deposits	83,955	184,070	50,355
Interest Expense	1,280	538	6
Compensation to Key Management personnel & Directors			
Short term benefits	830,266	961,601	761,849
Post employment benefits	101,081	126,557	127,119

Compensation of the Bank's key management personnel includes salaries and contributions to post-employment benefit plan. There are no other long term benefits or share option programme.

None of the facilities granted to related parties were non performing for both the current and prior years. These facilities carry a Stage 1 ECL, which is not material.

Notes to and forming part of the financial statements

For the year ended 31 March 2025

38 Derivatives

Cross currency swaps	Total Notional	<	Fair Value	>
	Principal USD	Assets USD	Liabilities USD	Net USD
2025	7,090,321	(22,937)	(50,437)	(73,374)
2024	2,363,436	(1,344)	4,383	3,039
2023	21,666,477	54,696	(268,651)	(213,955)

39 Retirement benefit obligations

The Bank's retirement benefit obligations as disclosed below include a final salary defined benefit plan to employees which is wholly funded and the residual gratuities as required under the Workers' Rights Act which is unfunded. The most recent actuarial valuation of the pension plan was carried out at 31 March 2025 by The State Insurance Company of Mauritius Ltd, actuaries and consultants.

Non-current	2025 USD	2024 USD	2023 USD	
Amounts recognised in statement of financial position				
Deposit value of funded obtantions	0.404.000	0 200 205	7 000 000	
Present value of funded obligations	8,461,329	8,320,325	7,282,623	
Fair value of plan assets	(5,979,949)	(4,535,007)	(3,376,200)	
Liabilities recognised in statement of financial position	2,481,380	3,785,318	3,906,423	
Movements in liabilities recognised in the statement of financial position				
At the beginning of the year	3,785,318	3,906,423	4,809,953	
Exchange difference	(245,560)	(269,942)	(79,765)	
Amount recognised in profit or loss	303,640	273,215	280,363	
Amount recognised in other comprehensive income	(114,204)	1,114,887	124,655	
Funding of past service deficit	(1,164,475)	(1,148,947)	(1,183,130)	
Employer contribution paid	(83,337)	(90,318)	(45,653)	
At the end of the year	2,481,380	3,785,318	3,906,423	
The amounts recognised in profit or loss is as follows:				
Current service cost	130,285	112,373	85,100	
Employee contributions	(50,003)	(57,648)	(45,653)	
Fund expenses	7,551	8,157	9,875	
Interest cost (net)	215,849	210,333	231,041	
Total included in employee benefit expense	303,682	273,215	280,363	

Notes to and forming part of the financial statements

For the year ended 31 March 2025

39	Retirement benefit obligation (continued)	2025 USD	2024 USD	2023 USD
	Movement in the fair value of plan assets were as follows			
	Fair value of plan assets at 1 April	4,535,007	3,376,200	2,652,999
	Return of on plan assets	252,737	183,752	119,950
	Contributions from the employer	83,337	90,318	45,653
	Contributions from plan participants	50,003	57,648	45,653
	Funding of past service deficit	1,164,475 61,323	1,148,947	1,183,130
	Exchange difference	(488,991)	87,682 (342,069)	(96,361) (299,558)
	Benefits paid Remeasurement gains	322,058	(67,471)	(275,266)
	Fair value of plan assets at 31 March	5,979,949	4,535,007	3,376,200
	Actual return on plan assets	366,498	31,311	(136,927)
	Reconciliation of the present value of defined benefit obligation			
	Present value of obligations at 1 April	8,320,325	7,282,623	7,462,952
	Current service cost	130,285	112,373	85,100
	Exchange rate difference	(298,552)	(139,764)	(139,175)
	Interest cost	468,585	394,084	350,991
	Benefits paid	(481,440)	(333,912)	(289,683)
	Remeasurement gains/(losses)	322,126	1,004,921	(187,562)
	Present value of obligation at 31 March	8,461,329	8,320,325	7,282,623
	The main categories of plan assets at statement of financial position date for each percentage of assets at end of the year	48.8%	52.8%	56.3%
	Government securities and cash Loans	3.0%	3.0%	2.9%
	Local entities	16.6%	15.0%	14,0%
	Overseas bonds and equities	31.1%	28.7%	26.2%
	Property	0.5%	0.5%	0.6%
	Total	100%	100%	100%
	The amounts recognised in other comprehensive income are as follows:	2025	2024	2023
		USD	USD	USD
	Asset experience gains during the year	322,092	47,111	(275,266)
	Liability experience (losses)/gains during the year	88,840	(1,119,504)	187,562
		410,932	(1,072,393)	(87,704)
	The principal actuarial assumptions used for accounting purposes were			
	Discount Rate	6.10%	5.72%	5.65%
	Expected salary escalation	4.50%	4.00%	3.50%
	Future pension increases	3.00%	3.00%	2.50%
	Retirement age		65 years	
	Mortality before retirement	Nil DA(00) rated	A 6770 Ultim	ate Tables
	Mortality in ratiroment	PA(90) rated down by 2	PA(9	10)
	Mortality in retirement	years	FA	,

The discount rate is determined by reference to market yields on bonds.

Notes to and forming part of the financial statements

For the year ended 31 March 2025

39 Retirement benefit obligation (continued)

Sensitivity analysis on defined benefit obligations at end of the reporting date:

	Increase	Decrease	
	USD	USD	
Discount rate (1% movement)	1,303,947	1,043,157	
Future long-term salary assumptions (1% movement)	523,770	449,259	
Life expectancy (one year movement)	238,874	238,874	

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The defined benefit pension plan exposes the Bank to actuarial risks, such as investment risk, interest rate risk, longevity risk and salary risk. The risk relating to death in service benefits is re-insured.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments. Due to the long-term nature of the plan liabilities, the trustees of the pension fund consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the fund.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability but this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

The Bank expects to pay USD 1,250,255 in contributions to its post-employment benefit plans for the year ending 31 March 2026.

The weighted average duration of the defined benefit obligation is 14 years at the end of the reporting period.

Notes to and forming part of the financial statements

For the year ended 31 March 2025

40 Reserves

a Statutory reserve

The Bank maintains a statutory reserve and transfers each year to the statutory reserve out of the profit for the year, a sum equal to not less than 15% of the profit for the year until the balance in the statutory reserve is equal to the amount paid as stated capital.

b General banking reserve

This relates to a general provision for both performing and non-performing exposures in line with the Guideline on classification, provisioning and write-off of credit exposures revised August 2024. In addition to the general provisions for performing exposures, macro-prudential provisions are also recognised on certian sectors for performing exposures.

c Other reserves

Other reserves comprise:

- i) Revaluation surplus, which relates to the surplus on revaluation of land and buildings
- ii) Fair value reserve, which comprises of the cumulative net change in the fair value of financial assets at fair value through other comprehensive income that has been recognised in other comprehensive income until the investments are derecognised or impaired.

d Actuarial losses reserve

The actuarial losses reserve represents the cumulative remeasurement of defined benefit obligations recognised.

41 Holding Company

The holding company is State Bank of India, a public corporation in India, holding 96.60% (2024 & 2023: 96.60%) of shareholding of the Bank. The Government of India holds a majority stake in the State Bank of India.

42 Events after reporting date

There are no material events after the reporting date which require amendments to or additional disclosures in the financial statements for the year ended 31 March 2025.

Economic and Financial Environment

In 2024, the global economy navigated a challenging yet moderately stabilizing environment following the volatility of prior years. While global inflationary pressures gradually eased, growth remained uneven across regions. The lingering effects of tight monetary policy, ongoing geopolitical tensions and climate-related disruptions weighed on trade and investor confidence. The IMF estimated global growth at approximately 3.2% for the year. Global financial markets experienced intermittent volatility due to interest rate uncertainty, currency fluctuations and realignment of capital flows.

The US economy showed resilience in 2024, supported by strong consumer spending, a buoyant labour market, and easing inflation. The Federal Reserve adopted a more data-driven approach, lowering the Fed rate by 25 basis points to 4.25%-4.50% in December while inflation stood at 2.9% - higher than the 2% target. However, monetary conditions remained relatively tight. Equity markets regained momentum toward the end of the year amid expectations of a potential rate cut cycle in 2025. The US dollar remained firm against most currencies.

Mauritius

GDP growth remained positive, albeit slightly below expectations, with Statistics Mauritius estimating growth at around 4.7% for 2024. The tourism, construction and financial services sectors were key contributors to economic activity. Inflation, which had peaked in previous years, showed signs of moderation, averaging 3.6% in 2024, compared to 7.0% in 2023. In September 2024, the Bank of Mauritius lowered the Key Rate by 50 basis points from 4.5% to 4.0% with a view to support economic growth. However, the Bank of Mauritius raised the Key Rate from 4.00% to 4.50% in February 2025 to reverse the negative interest rate differential to support the Mauritian rupee.

India

India's economy continued its strong post-pandemic momentum, recording a GDP growth rate of 6.5% in FY 2024-25, driven by robust domestic consumption, government-led capital expenditure, and expanding services exports. Annual inflation moderated to 5.2%, aided by food price stabilization. The Reserve Bank of India kept policy rates steady at 6.50% until February 2025 when it lowered its policy repo rate by 25 basis points to 6.25% while ensuring liquidity remained

adequate to support credit expansion. India's equity markets performed well, with increased retail participation and strong corporate earnings. Despite ongoing challenges, the Indian rupee showed relative resilience - maintaining its position as one of the best performing Asian currencies, underpinned by stable macroeconomic fundamentals and rising foreign inflows.

Global liquidity conditions in 2024 remained mixed. While advanced economies adopted a more cautious approach toward rate cuts, emerging markets began easing policy to support growth. Bond markets stabilised with moderate declines in yields, and equity markets experienced sectoral rotation toward technology and green energy. Commodities saw a modest rebound, particularly in gold and industrial metals. Exchange rates diverged as investors rebalanced portfolios in anticipation of a soft-landing scenario for major economies.

Outlook for 2025

Looking ahead to 2025, the global economy is expected to continue its path toward stabilization. The IMF projects global GDP growth of around 3.3%, contingent on easing financial conditions, continued disinflation, and avoidance of major geopolitical escalations. Inflation in advanced economies is projected to move closer to central bank targets, potentially allowing for measured rate cuts in the second half of the year. However, downside risks persist, including heightened geopolitical tensions, potential energy shocks, climate-related disruptions and trade fragmentation.

The US economy is anticipated to enter a mild soft-landing phase, with growth projected at 2.7% and the Federal Reserve likely to begin a gradual easing cycle if inflation remains under control. Labour market dynamics and fiscal negotiations will be key watchpoints. Investor sentiment may remain sensitive to global developments, including the ongoing trade tariffs developments.

In Mauritius, GDP growth is expected to moderate to around 3.3% in 2025. The government is expected to maintain its fiscal consolidation efforts while supporting key sectors such as tourism, agriculture and manufacturing. Inflationary pressures are likely to ease further, barring major supply-side shocks. Structural reforms, digitalization and green transition initiatives may gain more momentum. Recently, the US administration imposed a 40% reciprocal tariff on Mauritian exports, which is significantly higher rate than the 10% baseline tariff. However, negotiations between the Government of Mauritius and the US administration may lead to mutually agreeable concessions and a positive outcome.

India is poised to remain one of the fastest-growing major economies, with projected growth at 6.5% in FY 2025-26. Continued reforms in manufacturing, infrastructure and financial inclusion are expected to support investment. The monetary policy stance will likely remain accommodative, with the Reserve Bank of India prioritising inflation control and financial stability. Geopolitical positioning, favourable demographics and expanding global trade partnerships will further underpin India's macroeconomic resilience.

Overall, global financial conditions are expected to improve modestly in 2025, supporting cross-border capital flows and investments. Banks and financial institutions, particularly in emerging economies, will continue to play a critical role in enabling credit expansion, digital transformation and sustainable development.

2. FINANCIAL REVIEW

Despite a challenging and volatile business environment, the Bank recorded a strong financial performance in FY 2024-25 with its profit after tax increasing from USD 27.32 Mio to USD 28.13 Mio. This was attributable to a 5.76% increase in operating income on account of a notable growth of 27.24% in non-interest income which was driven by higher trade finance and payment activities and a healthy performance in the global financial markets and foreign exchange movements. The sustainable growth in profitability shows that the Bank is committed towards delivering value to its stakeholders through its resilience and agility in navigating the complex operating environment.

The Management Discussion and Analysis of SBI (Mauritius) Ltd includes forward-looking statements. The forecasts, projections and assumptions contained therein may not materialize. Actual results may vary materially from the plans and assumptions. The Bank may update any forward-looking statement depending on changes in macroeconomic conditions. The reader should not place any undue reliance on these forecasts.

2.1 PERFORMANCE AGAINST OBJECTIVES

OBJECTIVES FOR FY 2024-25	PERFORMANCE FOR FY 2024-25	OBJECTIVES FOR FY 2025-26
Net Profit The Bank is expected to achieve a net profit (PAT) of USD 25.08 Mio.	The Bank registered profit after tax of USD 28.13 Mio, which was 12.16% above the budgeted level.	To achieve a minimum net profit (PAT) of USD 35.40 Mio.
Return on Average Equity (ROAE) To achieve a minimum ROAE of 13.35%.	ROAE stood at 16.04% for the year ended 31-Mar-25.	ROAE is expected to be around 16.98%.
Return on Average Assets (ROAA) To achieve ROAA above 1.83%.	ROAA stood at 2.13% - well above expectations.	ROAA is expected to be around 2.25%.

	T	
Net Interest Margin (NIM) To achieve a NIM of 2.10%.	The Bank's NIM was 2.62% for the financial year under review.	To achieve a minimum NIM of 2.52%.
Expense Ratio		
Cost-to-income ratio is expected to be around 28.55%.	The expense ratio was well contained at 24.65% - below the budgeted level.	Expense ratio is expected to be around 22.04%.
Gross Loans and Advances Growth The loan portfolio is projected to increase by 5.08% on a year-on-year basis.	Net loans and advances to banks and customers expanded by 14.97% to reach USD 924.45 Mio, on a year-on-year basis.	The loan portfolio is expected to grow by 15.00% over the March 2025 level.
Deposits Growth Deposits from customers is anticipated to grow by 5.04% on a year-on-year basis.	Deposits increased to USD 931.67 Mio – a growth of 11.35%, on a year-on-year basis.	Deposits from customers is budgeted to grow by 16.00% over the March 2025 level.
Total Assets Total assets are expected to expand by 5.75% on a year-on-year basis.	The Bank's total assets stood at USD 1,470.91 Mio as of 31 March 2025 – registering a growth 11.11%, on a year- on-year basis.	Total assets are projected to expand by 12.80%, on a year-on-year basis.
Asset Quality		
GNPA ratio as a percentage of gross loans is expected to remain below 0.20%. Net NPA is expected to remain at 0.0%.	The GNPA stood at 0.05% and net NPA at 0.0%.	It is expected to maintain GNPA around 0.05%.
Capital Adequacy Ratio (CAR) It is projected that CAR will remain around 20.00% in FY 2024-25.	CAR stood at 24.85% for the year ended 31-Mar-25 - well above the regulatory limit of 12.50%.	CAR is projected to remain well above the regulatory limit as the Bank continues to consolidate its capital base in view of an expanding asset base.

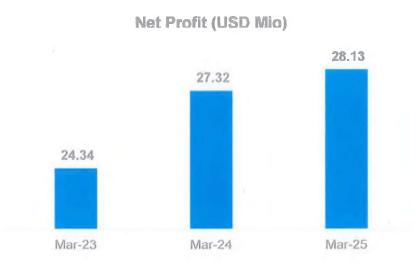
2.2 PERFORMANCE HIGHLIGHTS

(USD Mio)

FINANCIAL YEAR	2022-23	2023-24	2024-25				
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME							
Net Interest Income	21.65	32.80	33.30				
Non-Interest Income	5.91	6.49	8.26				
Total Operating Income	27.56	39.29	41.55				
Recovery from Written Off Account	8.81	0.22	0.22				
Total Operating Expenses	10.25	9.91	10.24				
Profit After Tax	24.34	27.32	28.13				
STATEMENT OF FINANCIAL POSITION							
Total Assets	1,063.12	1,323.79	1,470.91				
Loans and Advances (Net)	608.79	804.06	924.45				
Deposits from Customers	750.85	836.67	931.67				
Total Equity	167.05	182.55	197.78				
PERFORMANCE RATIOS (%)	•						
Return on Average Equity	16.67	17.00	16.04				
Loan to Deposit Ratio	81.09	96.10	99.23				
Cost to Income Ratio	37.19	25.22	24.65				
CAPITAL ADEQUACY RATIO (%)	24.75	22.97	24.85				

2.2.1 NET PROFIT

The Bank recorded a healthy growth in its net profit after tax which reached USD 28.13 Mio for the financial year under review compared to USD 27.32 Mio in FY 2023-24, representing an increase of 2.99% on a year-on-year basis. This marks the highest profit ever recorded by SBMIL since its inception, surpassing last year's record. This performance further demonstrated the Bank's ability and resilience to sustain this growth momentum, despite a very challenging operating environment.



During the financial year under review, the Bank enhanced its trade finance and payment activities which contributed to a 27.24% increase in non-interest income, by exploring avenues that would diversify its income streams. This has, subsequently, supported the Bank in maintaining a robust financial position, as evidenced by its high-quality assets and its comfortable capital ratio.

2.2.2 INCOME ANALYSIS

The Bank's total income increased from USD 39.29 in FY 2023-24 Mio to USD 41.55 Mio in FY 2024-25, representing an increase of 5.76%, largely attributable to a notable growth in net trading income and other operating income, however partly offset by higher interest expenses on resources.

A) NET INTEREST INCOME:

USD Mio	31-Mar-23	31-Mar-24	31-Mar-25
Interest Income	36.51	66.35	71.01
Interest Expenses	14.86	33.55	37.71
Net Interest Income	21.65	32.80	33.30

Interest income recorded a 7.03% growth, primarily attributable to the steady expansion of the loan portfolio and the upward repricing of MUR-denominated advances in February following the Central Bank's decision to hike the Key Rate by 50 basis points. However, interest expenses saw a sharper increase of 12.42%, due to increased deposit costs, along with the impact of repricing existing borrowings at higher rates.

B) NON-INTEREST INCOME:

31-Mar-23	31-Mar-24	31-Mar-25
2.74	3.32	3.80
2.54	2.86	3.68
0.63	0.30	0.77
5.19	6.48	8.25
	2.74 2.54 0.63	2.74 3.32 2.54 2.86 0.63 0.30

Non-interest income, which includes fee and commission income on loans and advances as well as gains on foreign exchange movements, registered a robust year-on-year growth of 27.31%. This strong performance was underpinned by a substantial 28.43% increase in net trading income and an impressive 154.70% surge in other operating income.

C) OPERATING EXPENSES:

USD Mio	31-Mar-23	31-Mar-24	31-Mar-25
Staff Expenses	4.67	4.86	4.86
Other Expenses	5.59	5.05	5.38
Operating Expenses	10.26	9.91	10.24

D) COST CONTROL

Cost to income ratio computed as non-interest expenses over operating income improved to 24.65% in FY 2024-25 against 25.22% in FY 2023-24 on account of higher operating income. In absolute terms, total operating expenses registered an increase of 3.33%, reflecting operational efficiencies through solid cost control initiatives.

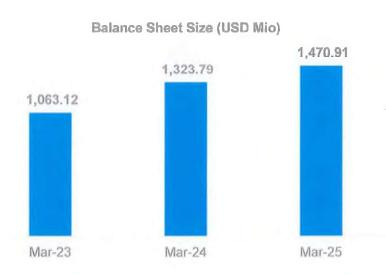
USD Mio	31-Mar-23	31-Mar-24	31-Mar-25
Staff Costs	4.67	4.86	4.86
Rent, Insurance and Taxes	0.18	0.19	0.18
Communications	0.34	0.29	0.33
Depreciation	0.95	0.98	1.02
Others	4.11	3.59	3.86
Total	10.25	9.91	10.24

2.2.3 BUSINESS ANALYSIS

A: ASSET MIX

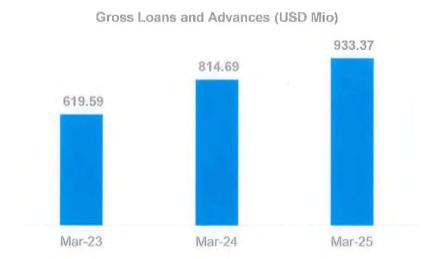
31-Mar-23	31-Mar-24	31-Mar-25
608.79	804.07	924.45
263.57	277.20	207.24
145.04	198.63	292.43
9.62	6.93	3.62
36.10	36.96	43.17
	608.79 263.57 145.04 9.62	608.79 804.07 263.57 277.20 145.04 198.63 9.62 6.93

A1: Total Assets



Total assets registered a notable expansion of 11.11% on year-on-year basis, on account of an expanding loan portfolio across all segments. Aligned with our strategic vision, our asset base is growing steadily, laying a strong foundation for future business expansion.

A2: Gross Loans and Advances



Gross loans and advances reached USD 933.37 Mio in the financial year under review, registering a growth of 14.56% on a year-on-year basis, attributable to a remarkable expansion in its Corporate and SME as well as Global Business segments.

The Bank maintained a prudent approach in expanding and diversifying its loan portfolio and favoured high-quality medium to long term assets. In line with its strategy, the Bank expanded its trade finance portfolio as well as its loan portfolio across all its segment.

B: LIABILITY MIX

Equity 167.05 182.55 197.78 Deposits from Customers 750.85 836.67 931.67 Borrowings 121.57 289.54 325.49				
Deposits from Customers 750.85 836.67 931.67 Borrowings 121.57 289.54 325.49	USD Mio	31-Mar-23	31-Mar-24	31-Mar-25
Borrowings 121.57 289.54 325.49	Equity	167.05	182.55	197.78
	Deposits from Customers	750.85	836.67	931.67
Other Liabilities 23.65 15.03 15.97	Borrowings	121.57	289.54	325.49
20.00	Other Liabilities	23.65	15.03	15.97

B1: Capital and Reserves

For the financial year under review, shareholders' equity stood at USD 197.78 Mio compared to USD 182.55 Mio as at 31 March 2024, testifying to the Bank's steady profitability, robust risk management and effective financial management. The Bank's capital adequacy ratio improved to 24.85% compared to last year's level of 22.97%, which is well above the regulatory requirement of 12.50%.

B2: Deposits

Deposits from customers recorded an 11.35% growth, reaching USD 931.67 Mio as at 31 March 2025. All segments, except Global Business, registered a noteworthy expansion in their deposits. The Retail and Corporate segments registered the highest growth on account of an increasing customer base.



B3: Borrowings

The Bank can easily raise borrowings from interbank counterparties to cater business needs through the call money market and interbank market, given its credibility on the domestic financial market. As at 31 March 2025, the outstanding balance of the borrowings comprise borrowings from Parent Bank as well as other banks / FIs.

2.3 CREDIT QUALITY

The Bank has been complying with the guidelines issued by Bank of Mauritius for identifying non-performing assets and making appropriate provisions. The credit quality for the last three years has been as follows:

(USD MIO)

Financial Year	31-Mar-23	31-Mar-24	31-Mar-25
Standard Assets	618.68	814.06	932.89
Impaired Loans	0.91	0.63	0.48
Total Loans	619.59	814.69	933.37

Gross and net NPA stood at USD 0.48 Mio and nil, respectively, for the year ended 31 March 2025 as compared to USD 0.63 Mio and nil as at 31 March 2024. The ratio of gross and net NPAs improved to 0.05% & 0.00%, respectively, for the financial year under review as compared to 0.08% and 0.00%, respectively, as at 31 March 2024.

While closely monitoring the loan portfolio to restrict further slippages, the Bank has stepped up its efforts to recover its dues in sticky accounts and it expects further recoveries / upgradation in some accounts in the current financial year.

Industry wise breakup of the credit quality in the current year is as under:

	31-Mar-25					31-Mar-24	31-Mar-23
All figures are in USD Mio	Gross Amount of Loans	Non- Performing Loans	Specific Provisions	Collective Provision	Total Provisions	Total Provisions	Total Provisions
Agriculture and Fishing	0.68	-	-	0.01	0.01	0.07	0.35
Manufacturing	150.04	_	-	1.27	1.27	1.73	1.60
Tourism	25.92	-	-	0.45	0.45	0.29	0.25
Transport	36.09	0.01	0.01	0.56	0.57	0.45	0.40
Construction	101.31	0.29	0.29	1.77	2.06	1.55	2.00
Financial & Business Services	64.15	H	-	0.63	0.63	0.54	1.69
Global Business License Holders	110.31	-	•	0.43	0.43	1.01	0.79
Traders	19.09	0.16	0.16	0.19	0.35	0.51	1.22
Personal	5.19	0.02	0.02	0.04	0.06	0.15	0.22
Professional	4.76	-	-	0.04	0.04	0.08	0.07
Others	61.39	-	-	0.48	0.48	0.63	0.10
Interest Receivable	2.27	-	-	-	_	-	_
Total Advances*	581.20	0.48	0.48	5.87	6.35	7.01	8.69

^{*} Excluding loans and advances to banks.

2.4 CAPITAL ADEQUACY

As per Basel III framework, banks are required to hold capital for the following three risk areas:

- a) Credit Risk
- b) Market Risk
- c) Operational Risk

The Capital Adequacy Ratio is the ratio which determines the capacity of the bank in terms of meeting the losses arising from unexpected situations. Capital Adequacy Ratio also provides a qualitative indicator to a bank to measure its preparedness to meet fair banking risks such as credit risk, market risk, operational risk etc.

The Bank of Mauritius requires each bank to:

- Hold a minimum level of the regulatory capital of MUR 400 Mio.
- Maintain a ratio of total regulatory capital to risk weighted assets (CAR) at or above the internationally agreed minimum of 10%. The minimum Total CAR plus Capital Conservation Buffer (CCB) required to be maintained for the year 2024-25 is 12.50% percent.

The risk weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure with some adjustments to reflect the more contingent nature of potential losses.

The Capital Adequacy Ratio computed as per Basel III for FY 2024-25 stood at 24.85% and were well above the minimum capital adequacy ratio of 12.50% prescribed by the regulator. The details are given below:

USD Mio

Total on-balance sheet risk-weighted credit exposures	763.62
Total non-market–related off-balance sheet risk-weighted credit exposures	12.96
Total market-related off-balance sheet risk-weighted credit exposures	0.14
Risk weighted assets for operational risk	54.21
Aggregate net open foreign exchange position	1.38
Total Risk Weighted Assets (A)	832.31
Total Capital Base (B)	206.85
Capital Adequacy Ratio (B/A) (percent)	24.85%

The table below summarises the composition of Regulatory Capital and the Capital Adequacy Ratio of the Bank for the past three years.

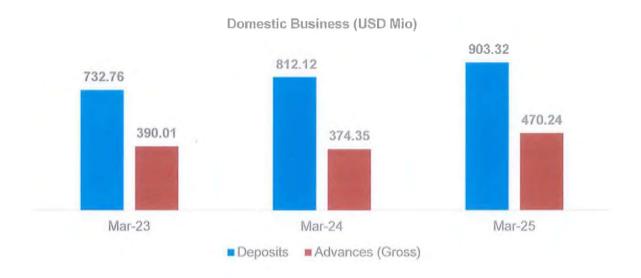
Financial Year	31-Mar-23	31-Mar-24	31-Mar-25
Tier 1	USD Mio	USD Mio	USD Mio
Share Capital	48.63	48.63	48.63
Share Premium	54.08	54.08	54.08
Statutory Reserve	30.62	34.72	38.94
General Reserve	0.60	0.60	0.94
Retained Earnings	38.43	48.51	57.54
Less (Deferred Tax)	(0.51)	(0.65)	(0.58)
Revaluation of Retired Benefits			
Obligations / AFS	(5.42)	(4.10)	(2.46)
Total	166.43	181.79	197.09
Tier 2			
Undisclosed Reserve	0.05	0.05	0.05
Portfolio Provisions	8.38	9.84	9.71
Total	8.43	9.89	9.76
Total Gross Capital (Tier 1 plus Tier 2)	174.86	191.68	206.85
CAPITAL ADEQUACY RATIO (%)	24.75	22.97	24.85

2.5 REVIEWS BY SEGMENT / BUSINESS LINE

2.5.1: Domestic Business - Residents

USD Mio	31-Mar-23	31-Mar-24	31-Mar-25
Deposits	732.76	812.12	903.32
Advances (Gross)	390.01	374.35	470.24

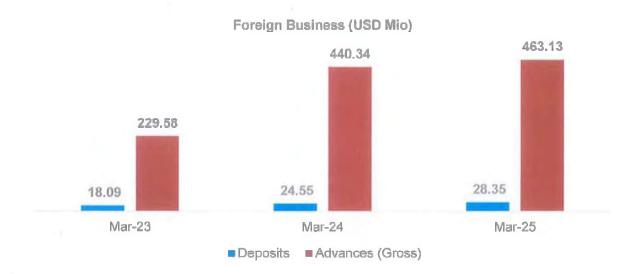
For the financial year under review, deposits in the domestic business (resident) segment have registered a remarkable growth of 11.23%, reaching to USD 903.32 Mio against USD 812.12 Mio in the prior financial year. Domestic business constitutes 97% of total deposits. Besides, the gross advances have expanded by USD 95.89 Mio to reach USD 470.24 Mio against USD 374.35 Mio in FY 2023-24. This latter represented a 25.61% growth on account of an expanding customer base, which includes Retail / SME customers.



2.5.2: Foreign Business - Non-Residents

USD Mio	31-Mar-23	31-Mar-24	31-Mar-25
Deposits	18.09	24.55	28.35
Advances (Gross)	229.58	440.34	463.13

Foreign business constitutes only 3% of total deposits while gross advances make up to nearly 50% of total loans and advances.



2.5.3: Treasury & Investments

USD Mio	31-Mar-23	31-Mar-24	31-Mar-25
Investments	263.57	277.20	207.24
Net Trading Income	2.54	2.86	3.68



The Bank's investments portfolio stood at USD 207.24 in FY 2024-25. Investments made/sold during the year under review were for the purpose of managing the mandatory requirement of

HQLAs as well as for the effective utilization of excess liquidity in the Bank. Though, the

investment portfolio contracted, net trading income increased from USD 2.86 Mio to USD 3.68

Mio – a growth of 28.67% – on account of higher volumes.

A sizeable portion of the Bank's investments are held in HQLAs to meet the requirements of LCR

which faces constant fluctuations depending on the LCR prerequisite and therefore the Bank

strive to manage it by making the best possible use of its resources.

2.5.4: HUMAN RESOURCES

SBIML is an Equal Opportunity Employer where all employees are treated fairly without

discrimination. It is the Bank where you can grow both on a personal and professional

level. Throughout their journey with the Bank, employees are empowered and coached with the

best exposure which subsequently helps us to have a well-trained workforce. Having a workforce

with all age generation and culture, we want to continue with our vision which is To Be a Bank of

Choice for Vibrant Mauritius.

Gender equality is also maintained within our Bank and since the last few years, we have seen

many female staff moving to top positions.

45% Male: 55% Female

33% Top positions

are held by women and we aim to

increase this in near future.

Employee Well Being

SBIML continuously aims to promote a healthy work life balance for its employees. This not only

nurtures a sense of motivation at work but also encourage staff members to have time for their

family as we believe this ultimately creates a positive impact in return.

Since 2023, we started yoga session for all employees on the premises of the Bank and for year

2024, same spirit was there among our staff members. This initiative was taken positively by our

staff members as it was gesture to show that physical and mental health of our employees is of

utmost importance.

157

In continuation to our first Bank Day, another show was organized to celebrate Bank Day this year bringing together all staff and their family members. It was a platform for employees and their families to showcase their talents. Employees showed a huge enthusiasm and expressed their satisfaction to this initiative started by the Bank.

On the occasion of women's day and Independence Day of Mauritius, a get together was organized for staff members allowing all employees to come together during office time.

Growth, Retention and Reward of our employees

As part of our up skilling of our employees, monthly trainings both in-house and external have been organized. We have successfully conducted training for all the employees in FY 2024-25. We also work in close collaboration with State Bank of India for online training and this interaction is viewed as a uniformity towards global knowledge.

Focus has been made during the year on leadership development. It was a way of facilitating, and purposefully influencing positive emotions that will ultimately encourage team members and employees to excel in their work. The Bank's yearly team building event was organized in September with the aim to foster a sense of unity among staff members, emphasizing the importance of a strong team and a family-like atmosphere. Such event is designed to strengthen bonds, improve communication, and boost morale within the workplace.

Like every year, four employees at SBIML have been given the opportunity to attend a one-week conclave at State Bank of India, Staff College, Hyderabad, India. It is a way to recognize the efforts of deserving staff member and allows them to meet officials across the world on one platform.

We also believe that encouraging job rotation among our employees allows them to acquire diverse knowledge of the banking industry. Each year we aim to develop all our employees having completed a certain year of service within a unit to shift to another section thus enabling more skills development. Our promotion exercise top up with that allows opportunity for staff members to grow quickly in their career. Today, we have a generation who wants to move ahead quickly in their career, and we believe that we have the necessary plans to allow this progression.